

E-Practical Manual
On
Agricultural Marketing, Trade and
Prices

Course Code: AEC 221

Credit Hours: 3 (2+1)

[For B. Sc. (Ag.) Agriculture IVth Semester Students]



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**E-Practical Manual on
Agricultural Marketing, Trade and Prices**

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SYLLABUS

- Plotting and study of demand and supply curves and calculation of elasticities.
- Study of relationship between market arrivals and prices of some selected commodities.
- Computation of marketable and marketed surplus of important commodities.
- Study of price behaviour over time for some selected commodities.
- Construction of index numbers.
- Visit to a local market to study various marketing functions performed by different agencies, identification of marketing channels for selected commodity, collection of data regarding marketing costs, margins and price spread.
- Visit to market institutions – NAFED, SWC, CWC, cooperative marketing society, etc. to study their organization and functioning;
- Application of principles of comparative advantage of international trade.

Details of student

Name of Student

ID. No.

Batch

Group

Session

Semester

Course Name

Course Code

Credit

CERTIFICATE

This is to certify that Mr. /Ms.

ID. No.: has completed the practical exercises of course (Course Name) and Course No.

as per the syllabus of B. Sc. (Ag.) Agriculture in Semester in the year in the respective laboratory/field of college.

Date:

Course Instructor

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Exercise 2: Price of an agricultural commodity is given below from 2001-02 to 2020-21. Determine the inter year price behavior from the following data:

Year	Price
2000-01	1800
2001-02	1950
2002-03	2010
2003-04	1920
2004-05	2025
2005-06	2100
2006-07	2025
2007-08	1965
2008-09	2175
2009-10	2265
2010-11	2340
2011-12	2550
2012-13	2825
2013-14	3000
2014-15	3255
2015-16	3500
2016-17	3450
2017-18	3550
2018-19	3850
2019-20	3600
2020-21	3700
2021-22	3850
2022-23	4000

Solution:

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Chapter 6: Visit to a local market to study various marketing functions performed by different agencies, identification of marketing channels for selected commodity, collection of data regarding marketing costs, margins and price spread.

Exercise 1: Visit to a local market and collect the data regarding marketing function performed by the marketing agencies.

1. Name of the agency:
2. Address:
3. Area of operation:
4. Marketing function performed:
5. Number of employees:
6. Year of establishment:
7. Commodities handled:
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8. Fixed costs involved in performing marketing function:
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
 - (f)
9. Variable costs involved in performing marketing function:
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
 - (f)
8. Facilities provided by the agency to farmers :
 - (a)
 - (b)
 - (c)

(d)

(e)

(f)

9. Number of farmers availing their facility per day:

10. Source of income for the agency:

(a)

(b)

(c)

11. Constraints faced by the agency in performing marketing function:

(a)

(b)

(c)

(d)

(e)

(f)

12. Type of government support required by the marketing agency for easy performance of marketing function:

(a)

(b)

(c)

(d)

(e)

(f)

13. Constraints faced by farmers in availing market facilities:

(a)

(b)

(c)

(d)

(e)

(f)

Exercise 2: Identification of marketing channels for Mustard in Banda district of Uttar Pradesh.

Collect the information from the stakeholders involved in different marketing channels of mustard

1. Producer

Crop production and use :

Name of the crop	Area	Crop yield	Self consumption	Seed	Wages in kind	Others
Mustard						

Where does the farmer sell his produce?

- a) Mandi b) Local market c) village trader d) Private traders
- e) Millers f) Others(specify).....

Additional information:

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2. Middleman 1:

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3. Middleman 2:

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4. Middleman 3:

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5. Middleman 4:

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6. Consumer:

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Exercise 3: Collection of data regarding marketing cost and marketing margin.

A. Producer

(i) Crop production and use :

Name of the crop	Area	Crop yield	Self consumption	Seed	Wages in kind	Others

(ii) Where does the farmer sell his produce?

- a) Mandi b) Local market c) village trader d) Private trader
 e) Millers f) Others(specify).....

(iii) Selling price of farmer:

(iv) Marketing cost incurred by Producer:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Production cost		
(b)	Sale Price		
(c)	Cleaning		
(d)	Packing		
(e)	Weighing		
(f)	Loading & unloading		
(g)	Transportation		
(h)	Others		

B. Middleman 1 (Name):

- (i) Purchase price:
 (ii) Sold to:
 (iii) Selling price:

Cost incurred:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Godown rent		
(b)	Storage cost		
(c)	Loading & unloading		
(d)	Weighing		
(e)	Electricity		

(f)	Labour		
(g)	Transportation		
(h)	Bags & package		
(i)	Licence charge		
(j)	Miscellaneous		

C. Middleman 2 (Name):

- (i) Purchase price:
- (ii) Sold to:
- (iii) Selling price:

Cost incurred:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Godown rent		
(b)	Storage cost		
(c)	Loading & unloading		
(d)	Weighing		
(e)	Electricity		
(f)	Labour		
(g)	Transportation		
(h)	Bags & package		
(i)	Licence charge		
(j)	Miscellaneous		

D. Middleman 3 (Name):

- (i) Purchase price:
- (ii) Sold to:
- (iii) Selling price:

Cost incurred:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Godown rent		
(b)	Storage cost		
(c)	Loading & unloading		
(d)	Weighing		
(e)	Electricity		
(f)	Labour		
(g)	Transportation		
(h)	Bags & package		
(i)	Licence charge		
(j)	Miscellaneous		

E. Middleman 4 (Name):

- (i) Purchase price:
- (ii) Sold to:
- (iii) Selling price:

Cost incurred:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Godown rent		
(b)	Storage cost		
(c)	Loading & unloading		
(d)	Weighing		
(e)	Electricity		
(f)	Labour		
(g)	Transportation		
(h)	Bags & package		
(i)	Licence charge		
(j)	Miscellaneous		

F. Middleman 5 (Name):

- (iv) Purchase price:
- (v) Sold to:
- (vi) Selling price:

Cost incurred:

S. No.	Particulars	Amount (Rs. /Qt.)	Total Cost
(a)	Godown rent		
(b)	Storage cost		
(c)	Loading & unloading		
(d)	Weighing		
(e)	Electricity		
(f)	Labour		
(g)	Transportation		
(h)	Bags & package		
(i)	Licence charge		
(j)	Miscellaneous		

G. Consumer:

- (i) Purchase price:

Exercise 4: Calculation of total marketing cost, absolute marketing margin, marketing efficiency and producer's share in consumer's rupee a commodity which weighs 10 Quintals.

- A. Farmer
 - (a) Selling price: Rs. 800/Quintal
 - (b) Marketing cost: Rs. 500
- B. Village trader
 - (a) Purchase price: Rs. 800/Quintal
 - (b) Loading & unloading charge: Rs. 200
 - (c) Transportation cost: Rs. 500
 - (d) Sale price: Rs. 1200/Quintal
- C. Wholesaler
 - (a) Purchase price: Rs. 1200/Quintal
 - (b) Loading & unloading charge: Rs. 150
 - (c) Transportation cost: Rs. 100
 - (d) Sale price: Rs. 1500/Quintal
- D. Retailer
 - (a) Purchase price: Rs. 1500/Quintal
 - (b) Unloading charge: Rs. 200
 - (c) Sale price: Rs. 1700/Quintal
- E. Consumer
 - (a) Purchase price: Rs. 1700/Quintal

Solution:

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Exercise 5: Calculation of marketing cost, absolute marketing margin, marketing efficiency and producer's share in consumer's rupee.

A farmer Mr. Binda, goes to a mandi with 800 bags of wheat, weighing 50 kg each. He takes the produce to a commission agent Mr. Naval. Commission agent makes following payments on behalf of Mr. Binda:

- (i) Payment to truck driver for transporting the wheat = Rs. 4 per bag
- (ii) Octroi charges = Rs.1 per bag
- (iii) To labourers for unloading the bags from truck = Rs. 2 per bag

The produce is auctioned and a wholesaler Mr. Pramod purchases the produce at a price of Rs. 1100 per quintal. Mr. Naval makes the payment to Mr. Binda after deducting the expenses on payments (i), (ii) and (iii) mentioned above. Mr. Pramod incurs the following expenses:

- (i) Cost of the gunny bags = Rs. 20 per bag
- (ii) Sales tax = Rs. 8,800
- (iii) Labour charges for filling and stitching of bags = Rs. 1600
- (iv) Commission = Rs. 4,400
- (v) Market fee to the market = Rs. 6,600
- (vi) Weighing charges = Rs. 2,200

Mr. Pramod transports this wheat to the secondary wholesale market in another district through railways and incurs the following expenses;

- (i) Cartage to station at originating station = Rs. 2 per bag
- (ii) Railway freight for the whole lot = Rs. 3000
- (iii) Loading and unloading charges = Rs. 2 per bag
- (iv) Cartage at destination station = Rs. 2 per bag

The wheat is sold to a retailer Mr. Tausif through his commission agent Mr. Aakash @ Rs. 1200 per quintal. The empty gunny bags are purchased by the Mr. Tausif @ Rs. 16 per bag. Mr. Aakash collects the following amounts from Mr. Tausif:

- (i) Commission = 1.25 per cent of the value of the produce
- (ii) Labour charges for unloading = Rs. 2 per bag
- (iii) Weighing charges = 0.30 per cent of the value of the produce.

Mr. Tausif takes the produce to his shop in his own truck and sells it to consumers at Rs. 1400 per quintal. The empty bags are disposed of by him at Rs. 15 per bag in the market. Calculate producer's price, producers' share in consumers' rupee, absolute margin of the wholesaler and retailer; and marketing costs incurred by producer, wholesaler and retailer.

Solution:

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Chapter 7: Visit to market institutions – NAFED, SWC, CWC, cooperative marketing society, etc. to study their organization and functioning

Exercise 1: Visit to NAFED to know the activities, functions of the institution.

1. Name of the Institution:
2. Location:
3. Address:
4. Area of operation:
5. Year of establishment:
6. Commodities being handled:
7. Functions
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
8. Objectives
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
9. Source of funds:
10. Facilities provided to stakeholders:
.....
.....
11. Board of Directors:
 - (a)
 - (b)
 - (c)
 - (d)

(e)

12. Member societies:

(a)

(b)

(c)

(d)

(e)

13. Conditions of getting membership by societies:

(a)

(b)

(c)

(d)

(e)

14. Steps in getting membership:

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

15. Any additional information

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Exercise 2: Visit to CWC or SWC to know their activities, functioning, etc..

1. Name of the Warehousing Corporation:
2. Organizational set-up:
 - (a)
 - (b)
 - (c)
 - (d)
3. Objectives:
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
4. Functions of the corporation:
 - (a)
 - (b)
 - (c)
 - (d)
 - (e)
5. Storage methods:
6. Commodities stored at present:
7. Capacity utilization of the warehouse & Percentage of utilization of the warehouse:
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8. Methods of staking:
9. Storage pest control measures followed:
10. Storage loss:
11. Storage charges:

