A Study of Marketing of Cashew Nut in South Goa District of Goa, India

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

A marketing of cashewnut was studied in South Goa district of Goa and have been presented in the form of tabular analysis. A multi-stage stratified sampling procedure was adopted to select marketing functionaries such as primary and secondary market. The study regarding market functionaries was considered to collect data regarding marketing cost and margins and to identify different marketing channels. With the help of this data price spread, producer share in consumer's rupee and marketing efficiency was calculated. The three different channels were identified i.e., Channel I (Producer-Cooperative societies- Processor-Wholesaler-Retailer), Channel II (Producer-Village Trader-Processor-wholesaler-retailer) and Channel III (Producer-Processor-Wholesaler-Retailer). The Channel III was found to be most efficient marketing channel and the Channel II was found more popular in marketing of cashewnut.

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1. INTRODUCTION

"The cashew plant is a tropical evergreen that can grow up to 30 meters tall and has an average lifespan of 50 years. The cashew tree has a unique shape, with leaves on the top of its branches and short leaves on the trunk that provide shade for the lower branches. Cashew (*Anacardium occidentale* L.), a native of Eastern Brazil introduced to India just as other commercial crops like Rubber, Coffee, Tea, etc., by the Portuguese nearly five centuries back. The first introduction of cashew in India was made in Goa, from where it spread to other parts of the country [1,2]. India is among the largest cashew-producing countries in the world. The country is the largest producer and processor of cashews in the world. The cultivation of cashew in India covers a total of 0.7 million hectares of area, and the country produces over 0.4 million metric tonnes (MT) annually. India is the largest cashew exporter, with more than 15% of the world's export share. During 2021-22, the country's exports grew by 7% to US$ 452 million from US$ 420 million in 2020-21. In March 2022, the country exported cashews worth US$ 40 million, up from US$ 33.58 million in February 2022" [3].

Cashewnut is one of the most important plantation crops in Goa State. Cashewnut often referred to as wonder nut and is one of the most valuable processed nuts traded on the global commodity markets and is also an important cash crop [4,5]. It has the potential to provide source of livelihood for the cashew growers, empower rural women in the processing sector, creating employment opportunities and generating foreign exchange through exports [6,7]. In the state of Goa, it occupies the largest area among horticultural crops. This crop covers about 55 302 ha area with an annual production estimated at 27 070 tonnes.

2. METHODOLOGY

A multi-stage stratified sampling procedure was adopted for the present investigation to select the district, block and villages. In first stage the South Goa district of Goa State was selected Keeping in mind the highest area under Cashewnut. In second stage out of those 7 blocks in South Goa 2 blocks Quepem and Canacona were selected as these are the two main Cashew nut production area in South Goa district. In third stage out of those villages in the Quepem and Cancona block, 10% villages from each block were selected randomly for primary data collection, Total villages in Quepem block are 36 and Canacona block are 9, so 5 villages from both the blocks were. A list of all the farmers were prepared and 10 % of the Cashewnut growers of the villages were selected randomly for the study. Thus, altogether, 100 farmers from all the 5 villages were selected, viz, small-medium-large respondents respectively.

The marketing functionaries such as primary and secondary market present in South Goa district were prepared and out of which 10% market functionaries were selected randomly from both primary and secondary market. The study regarding market functionaries was considered to collect data regarding marketing cost and margins and to identify different marketing channels. With the help of this data price spread, producer share in consumer's rupee and marketing efficiency was calculated (Table 1).

Table 1. Selection of market functionaries

Sr. No.	Marketing functionaries	No. of Functionaries
1	Village trader	16
2	Co-operative societies	10
3	Processor	12
4	Wholesaler	14
5	Retailer	14

3. ANALYTICAL TOOLS

The technique like tabular analysis, arithmetic mean and formulae were used calculate different marketing concept like market margins, price spread, producer's share in consumer rupee and marketing efficiency.

The marketing efficiency is computed by using the formula given by Acharya, 2011. This is one of the most widely used method as depicted in literature. Since it eliminates the problem of measuring the value addition and is appropriate for the areas where marketing is a complex phenomenon and middle men are playing multiple roles within the channel [8]. The formulation is as under:

$$\text{MME} = \frac{FP}{MC + MM}$$

Where,

MME = Modified measure of Marketing Efficiency.
FP = Net price received by Producer.
MC = Total Marketing Cost.
MM = Total Marketing Margin.

4. RESULTS AND DISCUSSION

4.1 Marketing Channels

Three marketing channels were identified in South Goa district.

Channel I: Producer-Cooperative societies-Processor-Wholesaler-Retailer
Channel II: Producer-Village Trader-Processor-wholesaler-retailer
Channel III: Producer-Processor-Wholesaler-Retailer

From Table 2, it could be observed that in Channel I the net price received by farmer was (Rs. 6900) and net producer share in consumer rupee was (43.13%) and total price spread was (Rs. 9100). Highest margin was earned by processor (Rs. 2500) followed by retailer (Rs. 2000) and Wholesaler (Rs 1750). In Channel II the net price received by farmer was (Rs. 6750) and net producer share in consumer rupee was (42.19%) and total price spread was (Rs. 9100). Highest margin was earned by processor (Rs. 2500) followed by retailer (Rs. 2000) and Wholesaler (Rs 1750). In Channel III the price received by farmer was (Rs. 7050) and net producer share in consumer rupee was (44.13%) and total price spread was (Rs. 8925). Highest margin was earned by processor (Rs. 2600) followed by retailer (Rs. 2000) and Wholesaler (Rs. 1750).

4.2 Distribution of Cashewnut

Table 3 revealed that majority of farmers selling their produce through Channel II (58%) followed by Channel I (29%) and Channel III (13%). Channel II have intermediatory i.e., cooperative-societies which has their procurement shops located in most of the villages in South Goa that's why most of the people sell their produce through channel II.

Table 2. Cost incurred and margins earned by middlemen in marketing channels (50 kg)

Sr.No.	Particulars	Channel – I	Channel II	Channel III
1	**Producers**			
	Price received	7000*	6850*	7150*
	Cost incurred by producer			
	Transportation cost	25	25	25
	Labour Charges	50	50	50
	Gunny bag	25	25	25
	Total cost	100	100	100
	Net price received	6900	6750	7050
2	**Village trader**			
	Purchase price	7000	-	-
	Costs incurred by trader			
	Storage cost	25	-	-
	Transportation cost	25	-	-
	Labour	50	-	-
	Total cost	100	-	-
	Margins	75	-	-
	Sale price	7275	-	-
3	**Cooperative societies**			
	Purchase price	-	6850	-
	Cost incurred by Cooperative societies			
	Storage	-	25	-
	Transportation cost	-	25	-
	Labour charges	-	50	-
	Total cost	-	100	-
	Margins	-	175	-
	Sale price	-	7125	-

Sr.No.	Particulars	Channel – I	Channel II	Channel III
4	**Processors**			
	Purchase price	7275	7125	7150
	Cost incurred by processor			
	Processing cost	1600	1600	1600
	Storage	25	25	25
	Packaging	25	25	25
	Transportation cost	50	50	50
	Labour charges	50	50	50
	Total cost	1750	1750	1750
	Margins	2500	2500	2600
	Sale price	11525**	11375**	11500**
5	**Wholesalers**			
	Purchase price	11525	11375	11500
	Cost incurred by wholesaler			
	Storage	50	50	50
	Transportation cost	250	250	250
	Labour charges	50	50	50
	Market fee	100	100	100
	Miscellaneous charges	100	100	100
	Total cost	550	550	550
	Margins	1750	1750	1750
	Sale price	13825	13675	13800
6	**Retailers**			
	Purchase price	13825	13675	13800
	Costs incurred			
	Storage	50	50	50
	Market fee	125	125	125
	Total cost	175	175	175
	Margins	2000	2000	2000
	Sale price	16000	15850	15975
	Price spread	**9100**	**9100**	**8925**
	Net Producer's share in consumer's price	**43.13**	**42.19**	**44.13**

*indicates price received by producer is of 50 kg Cashew nuts and ** indicates sales price of 15 kg cashew kernels after processing because after processing 70% are nut shells (35 kg) and 30% cashew kernels (15 kg) which further sold

Table 3. Distribution of Cashewnut through different channels by sample respondent

Particulars	Marginal	Small	Semi Medium	Medium	Grand Total
Channel I	13(37.14%)	16(51.61%)	-	-	29(29%)
Channel II	22(62.85%)	15(48.39%)	17(68%)	4(44.44%)	58(58%)
Channel III		-	8(32%)	5(55.56%)	13(13%)
Total	**35**	**31**	**25**	**9**	**100(100%)**

4.3 Marketing Margins, Cost and Efficiency of Marketing Channels

Table 4 revealed that Marketing efficiency was highest of channel-III (0.79) followed by channel-I (0.76) and channel-II (0.74) because net price received by farmers in channel III was highest and both marketing cost and marketing margins were lower as compared to channel I and II similar findings were observed by [9]. Total marketing cost was highest of channel I and II (Rs. 2675) followed by Channel III (Rs 2575) because in channel III there is one less marketing intermediary than channel I and II. Total marketing margins was highest in channel II (Rs. 6425) followed by channel III (Rs. 6350) and channel I (Rs. 6325). The producer's share in consumer rupee was highest in Channel III (44.13%) followed by channel I (43.13%) and channel II (42.19%), This is because of less intermediaries in channel III as compared to channel I and channel II and more price is received by farmers in Channel III than channel I and II.

Table 4. Marketing efficiency of Cashewnut in South Goa district

Sr.No.	Particulars	Channel I	Channel II	Channel III
1	Total Marketing Cost	2675	2675	2575
2	Total Marketing Margins	6325	6425	6350
3	Sales Price	16000	15850	15975
4	Producer Share in consumer Rupee	43.13	42.19	44.13
5	Marketing Efficiency	0.76	0.74	0.79

5. CONCLUSION

From the above, it has been observed that most of the sample respondents sell their produce through channel II (58%). Total marketing cost was highest in channel I and II (Rs. 2675) followed by channel III (Rs. 2575). This was because of more intermediaries in channel I and II than channel III. Marketing efficiency was highest in channel III (0.79) followed by the channel I (0.76) and channel II (0.74). This shows that larger the number of middlemen higher will be the marketing cost and marketing margins which reduces the marketing efficiency. Similar findings were observed by [10]. Hence there is inverse relationship of marketing cost and marketing margins with marketing efficiency. Thus, channel III was found to be most efficient channel.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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