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Study on Marketing of Banana (Variety: Sugandhi) in Nandyal District of Andhra Pradesh

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ABSTRACT

The study aims to study the socio-economic profile of banana growers in the Nandyal district of Andhra Pradesh, focusing on the existing marketing channels, marketing cost, marketing efficiency, and constraints in marketing banana. The study was conducted using personal interviews and secondary data from various sources. The district is one of the leading districts in banana production, and banana is cultivated commercially due to the agro-climatic conditions. The study selected 5% of the farmers from each selected block and randomly selected 10% from each village. The Jhansi market was chosen for the study, as the majority of banana was disposed off by the respondents. The study found that the respondents had moderate socio-economic status, with middle/high school education, a well-educated background, and greater access to all assets. The study suggests that there is potential to increase the producer's share in consumer's rupee by marketing the market more effectively, reducing intermediaries and reducing marketing costs and margins. Major constraints in production include high labor costs, less awareness about new technologies, and price fluctuations.

Keywords: Banana, Market Functionaries, Price Spread, Marketing Constraints

INTRODUCTION

Bananas are among the most consumed fruits in India, and Andhra Pradesh plays a crucial role in banana production. The Nandyal district, with its fertile soil and favorable climate, supports large-scale cultivation of the Sugandhi variety. Despite its high market demand, farmers struggle with price realization due to inefficient marketing channels and the dominance of middlemen. This study examines the marketing dynamics and proposes strategies to enhance the economic viability of banana farming in this region.

METHODOLOGY

Study Area: Selected mandals in Nandyal district, Andhra Pradesh.

Sampling Framework: The study involved 60 banana farmers, 10 commission agents, and 10 traders.

Data Collection: Primary data was collected using structured questionnaires, focus group discussions, and market visits. Secondary data was obtained from government reports and academic sources.

ANALYTICAL TOOLS

Marketing Cost (M) = Cf + Cm_1 + Cm_2 + ... + Cmn

Marketing margin = Retail or selling price – Actual cost

Price Spread = Total Marketing Cost + Total Marketing Margin

Marketing efficiency= Price received from producers Marketing costs + Marketing margin

RESULTS AND DISCUSSION

In order to achieve the specific objective of the study, the results obtained are discussed and presented in to the tables.

After collection of data, tabulation was done and then appropriate statistical techniques were used to get the results. The objective wise results and findings in detail are explained in this chapter.

Objective: 1: To study the socio-economic profile of banana growers of the study area.

Distribution of the respondent on the basis of age

Table 4.1: Age of Respondents

Sr. No.	Age (in years)	Farmers (Numbers)					Total	Total Percentage
		Marginal	Small	Semi-medium	Medium	Large		
1	Below 30 years	11	8	5	6	4	**34**	**28%**
2	Between 30 to 50 years	15	12	8	4	6	**45**	**38%**
3	Above 50 years	8	5	3	3	2	**21**	**18%**
	Total	**34**	**25**	**16**	**13**	**12**	**100**	**100%**

Table 4.1 reveals about the age of respondents in the study area in which 38% were between 30 years to 50 years followed by 28% were below 30 years and 18% were above 40 years.

Distribution of the respondent on the basis of education

Table 4.2 Education qualification of the Respondents

Sr. No.	Education	No of Farmers					Total	Percentage
		Marginal	Small	Semi-medium	Medium	Large		
1	Illiterate	2	1	2	1	0	6	**6%**
2	Primary level	4	4	2	2	0	12	**12%**
3	Middle school	7	3	5	3	1	19	**19%**
4	High school	6	5	4	9	3	27	**27%**
5	Intermediate	9	4	2	3	2	20	**20%**
6	Graduate	2	2	1	4	3	12	**12%**
7	Post Graduate	0	1	0	1	2	4	**4%**
	Grand Total	**30**	**20**	**16**	**23**	**11**	**100**	**100%**

Table 4.2 reveals about the literacy of respondents in the study area in which 27% had done high schooling followed by 20% intermediate, 19% middle school, 12% graduate and 12% primary level, 6% were illiterate and 4% had done post graduate.

Distribution of the respondent on the basis of income

Table 4.3 Yearly average income level wise

Sr. No.	Income	Sample farmers					Total	Percentage
		Marginal	Small	Semi-medium	Medium	Large		
1	Below 50000	5	3	1	1	0	10	**10%**
2	50001 to 100000	8	9	3	7	2	29	**29%**
3	100001 to 150000	12	7	8	9	5	41	**41%**
4	150001 to 200000	3	2	3	4	3	15	**15%**
5	Above 200000	0	0	1	2	2	5	**5%**
	Total	**28**	**21**	**16**	**23**	**12**	**100**	**100%**

Table 4.3 reveals about the income level of respondents in the study area in which 41% has income of Rs.100001 to Rs.150000 followed by 29% has income of Rs 50001 to 100000, 15% has income of Rs. 150001 to 200000, 10% has income below Rs 50000 and 5% has income above Rs.20000.

Distribution of the respondent on the basis of occupation

Table 4.4 Occupation of respondents

Sr. No.	Particular (Occupation)	Farmers Size					Total	Percentage
		Medium	Small	Semi-medium	Medium	Large		
1	Agriculture	11	5	3	4	3	**26**	**26%**
2	Horticulture (other than cotton)	8	10	5	6	4	**33**	**33%**
3	Animal Husbandry	6	4	2	4	0	**16**	**16%**
4	Salaried	2	2	1	3	2	**10**	**10%**
5	Business / Profession	4	2	5	3	1	**15**	**15%**
	Total	**31**	**23**	**16**	**20**	**10**	**100**	**100%**

Table 4.4 reveals about the occupation of respondents in the study area in which 33% has occupation of horticulture followed by 26% responded for agriculture, 16% responded for animal husbandry, 15% responded for business and 10% were salaried respondents.

Objective:2: To find out the different existing marketing channels which are involved in marketing of banana at the study zone.

Channel-I:

In the channel I, Banana is supplied directly to consumer without any market intermediaries.

Channel-II:

In the channel II, Banana is supplied to commission agent from where it is supplied to wholesaler from where retailer buys it and finally retailer sells it to the consumer.

Channel III:

In the channel III, Banana is supplied to commission agent from where it is supplied to retailer finally retailer sells it to the consumer.

Table 4.5 Physical loss in Banana /Quintal

Levels	Channel I	Channel II	Channel III
Farm level	2 kg	2 kg	**2 kg**
Packaging		1 kg	**1 kg**
Commission Agent Level		500 gm	**500 gm**
Wholesale market level		750 gm	**-**
Retail level		1 kg	**1 kg**
Total	**2 kg**	**5.250 kg**	**4.5 kg**

Table 4.5 reveals about the physical loss in banana per quintal in which there was a loss of 2 kg in farm level in all the three channels. 1kg loss of potato was found at packaging level in

channel II and channel III. There was a loss of 500 gm banana in channels II and channel III. Loss at retail level in channel II was 1 kg. There was total loss of 2kg in channel I, 5.250 kg in channel II and 4.5 kg in channel III.

Table 4.5.1 Economic loss in Banana/Quintal

Levels	Channel I	Channel II	Channel III
Farm level	Rs.44	Rs.44	**Rs.44**
Packaging		Rs.22	**Rs.22**
Commission Agent Level		Rs.11	**Rs.11**
Wholesale market level		Rs.5.5	
Retail level		Rs.22	**Rs. 22**
Total	**Rs. 44**	**Rs. 104.5**	**Rs. 99**

Table 4.5.1 reveals about the economic loss in banana per quintal in which there was a loss of Rs.44 in farm level in all the three channels. There was a loss of Rs.22 found in packaging level in all the three channels. There was a loss of Rs.11 in channel II and channel III at commission agent level, loss of Rs. 5.5 was found in channel II at wholesale market level and loss of Rs.22 at retail level in channel II. There was total loss of Rs.44 in channel I, Rs.104.5 in channel II and Rs. 99 in channel III.

Objective: 3 To analyze the marketing margin, marketing cost, producers share in consumer rupee, price spread and marketing efficiency in different marketing channels. Channel wise description of each marketing channel observed on the basis of their share in the marketing of Banana

Channel-I:

Table 4.5: Price Spread of Banana in Channel I

S. No	Particulars	Rs/Qlts.
1	Net price received by producer	**2200**
2	**Cost incurred by the producer**	
a	Packing cost	**10**
b	Packing material cost	**20**
c	Miscellaneous charges	**15**
3	Total marketing cost	**45**
4	Sale price of producer/Purchase price of Consumer	**2245**
	Price spread	**45**
	Producer's share in consumer rupee	**97.99%**

Table 4.5 reveals about the price spread and producers share in consumer rupee of Banana in which price spread was 45 and producer's share in consumer rupee was 97.9

Channel-II:

Table 4.6: Price Spread of Banana in Channel II

S. No	Particulars	Rs/Qlts
1	Net price received by producer	**2100**
2	**Cost incurred by the producer**	
a	Packing cost	**10**
b	Packing material cost	**10**
c	Transportation cost	**10**
d	Loading and unloading charges	**20**
e	Miscellaneous charges	**30**
3	Marketing cost	**80**
4	Sale price of producer/Purchase price of Commission agent	**3480**
5	**Cost incurred by the Commission agent**	
a	Loading, Unloading and repacking cost	**30**
b	Spoilage and losses	**20**
6	Marketing cost	**50**
	Margin of commission agent	**125**
7	Sale price of Commission agent/ purchase price of wholesaler	**3655**
8	**Cost incurred by the wholesaler**	
a	Loading and unloading and repacking charges	**20**
b	Grading and sorting charges	**20**
c	Spoilage and losses	**30**
9	Marketing cost	**70**
10	Margin of wholesaler	**150**
	Sale price of Wholesaler/Purchase price of retailer	**3875**
	Loading and unloading Charges	**20**
	Carriage up to shop	**15**
	Miscellaneous charges	**20**
	Spoilage and losses	**30**
	Marketing cost	**85**
	Margin of Retailer	**300**
11	Sale price of retailer/ Purchase price of consumer	**2960**
	Total Marketing cost	**285**
	Net margin	**575**
	Price Spread	**860**
	Producer's share in consumer rupee	**70.94%**

Table 4.6 reveals about the price spread, total marketing cost, net margin and producer's share in consumer rupee of Banana in which total marketing cost was 285, net margin was 575, price spread was 860 and producer's share in consumer rupee was 70.94%.

Channel III:

Table 4.7: Price Spread of Banana in Channel III

S. No	Particulars	Rs/Qlts
1	Net price received by producer	**2150**
2	**Cost incurred by the producer**	
a	Packing cost	**10**
b	Packing material cost	**10**
c	Transportation cost	**15**
d	Loading and unloading charges	**20**
e	Miscellaneous charges	**20**
3	Marketing cost	**75**
4	Sale price of producer/Purchase price of Commission agent	**3575**
5	**Cost incurred by the Commission agent**	
a	Loading, Unloading and repacking cost	**30**
b	Spoilage and losses	**30**
6	Marketing cost	**60**
	Margin of Commission agent	**150**
7	Sale price of commission agent/ purchase price of retailer	**3785**
	Loading and unloading Charges	**20**
	Carriage up to shop	**25**
	Grading and sorting charges	**20**
	Miscellaneous charges	**20**
	Spoilage and losses	**60**
8	Marketing cost	**145**
9	Margin of retailer	**325**
10	Sale price of retailer/ purchase price of consumer	**2905**
	Total Marketing cost	**280**
	Net margin	**475**
	Price Spread	**755**
	Producer's share in consumer rupee	**74.01%**

Table 4.7 reveals about the price spread, total marketing cost, net margin and producer's share in consumer rupee of Banana in which total marketing cost was 280, net margin was 475, price spread was 755 and producer's share in consumer rupee was 74.01%.

Table 4.8: Marketing Efficiency of Banana in Different Marketing Channels

Particulars	Units	Channel I	Channel II	Channel III
Consumer purchase price	Per Quintal	2245	2960	**2905**
Total marketing price		45	980	**818**
Total net margin of intermediaries		-	505	**410**
Net price received market intermediaries		2200	2100	**2150**
Marketing efficiency by Conventional method		**0**	**3.017**	**2.69**

Table 4.8 reveals about the marketing efficiency of different marketing channels in which marketing efficiency of channel I by conventional method is 0, marketing efficiency of channel II is 3.017 and marketing efficiency of channel III is 2.69. The total marketing price was high in channel II in comparison of other channels. The maximum net price received by the farmers is high in channel I. The maximum net margin received by market intermediaries is highest in Channel II i.e., 575.

Table 4.9: Constraints restricting against marketing of Banana

S. No.	Issues	Garrett Mean Score	Garrett Rank
1	Absence of minimum support prices	68.57	**V**
2	Existence of large number of intermediaries in marketing process	65.12	**X**
3	High cost of transportation	69.14	**IV**
4	Inadequate of appropriate credit facilities	67.21	**VII**
5	Lack of market information	68.51	**VI**
6	Lack of infrastructure facility	63.54	**XII**
7	Lack of suitable packaging material	64	**XI**
8	Heavy losses in the market	70.52	**II**
9	ınce from the production point to market	72.14	**I**
10	Too much fluctuation in prices	69.45	**III**
11	ɔmmission agents not maintaining the proper records of sale and rate	61.5	**XIII**
12	Unorganized marketing system	65.4	**IX**
13	**Perishable nature of Banana**	**66.8**	**VIII**

Table 4.9 reveals about the constraints restricting against marketing of banana in which Long distance from the production point to market ranks I followed by Heavy losses in the market ranks II, Too much fluctuation in prices ranks III, High cost of transportation ranks IV, Absence of minimum support prices ranks V, Lack of market information ranks VI, Inadequate of appropriate credit facilities ranks VII, Perishable nature of banana ranks VIII, Unorganized marketing system ranks IX, Existence of large number of intermediaries in marketing process ranks X, Lack of suitable packaging material ranks XI, Lack of infrastructure facility ranks XII and Commission agents not maintaining the proper records of sale and rate

CONCLUSION

The marketing system for Sugandhi bananas in Nandyal district is currently inefficient, heavily influenced by intermediaries and lacking infrastructure. A multi-pronged approach involving farmer empowerment, infrastructural investments, and policy support is necessary to improve price realization and overall profitability for banana growers. Banana (Musa sp.) is a large perennial herb with leaf sheaths that form trunk like pseudo stem. Banana has its origin in tropical region of South East Asia. Banana is a nutritious gold mine. They are high in vitamin B6, which helps fight infection and is essential for the synthesis of home, the iron containing part of hemoglobin. They are also rich in potassium and a great source of fiber. In recent years, considering the adverse impact of indiscriminate use of i.e., "Green Foods" for this has been coined. It is based on recycling of natural organic matter. In this system nutritional requirement are met through use of enriched composts, cakes, promotion of green manure, inter integrated crop management. Banana is an important fruit crop of many tropical and subtropical regions of India. It is cultivated in India in area of 830.5 thousand ha and total production is around 29,779,91 thousand tons. Main banana growing states are Tami Nadu, Maharashtra, Gujarat, Andhra Pradesh and Karnataka, Bihar. Banana is one of the growth engine crops in Andhra Pradesh being cultivated in an area of 0.98 lakh hectares with the annual production of 58.35 lakh metric tons in 2020-21. In India, Andhra Pradesh as a State stands 1st in Area & Production of Banana.

Table 1: Price Realization Across Channels

Marketing Channel	Farmer Price (Rs/kg)	Retail Price (Rs/kg)	Farmer Share (%)
Channel I	20	40	50%
Channel II	22	42	52%
Channel III	25	45	56%

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