STUDY ON MARKETING CHANNELS OF BLACK PEPPER IN WAYANAD DISTRICT OF KERALA IN INDIA

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ABSTRACT: The present study was conducted in Wayanad district of Kerala. Totally 100 respondents were randomly selected and interviewed from the district. The data was gathered in the form of pre-structured interview schedule. The present study was conducted with the aim to analyze the marketing cost, price spread and marketing efficiency of farmers in different marketing channel of Black Pepper in Wayanad district. Among the different marketing channels, total marketing cost was low in channel I (Rs4700/qtl) as compared to channel II (Rs 6300/qtl) and channel III (Rs 10600/qtl). This shows that marketing cost was low if the channel does not have any market intermediaries. The best channel for both producers and consumers were found to be in channel I in which producers receives the maximum share of consumer rupee(92.12 per cent).The study reveals that among the other marketing channels , channel I has the highest marketing efficiency of 11.7 per cent. Middleman exploitation was the major problems which reduce the net income of farmers in the study area.

Keyword: Black Pepper, price spread, marketing efficiency.

In this world pepper is produced in the particular geographical regions. The one of the major producers of black pepper in the world are Vietnam, Brazil, India, Indonesia etc. India is well known as "The Land of Spices" for varied flavor of spices which is predominantly used in kitchens. India plays a major role in producing, consuming and exporting of black pepper. Due to export value black pepper is called "Black Gold". Among the other states, Kerala ranks second in the production of black pepper with a future estimated production of 36,000 tonnes in the year 2021-2022. In early historic times, black pepper was widely cultivated in the tropic of south Asia; it is a perennial climbing

Vine indigenous to the Malabar cost of India. Black pepper is a good source of manganese, a mineral that can help with bone health, wound healing and metabolism also black pepper is an antioxidant that provides anti- inflammatory and antimicrobial effects, among other health benefits. It may also boost brain function and increase level of good cholesterol.

Research Methodology

Sampling procedure

1st stage selection of district
2nd selection of block
3rd selection of villages.
4th selection of farmers/ respondents.

Selection of District

Out of 14 districts present in state of Kerala, Wayanad district was selected purposely, because wayanad district is a major contributor to the state's pepper production. The district's topography also favors the cultivation of pepper, as it has a hilly terrain that provides natural shades and allows for proper drainage

Selection of Block

To select a block, a complete list of blocks was obtained from the Head Quarter of Wayanad District. Out of 8 blocks, the key potential block is Sulthan bathery, Vythiri, Thariyode. Block Sulthan bathery was selected purposively for the present study, as it has a large area of rubber and coffee, its favorable climatic condition and hilly region make it more suitable for high production of black pepper , and moreover,

it was easily accessible to the researcher to visit the block.

Selection of villages

A list of black pepper producing villages was prepared with the help of an extension officer, KVK, Wayanad. The villages were arranged in ascending order. Of the total five per cent villages were selected randomly. The villages Ambalavayal, Noolpuzha, Pulpally, Poothadi, and Nenmeni.

Selection of sample Respondents

A comprehensive record of all individuals who cultivate black pepper was obtained from KVK. Subsequently, the individuals were sorted in ascending order based on their black pepper cultivation practices and then categories into different groups based on their cultivation of black pepper. Statistics from Krishibhavan in Wayanad district shows that the majority of the pepper farmers are belong to marginal, small, and semi medium categories.

RESULTS AND DISCUSSION

Based on black pepper cultivation for the study based on size of holding farmers was classified into different groups

Marginal Farmers	: 0-1 hectare
Small Farmers	: 1-2 hectare
Semi Medium Farmers	: 2-4 hectare
Medium Farmers	: 4-10 hectare
Large Farmers	: above 10 hectare

Marketing cost:

The total cost incurred on marketing by various intermediaries involved in the sale

$M=Cf+Cm1+Cm2+Cm3+\ldots\ldots+Cmn$

Where,

M = Total cost of marketing

Cf= Cost borne by the producer farmer from the produce leaves the farm till the sale of theproduce, and

Cmn= Cost incurred by the i^{th} middlemen in the process of buying and selling.

Marketing channel

Marketing channel is a route through which commodity passes from producer to consumer. Generally, the cultivators choose the channel as per their convenience and considering the per unit price received by them. The information about marketing channels was prevailing in the study area for black pepper and quantity of produce passing through various channels.

Producer

Black pepper growers dispose of their marketable surplus of spices by themselves taking it to market Sulthan bathery block, Wayanad. It has been observed that 75-85 percent of the total produce was assembled by the growers themselves generally; the farmers of the nearby villages bring their produce to sell in the market in order to secure better prices. Small producers consider it better to sell their produce in the village to avoid deception and botheration existed in the marketing of their produce.

Wholesaler

Most of the black pepper producers sell their produce (black pepper) to wholesaler in the market and after purchasing, the wholesaler transfers their purchase to Sulthan bathery tee pee traders market at processing units.

Retailer

The retailer is the last intermediaries in the market, he distributes the produce by hand to ultimate consumer in Sulthan bathery tee pee market at their own prices and purchaseof the commodity till it reaches the ultimate consumer was computed as follow:

Marketable surplus

MS=P-C

Where, MS= Marketable surplus,

P= Total Production

C= total requirements (family and farm)

Price Spread

Total Marketing Cost+ Total Marketing Margin

Marketing Efficiency (Acharya & Agrawal)

$$ME = \frac{\text{Consumer price}}{\text{Total marketing cost + marketing margin}}$$

Producer's share in Consumer's Rupee:

$$P = \frac{(C - M) \times 100}{M}$$

Where, P = Producer's share in Consumer's Rupee,

C =Consumers' rupee,

M = Marketing cost

Table-1: Marketing channel selected by respondents

Sr.NO	Channels	Respondents
1	Producer → Consumer	28
2	Producer → Retailer → Consumer	32
3	Producer → Wholesaler / Commission agent → Retailer → Consumer	40
Total		**100**

Table -2: Channel wise price spread of Black pepper

SN	Particulars	Channel I	Channel II	Channel III
1	ice received by producer	55000	45000	45000
2	ncurred by producer	4700(7.87)	2500 (4.32)	2400(3.06)
3	ase price by wholesaler	-	-	47400
4	ncurred by wholesaler	-	-	4400(5.61)
5	ting margin by wholesaler	-	-	6000(7.65)
6	ase price by retailer	-	47500	57800
7	ncurred by retailer	-	3800(6.57)	3800(4.84)
8	ting margin by retailer	-	4000(6.92)	4000(5.10)
9	marketing cost	4700(7.87)	6300 (10.89)	10600(13.52)
10	narketing margin	-	4000(6.92)	10000(12.75)
11	mer purchase price	59700(100)	57800(100)	78400(100)
12	cer share in consumer rupee (%)	92.12	77.85	57.39
13	eting efficiency (ME) (%)	11.7	8.17	6.39
14	spread	4700	12800	33400

(Figures in parentheses indicate percentage to consumer's purchase price)

Total Marketing Cost Incurred by Producer and Other Agencies

The per quintal cost incurred by producer and other agencies involved in the marketing were highest in channel III (Rs.10600) that is 13.52 per cent of consumer price, followed by Rs6300 that is 10.89 per cent and Rs4700 that is 7.87 per cent in channel II and channel I, respectively. It was

minimum in channel I due to producer sold their produce directly to the consumer. It can be concluded that, increase in number of intermediaries in the channel increase the marketing expenses and reduces the share of producers in consumer's rupee and vice-versa

Marketing margin of intermediaries

The total marketing margin of all intermediaries was highest (12.75%) in channel III followed by (6.92%) of consumer's price in channel II, respectively.

Marketing efficiency (ME)

Marketing efficiency (ME) is essentially the degree of market performance. It is considered as indicators or measures for comparing or asses the efficiency of the alternate marketing channel/system. It is observed from Table 5.3 that, the marketing

efficiency (ME) in channel I was highest (11.7%) whereas, it was (8.17%) in channel II and (6.39%) in channel III.

This revealed that, the higher marketing margin taken away by market intermediaries in channel III and there for that channel resulted in the poor efficiency in marketing of Black pepper. This

Indicated that, channel I *i.e.*, direct sale by producer to consumer is most efficient channel of marketing of black pepper followed by channel II and channel III.

Price spread

The price spread refers to the difference between the price paid by the consumer and the net price received by the producer for an equivalent quantity of farm produce. This spread consists of marketing expenses and margin of intermediaries, which ultimately determined the overall effectiveness of a marketing system and efficiency of the marketing system. The detailed price spread of per quintal of Black pepper through different channels is presented in Table 5.3 Therefore, observed price spread is said to be less in channel I with Rs. 4700 followed by channel II with Rs. 12800 and highest price spread observed in channel III with Rs. 33400 due to a greater number of middlemen.

Table- 3. Marketable Surplus of Black Pepper Farmers

Size of farmer	Production/qtl	Consumption/qtl	Market price/Kg	Marketable Surplus	Marketable Surplus (Rs)
Marginal	16	0.5	450	15.5	697500
Small	17	0.75	450	16.25	731250
Semi-Medium	19	0.75	450	18.25	821250

Marketable surplus of Black pepper farmers are given the production per quintal of marginal farmers is 16 quintal, small farmers 17 quintal, and for semi medium farmers 19 quintal respectively. The total consumption of black pepper under different size group are 0.5, 0.75, 0.75 in Marginal, small, and semi medium farmers respectively. The market price of Black pepper 450 Rs/kg respectively. The marketable surplus of the farmers are 15.5, 16.25, and 18.25 for Marginal, small, Semi medium. The value of marketable surplus 697500, 731250, 821250 for Marginal, Small, Semi medium respectively

Conclusion:

The study of marketing of black pepper in Wayanad District, Kerala, revealed some interesting findings. In the marketing of black pepper channel I is more efficient channel comparing with other two channels. This revealed that, the higher marketing margin taken away by market intermediaries in channel III and there for that channel resulted in the poor efficiency in marketing of Black pepper. This indicated that, channel I *i.e.*, direct sale by producer to consumer is most efficient channel of marketing of black pepper followed by channel II and channel III. The total marketing margin of all

intermediaries was highest (12.75%) in channel III followed by (6.92%) of consumer's price in channel II, respectively.

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