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MARKETING COST AND PRICE SPREAD OF ROSE CULTIVATION IN SANGLI DISTRICT OF MAHARASHTRA - A STUDY

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ABSTRACT: -

The present investigation was carried out to study marketing channel, marketing cost and price spread of rose flower cultivation in Sangli district of Maharashtra. The study was conducted Tasgaon and Palus tahsils in Sangli district. This paper focus marketing cost which affect the rose growers net share in the consumer rupee. An attempt has been made to work out the item wise cost of marketing of rose flower. In order to avoid high margin, rose marketing is to be based on certain values and principles. Marketing cost can be reduced from the collective and integrative efforts from traders, commission agents and organized market

KEYWORDS: rose flower, marketing channel, marketing cost, price spread, rose growers

INTRODUCTION:

Rose is the most preferred flower in the world market. India has a good favorable climatic condition for cultivation of rose flowers for trade as whole year. Availability of cheap and skilled labor, suitable and abundant weather condition are also favorable factors for rose flowers production. Rose is the most preferred species of cut flowers in the international market. India has very high potential for export of cut flowers. Generally they are harvested early in the morning and sent to market by truck transport. Rose are known as ornamental plants grown for their flowers in the garden and sometimes indoors. They have been also used for commercial perfumery and landscape plants, for hedging and for other utilization purposes such as gone cover and slope stabilization and also have minor medicinal uses.

OBJECTIVE OF THE STUDY-

- To Study the marketing channel of rose flowers in the study area
- To find out marketing cost of rose flower.
- To fine out price spread in rose marketing.

METHODOLOGY AND SAMPLING DESIGN-

The present study is based on both the primary and secondary data. The primary data were collected from rose growers. The secondary data were collected from books and journals. A sample of 192 rose cultivators were selected randomly. Two tahsils Tasgaon and Palus having maximum area under rose cultivation were selected. One town i.e. Tasgaon and three villages vasumbe, Nimni and Manjarde were selected from



Tasgaon tahsil and four villages Palus Bambavade, Yelavi and Bhramhanandnagar were selected from Palus tahsil i.e. 192 rose cultivation were selected for present study. In each village researcher has selected 12 rose growers from each category as under.

- Rose growers having area under rose less than 0.50 ha.
- Rose growers having area under rose more than 0.51 ha. and above.

MARKETING CHANNELS AND METHOD OF SALE

Marketing channel is a route through which flowers passes through different agencies from rose growers till it reaches to consumers, while studying the margins taken by the various intermediaries in the rose trade, it is essential to know the channels through which the rose flowers passes to ultimate consumer. Different marketing channels followed by rose growers in the study area are as follows.

I – Rose growers sell their flowers through commission agent of Washi-(Mumbai) organized market.

II - Rose growers sell their flowers to wholesale traders.

III – Rose growers sell their flowers to local retailers

The first important marketing channel of rose flowers is marketing through commission agent. Commission agents act as representatives of rose growers. They do not take title to the flowers, therefore do not own it. They serve as buyers or sellers in effective bargaining. For this activity they received income in the form of commission or brokerage. Majority rose growers sell their flowers through commission agent. So present analysis of marketing of flowers is focuses on first channel only.

Second channel is the marketing to wholesalers. In this method rose-growers harvest the flowers and carry towards wholesalers shop. The wholesalers and rose growers fix the price of flowers. But very few rose growers follow this method.

Third channel is selling flowers to retail traders. In this method the retailer come from western Maharashtra at the place of rose garden and purchase flowers from rose growers. This method helped to reduces number of intermediaries in marketing of rose flowers. Share of marketing through this channels is negligible in the total marketing and usually this channel is used for the marketing of low quality flowers.

METHOD OF SALE

Early in the morning rose growers harvest the flowers with the help of skilled labor and carry to words pack house. Then prepare bunch of six rose flowers and forty bunch means twenty dozen rose flowers put into plastic crate. No special type of the grading done by rose growers. They separated out the flowers at the time of plucking according to shape size and color. Transporter collect the crates from every rose growers farm. After that transporter carry these crates from Tasgaon city to Washi organized market and crates are distributed to commission agents for purpose of sale.

MARKETING COST OF ROSE FLOWERS

Marketing cost constitutes the expense on grading, packaging, transportation, hamali and commission charges. Cost of marketing affects the producers net share in the consumer rupee. An attempt has been made to work out the item wise cost of marketing per flower and same is presented in table – 1.

Table – 1
Marketing cost of Rose Flower (Rs/Flower)

Sr. No	Items	Category I	Category II	Total
1	Grading	0.020 (6.02)	0.018 (5.61)	0.019 (5.82)
2	Packaging	0.05 (15.06)	0.04 (12.46)	0.045 (13.78)
3	Transport Charges	0.10 (30.12)	0.10 (31.15)	0.10 (30.63)
4	Hamali	0.006 (1.81)	0.007 (2.18)	0.0065 (1.99)
5	Commission	0.15 (45.18)	0.15 (46.73)	0.15 (45.94)
6	Postage	0.006 (1.81)	0.006 (1.87)	0.006 (1.84)
	Total	0.332 (100)	0.321 (100)	0.3265 (100)

Source – Field Survey

Note – Figures in parentheses indicates percentage to the total .

Table – 1 indicates that component of marketing cost of rose flower. Grading cost of first category is Rs 0.020 and second category is Rs.0.018 and average of both categories is Rs 0.019. Packaging cost of first category is Rs. 0.05 and second category is Rs. 0.04 and average of both categories is Rs.0.45. Grading and packaging charges of first category are more than the second category due to small scale production and purchases of packaging materials in small quantity. Average Hamali Charges of both categories are Rs.0.0065 and average postage expenses of both categories are Rs.0.006 which is less than the other marketing cost components. At average level the significant item of cost is commission contributing to the extent of 45.94 percent of the total marketing cost. As compare to commission of agent of other product, the commission of rose agent is 15 percent, which is higher than others. The next important cost item of transportation (30.63 percent) Transportation cost is more because of rose flowers cultivates in Tasgaon and Palus tahsils and sent to Washi (Mumbai) market,

PRICE SPREAD IN MARKETING OF ROSE FLOWER –

Price spread refers to the difference between the price paid by the consumer and price received to the rose growers . Price spread consists of marketing cost and margin of the middlemen which ultimately determines the overall efficiency of marketing system. Since bulk of the produce was sold through producer-commission agent-wholesaler - retailer-consumer, the same was considered for analysis of price spread. The price spread in marketing of per flower had been worked out based upon average price received to rose growers as well as information is given by agents in Washi flowers market. The average per flower consumer price was Rs.2.70 during the year2017.

Table – 2
Price Spread in marketing of per Rose Flower

Sr.No	Items	Price spread (Rs)	Percentage
1	Gross price received by the rose growers	1.50	55.56
2	Market expenses incurred by the rose growers.	0.33	12.22
3	Commission received by the commission agents @15%	0.23	8.52
4	Net price received by the rose growers	0.94	34.8
5	Expenses incurred by the wholesalers	0.2	7.78
6	Margin of wholesalers	0.38	14.07
7	Expenses incurred by the retailers	0.22	8.15
8	Margin of the retailers	0.39	14.45
9	Price paid by the consumer in market	2.70	100

Source-complied by Researcher

Table 2 shows that market expenses incurred by the rose growers in market were to the extent of 12.22 percent of the price paid by the consumers in the market. The rose growers net share in the consumer's rupee was worked out to 34.81 percent. The share of commission agent in the consumers rupee was 8.52 percent. The expenses incurred by the wholesaler 7.78 percent and margin of the wholesaler was 14.07 percent. The percent share of retailer's expenses and retailer's margin in consumers rupee was 8.15 percent and 14.45 percent respectively. Thus it is seen that about 28.52 percent share was taken by the intermediaries in marketing of rose flowers. Efforts to be made in order to increase the rose growers share in consumer's rupee.

CONCLUSION

From the above analysis it is concluded that commission charges and transportation charge are high which decreases income of rose growers. Margin of wholesalers and retailers is having been calculated 28.52 percent. It results that rose growers received less in consumer's rupee. In order to avoid high margin, rose marketing is to be based on certain values, principles and philosophies such as offering fair prices to the farmers who toil hard to till. This will help in reducing the wide gap prevailing between price paid by the consumers and price received to the rose growers. Marketing cost can be reduced from the collective and integrative efforts from organized markets, commission agents and traders.

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