



# ECONOMICS OF MARKETING OF MANGO IN DISTRICT LUCKNOW, U.P., INDIA

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## Abstract

The present study was undertaken to know the growth trend, cost and returns, producer's share in consumer's rupee and problem in marketing of mango, entitled "Economics of marketing of mango in district Lucknow, (U.P.), India". The study has been undertaken in district Lucknow, Uttar Pradesh. Data pertained for the year 2015-16. The present study attempts to examine the marketing aspects of mango in the study area. examine the marketing aspects of mango in the study area. It included marketing functionaries/agencies, marketing channels, marketing costs and margins and producer's share in the consumers price in mango marketing. The maximum producer's share in consumer's rupee was calculated in channel III i.e. 78.71%. The price spread was in the range from 21.29% to 23.27%.

**Key words :** Marketing channels, marketing cost, marketing margin, price spread, producer's share in consumer's rupee.

## Introduction

In India, Uttar Pradesh is the leading state in mango production having 250.73 ('000 ha) area under mango cultivation and 4347.50 ('000 Tons) production ranked third (after Maharashtra having 485000 ha ranked first and Andhra Pradesh having 304110 ha ranked second), having the productivity 17.33 Tons/ha, 11 per cent of total area and 26.54 per cent of total production of mango. According to 2014-15 data Saharanpur district occupies highest area (28143 ha) under mango cultivation followed by Lucknow district (28067ha), Unnao (16183 ha) and Sitapur (15129 ha). The highest production of mango is reported from Lucknow district being 12.96 per cent followed by Saharanpur 12.74 per cent, Unnao 7.8 per cent, Bulandsahar 5.7 per cent, Jyoti-ba-phule Nagar 4.3 per cent, Sitapur 4.1 per cent, Faizabad 3.3 per cent, Sultanpur 3.1 per cent of the total mango's production in the state of Uttar Pradesh.

In Uttar Pradesh, Lucknow division is main mango growing belt producing 28 per cent of total production of Uttar Pradesh. According to the data available from 2010 to 2015 Lucknow shows an increasing trend in production of mango as 488000 Tons in 2010 and 563777 Tons in 2015. So considering the importance of mango crop in

Lucknow district, U.P., it is worthwhile to workout the economics of production and marketing in order to suggest measures to maximize the returns of mango growers in the study area.

Malihabad block of district Lucknow has an international fame in mango production and export also known as "land of Dashari". Dashari is the main variety of mango grown in Malihabad and some other important mango varieties of mango are Langra, Chausa, Lucknow safeda, Mallika and Amrapali etc. In the sphere of its marketing the present study would provide solution to increase the producer's share in consumer's price in the marketing of mango. Mango continues to dominate fresh fruit basket contributing to 32 per cent of total export followed by citrus (24%) and apple (14%). The Indian mangoes exported in Dubai (UAE), Kualalampur (Malaysia), Kuwait, Qatar and US etc. The research work was done considering following two objectives.

- To workout the marketing cost and price spread under different marketing channels in marketing.
- Constraints in mango marketing.

## Methodology

1. **Sampling technique :** A two stage random

sampling technique was adopted to select the block, villages, mango orchardist, market and market functionaries etc. The district Lucknow was selected purposively. The sampling technique was subdivided into following stages:

- a. Selection of Block
- b. Selection of villages
- c. Selection of the farmers
- d. Selection of market & market functionaries

**(a) Selection of block :** Malihabad block of district Lucknow is dominated in mango cultivation. So that Malihabad block was selected purposively because of its good will in mango Production and having highest area under mango orchards (Dashehari).

**(b) Selection of villages :** A list of all the villages of Malihabad block, having mango orchards, was prepared. From this list, five villages, namely Baheliya, Kasmandi Kalan, Mehmoodnagar, Munjhainsa and Meethenagar were selected randomly.

**(c) Selection of Mango Orchardists/Farmers :** A list of all the mango orchardists of the selected villages having orchards of different plantation period (irrespective of their size groups) was prepared. The mango orchards were grouped into 5 categories according to their age of plantation. These were 0-4 years (establishment age), 5 to 10 years, 11 to 15 years, 16 to 20 years and 21 years & above age group (Fruiting period). From this list, 35 mango growers/orchards were selected randomly on the basis of their proportion falling under each group of classified orchards.

**(d) Selection of Market & Market functionaries:** In order to study the marketing of mango, two markets, one whole sale market 'Dubagga' near Malihabad of district Lucknow and another market at district Kanpur 'Kanpur Mandi' were selected purposively, because of higher mango arrivals. All the functionaries involved in its marketing were studied.

## 2. Method of enquiry and collection of data

The enquiry was conducted by survey method. The primary data were collected by personal interview with the selected mango growers on schedules prepared in advance. During the course of investigation, several visits were made from time to time to collect the information, keeping in view the convenience of the respondents. Every possible care was taken to ensure the accuracy and reliability of the information. The information furnished by respondents were properly edited through personal checks and cross-checks with the help of block-level

officers, village level workers, marketing officers etc. was sought for obtaining correct and reliable data.

The secondary data were obtained from the district and block head quarters, published reports, journals, books etc.

**2. Period of enquiry :** The study was conducted for the year 2015-16.

**3. Marketable Surplus = (Total production) - (Produce with held for family consumption, wage payment in kind, social and religious functions, cattle feed, seeds, etc.)**

**4. Marketed Surplus:** It refers to the actual quantity of produce sold in the market.

**5. Marketing cost:** It includes all the marketing charges from local assembling to retailing in the marketing process. Marketing costs limits the income of the farmers, affect the cost of living of the consumers and define the margins and profits of the marketing agencies.

**6. Marketing Margins:** It covers all the expenses and profits of the marketing agencies or functionaries. It is that part of the consumer's rupee above the farmer's share.

**7. Producer's share in the consumer's rupee:** It is the share of producer which he actually gets out of the amount paid by the consumer for his produce. It is calculated by using the following formula:

$$p = \frac{C - M}{C} \times 100$$

Where, P = Producer's share in the consumer's Rupee

C = Consumer's price

M = Marketing cost (cost + margin of profit).

**8. Price spread :** In the marketing of agricultural commodities, the difference between the price paid by consumer and the price received by the producer for an equivalent quantity of farm produces is often known as price spread.

## Results and Discussion

### Marketing cost

It included all the marketing charges from local assembling to retailing in the marketing process. Marketing costs limit the income of the producer, affect the purchasing power of the consumers and reduce profit of the marketing agencies. The marketing cost incurred by producer/pre-harvest contractor, wholesaler and retailer in the process of mango marketing has been given in

**Table 1 :** Marketing cost incurred by producer/pre-harvest contractor, commission agent, wholesaler & retailer (In Rs. per quintal).

S. no.	Particulars	Channel I	Channel II	Channel III
<b>A</b>	<b>Charges paid by producer/pre-harvest contractor</b>			
1	Cost of box	-	400	400
2	Cushion materials	-	40	40
3	Transportation	35	35	35
4	Loading unloading	10	10	10
5	Token fee	8	8	8
6	Arhat	35	35	35
7	Mandi charges	30	30	30
	<b>Total</b>	<b>118</b>	<b>558</b>	<b>558</b>
<b>B</b>	<b>Charges paid by commission agent</b>			
1	Post and telegram	45	45	-
2	Miscellaneous charges	40	40	-
	<b>Total</b>	<b>85</b>	<b>85</b>	<b>-</b>
<b>C</b>	<b>Charges paid by wholesaler</b>			
1	Packing charges	400	-	-
2	Transportation	35	-	35
3	Loading unloading	10	-	10
4	Storage cost	10	-	10
5	Mandi fees	30	-	30
	<b>Total</b>	<b>485</b>	<b>-</b>	<b>85</b>
<b>D</b>	<b>Charges paid by retailer</b>			
1	Transportation	35	45	25
2	Unloading	10	10	10
3	Mandi charges	30	45	30
4	Storage cost	10	10	10
	<b>Total</b>	<b>85</b>	<b>110</b>	<b>75</b>

**Table 2 :** Total marketing margins (In Rs. per quintal).

S. no.	Particulars	Channel I	Channel II	Channel III
<b>A</b>	<b>Marketing cost</b>			
1	Paid by producer/pre harvest contractor	118	558	558
2	Paid by commission agent	85	85	-
3	Paid by wholesaler	485	-	85
4	Paid by retailer	85	110	75
	<b>Total (A)</b>	<b>773</b>	<b>753</b>	<b>718</b>
<b>B</b>	<b>Margin of profit</b>			
1	Producer/pre harvest contractor	-	90	90
2	Commission agent	150	150	-
3	Wholesaler	240	-	260
4	Retailer	325	440	440
	<b>Total (B)</b>	<b>715</b>	<b>680</b>	<b>790</b>
	<b>Total (A+B)</b>	<b>1488</b>	<b>1433</b>	<b>1508</b>

table 1.

Table 1 shows that marketing cost incurred by pre-harvest contractor stood highest (Rs. 558 per quintal) in channels II and III only. The next highest cost was incurred by wholesalers followed by commission agents and retailers.

### Marketing margins

It covered all the expenses and profits of the marketing agencies/ functionaries. It is that part of consumer's rupee above the farmer's share. The marketing margins (marketing cost + margin profit) in mango marketing for different channels have been given in table 2.

In mango marketing, total marketing margin varied from Rs. 1433 to Rs. 1508 per quintal in various channels, depending upon the length of marketing channel.

Table 2, shows that the marketing cost in different marketing channels shared for 48.98, 52.54 and 50.10 per cent in I, II & III channels respectively. While margin of profit stood 51.12, 47.46 and 49.90 per cent in the respective channels.

In channel I marketing cost was higher than margin of profit due to presence of market functionaries like commission agent, wholesaler and retailers. In channel II there was no wholesaler so, the margin of profits were comparatively lower.

### Price-spread

Generally, it refers to the difference between the two prices, i.e., the price paid by the consumer and the price received by the producer. A study of the price spread involves not only the ascertainment of the actual prices at various stages of the marketing channel, but the costs incurred in the process of the movement of the produce from the farmer to the consumer and the margin of various intermediaries.

### Producer's share in the consumer's Rupee

It is the share of producer which he actually gets out of the amount paid by the consumer for his produce.

In this regard, table 3 works out the net price spread/producer's share in consumer's price, in mango marketing at Kanpur mandi and Lucknow mandi.

The producer's share in consumer's price (table 3) in mango marketing came to 76.77 per cent in channel I, when the mangoes were sold in district Kanpur Nagar. Against this situation, the producer's

share was higher, nearly 78.50 per cent when the mangoes were sold in Lucknow mandi (study area) in channel II. The highest producer's share in consumer's rupee was 78.71 in channel III. In channel I, the producer's share was low due to presence of a long chain of middlemen in the marketing process. Besides this, the wholesaler of Kanpur Nagar has to bear higher marketing cost due to higher transportation charges. In channel II, there was no wholesaler and the retailer purchased the produce directly from pre-harvest contractor through commission agent, while in channel III, there was no commission agent and the wholesaler made direct purchase from pre-harvest contractor, resulting in higher share of producer in the price paid by the consumer.

As regards, percentage share of price spread in total price paid by consumer, it varied from channel to channel. In channel I, the price spread come to 23.27 per cent while in channel II it was 21.50 per cent and in channel III it was 21.29 per cent only.

### Summary and Conclusion

In case of study of marketing two wholesale markets one at Lucknow (Dubagga) and other at Kanpur (Kidwai Nagar) were selected purposively because of higher arrival of mango. Three marketing channels were observed to study the price spread as-

- Channel I producer — commission agent — wholesaler — retailer — consumer.
- Channel II pre-harvest contractor — commission agent — retailer — consumer.

- Channel III pre-harvest contractor – wholesaler – retailer – consumer.

Marketing cost calculated in channel I was came to Re. 773 and for channel II and III it accounted for Re. 753 and Re. 718, respectively. Marketing margin calculated for these three channels were Re. 715, Re. 680 and Re. 790 respectively.

The study of price spread through different marketing channels revealed that the producer's share in consumer's rupee ranges from 76.77 per cent to 78.71 per cent. The producer's share in consumer's rupee came low in case of channel I where the produce was sold in Kanpur and it was highest in the channel III where the number of intermediaries was less.

The study of price spread through different marketing channels revealed that the producer's share in consumer's rupee was 76.77 per cent in channel I, 78.50 per cent in channel II and 78.71 per cent in channel III. The highest producer's share in consumer's rupee i.e. 78.71 per cent was achieved in channel III. The producer's share in consumer's rupee came low in case of channel I where the produce was sold in Kanpur and the highest price spread was observed in channel I i.e. 23.27 per cent. The different constraints observed during the study were incidence of pests and diseases, irregular bearing, high velocity of wind during fruiting period, lack of technical know-how and monopoly of pre-harvest contractor related to production and forced sale, damage due to rotting, and transportation problem related to marketing. The economic analysis of the present study

**Table 3 :** Producer's share in consumer's price in Mango.

S. no.	Particulars	Channel I	Channel II	Channel III
1	Producer's sale price	2100	2200	2150
2	Charges paid by producer/pre harvest contractor	118	558	558
3	Margin of profit of contractor	-	90	90
4	Commission agent expenses	85	85	-
5	Commission	150	150	-
6	Purchase price of wholesaler	2453	-	2798
7	Charges paid by wholesaler	485	-	85
8	Losses due to rotting and losses in weight etc.	(-120)	-	(-150)
9	Margin of wholesaler	240	-	260
10	Retailer's purchase price	3058	3083	2993
11	Charges paid by retailer	85	110	75
12	Losses due to rotting etc.	(-140)	(-130)	(-135)
13	Margin of retailer	325	440	440
14	Consumer's purchase price	3328	3503	3373
15	Producer's share in consumer's rupee	76.77	78.50	78.71
16	Price spread	23.27	21.50	21.29

suggests that mango orcharding has enormous potential to enhance the economic returns of the mango growers.

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