Marketing of Loose Flowers during Winter Season in Patiala District of Punjab

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Abstract

Agricultural commodities generally move from producers to consumers through intermediaries or mediators. Thus, the study of marketing channels, marketing margins and costs assumes special significance for loose flower in Punjab. The present study has been conducted on a sample of 4 wholesalers, three wholesalers-cum-retailers, and 20 retailers, collected from Patiala, Samana and Nabha markets of Punjab's Patiala district during the winter season in the period 2015-16. In the Patiala district, four marketing channels mainly operate for loose flowers. the study reveals that a more significant number of market functionaries between the producer and consumer reduces the producer's share in consumer's rupee, resulting in a wide gap between the producer and consumer price.

Keywords: Marketing channels, Loose flowers, Marketing margins, Costs, Price spreads, Marketing efficiency.

The role played by marketing agencies in the marketing system of agricultural commoditiesis quite indispensable as they perform essential marketing functions because a huge of these commodities moves from producer to consumer through these agencies. Flowers are seasonal and perishable, and difficult to store for an extended period. The intermediaries, including wholesalers and retailers, take advantage of this fact and receive a larger part of a consumer's rupee. Thus, it is crucial to study the various functionaries involved in the marketing of loose flowers. In this study, marketing channels, margins, and loose flowers' costs are analyzed for the winter season.

Sarker, *et al.* (2005) researched "Flower Farming and Flower Marketing in West Bengal: A study of Efficiency and Sustainability" to examine the economic efficiency of floriculture farming in West Bengal. Concerning marketing, the study highlighted that retailers got the maximum and

producers receive the minimum profit margin.

Bose (2013), titled in his study"Marketing of Flowers in Karnataka: Infrastructure, Systems and Economics", emphasized the market efficiency of selected flowers, the price spread analysis and commodity flow pattern and identifying the constraints in flower production. The study concluded that the producers earned a more significant share at consumers' price by selling their flowers to wholesalers and retailers rather than commission agents. Thus the involvement of commission agents had a worse effect on market efficiency.

Taj,*et al.* (2013), in their paper "Price Spread and Marketing Margins of Cut Rose Flowers in Punjab, Pakistan", highlighted the structure and operation of the flower marketing system. The study found out that there were two market channels: Channel-1 included producers, wholesaler-cum-commission agents, retailers and consumers and in Channel-2, producers were directly related to retailers, who were further associated with consumers. The study concludes that with an addition in the number of intermediaries in the market channels, there is a reduction in producers and consumers' profits.

Singh (2017), in the study entitled "Production and Marketing of Floriculture in Himachal Pradesh: A paradigm Shift", analyzed the infrastructural and marketing facilities along with problems and prospects in the floriculture industry in Himachal Pradesh. Regarding the marketing of flowers, five marketing channels were observed in the study area. It was observed that the farmers got the maximum price for their produce by selling directly to the retailers. The study concluded that despite numerous policy interventions for florists' benefit, there is a need to simplify these policies' procedures and streamline them from the right perspectives.

Objectives

Theobjectives of the study are as follows:

1. To find out alternative marketing channels in the marketing of loose flowers.
2. To assess the marketing costs, marketing margins, and price spread in the marketing of loose flowers.

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Research Methodology

The present study has been conducted on a sample of 104 producers, 4 wholesalers, 3 wholesalers-cum-retailers, and 20 retailers, received from Patiala, Samana and Nabha markets of Punjab's Patiala district in winter for the year 2015-16. **P**rimary data has been collected through a questionnaire to acquire information from the respondents.The marketing margins, marketing costs, price spreads and marketing efficiency are calculated during the peak marketing period of flower crops, i.e., second half of February to March. The simple average method is applied for calculating price spreads, marketing margins and costs.

The price spread is defined as the difference between the price paid by the consumer and the producer's net price for an equivalent quantity of farm produce. It involves the costs incurred by the various marketing functionaries and their margins. It is, generally, expressed as a percentage of the consumer's rupee.

Market margin may be defined as the difference between the price paid and price received by any intermediary such as contractor, wholesaler, wholesaler-cum-retailer, and retailer.

Marketing costs are the costs paid by the producer and all intermediaries for the product to reach from the point of production to the end of consumption.

Total marketing costs have been calculated as below:

$$C = C_f + C_{m1} + C_{m2} + C_{m3} + ... + C_{mn}$$

Where, C= Total marketing cost

C_f= Costs borne by farmers' in the marketing of their produce

C_m= Costs incurred by the intermediaries in the process of buying and selling a product

$$i = 1,2,3,.....n$$

'n'is the number of intermediaries involved in a particular channel

Producer's Share in Consumers' rupee has been calculated by using the following formula:

$$P_S = (P_f / P_c) * 100$$

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Where P_S=Producer's share in consumer's rupee

P_f=Net price of the product received by the producer/farmer

P_C=Price of the produce paid by the consumer.

Marketing Efficiency: To measure the marketing efficiency of different channels, Acharya's approach has been followed:

$$ME = FP/(MC+MM)$$

Where,   ME = Marketing Efficiency

FP = Farmer/ Producer Price

MC= Total Marketing Costs

MM = Net Marketing Margins.

Marketing Channels of Loose Flowers in Winter Season

The following marketing channels are commonly adopted in the Patiala district to market loose flowers in the winter season.

Channel I: Producer→ Local Wholesaler→ Retailer→ Consumer

Channel II: Producer→ Local Wholesaler-cum-retailer→ Consumer

Channel III: Producer→ Retailer→ Consumer

Channel IV: Producer→ Consumer

Analysis of Marketing of Loose Flowers through Different Channels in Winter Season

The details of costs, margins and price spread in the marketing of loose flowers through different channels in the winter season have been presented in Tables 1 to 4.

Table 1 shows price spread of loose flowers through channel I.

Table 1
Price Spread of Loose Flowers in Winter Season in Patiala District Markets
with Channel-I (2015-16)

Sr. No.	Name of functionary	Rs. per quintal	% of consumer's price
1	Net Share/Price of Producer	2392	64.27
2	Costs incurred by the producer i. Plucking, cleaning, grading and packing cost ii. Transport cost iii. Loading and Unloading cost Total cost	200 32 10 242	6.54
3	Producer's sale price/Local wholesaler's purchase price	2634	
4.	Costs incurred by local wholesaler i. Labour cost ii. Other costs Total cost	30 15 45	1.2
5	Local wholesaler's margin/share	450	12.10
6	Local wholesaler's sale price/Retailer's purchase price	3129	
7	Costs incurred by retailers i. Transport cost ii. Loading and unloading iii. Cleaning and packing cost Total cost	10 8 25 43	1.16
8	Retailer's margin/ share	550	14.8
9	Retailer's sale price/Consumer's purchase price	3722	100

Source: Field Survey, 2015-16
(Channel I: Producer→ Local wholesaler→ Retailer→ Consumer)

Table 2 depicts the marketing costs, margins and price spread of loose flowers through channel-II in the winter season.

Table 2
Price Spread of Loose Flowers in Winter Season in Patiala District Markets through Channel-II (2015-16)

Sr. No.	Name of functionary	Rs. per quintal	% of consumer's price
1	Net Share/Price of Producer	2392	72.95
2	Costs incurred by the producer i. Plucking, cleaning, grading and packing cost ii. Transport cost iii. Loading and Unloading cost Total cost	200 32 10 242	7.38
3	Producer's sale price/Local wholesaler-cum-retailer's purchase price	2634	
4.	Costs incurred by local wholesaler-cum-retailer i. Labour cost ii. Other costs Total cost	30 15 45	1.37
5	Local wholesaler-cum-retailer's margin/share	600	18.30
6	Local wholesaler-cum-retailer's sale price/Consumer's purchase price	3279	100

Source: Field Survey, 2015-16
(Channel II: Producer→ Local wholesaler-cum-retailer→ Consumer)

From the above details, it can be referred that like channel-I in the winter season, the producer's percentage share in consumer's price was the highest. However, this share was high in channel II than channel-I.

Furthermore, Table 3 reveals the marketing costs, margins and price spread of loose flowers during the winter season by channel III.

Table 3
Price Spread of Loose Flowers in Winter Season in Patiala District Markets through Channel III (2015-16)

Sr. No.	Name of functionary	Rs. per quintal	% of consumer's price
1	Net Share/Price of Producer	2392	72.95
2	Costs incurred by the producer i. Plucking, cleaning, grading and packing cost ii. Transport cost	200 32 10	

	iii. Loading and Unloading cost Total cost	242	7.38
3	Producer's sale price/Retailer's purchase price	2634	
4.	Costs incurred by retailer i. Labour cost ii. Other costs Total cost	30 15 45	1.37
5	Retailer's margin/share	600	18.30
6	Retailer's sale price/Consumer's purchase price	3279	100

Source: Field Survey, 2015-16
(Channel III: Producer→ Retailer→ Consumer)

In the above channel, the retailer incurred all the marketing expenses which were to be borne by the local wholesaler-cum-retailer in channel II. Along with this, the producer's share in consumers' rupee was the same in channel II and III.

Table 4 shows the marketing costs, margins and price spread of loose flowers in the winter season through channel IV.

Table 4
Price Spread of Loose Flowers in Winter Season in Patiala District Markets through Channel-IV (2015-16)

Sr. No.	Name of functionary	Rs. per quintal	% of consumer's price
1	Net Share/Price of Producer	2392	90.81
2	Costs incurred by the producer i. Plucking, cleaning, grading and packing cost ii. Transport Cost iii. Loading and Unloading cost Total Cost	200 32 10 242	9.19
3	Producer's sale price/Consumer's purchase price	2634	100

Source: Field Survey, 2015-16
(Channel IV: Producer→ Consumer)

Table 4 infers that in channel IV, there was no participation of any intermediary. The producer got maximum profit through this channel. Hence, a considerable share received by the producer in the consumers' rupee in this channel proves that intermediaries' existence reduces the producer's profits.

Table 5 mentioned here the marketing efficiency in different channels of loose flowers in the winter season.

Table 5

Marketing Efficiency in Different Channels of Loose Flowers in Winter Season in Patiala District (2015-16)

(Unit: Rs.per quintal)

Particulars	Channel-I	Channel-II	Channel -III	Channel-IV
Producer/ Farmers price (F.P.)	2392	2392	2392	2392
Net Marketing Margins (N.M.M.)	1000	600	600	0
Total Marketing Cost (T.M.C.)	330	287	287	242
Consumer price(C.P.)	3722	3279	3279	2634
Price spread(P.S.) P.S.= N.M.M. +T.M.C.	1330	887	887	242
Marketing Efficiency (M.E.) M.E.= F.P./T.M.C.+N.M.M.	1.80	2.70	2.70	9.88

Source: Computed from the data provided in Tables 1 to 4.

As it is clear from Table 5, channel II and channel III appeared to be operating more efficiently among all the channels due to lesser price spread than channel I. But channel IV appeared to be running most efficiently than all the three channels due to the lowest price spread and highest marketing efficiency (9.88). It is due to the non-involvement of any intermediary in this channel.

Summing up

From the above analysis, it is crystal clear that there are four marketing channels for loose flowers in the Patiala district of Punjab. It is amply brought by the results of the study that

the producer's share in consumer's rupee is highest for loose flowerswhere no intermediary is involved,and this type of channel is most efficient as compared to others. The producer's share in consumer's rupee is low where many intermediaries are involved, which provesa channel less efficient. Moreover,there is no organized market of flowers, and the count of intermediaries is high in the Patiala district. Due to this fact, the shares of their margins are high, but their marketing costs are comparatively lower than the producer's costs which is a matter of great concern. Hence,the producer's marketing costs need to be reduced.

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