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# DISTRIBUTION OF SELLING PRICE AMONG FARMERS AND INTERMEDIARIES OF TOMATO AND CAPSICUM

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## ABSTRACT
This study examines the distribution of selling price among farmers and intermediaries like commission agents, retailers etc. dealing in production, sale and purchase of Tomato and Capsicum. The study shows that there is huge commission charged by commission agent from the farmers. The study was conducted in Solan district i.e. Nagali, Oachghat and some other parts of Himachal Pradesh like Shimla and Mandi. Primary data has been collected from the questionnaire method whereas the data was collected from farmers, which were 30 in numbers, Retailers 15 in numbers and commission agents 15 in numbers whereas consumers are 40 in numbers. Selective vegetables/fruits are being taken by us which are cultivated in Solan viz. Capsicum, Cauliflower, Mushroom, Potato, Tomato, Plum, Pear, Peas, Coriander leaf, Spinach, Cabbage, Kiwi, Pomegranate, Apricot, and Peach where we need to find the commission charges charged on a particular vegetable so two vegetables/fruits i.e. Tomato and Capsicum. Education of farmers for scientific management of crops and provision of improved tools for efficient use of labour have also been suggested to lower production costs and make the vegetable cultivation more beneficial to farmers, particularly to the small and marginal ones in the state.

**Keywords:**
Commission agents, farmer income, standard commission rate, disintermediation

## INTRODUCTION

The research focused on the extra commission charged by agents from farmers and retailers. The research conducted in the Solan district and some other parts of Himachal Pradesh like Shimla and Sirmour district. Vegetables/fruits cultivated in the Solan like Capsicum, Cauliflower, Mushroom, Potato, Tomato, Plum, Pear, to name a few; we took tomato and pear to know the extra commission charged by the agents. Education to farmers for scientific management of crops and provision of improved tools for efficient use of labour is suggested for lower production costs and make the vegetable cultivation more beneficial to farmers, particularly to the small and marginal farmers in the state. Therefore, the research on Horticulture- Agriculture in the Solan district on disintermediation was conducted to better understand the distribution of profit margin among various intermediaries and actual percentage of the selling price of the produce that the farmers get.

**Agriculture -** Agriculture is the science and the art of cultivating the soil and raising livestock and growing crops. Agriculture is the deliberated effort to modify a portion of earth's surface through the cultivation of crops and the raising of livestock for sustenance or economic gain. Agriculture often involves the cultivation of the soil to grow plants and the raising of animals for human needs.

**Horticulture –** Horticulture is the practice of producing, cultivating and managing a garden. Horticulture in its present concept is that part of plant agriculture concerned with so-called "garden crops" as contrasted with agronomy field crops, mainly grains and forages and forestry forest trees and products. He gave the following definition of horticulture: it is the branch of agriculture concerned with intensively cultured plants directly used by man for food, for medicinal purposes, or for aesthetic gratification.

### Objectives

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- To study the distribution of margin as charged by various intermediaries of Tomato and Pear.
- To find the way by which farmer income can be increased.
- To understand the consumer perception towards their buying behaviour or buying place of vegetable fruit.

## RESEARCH METHODOLOGY

### Research Design

Research Design is defined as a framework of methods and techniques chosen by researchers to combine components of research.

### Sampling

Sampling is the process of selecting a part of population that is studied in the research.

- Purposive Sampling: It is type of non-probability sampling where the members for a sample are selected according to the purpose of the study. As our research purpose is to know the farmers, retailers, consumers point of view towards the distribution channel of vegetable/ Fruits.

### Data Collection

Primary Data: We have collected data from the Consumers of vegetables/ Fruits and also from the Retailers and Farmers of that particular field.

- Consumers – Different area of solan like Khundidhar, Dmarog, and some parts of Shamti.
- Retailers- Gathered data from the retailers of the particular area of Solan and nearby areas.
- Farmers – Gathered data from the Damrog, Seri, Kundla village farmers and also from the Balana, farmers.
- Commission agent- Gathered data from the Solan sabji mandi.

Secondary Data: Some data was collected from Internet, various research papers and articles.

Data Collection Tool: Data is collected through the questionnaire designed in Google doc.

### Development of Questionnaire

One way: One-way scales are widely used to measure the opinions, perceptions and behaviour of the respondent. It is a multiple choice or open-ended question type scale that offers a range of answers or just given to answer in open ended way.
Questionnaire was developed/prepared in two parts. First part of questionnaire includes demographic questions like name, age, area, land holding size. Other part of questionnaire is designed of multiple type to know the perception of Farmers, retailers, consumers and commission agent.

## DATA ANALYSIS

### 1 – Capsicum

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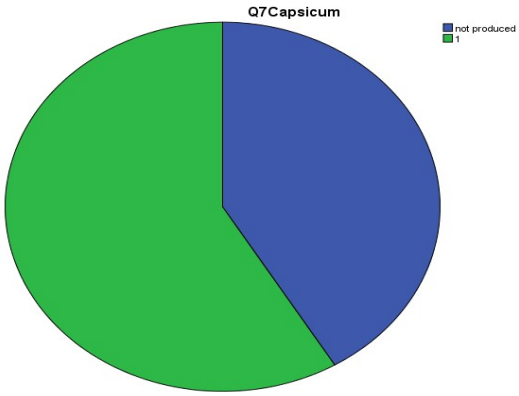


*Figure 1: Capsicum production areas*

The graph shows the production of capsicum in different areas: green color shows the production of the capsicum and in blue they show non-production area.

**2 - Tomato**

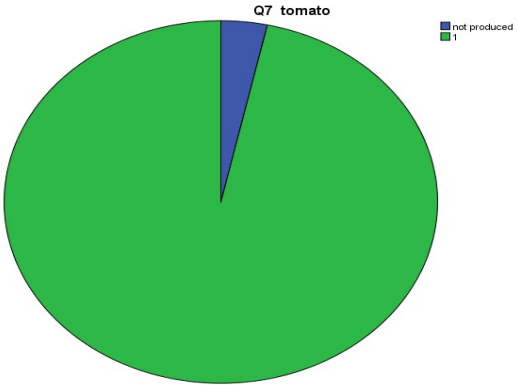


*Figure 2: Tomato production areas*

The graph shows the production of tomato in different areas: green color shows the production of the capsicum and in blue they show the non- production area.

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*Table 1: Selling price of Capsicum*

| S.P Capsicum | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 29 per k.g | 12 | 41.4 | 41.4 | 41.4 |
| | 30 per k.g | 2 | 6.9 | 6.9 | 48.3 |
| | 32 per k.g | 5 | 17.2 | 17.2 | 65.5 |
| | 35 per k.g | 7 | 24.1 | 24.1 | 89.7 |
| | 36 per k.g | 1 | 3.4 | 3.4 | 93.1 |
| | 38 per k.g | 1 | 3.4 | 3.4 | 96.6 |
| | 39 per k.g | 1 | 3.4 | 3.4 | 100.0 |
| | Total | 29 | 100.0 | 100.0 | |

There is a variation in the selling price of the capsicum, so this table is showing different S.P. of capsicum. The average comes out to be Rs. 31.9/- per KG.

*Table 2: Selling Price of Tomato*

| S.P. Tomato | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 25 per k.g | 1 | 3.4 | 3.4 | 3.4 |
| | 26 per k.g | 3 | 10.3 | 10.3 | 13.8 |
| | 27 per k.g | 2 | 6.9 | 6.9 | 20.7 |
| | 28 per k.g | 1 | 3.4 | 3.4 | 24.1 |
| | 30 per k.g | 5 | 17.2 | 17.2 | 41.4 |
| | 30 perk.g | 2 | 6.9 | 6.9 | 48.3 |
| | 31 per k.g | 3 | 10.3 | 10.3 | 58.6 |
| | 33 per k.g | 4 | 13.8 | 13.8 | 72.4 |
| | 34 per k.g | 2 | 6.9 | 6.9 | 79.3 |
| | 36 per k.g | 1 | 3.4 | 3.4 | 82.8 |
| | 37 per k.g | 3 | 10.3 | 10.3 | 93.1 |
| | 38 per k.g | 2 | 6.9 | 6.9 | 100.0 |
| | Total | 29 | 100.0 | 100.0 | |

The table is showing S.P. of the tomato. The average comes out to be Rs. 30.4/- per KG.

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*Table 3: Government Subsidy*

| Govt. Subsidies Knowledge | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | No | 3 | 10.3 | 10.3 | 10.3 |
| | Yes | 26 | 89.7 | 89.7 | 100.0 |
| | Total | 29 | 100.0 | 100.0 | |

This table shows the farmer knowledge about the subsidy. 89% of farmers said they are aware of the Government subsidies being offered to the farmers.

*Table 4: Transportation charges*

| Transportation charge | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 14 | 4 | 13.8 | 13.8 | 13.8 |
| | 15 | 16 | 55.2 | 55.2 | 69.0 |
| | 17 | 5 | 17.2 | 17.2 | 86.2 |
| | 20 | 4 | 13.8 | 13.8 | 100.0 |
| | Total | 29 | 100.0 | 100.0 | |

This table shows the transportation charges per crate. The average comes out to be Rs. 15.4 per crate. This is applicable to both Tomato and Capsicum.

## FINDINGS

- In the above data we have discussed the different price of different vegetable so we find that there is a huge gap between the farmer's price who are giving vegetable to the commission agent and the consumers who are buying it from the retailer.
- Also, from the farmer's data we find that they have a little knowledge about the government subsidy. So, they don't tke advantage of it which also affects their productivity.
- Also, we found that there is a variability in the transportation charges also which is also their productivity.
- Commission agents are charging 6% which include the 5% commission and 1% tax which they have to pay to the committee for vegetable and fruits. This data we have found from the commission agents.
- From the retailer data we have found that some time commission agent charge more labour charges. Actual labour charge is 5 to 10 per cent. But some time they charge 20 per cent per crate.
- Also, we have found from the consumer's data that the consumer is buying more from the independent shop rather than that of farmer market. That could be because of two reason either many of the farmer won't have that much of productivity wherein they can sell vegetable on daily basis or consumers buy vegetable from their nearby shop.

## CONCLUSION

Based on the research carried out, this research not only help us to find loopholes in the intermediaries but also there is need of this disintermediation as the maximum population says that the commission agents charges the higher commission rates not only to the farmers but also to the retailers as per the feedback given by the farmers and

retailers. The necessary steps to accelerate the farmer's income by implying one commission rate to the farmers and even to the retailers.

Further,the government needs focus to increase the farmer's income because if we are not focusing on the farmer income now than there will be further disruption and GDP rate of Himachal Pradesh will come down. The need of an hour is to empower the farmers and giving the relevant information to use the agriculture subsidiesand educating them that to exclude the middlemen in the selling process.

The research concludes on the following points:

- There is a huge gap between the farmer's price who are giving vegetable to the commission agent and the consumers who are buying it from the retailer.
- Every farmerdoesn't have the knowledge of government subsidy which affect their productivity.
- The variability in the transportation charges also affects their productivity.
- Commission agents charge 6% which include the 5% commission and 1% tax witch they pay committee for vegetable and fruit of any kind.
- From the retailer's data, we have found that sometimes commission agent charges more labour charge. The actual labour charge is 5 to 10 percent but they often charge 20 percent per crate.