

## Original Research Article

# Marketing of Soybean in Parbhani District of Maharashtra, India

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## ABSTRACT

Soybean is a Major oilseed crop in Maharashtra. Soybean known as ‘Golden bean’ in India and most important crop grown in India for dual purpose that is oil seed as well as pulse crop. For the present study multistage sampling design was adopted. For this study 120 Soybean Growing Cultivators from Parbhani district were selected. With regard to marketing study, three marketing channels were observed. Maximum quantity of Soybean was sold through channel – I i.e. Producer- village trader- wholesaler- oil processor. It was observed that the producers share in consumer price was 87.06 per cent. Farmers always desire to get profitable transactions a careful planning of marketing of Soybean is must. For this purpose present study has been done.

### Keywords

Soybean,  
oilseed, pulse  
crop

## Introduction

Soybean is known as “Golden bean” of 21<sup>st</sup> century. Soybean is grown in India for dual purposes that oilseed as well as legume crop. It is important natural source of protein with the number of amino acids essential for good health.

Agricultural marketing plays a crucial role not only in stimulating production and computation, but in accelerating the space of economic development. The agricultural marketing system plays important role in economic development in countries where resources are primarily agricultural.

In India Marketing of Soybean is in developing stage. The development of marketing is an important as that of increasing production. Farmers always

desire to get fair price for their farm product. There are 3 entities involved in the marketing system. They are producer, the middlemen and the consumer. The producer after making a lot of investment and putting hard labour, would look forward to get the largest possible returns for this produce.

Therefore, aim at balancing these confliction of interest in such a way that each entity gets fair deal.

## Objectives

To study the price spread of Soybean

To study the marketing cost of Soybean

To study the marketing channel of Soybean

**Materials and Methods**

The area under soybean crop in Marathwada region is 14.08 lakh ha out of which 1.943 lakh ha i.e. 13.79 per cent area is in Parbhani district and it is increasing every year.

Therefore, Parbhani district was purposively selected for the study. The study was predominantly based on primary data. The data related to marketing was selected from APMC, Parbhani. From the Parbhani market 10 middlemen of each kind viz. village trader, wholesaler, oil processor (consumer) were selected randomly for the study. The data pertained to the year 2013-14.

**Price spread**

To study the price spread and marketing efficiency in marketing channels of Soybean, the marketing costs and margins for the channel were worked out as under (Acharya and Agrawal, 2005)

**Marketing cost**

Total cost of marketing was calculated as under:

$$C = CF + Cm1 + Cm2 + Cm3 + \dots + Cmn$$

Where,

C = Total cost of marketing

CF = Cost born by the farmers in marketing his produce

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

I = 1, 2, 3, .....n

N is the number of middlemen involved in the channels.

**Producers share in consumer’s rupee:**

Producers share in consumer’s rupee was worked out as under (Acharya and Agrawal, 2005)

$$Ps = \frac{PF}{Pc} \times 100$$

Where,

Ps = Producers share in consumer’s rupee

PF = Price of the produce received by the farmers

Pc = Price of the produce paid by the consumer.

**Results and Discussion**

In the study of marketing of soybean, three marketing channels were identified.

Channel-I – Producer- village trader- wholesaler- oil processor (consumer)

Channel- II- Producer- wholesaler- oil processor (consumer)

Channel-III- Producer- oil processor (consumer)

For the marketing of Soybean amongst the three channels, the below given channel of Soybean marketing was taken for the present study. The marketing channel which was used for study is,

It is observed from the table 1 that among the different items of cost in marketing, the cost on account of transportation was the major item in marketing of Soybean contributing 47.24 percent share in total marketing cost.

**Table.1** Marketing cost incurred by Producer (Rs./Quintal)

<b>Sr. No.</b>	<b>Particular</b>	<b>Amount</b>	<b>Percent</b>
1.	Transportation	10.88	47.24
2.	Market fee	-	-
3.	Deduction	10.03	43.55
4.	Weighing charges	2.12	9.20
	<b>Total cost</b>	<b>23.03</b>	<b>100</b>

Net price received – 3569.46

Cost incurred -23.03

Gross price received – 3592.50

**Table.2** Cost incurred by Village trader (Rs./Quintal)

<b>Sr. No.</b>	<b>Particular</b>	<b>Amount</b>	<b>Percent</b>
1.	Transportation	26.3	36.70
2.	Labour charges	6.75	9.07
3.	Commission charges@ 2 %	36.5	50.94
4.	Weighing charges	2.1	2.93
	<b>Total cost</b>	<b>71.65</b>	<b>100</b>

Purchase prices – 3592.50

Cost incurred – 71.65

Selling price -3720

Net margin – 55.85

**Table.3** Cost incurred by Wholesaler (Rs./Quintal)

<b>Sr. No.</b>	<b>Particular</b>	<b>Amount</b>	<b>Percent</b>
1.	Transportation	11.2	25.24
2.	Labour charges	5.00	11.27
3.	License charges	0.02	0.04
4.	Electronic charges	0.31	0.69
5.	Shop tax	0.21	0.48
6.	Communication charges	0.50	1.13
7.	Depreciation, repaired or fixed cost @ 10%	0.12	0.27
8.	Interest on fixed assets@ 11%	0.1	0.22
9.	Market fee	20	45.08
10.	Other	6.9	15.55
	<b>Total cost</b>	<b>44.36</b>	<b>100</b>

Purchase prices – 3720

Cost incurred – 44.36

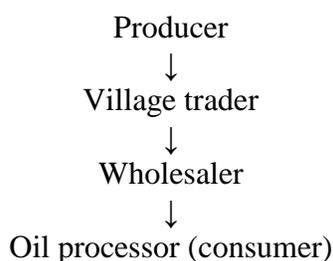
Selling price -4100

Net margin – 335.64

**Table.4** Marketing cost, marketing margin and price spread in soybean marketing (Rs./Quintal)

	<b>Particular</b>	<b>Rs.</b>	<b>Percentage</b>
1.	Net price received by producer (producer's share in consumer rupee)	3569.46	87.06
2.	Marketing cost incurred by producer	23.04	0.56
3.	Price paid by village trader	3592.50	87.62
4.	Expenses incurred by village trader	71.65	1.74
5.	Margin of village trader	55.85	1.36
6.	Price paid by wholesaler	3720	90.73
7.	Expenses incurred by wholesaler	44.36	1.08
8.	Margin of wholesaler	335.64	8.18
9.	Price paid by processor	4100	100
10.	<b>Total marketing cost</b>	139.05	3.39
11.	<b>Total market margin</b>	391.49	9.54
12.	<b>Price spread</b>	530.54	12.94

### Channel of distribution of Soybean



The next major items was marketing cost was deduction charges contributing 43.55 percent share in total cost of marketing.

Weighing charges was third major item having 9.20 percent share in total cost of marketing.

It is observed from the table 2 that among the different items of cost in marketing, the cost on account of commission was the major item in marketing of Soybean contributing 50.94 percent share in total marketing cost of village trader.

The next major items was marketing cost was transportation contributing 36.70 percent share in total cost of marketing.

Table 3 shows that the total cost of marketing of Soybean incurred by the wholesaler was Rs.44.36 per quintal. The major item of cost was of market fee which accounted for 45.08 percent of total cost followed by the transportation charges which account for 25.24 percent. The third item of market cost was other charges which was 15.55 percent of total market cost.

In this channel the share of total marketing cost incurred by different functionaries in consumer price was to the extent of 3.39 percent in which the share of producer, village trader and wholesaler accounted for 0.56 percent, 1.74 percent, 1.08 percent respectively. It was also observed that the producers share in consumer price was

87.06 percent. It is concluded from the study that Soybean is a Major Oilseed crop in Parbhani district. From the channel selected for the present study in the marketing of Soybean, total marketing cost incurred by different functionaries in consumer price was to the extent of 3.39 percent in which the share of producer, village trader and wholesaler accounted for 0.56 percent, 1.74 percent and 1.08 percent respectively.

The comparison between costs incurred by different market intermediaries shows that producers incurred lowest cost. It was also observed that the producers share in consumer price was 87.06 percent.

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