The Pharma Innovation Journal 2022; SP-11(5): 1181-1185

www.ThePharmaJournal.com

The Pharma Innovation

**ISSN (E): 2277-7695**
**ISSN (P): 2349-8242**
**NAAS Rating: 5.23**
TPI 2022; SP-11(5): 1181-1185

www.thepharmajournal.com
Received: 19-03-2022
Accepted: 24-04-2022

**Kanthika Bhuyan**
Student MBA (Agri – Business), Department of Agricultural Economics, SHAUTS, Naini, Prayagraj, Uttar Pradesh, India

**Dr. Victoria A Masih**
Associate Professor, Agricultural Economics, SHAUTS, Naini, Prayagraj, Uttar Pradesh, India

**Corresponding Author**
**Kanthika Bhuyan**
Student MBA (Agri – Business), Department of Agricultural Economics, SHAUTS, Naini, Prayagraj, Uttar Pradesh, India

# A study on marketing aspects and constraints involved in the marketing of paddy in Kamrup district of Assam

**Kanthika Bhuyan and Dr. Victoria A Masih**

**Abstract**
The study entitled "A study on marketing aspects and constraints involved in the marketing of paddy in Kamrup district of Assam." was conducted in the Agricultural year 2021-22 in the Kamrup district of Assam. An extended survey was conducted to access the various marketing charges and cost incurred in different marketing channels of paddy and constrains associated with marketing of paddy. For selection of district, block, villages and respondents multi stage sampling technique was employed to know about the various marketing charges incurred during marketing of paddy. Two major channels were identified in distribution of paddy from producers to consumers. In channel I there is only one level of market intermediaries involved that is the distributors and in Channel II there is involvement of two market intermediaries namely the distributors and the retailers. The marketing margin, producer's share in consumer rupees and middlemen share in both the channels were assessed and found out that channel I is more efficient than channel II as the producer's share in consumer rupees was more in Channel I as compared to channel II. The major constrains in marketing of paddy was identified as High cost of transportation, Lack of suitable market, Lack of Storage facilities, Buyer's monopoly etc.

**Keywords:** Marketing, marketing channels, constrains, producer's share in consumer rupees

## 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 tonnes/ 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, Thailand, Laos, Vietnam and Southern China. Rice is the main staple food of more than half the world as well as of India. 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.

Rice occupies 11 percent of world agricultural land. Asia dominates the world in rice production as it accounts for about 90 percent of world's rice area and 92 percent of production. Asia being the most populated region of the world the major proportion of rice produced is consumed within the continent. The quantity exported by all the countries including USA, which is one of the four major exporting countries, accounts for only 4 percent of the quantity produced. Interestingly Asian countries also account for major proportion of the rice imports, as about half of the imports find its way to Asian countries. The productivity of rice in India is higher than Thailand, Pakistan, Bangladesh, Nepal and Brazil but much below than the productivity in Japan, China, Korea, U.S.A. and Indonesia. The rice productivity in India during 1999 - 2000 was 1986 Kg/ha., which is below the world average productivity of 2551 Kg/Ha. During the same year as compared to the average rice yield in China, Japan, Korea and Egypt of 6.35 tones/ha, 5.80 tones/ha, 6.00 tones/ha and 5.60 tones/ha respectively, it is only 2.09 tones/ha in India (2000-02).The United States Department of Agriculture (USDA) estimates that the World Rice Production 2016/2017 will be 480.13 million metric tons, around 0.12 million tons more than the previous month's projection. Rice Production last year was 472.04 million tons. This year's 480.13 estimated million tons could represent an increase of 8.09 million tons or a 1.71% in rice production around the globe.

Paddy area (25.45 lakh ha) occupies more than 90% of the net cropped area (28.11 lakh ha) and 61.18% of the gross cropped area (41.60 lakh ha) during 2011–12 in Assam. Rice

production of Assam increased from 4.73 million tonnes in 2017 to 5.1 million tonnes in 2020 growing at an average annual rate of 2.73%. Being the single major source of agricultural GDP, rice plays a significant role in the state economy. The concept of marketing covers all the activities in how the product, from the point of production to the point of purchase by the consumer. In this process, a number of persons and organization are involved and perform different functions like assembling, financing, grading and standardization, transporting, packing and sorting, processing and distribution. India more than half of the production of paddy comes to the market as the surplus.

**Research Methodology**

The investigation was undertaken to study the marketing cost, middlemen margin, producer's share in consumer rupees in different channels of marketing of paddy. Kamrup district is an administrative district in the state of Assam. From the district Kamrup, one block Rangia block was selected purposively on the basis of highest area under Paddy crop. Six villages were selected from Rangia block, randomly. A pooled list of all Paddy growers was prepared from all selected villages. Multi stage sampling technique was employed for selection of district, block, villages, and respondents. The Paddy is the major crop in this district. Paddy is cultivated on a commercial scale due to suitable agro-climatic conditions prevailing in the study upon Kamrup district was selected purposively for the study.

**Selection of Block**

A complete list of 14 blocks was obtained and out of that Rangia block was selected purposively based highest production of paddy in that block.

**Selection of Villages**

A complete list of the villages of selected block was obtained from the block development office of the concerned block. There 5 % villages were selected randomly out of 84 villages. Six villages were selected from Rangia block, randomly. A pooled list of all Paddy growers was prepared for all selected villages.

**Selection of Respondents**

A village wise list of all the respondent having paddy farm in the sample village was prepared along with the size of their operational holding. Further these respondents were stratified on the basis of their land holding size. A complete list of all 5% farmers was selected randomly.

**Classification of the farmers based upon land holdings**

Then the farmers were classified into

| | |
|---|---|
| Marginal | Less than 1 hectare |
| Small | 1-2 hectare |
| Semi medium | 2-4 hectare |
| Medium | 4-10 hectare |
| Large | More than 10 hectares |

**Selection of Market and Market Functionaries**

For data on various cost and marketing charges Rangia APMC market was selected purposively on the basis that it is one of the prominent hub from which paddy is dispatched to various places of the selected district and to other parts of the state.

**Source of Data collection**

For collection of Primary data well structured interview schedules were prepared for collection of data from the respondents as well as from the market functionaries. For secondary data, the data were obtained from various Block offices, market head offices, journals, books and magazines etc.

**Analytical Tools and Techniques**

**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.

Marketing Margin = Retail or Selling price- Actual cost

**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 + Cml + Cm2 + Cm3 + ..... + Cmn

Where, C= Total cost of marketing

Cf= Cost borne by the producer farmer from the produce leaves the farm till the sale of the produce, Cmn= Cost incurred by the middlemen in the process of buying and selling.

- 
- **Marketing efficiency**

Marketing efficiency is the degree of market performance. It is the ratio of market output to market input Conventional Method Index of marketing efficiency

(E) = O/I * 100

Where, O = value added by the marketing system I= cost of market intermediaries

**Percentage formula**

The percentage formula is used to find the share of a whole in terms of 100. Using this formula, you can represent a number as a fraction of 100.

Percentage = (Value/Total Value) × 100

% increase = [(New number – Original number)/Original number] x 100

**Garett Ranking Technique**

This technique was used to evaluate the problems faced by the researchers. The orders of merit given by the respondents were converted in to rank by suing the formula:

$$\text{Per cent Position} = \frac{100 * (R_{ij} - 0.50)}{N_j}$$

Where,

Rij is the rank given to ith item by the jth individual, Nj is the

number of items ranked by the jth individual.

**Result and Discussion**

Two major marketing channels were identified in the study area and the results were obtained for the identified marketing channels for VNR seeds and Ranjit Sub-1

**Channel I:** Producers - Distributors - Consumers

**Channel II:** Producers - Distributors - Retailers - Consumers

**Table 1:** Total marketing costs includes marketing cost and profit margin of intermediaries of VNR seeds

| S. No. | Particulars | Rs./Kg | |
|---|---|---|---|
| | | Channel I | Channel II |
| 1. | Consumer's price | 431.9 | 441.5 |
| 2. | Total marketing cost (price spread) | 41.8 | 181.75 |
| 3. | Marketing efficiency | 1.17 | 1.69 |
| 4. | % Producer share in consumer rupee | 90.55 | 58.89 |
| 5. | Total margin | 20.2 | 20.35 |

It is observed from this efficiency index that channel I was the most efficient one. This is because channel I involves only few intermediaries and hence, it is the most efficient among the two identified channels.

**Table 2:** Total marketing costs includes marketing cost and profit margin of intermediaries for Syngenta NK-5017

| S. No. | Particulars | Rs./Kg | |
|---|---|---|---|
| | | Channel I | Channel II |
| 1. | Consumer's price | 392.20 | 441.1 |
| 2. | Total marketing cost (price spread) | 38.5 | 189.48 |
| 3. | Marketing efficiency | 1.25 | 1.76 |
| 4. | % Producer share in consumer rupee | 90.30 | 55.83 |
| 5. | Total margin | 20.80 | 21.25 |

It is observed from this efficiency index that channel I was the most efficient one. This is because channel I involves only few intermediaries and hence, it is the most efficient among the two identified channels.

**Table 3:** Market share of the major companies in the study area

| S. No. | Company | No of respondent | Percentage |
|---|---|---|---|
| 1 | VNR | 50 | 33.33 |
| 2 | SYNGENTA | 40 | 26.66 |
| 3 | SAKATA SEEDS | 35 | 23.33 |
| 4 | OTHER | 25 | 16.66 |

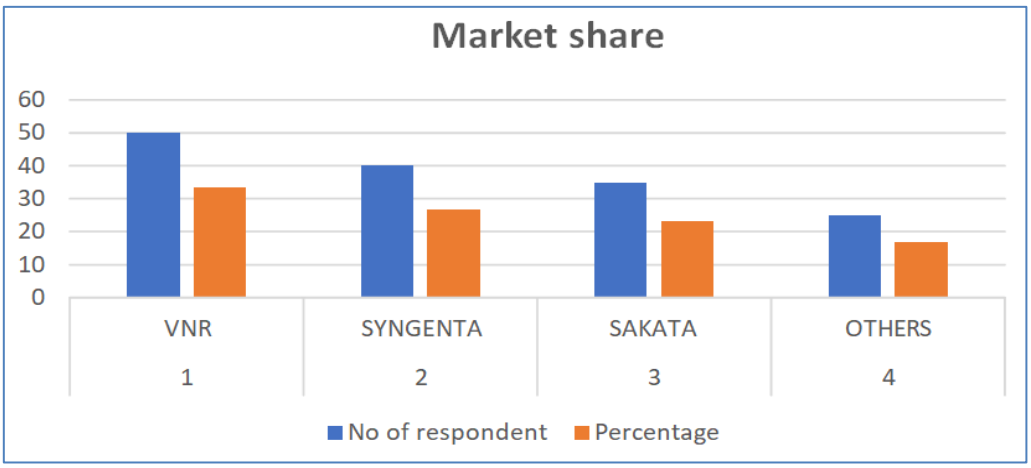


**Fig 1:** Market share of hybrid paddy of different brands in Rangia block

**Table 4:** Market margin, market share and Market efficiency

| S. No. | Particulars | VNR 2355 Plus /5kg | Syngenta NK-5017 /5kg |
|---|---|---|---|
| 1 | **Producer** | | |
| | Gross price received | 2025 | 2050 |
| | Marketing costs | 163 | 157 |
| | Percent share of costs (%) | 20 | 21 |
| | Net price received | 1842 | 1872 |
| 2 | **Trader** | | |
| | Marketing costs | 134.37 | — |
| | Percent share of costs | 16.43 | — |
| | Margin | 445.76 | — |
| | Percent share of margins | 25.37 | — |
| 3 | **Processor** | | |
| | Purchase price | 1975 | 1995 |
| | Marketing costs | 144 | 189 |
| | Processing costs | 270 | 290 |
| | Percent share of costs | 51 | 65 |
| | Margin | 480 | 450 |
| | Percent share of margins | 27 | 40 |
| | Selling price | 2947 | 3029 |
| 4 | **Wholesaler** | | |
| | Purchase price | 1975 | 1995 |
| | Marketing costs | 48.62 | 42.82 |
| | Percent share of costs | 5.94 | 5.79 |
| | Margin | 450.58 | 365.64 |
| | Percent share of margins | 25.64 | 32.16 |
| | Selling price | 2505.78 | 2441.41 |
| 5 | **Retailer** | | |
| | Purchase price | 2010 | 2025 |
| | Marketing costs | 56.45 | 59.42 |
| | Percent share of costs | 6.9 | 8.04 |
| | Margin | 380.45 | 320.91 |
| | Percent share of margins | 21.65 | 28.22 |
| 6 | Consumer Purchase price | 2475.45 | 2441.59 |
| 7 | Total cost incurred | 817.34 | 738.69 |
| | Percent share in consumer's price | 13.26 | 13.89 |
| 8 | Total profit margin | 1756.93 | 1136.9 |
| | Percent share in consumer's price | 28.51 | 21.38 |
| 9 | Producer share in consumer price | 60.86 | 67.7 |
| | Marketing efficiency by Conventional method | 9.47 | 9.23 |

## Constraints Involved in the Marketing of Paddy

**Table 5:** Constraints Involved in the Marketing of Paddy

| S. No. | Constraints | Mean frequency | Rank |
|---|---|---|---|
| 1 | Lack of suitable market | 59.3 | II |
| 2 | Buyer's monopoly | 58.62 | IV |
| 3 | High cost of transportation | 66.1 | I |
| 4 | Lack of transportation facilities | 58.37 | V |
| 5 | Lack of price information | 53.72 | VI |
| 6 | Lack of marketing agency | 48.85 | VII |
| 7 | Lack of co-operative marketing society | 38.72 | VIII |
| 8 | Storage facilities | 59.06 | III |
| 9 | Lack of grading produce | 24.66 | X |
| 10 | Lack of packaging material | 33.97 | IX |

Table 5 reveals about the constraints involved in marketing of Paddy in which High cost of transportation ranks I, Lack of suitable market ranks II, Storage facilities ranks III, Buyer's monopoly ranks IV, Lack of transportation facilities ranks V, Lack of price information ranks VI, Lack of marketing agency ranks VII, Lack of co-operative marketing society ranks VIII, Lack of packaging material ranks IX and Lack of grading produce ranks X.

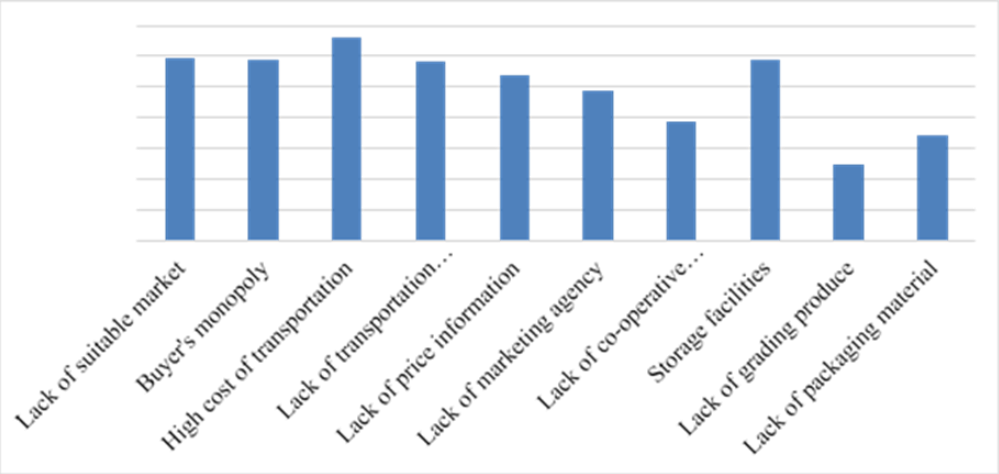


**Fig 2:** Constrains in marketing of paddy

## Conclusion

The study pertains to the study of marketing aspects and constrains involved in the marketing of paddy in Kamrup district of Assam.. The result shows that the most efficient Channel for distribution of paddy is channel I where the involvement of middlemen is less as compared to Channel II. The market share of VNR seeds was highest in the study area which is 33.33% as compared to other companies. The producer's share in consumer rupees is also high for channel I as compared to channel II. The results shows that there are various constrains in marketing of paddy in the study area of which high cost of transportation, lack of suitable market, lack of suitable storage facilities, buyer's monopoly were some of the major constrains as identified during the study.

## Competing Interest

Authors have declared that there is no competing interest exist

## Referances

1. Nandi AK, Das B, Sable M. Production and marketing strategy of seeds for developing countries. Journal of Crop and Weed. 2013;9(1):32-35
2. Neha Lakra *et al*. Economic Analysis of Production, Marketing and Constraints of Paddy in Dantewada District of Chhattisgarh, India. International Journal of Current Microbiology and Applied Sciences. 2015;4(2017):108-115.
3. Parashuramkar *et al*. Economics of marketing of paddy in Gondia district of Maharastra. International Res. Journal of Agricultural Economics & Statistic. 2014;5(2):160-165.
4. Pushpa, Srivastava SK. Marketing Efficiency and Marketing Channels for Paddy Crop in the Eastern Region of Uttar Pradesh. Economic Affairs. 2017;62(2):289-296.
5. Shelke RD *et al*. Price Spread of Paddy in Chandrapur District of Maharashtra, International Journal of Current Microbiology and Applied Sciences. 2019;8(05):1850-1856.