

TO STUDY THE MARKETING COST, PROFIT MARGIN, MARKETING EFFICIENCY OF ROSE IN THE FLOWER MARKET

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ABSTRACT

The demand for flowers and ornamental plants for different needs like religious, official ceremonies, parties, house decoration, weddings, funerals, etc, is on the rise. This demand for fresh flowers and plants is increasing world-wide over the coming years. The recent liberalization policy of the Government of India has given Phillip to commercialized agriculture particularly horticultural crops. Growing of flowers is in vogue in India since long time. Nevertheless, growing of cut-flowers has emerged as an important industry mainly to cater to the needs of the demand in the overseas market. It is being viewed as a high growth industry in our economy. There is a tremendous transformation in our floriculture sector mainly due to the entry of corporate who are producing cut-flowers to meet the emerging demand in the developed countries for floricultural products. The Government of India has also identified floriculture as a niche area with vast potential for export. There are many incentives given by the Government for setting up of floricultural units as Export oriented units (EOUs). The present study concluded that the channel 2 has the highest efficiency than channel 1. This channel was also the highest in share of producer in profit and it is because of the less number of middlemen. So the producer can go with the channel 2 for their flower marketing.

Keywords: Market, Efficiency, Market Share, Producer.

I INTRODUCTION

Flowers are inseparable from the social fabric of human life. Flowers being adorable Creation of God befits all occasions be it at birth, marriage or death. In the past, flowers were not of much economic importance. One would grow flowers to fulfil his or her aesthetic desire. At times, flowers were offered for sale to meet the special requirements of people. With the passage of time drastic changes have come about in the life style of people leading to commercialized cultivation of flowers. Today, flower plants are no longer meant for only window garden but play an important role in the decoration of the living houses and office establishments. Floriculture is a fast emerging and highly competitive industry. With the continuous introduction of new cultivators and new crops, cultural techniques are changing and hence new products are developing. Ornamental crop culture technology is improving with the availability of equipment and there is a sea change in the trend of consumers. A new generation of growers is coming forward to employ modern technology for maximizing production and offer quality produce for consumer acceptability, thus fetching a better price. Rose is produced widely in the country except in the eastern states. The major rose growing

states are Maharashtra, Karnataka, Tamil Nadu, Rajasthan, Uttar Pradesh and West Bengal. As far as Rajasthan state is concerned about 1342 ha. of land is under rose cultivation. The total rose production of Rajasthan is 1424 metric tonnes with a productivity of 1.06 MT/ha. during 2010-11. In Rajasthan highest production of rose is contributed by Ajmer district ranking at first place. The rose production of Ajmer district is 731 metric tonnes with an area of 983 ha. and productivity of 0.74 MT/ha. Ajmer occupies first place in area as well as in production of roses in the state, during 2010-11. According to the figures released by the commerce ministry on 1 August 2011, India's exports rose by 46.45 per cent to \$ 29.21 billion during June 2011.

The rose growers are confronted with a number of problems related to marketing. The important ones are higher cost of marketing, fluctuations in their prices and higher percentage of wastage in their handling and transportation. Rural markets do not have the basic necessary facilities such as auction platforms, godowns etc. for orderly marketing of the crops. All these problems results in low producer's share to rose growers and lower income levels from the farm enterprise. Rose is most important cut flower. It occupies the first position in the foreign trade of cut flowers followed by chrysanthemum and carnation. More than 140 countries are involved in the world floriculture trade. In several countries of the world, floricultural products are amongst the main export items of agricultural origin. For any country to diversify its agricultural base geared towards export, the ornamental crop industry presents one of the most interesting and viable options. The aesthetic value of flowers and ornamental plants, their use in social events, overall satisfaction in working with them and high-income generating power are attracting modern entrepreneurs to invest money in the floriculture industry. The demand for flowers and ornamental plants for different needs like religious, official ceremonies, parties, house decoration, weddings, funerals, etc, is on the rise. This demand for fresh flowers and plants is increasing world-wide over the coming years. The recent liberalization policy of the Government of India has given Phillip to commercialized agriculture particularly horticultural crops. Growing of flowers is in vogue in India since long time. Nevertheless, growing of cut-flowers has emerged as an important industry mainly to cater to the needs of the demand in the overseas market. It is being viewed as a high growth industry in our economy. There is a tremendous transformation in our floriculture sector mainly due to the entry of corporate who are producing cut-flowers to meet the emerging demand in the developed countries for floricultural products. The Government of India has also identified floriculture as a niche area with vast potential for export. There are many incentives given by the Government for setting up of floricultural units as Export oriented units (EOUs).

II RESEARCH METHODOLOGY

Selection of District

Kannauj district of Uttar Pradesh is selected purposively based on the fact that it has highly intensive cropping area of rose with high to medium level of processing centers.

Selection of Block

There are 8 blocks in Kannauj district, out of which 1 block name Kannauj block was purposively selected for the study on the basis of maximum number of rose cultivators and major marketing center of Rose.

Selection of Village

A complete list of all villages was obtained from the block development office. Thereafter this, village were arranged in ascending order on the basis of area of cultivation. Out of total villages 5% villages were selected randomly for the present study.

Selection of Respondent

From the selected village list of all the people practicing rose cultivation was obtained from the village development office in each selected village. 10% farmers were randomly selected from each village and then farmers were classified in to five groups. The selected farmers were classified into five sizes of groups on the basis of land holding size.

- Marginal farmer - below 1 hectare
- Small farmer - 1 to 2hectares
- Medium farmer - 2 to 4 hectares
- Semi- medium farmer - 4 to 10 hectares
- Large farmer - Greater than 10 hectares

TOOLS OF ANALYSIS

1. Marketing Cost

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.

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

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, and

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

2. Marketing margin:

$$(a) \text{ Absolute margin} = PR_i - (P_{pi} + C_{mi})$$

$$(b) \text{ Per cent margin} = \frac{PR_i - (P_{pi} + C_{mi})}{PR_i} \times 100$$

Where,

PRi = Total value of receipts

Ppi = Total purchase value of good (purchase price) and

Cmi = Cost incurred in marketing

III RESULT

Market Margin, Market Share and Market Efficiency of Channel I



S. No	Particulars	Price/Kg
	Net price received by producer	110
1	Cost incurred by the producer	
a	Packing cost	2
b	Packing material cost	3
c	Miscellaneous charges	5
d	Total marketing cost	10
e	Sale price of producer/Purchase price of Wholesaler	125
2	Cost incurred by the Wholesaler	
a	Loading and unloading Charges	5
b	Carriage up to Market	10
c	Miscellaneous charges	10
d	Marketing cost	25
e	Margin of Retailer	10
f	Sale price of Wholesaler/Purchase price of Retailer	160
3	Cost incurred by the Retailer	
a	Loading and unloading Charges	5
b	Carriage up to Shop	10
c	Miscellaneous charges	10
d	Marketing cost	25
e	Margin of Retailer	40
	Sale price of Wholesaler/Purchase price of Retailer	225
	Total Marketing Cost	60
	Price spread	115
	Producer's share in consumer rupee	48.88%

Source: Survey Data

Table Market margin, market share and Market efficiency of Rose/Kg packing Channel II

Table Market margin, market share and Market efficiency of Rose/Kg packing		
S. No	Particulars	Price/Kg
1	Net price received by producer	130
2	Cost incurred by the Producer	
a	Packing cost	2
b	Packing material cost	3
c	Miscellaneous charges	5
3	Marketing cost	10
4	Sale price of producer/Purchase price of Retailer	140
	Cost incurred by Retailer	
	Grading sorting charges	10
	Repackaging charges	5
	Miscellaneous charges	10
	Marketing cost	25
	Margin of Retailer	60
	Sale price of Retailer/Purchase price of Consumer	225
	Total Marketing Cost	35
	Price spread	95
	Producer's share in consumer rupee	57.77%

Source: Survey Data

IV CONCLUSION

India has a long floriculture history and flower growing is an age-old enterprise. What it has lacked is its commercialization. The growing demands of flowers in the domestic as well as the export market will require a concerted effort on the part of the government as well as the private entrepreneurs to develop floriculture on scientific lines. Paying attention to the input needs, better resource management and making various policies entrepreneur friendly would lead to a balanced growth of the industry.

The present study concluded that the channel 2 has the highest efficiency than channel 1. This channel was also the highest in share of producer in profit and it is because of the less number of middlemen. So the producer can go with the channel 2 for their flower marketing.

V AUTHOR'S CONTRIBUTION

Conceptualization and designing of the research work (Shivang Pandey, Dr. Victoria A Masih); Execution of Field/Lab experiments and data collection (Shivang Pandey); Analysis of data and interpretation (Shivang Pandey, Akash Rai); Preparation of manuscript (Akash Rai)

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