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A study on marketing of vermicompost in Mirzapur district of Uttar Pradesh

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Abstract

The study entitled “A Study on Marketing of Vermicompost in Mirzapur District of Uttar Pradesh” In this study, primary data was collected from Majhawa block of the district. 5% of the villages were selected from the selected blocks, 10% of the survey participants were selected from the selected villages, and the selected participants were divided into five groups according to land ownership: marginal, small, semi-medium, medium and large, and the research was conducted. During the research, it was observed that there were two business methods for vermicomposting in the study area. Channel I (producer-consumer) and channel II (producer-retailer-consumer). This study evaluated business margins, communication costs, business efficiency, and constraints of participants in the vermicomposting industry. In channel I, marketing margin is 59.85%, price spread is 40% and marketing efficiency is 148.9%. In channel-II, marketing margin is 25%, price spread is 63.5% and marketing efficiency is 133.33% respectively.

Keywords: Marketing margin, price spread, marketing efficiency

Introduction

Vermicompost is a beneficial organic fertilizer produced by the decomposition of organic waste by soil organisms and is popular in the agricultural and horticultural community due to its many benefits. Its high-quality ingredients, improved soil structure and environmentally friendly production process make it a good choice for small farmers and large farms. However, commercialization of vermicompost faces some problems and limitations. (Akhtar MS & Bhat MA, 2017) ^[1]. The biggest limitation in the commercialization of vermicompost is the lack of awareness among potential consumers about its benefits and availability. Many people do not know about worm castings and its advantages over chemical fertilizers. Therefore, education and promotional efforts should be conducted to educate consumers on the value of vermicomposting in promoting soil health and permaculture practices. (Baxi VR, Patel KJ, & Patel NJ, 2019) ^[2]. Another challenge is the competition from fertilizer products, which are often market leaders due to their wide product range and performance. Convincing farmers and gardeners to switch to vermicompost must demonstrate the best performance in terms of crop yield, soil fertility and environmental impact. Additionally, despite the long-term benefits and efficiency of vermicomposting, the higher initial cost compared to chemical fertilizers may deter buyers. Additionally, transport restrictions such as transport and storage will affect the commercialization of vermicompost, especially for small producers who may have difficulty accessing distribution or quality control during transport. Establishing a good supply chain and storage facilities can help overcome these problems and

ensure the reliability of vermicompost to meet the needs of the market. (Dhanya MG, Sasikumar P, Unni KS, 2020) ^[5]. In summary, although vermicompost production has many advantages in terms of soil health and permaculture, problems such as lack of information, fertilizer competition and transportation limitations are encountered in its commercialization. Overcoming these challenges requires a concerted effort to educate consumers, demonstrate the benefits of vermicomposting, and create effective pipelines to make vermicompost accessible to farmers and gardeners.

Research methodology

The study was conducted in Mirzapur district of Uttar Pradesh. This site was chosen because it is beneficial for vermicompost production in the region and therefore provides economic benefit to farmers. A multistage random sampling technique was used to select vermicompost producing participants. In the first stage, Majhawa CD block, which has the largest vermicompost production in the region, was selected among 12 blocks. In the next stage, the list of villages in the selected blocks is compiled and five percent of the villages are selected by random selection. Participants were selected according to their land ownership, and 10% of the farmers in each village were selected to create a total of 100 participants in the sample. Data were also collected from five customers and five selected vendors in the Mirzapur district. Secondary and primary data were used in the research. Vermicompost production data from the Ministry of Agriculture and Block Office were collected as secondary data. During the trial period, information was collected directly from selected

households and commercial intermediaries in the study area through face-to-face surveys to investigate business prices, revenue, efficiency and conversion cost.

Analytical Tools

- **Market Margin:** $AMI = Pri - (Ppi + Cmi)$

- **Price Spread:** $PS = MC + MM$
- **Marketing Efficiency:** $MME = FP / MC + MM$

Results and Discussion

Table 1: To estimate the marketing margin, price spread and marketing efficiency in channel-I
Channel-I: Producer-Consumer

S. No.	Particulars	Value in Rupees per quintal
1	Producer sale price to consumer	1150
2	Cost incurred by the producer	
	Raw material	400
	Packaging cost	10
	Transportation cost	15
	Marketing cost	18
	Labor	9
	Miscellaneous	10
3	Total cost incurred by producer	462
4	Net price received by the producer	688
9	Price spread	40%
10	Consumer paid price	1150
11	Marketing margin	59.85%
12	Marketing efficiency	148.9%

Table 1, The vermicompost channel shows that the producer sale price for 1 quintal is Rs. 1150. The market price of vermicompost manufacturers is Rs 462 per quintal. The net price received on Channel-I is Rs.688, price spread in channel I is Rs. 40%. The trading efficiency of Channel I is 148.9% and marketing margin in channel-1 is 59.85%.

Table 2: To estimate the marketing margin, price spread and marketing efficiency in channel-II
Channel-II: Producer-Retailer-Consumer

S. No.	Particulars	Value in Rupees per quintal
1	Producer sale price to retailer	900
2	Cost incurred by the producer	
	Raw material	400
	Packaging cost	10
	Transportation cost	15
	Marketing cost	18
	Labor	9
	Miscellaneous	10
3	Total cost incurred by producer	462
4	Net price received by the producer	438
5	Cost incurred by the retailer	
	Loading/ unloading charges	12
	Transportation	15
	Rent	10
	Storage	10
	Miscellaneous	15
6	Total cost incurred by retailer	962
7	Net price received by the retailer	238
8	Selling price to consumer	1200
9	Price spread	63.5%
10	Consumer paid price	1200
11	Marketing margin	25%
12	Marketing efficiency	133.3%

Table 2, Vermicomposting Pipe-II is reportedly supplied by the manufacturer at a market price of Rs. 900/quintal, the

resulting market price for the product is Rs.462 and the price received by the manufacturer in Pathway-II is Rs.439., In Pathway-II, the profit earned by the retailer from the sale of 1 quintal of vermicompost is 238, hence the price offered by the retailer to the consumer is Rs. 1200. Finally, in Pathway II, the total marketing margin is 25%, price spread in channel-II is 63.5% and marketing efficiency is 133.3%.

Conclusion

The vermicomposting industry in Mirzapur district of Uttar Pradesh has huge potential for farmers and entrepreneurs. Vermicompost is a valuable organic fertilizer nutrient source that suits the increasing needs for good and profitable agriculture. The region's most agricultural industry provides commercial preparation for the production of vermicompost, which improves soil health and crop yields. Farmers are increasingly aware of the benefits of organic farming, including improving soil fertility and reducing dependence on chemical fertilizers. In order to use all these resources, it is necessary to focus on the dissemination of awareness and education and to demonstrate the benefits of vermicompost production. Demonstration programs that show how to improve crop yields and soil health can increase the likelihood that farmers will adopt the practice. Additionally, establishing a reliable supply and distribution network will enable farmers to easily access worm compost at a competitive price. Additionally, the support of local governments and agricultural institutions can play an important role in promoting the use of vermicompost. Grants, training and business support can help expand production and adoption. Entrepreneurs can also explore collaborations with local partners and farmer groups to develop and expand their business. In short, a successful vermicomposting business in Mirzapur can lead to the development of sustainable agriculture, increasing farmers' income and profitable environment, creating a win-win for the society and the ecosystem.

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