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## A study to analyse marketing cost, marketing margin and price spread of hybrid paddy seeds and the constraints and suggestions for paddy growers in study area

**Abhay Pratap Singh, Jayant Zechariah, Amit Kumar, Dr. Nitin Barker and Dr. Anupriya Paul**

### Abstract

The present study was under taken to study overview, marketing cost, margins and price spread, problems in different supply chains and preferences of farmers in MIRZAPUR OF UP. Combinations of purposive stratified and random sampling technique were used for market functionaries and farmer selection required for the purpose of study. The data for the present study pertained to Agricultural year 2021-2022. Secondary data was collected from secondary sources like marketing committee office APMC, Mirzapur, Centre for Monitoring Indian Economy (CMIE), India stat etc. The data on family composition, participation of family members in farming activities, input-output coefficients in the production of hybrid paddy, yields, marketing costs, and prices collected from farmers and value addition, market margin and marketing costs were collected from market functionaries using pre tested questionnaires of these purposes.

**Keywords:** Marketing cost, marketing margin and price spread constraints and suitable suggestions in adoption of hybrid paddy seeds

### Introduction

Rice is a universal crop and It is grown in all the continents except Antarctica, occupying 150 million ha, producing 573 million tons paddy with an average productivity of 3.83 tons/ha. Its cultivation is of immense importance to food security of Asia, where more than 90% of the global rice is produced and consumed. The cultivation of Rice goes as far back as 1500 -800 BC and finds mention in the Yajur Veda. According to historians, rice had been in cultivation in the foothills of the Eastern Himalayas in Northern India, through Burma, India is world's leading producer of white rice, accounting for 20% of overall production. Rice is India's prominent crop, and staple food for the native population of eastern and southern part of the country. The country has biggest area of fertile land under rice cultivation. Moreover, this country has the largest area under rice cultivation. As it is one of the principal food crops. It is, in fact, the dominant crop of the country. India is one of the leading producers of this crop. Rice is the basic food crop and being a tropical plant, it flourishes comfortably in a hot and humid climate. Rice is mainly grown in rain-fed areas that receive heavy annual rainfall. That is why it is fundamentally a kharif crop in India. It demands a temperature of around 25 degrees Celsius and above, and rainfall of more than 100 cm. Rice is also grown through irrigation in those areas that receive comparatively less rainfall. Rice is the staple food of eastern and southern parts of India.

### Materials and Method

#### Selection of District

There are 78 districts in Uttar Pradesh. Out of these Mirzapur district of Uttar Pradesh will be selected purposively as it was assigned by sponsored organization for the study.

#### Selection Blocks

Out of 12 Blocks under Mirzapur district, the Halia block from Ialgaon tehsil were selected purposively.

**Selection of village**

Section of the village is the third stage of the sampling. A complete list of the village of selected block was 1327. There 5 Percentage villages were selected randomly.

**Analytical tool**

Taking into consideration and convenience and survey method will be used for the collection of data selected farmers will be personally interviewed and necessary information will be collected. Tabular method and some analytical tools will be adopted for the analysis of data.

**Cost of marketing:**

The total cost incurred on marketing by various intermediaries involved in the sale and purchase of the commodity till it reaches the ultimate consumer was computed as follow.

$$C=Cf+Cm1+Cm2+Cm3 +.....+Cmn$$

Were.

C= Total cost of marketing

Cf= Cost borne by the producer farmer from the produce leaves the farm till the sale of the produce, and

Cmn= Cost incurred by the middlemen in the process of buying and selling

**Percentage**

Percentage word which is a combination of a word "per cent" that means for every hundred. The number, which is in a fraction form whose denominator is "100", is called as a percentage.

$$\text{Percentage \%} = \frac{\text{Actual Value}}{\text{Total Value}} * 100$$

**Pie chart/ Pie Diagram**

Pie diagram is a circular diagram. It may be used in place of bar diagrams. It consists of one or more circles which are divided into a number of sectors. In the t construction of pie diagram, the following formulas are involved.

$$\text{Angle} = \frac{\text{Actual Value}}{\text{Total of the actual value}} * 360^\circ$$

**Marketing Margin:** The term marketing margin refers to the different in places for a commodity at different stages of the marketing system. In the widest sense marketing margin is the difference in price received by the producer and the price paid by ultimate consumer. Marketing margin include all costs of assembling processing storage transportation, handling, wholesaling and retailing in the process of marketing moving of produce from the farmer to the ultimate consumer.

$$\text{Marketing Margin} = \text{Retail or Selling price} - \text{Actual cost}$$

**Price Spread:** The price spread is workout by computing the difference between the market price and the net price received by the producers. This difference represents the gross marketing margin.

$$\text{GMM} = Pc - Pfb$$

Were,

GMM = Gross Marketing Margin

Pc = Price Paid by consumer

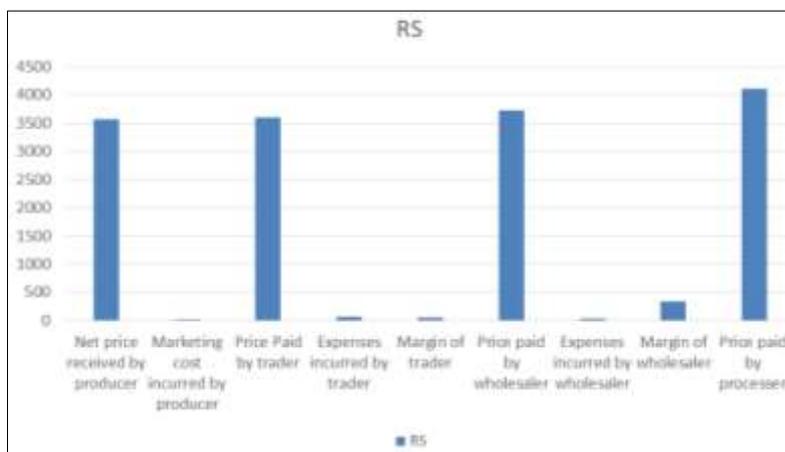
Pfb Price received by producer

**Result and Discussion**

To Analyse Marketing cost, Marketing margin and Price spread of hybrid Paddy seeds. The below Table shows the total Marketing cost 140rs, total Marketing Margin 392rs and Price spread 530rs of hybrid paddy seeds in hybrid seeds marketing.

**Table 1:** To Analyse Marketing cost, Marketing margin and Price spread of hybrid Paddy seeds. The below Table shows the total Marketing cost 140 Rs, total Marketing Margin 392 Rs and Price spread 530 Rs of hybrid paddy seeds in hybrid seeds

S. No	Particular	Rs.	Percentage
1	Net price received by producer	3570	76.98
2	Marketing cost incurred by producer	24	0.51
3	Price Paid by trader	3594	77.50
4	Expenses incurred by trader	72	1.55
5	Margin of trader	56	1.20
6	Price paid by wholesaler	3722	81.34
7	Expenses incurred by wholesaler	45	0.97
8	Margin of wholesaler	336	7.24
9	Price paid by processor	4103	88.48
10	Total marketing cost	141	3.04
11	Total marketing margin	392	8.47
12	Consumer price	4637	100



**Fig 1:** Analyze Marketing cost, Marketing margin and Price spread of hybrid Paddy seeds marketing

### Constraints in Adoption of Hybrid Paddy

Table shows constraints reported by selected farmers for adoption of hybrid seeds of paddy in the study area. Major constraint reported by the sample farmers was cultivation problem (25%), followed by Knowledge Barrier about improved seeds (15%), lack of awareness (12%), motivation (10%) climatic problem (9%), disease / pest attack (8%). high price of seed (11%) and quality of seed (10%). Thus, these constraints should be minimizing to augment adoption of production technology and productivity per unit of cropped area.

**Table 2:** Constraints in Adoption of Hybrid Paddy

S. No	Constraints	Farmers Response	Percent
1	Cultivation Problem	50	25
2	Knowledge Barrier	30	15
3	Awareness	24	12
4	Motivation	20	10
5	Climatic Problems	18	9
6	Disease/pest attack	16	8
7	High price of seed	22	11
8	Quality of seed	20	10
	Total	200	100

### Suggestions for adoption of hybrid paddy

- Incentive to the field staff: - the field staff has less salary so if company provides incentive in form of commotions on FBS coupon so they will do work more effective
- High price of the product: - As the variety is new people are not aware they don't have knowledge of its benefit so they are not ready to pay more money for a new variety .so initially its price should be reduced.
- Initially we should provide some extra facilities like fertilizer with each bag of seed. This will attract the farmers.
- Some big farmers or big people of the local area should support our product because common people are more influenced by experienced people than the company manager.
- Incentive to dealer and distributor: dealers and distributors margin is less as compared to other companies so their margin should be increased
- Number of field employees at field level should be increased by the company to cover more area.
- More demonstrations needed this method properly conveys our message to the farmers and this should be done authentically

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