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MARKETING SYSTEM OF POTATO: A CASE STUDY



Bhaskar G.L¹ and H.H.Gadawale²

¹Research Scholar ,

²Professor respectively, Dept. of Economics, Karnatak University, Dharwad.

ABSTRACT:

Potato is also important food in India. India is also one of the Potato producing country in the world. Climatic conditions are also very suitable for potato production in India. Potato production and marketing is a very important source of income for the farmers as well as traders.

KEYWORDS: Marketing System , Potato production , Climatic conditions .

INTRODUCTION:

Potato is an important Component of Indian diet in the Predominantly Vegetarian society. Besides being rich Source of protein they are also important for sustainable agriculture enriching the Soil through biological nitrogen fixation. Potato is relished by all sections of people in India irrespective of

their religion, caste. Potato provides proteins to vegetarians. An average Indian meal consists of cereals, Potato and vegetables. Nearly 75 percent of total protein in Indians diet comes from vegetarian sources.

METHODOLOGY:

Based on proportionate random sampling procedure, 200 farmers have been selected for the present study. All farmers are categorised as small, medium and large farmers. All taluks were selected from Hasana district.

OBJECTIVES:

- ✦ To study about the marketing cost of Potato
- ✦ To know the problems in the marketing of Potato
- ✦ To study the overcome the problems in the marketing of Potato

Present paper has been divided in to six sections. Apart from introduction section second deals with the structure of marketing of Potato, section third reveals that marketing cost of Potato, section four discusses the problems in the marketing of Potato, section five studies about different opinions to overcome the problems of marketing of Potato and last section concluding remarks.

Marketing is important and final stage of every production function. Agriculture development is depending upon its marketing facilities. Good marketing condition helps to overall economic development of farmers. Here, after the cultivation of Potato to get remunerative price for Potato, farmers have to sell the Potato in the market. In the process of marketing of Potato the farmer has to incur various costs. Such costs are comes under the scope of marketing costs. Marketing cost of Potato incurred by producer in the study area has been presented in following table.

Following table indicates that 35.10 per cent of marketing cost is commission and market fee for overall farmers. The next major cost of marketing is transportation with 30.81 per cent followed by packing materials 18.85 per cent for overall farmers. The other cost items in marketing of Potato are not so important. The same trend can be observed with respect to different categories of farmers. A commission & market fee has the major share in the marketing cost, followed by transport cost and packing materials.

The transport cost for medium farmers is 31.87 per cent whereas transport cost for small farmers is 31.66 per cent and 27.98 percent of large farmers. But for the cost of packing material a different trend can be observed and the variation between small and other categories of farmer is also higher. The reason for this is the operation of economies of large scale. Farmers category-wise marketing cost can be observed from the following table

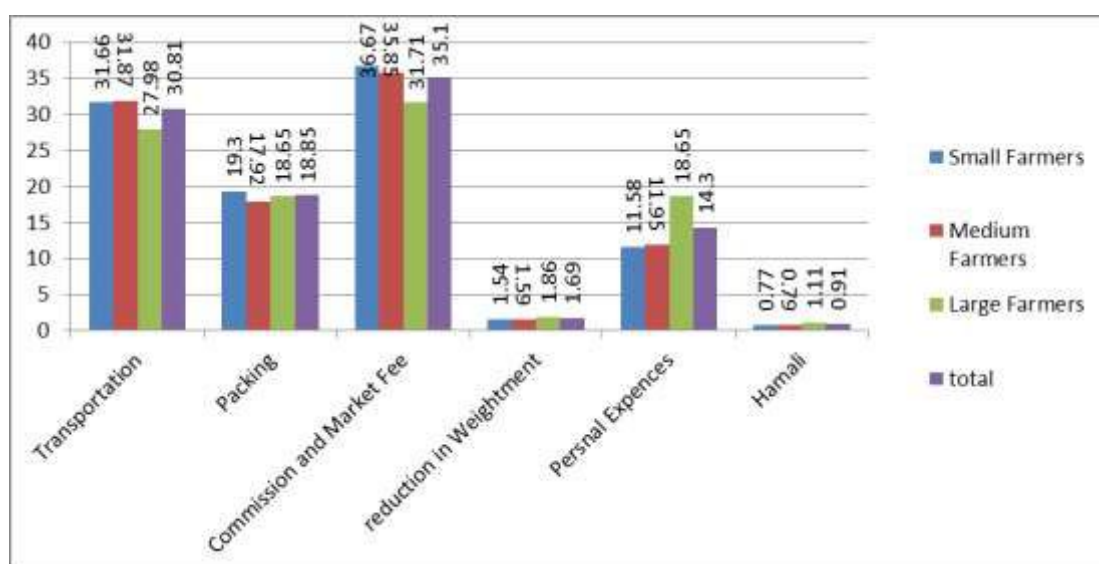
Table-1
Marketing Cost of Potato Incurred by the Producer Area (2013-14)
(Rs. /Quintal)

Sl. No	Particulars	Small Farmers	Medium Farmers	Large Farmers	Overall Farmers
1	Transport cost	82 (31.66)	80 (31.87)	75 (27.98)	79 (30.81)
2	Packing Materials	50 (19.30)	45 (17.92)	50 (18.65)	48.34 (18.85)
3	Commission and Market fee	95 (36.67)	90 (35.85)	85 (31.71)	90 (35.10)
4	Reduction in Weighment	4 (1.54)	4 (1.59)	5 (1.86)	4.34 (1.69)
5	Personal Expenses	30 (11.58)	30 (11.95)	50 (18.65)	36.67 (14.30)
6	Hamali	2 (0.77)	2 (0.79)	3 (1.11)	2.34 (0.91)
	Total	259 (100)	251 (100)	268 (100)	259.33 (100)

Source Field Survey

Note Figures in parenthesis are percentages to total.

Figure: 1
Marketing Cost of Potato



PLACE OF SALE OF POTATO IN THE SAMPLE VILLAGES

The price received by the producer seller for any agriculture produce depends on the place of sale or market, where, he sells or disposes his produce. It is a well-known fact that when the farmers sell

their produce in their own villages to local people such as local agents, big farmers, money lenders, etc., they receive lower price. But, when they sell their produce in competitive markets like APMC they will get higher price or competitive price. In the present study also the similar picture can be observed.

The price received by the Potato farmers depends where they sell the product. For total farmers 38.5 percent farmers sold their product in APMC followed by 33 percent farmers sell their product to local traders, 19 percent and only 9.5 percent farmer's sell for retailer and consumer respectively. Observing the above table 36 per cent of the small farmers sold Potato to local traders. However, for medium and large farmer these figures were 35.38 and 26.66 per cent respectively. Majority of the large farmers (48.33) and medium farmers (41.53) sold their product in regulated markets only. Due to lack of marketing facilities, lack of marketing information and financial problems majority of the farmers sell their product to local agents and money lenders. From the above analysis it can be concluded that this is the major reason for the small farmers getting lower price for their product.

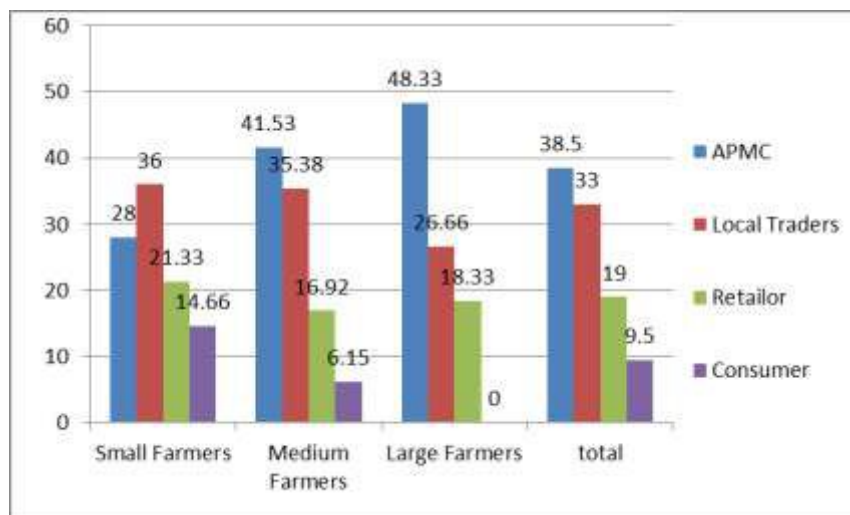
Table-2
Place of Sale of Potato in the Sample Farmers 2013-14

Sl. No	Particulars	Small Farmers	Medium Farmers	Large Farmers	Total Farmers
1	APMC	21 (28)	27 (41.53)	29 (48.33)	77 (38.5)
2	Local Traders	27 (36)	23 (35.38)	16 (26.66)	66 (33)
3	Retailer	16 (21.33)	11 (16.92)	11 (18.33)	38 (19)
4	Consumer	11 (14.66)	04 (6.15)	04 (6.66)	19 (9.5)
	Total	75 (100)	65 (100)	60 (100)	200 (100)

Source Field Survey

Note: Figures in parenthesis are percentages to total.

Figure: 2
Place of Sale of Potato



PROBLEMS FACED BY THE SAMPLE FARMERS IN THE MARKETING OF POTATO

The marketing problems of sample farmers in the study area have been presented in the following table. Lack of market information and lack of market information is the major problem faced by the Potato growing farmers in the study area. For over all farmers second problem is High weight reduction (67 percent). But the rate of perception of the problem for different categories is slightly different. Since, the opinion can be observed with regard to problem of high transport cost also. As the size of the holding decreases the percentage of farmer facing the problem of transport also increased.

Costly labour and price fluctuations charges are the major problems faced by the farmers with 51.5 respectively, high weight deduction and 46.5 percent of the farmer reporting it, followed by high marketing charges 44.5 percent but the corresponding figures for small medium and large farmers is, at 46.66, 44.61 and 41.66 per cent farmers. Following table provides the details.

Table-3
Problems Faced by the Sample Farmers in the Marketing of Potato (2013-14)

Sl. No.	Particulars	Small Farmers	Medium Farmers	Large Farmers	Total Farmers
1	High Marketing Charges	35 (46.66)	29 (44.61)	25 (41.66)	89 (44.5)
2	High Transport Cost	37 (49.33)	21 (32.30)	16 (26.66)	74 (37)
3	High Cost of Packing Material	31 (41.33)	26 (40)	27 (45)	84 (42)
4	Price fluctuations	35 (46.66)	34 (52.30)	34 (56.66)	103 (51.5)
5	High Weight Deduction	35 (46.66)	37 (56.92)	21 (35)	93 (46.5)
6	High Commission Chares	34 (45.33)	34 (52.30)	16 (26.66)	84 (42)
7	Costly Labour	29 (38.66)	42 (64.61)	32 (53.33)	103 (51.5)
8	Distance	21 (28)	19 (29.23)	21 (35)	61 (30.5)

Source Field Survey

Note Figures in parenthesis are percentages to total

Table-4

Different Opinions of Sample Farmers to Overcome the Marketing Problems of Potato (2013-14)

Particulars	Small Farmers	Medium Farmers	Large Farmers	Total Farmers
Providing Better Price at the Time of Harvest	16 (21.33)	13 (20)	14 (23.33)	43 (21.5)
Purchase of Potato by the local Market with MSP	21 (28)	33 (50.76)	15 (25)	69 (34.5)
Protection from Middleman	27 (36)	16 (24.61)	27 (45)	70 (35)
Better Physical Facilities at Market	29 (38.66)	31 (47.69)	32 (53.33)	92 (46)
Others	17 (22.66)	12 (18.46)	13 (21.66)	42 (21)

Source Field Survey

Note: Figures in parenthesis are percentages to total

Lot of problems are raise in the marketing of Potato. Therefore different farmers have expressed different types of opinions to overcome from the problems regarding marketing of Potato. Majority of the farmers (46 percent) have reported that better physical facilities at market places, followed by 35 percent of farmers expressed that protection from middleman is needed. 34.5 percent farmers opined that purchase of potato by the local market with MSP, 21 percent of farmers have opined that providing better price at the time of harvest.

CONCLUSION

Due to shift of labour from primary sector to secondary sector and territory sector, agriculture sector is suffering the labour problem. In the total cost of cultivation of agriculture, labour cost is major cost item which reveals that the labour have more demand in the sample villages. The opinion of sample farmer in the study villages revealed that labour, pest diseases, lack of knowledge about pest and diseases, high cost of fertilizers, pesticides are major problem. During the discussion with villagers it was found that due to non-availability of continuous work at rural area, people goes to migration in search of work outside of the villages. As a result, problem arises shortage agricultural labourers in the peak agricultural season. The wage rate in non-agricultural sector is also higher than wages of agricultural sector. Low level of education is one of the major defect of the farmers and lack of proper mechanism to train the farmers regarding identify and control the pests and diseases. It leads to the problems of pests and diseases. Use of high priced inputs like fertilizers, plant protection chemicals in more quantity many times higher than recommended doses is one of the major reasons for high cost of fertilizers and pesticides. On the marketing front lack of marketing information and high cost of

transportation are major problems faced by the sample farmers. Here also the low level of education of the farmers and lack of proper communication facilities at the rural areas are major reasons for problems of marketing of Potato.

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Bhaskar G.L
Research Scholar