Marketing Structure of Small Ruminants in Kashmir Region of Jammu and Kashmir State of India

M. H. Malik, Sanjay Kumar¹ and Khalid Hussain²*

Division of Veterinary & Animal Husbandry Extension Education, Khalsa College of Veterinary and Animal sciences, Amritsar, Punjab 14300, India

¹Principal Scientist and Head Division of Livestock economics and information Technology, Indian Veterinary Research Institute, Izatnagar, 243122, (INDIA)

²Senior Veterinary Officer, Livestock Management and Training Institute, Milch Livestock Improvement Society, Solan, Himachal Pradesh-173212 (INDIA)

*Corresponding author: hussain8821@yahoo.com

Rec. Date: Mar 18, 2015 07:40
Accept Date: Apr 24, 2015 20:31
Published Online: April 26, 2015
DOI 10.5455/ijlr.20150424083149

Abstract
Study was conducted in Kashmir region of Jammu and Kashmir under Pulwama, Anantnag, Baramula, Budgam and Ganderbal districts among 200 farmers to study the marketing structure in the region. Majority of the small ruminants (36.93%) were channeled through the channel-III i.e. Farmer-Retailer, followed by channel-IV i.e. Farmer-Consumer (34.69%), then through channel-I i.e. Farmer-Farmer (24.66%) and then through channel-II i.e. Farmer-Middleman-Farmer (3.70%). But 62.85% of the female animals were transacted through channel- III. Through channel-II, the share of marketing cost (14.86%) in buyer’s rupee was highest among the four channels found in the study area and channel-1 was considered as the most efficient marketing channel having the marketing efficiency of 24.80%. Price spread analysis was carried out for each channel, through channel-I, the producer farmer got the highest share of about 96.12% in the ultimate buyer’s rupee.

Key words: Small Ruminants, Marketing Channel, Marketing Efficiency, Price Spread

Introduction
Small ruminants (sheep and goats) are an important but neglected resource in developing countries. They are closely linked with the poorest people in pastoral systems and complex crop-livestock systems, and convert low quality resources to high quality protein. Small ruminant farming is frequently associated with crop production, mainly because of its buffer function for crop failure and crop surpluses and as provider of manure. Special advantages of small ruminants over large ruminants include higher production efficiency, easier marketability and lower risks, broader adaptability to different environments, and smaller absolute feed requirements per animal. Inspite of several benefits of small ruminants, government policies are mainly geared to crop and cattle production (Dubeuf et al. 2004; Small ruminants (i.e. sheep and goats) make a very valuable contribution to the poor in the rural areas. Their importance is
indicating by various functional contributions (meat, milk, fibre, skin etc), socio-economic relevance and stability to farming systems (Rangnekar 2006). Small ruminants contribute enormously towards promotion of livelihood security and as an insurance cover to cope with crop failures particularly for rural landless, small and marginal male /female farmers (Pasha 2000, Misra 2005). Goat farming is also increasingly being taken up by peri-urban poor population due to easy market access and as a source of nutritional security for the household (Pollot and Wilson 2009). Marketing of sheep or goat for ethnic holidays and special occasions, the farmer becomes a marketing specialist and is aware of the demand and marketing of animals. (Robert Spencer 2007). Majority of the small ruminant farmers in India are not aware about the market plan and are not business oriented (Ramesh et al 2012). The profitability of small ruminant farming depends upon the effective marketing of the products. But, in India, marketing of sheep and goats is unorganized and involves various middlemen, unnecessary transportation and death of animals during transportation. Lack of awareness of markets, pricing structure, unorganized marketing facilities coupled with distress sale are the major reasons for not receiving fair price for their animals by the farmers (BAIF 2008, Porwal et al 2006).

Keeping in view the above, the present study was conducted to analyze the various marketing activities of small ruminants in Kashmir region of Jammu and Kashmir State of India.

**Material and Methods**

For the present study five districts viz. Pulwama, Anantnag, Baramula, Budgam and Ganderbal in the valley were purposely selected on the basis of rich sheep and goat population. Multistage stratified random sampling was followed to select the ultimate respondents. Out of each district, two blocks were selected randomly and from each selected block, four villages were selected randomly. From each selected village five farmers rearing at least five small ruminants were selected randomly. Thus, a total of 200 respondents constituted the sample for the proposed study. The data were collected by personal interview using structured interview schedule. The collected data was analyzed using SPSS version 16 software programme.

**Result and Discussion**

**Marketing of Small Ruminants through Different Channels:** Four main marketing channels were identified for selling of small ruminants in the study area.

Channel-I: Farmer-Farmer
Channel-II: Farmer-Middleman-Farmer
Channel-III: Farmer-Retailer
Channel-IV: Farmer-Consumer
Table 1 reveals that majority (36.93%) of the animals were channeled through the channel-III (farmer-retailer), as most of the animals were sold in the local retailer market or nearby neighboring villages and towns where they receive their maximum returns due to heavy demand of meat in the area and unorganized marketing system of sheep and goat. Channel-IV (farmer-consumer) was emerged as the second largest channel (34.69%) of marketing of animals especially during marriage ceremonies and religious festivals.

Table 1: Marketing of animals through different Channels

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Marketing channels</th>
<th>Female</th>
<th>Male</th>
<th>Lamb/kids</th>
<th>Total no. of animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Farmer-Farmer</td>
<td>198 (30.50)</td>
<td>246 (16.03)</td>
<td>161 (59.62)</td>
<td>605 (24.66)</td>
</tr>
<tr>
<td>II</td>
<td>Farmer-Middleman-Farmer</td>
<td>27 (4.16)</td>
<td>39 (2.54)</td>
<td>25 (9.25)</td>
<td>91 (3.70)</td>
</tr>
<tr>
<td>III</td>
<td>Farmer- Retailer</td>
<td>408 (62.85)</td>
<td>498 (32.46)</td>
<td>...</td>
<td>906 (36.93)</td>
</tr>
<tr>
<td>IV</td>
<td>Farmer- Consumer</td>
<td>16 (2.46)</td>
<td>751 (48.95)</td>
<td>84 (31.11)</td>
<td>851 (34.69)</td>
</tr>
</tbody>
</table>

Figures in parenthesis indicate percentage

Followed by 24.66% through channel-I (farmer-farmer) and 3.70% through channel-II (farmer-middleman -farmer). On the basis of sex, 62.85% of the female animals were marketed through channel-III, and emerged as most important channel, followed by 30.50 % through channel-I. Whereas for male animals, the most popular channel was channel-IV (48.95%). In case of young ones i.e. lamb or kids the popular channel for marketing was channel-I having 59.62 % of the total average percentage. Similar results were also found by Deoghare and kumar (2003), Gurjar et al. (2008) and D Ramesh (2012) In their studies. In our study area, there was less middlemanship of animals because farmers used to sell their animals to retailers as butchers to fetch money especially old female or some unproductive animals. Also they used barter system of marketing in the study area by exchanging other livestock animals from the small ruminants by fixing the appropriate prices of their animals. Lambs or kids were channeled mostly through farmer to farmer system for farming purposes or as gift or as barter type of marketing system. They were not used to sell them to retailers because of some restrictions as per their religious belief.

Marketing cost incurred in the marketing of small ruminants

Marketing costs incurred by the farmer through channel-I in study area has been presented in Table No 2, it was observed from the tables that the farmer had to incur ₹ 155 for selling one animal. The cost on labour and feeding charges respectively was 64.51 % and 16.12 %. The other major items of expenditure were miscellaneous cost of 19.35 % which included expenditure for self, preparation of animals, Feeding straw before market and giving a kind of tip to the member of the household etc. Since in our study area
there was no marketing structure found like weekly or monthly market. The farmers sell their animals
directly to their close villagers or close neighbors especially the female animals hence there were no
marketing and transportation charge over them, but labours were used to carry animals for their
respective places, hence only labour charges were included not the transportation charges. The cost
incurred by farmer and middleman through channel-II have been presented in Table No. 2. It was found
that the farmer had to incur ₹ 200 for selling one animal. Middleman had to incur ₹ 350 for selling one
animal. Like channel-I, labour cost was found to be the major component which was 40 % in case of
farmer and 42.85 % in case of middleman. Miscellaneous cost was found to be the 2nd major cost for
both farmer and middleman.

**Table: 2:** Average cost incurred in marketing of animals through different marketing Channels

<table>
<thead>
<tr>
<th>Items</th>
<th>CHANNEL- I</th>
<th>CHANNEL -II</th>
<th>CHANNEL-III</th>
<th>CHANNEL-IV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Farmer (₹)</td>
<td>Farmer (₹)</td>
<td>Farmer (₹)</td>
<td>Farmer (₹)</td>
</tr>
<tr>
<td>Labour</td>
<td>100 (64.51)</td>
<td>80 (40)</td>
<td>0</td>
<td>75 (30)</td>
</tr>
<tr>
<td></td>
<td>Marketing fee</td>
<td>0</td>
<td>0</td>
<td>100 (40)</td>
</tr>
<tr>
<td></td>
<td>Transportation</td>
<td>0</td>
<td>50 (25)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>miscellaneous</td>
<td>30 (19.35)</td>
<td>50 (25)</td>
<td>50 (34.48)</td>
</tr>
<tr>
<td></td>
<td>Feed and fodder</td>
<td>25 (16.12)</td>
<td>20 (10)</td>
<td>25 (10)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>155 (100)</td>
<td>200 (100)</td>
<td>250 (100)</td>
</tr>
</tbody>
</table>

Figures in parenthesis indicate percentage

Table No. 2 also reveals that marketing cost was the major cost for retailer (40%) which includes the
slaughtering charge and the fare for his shop and for farmer there was no marketing charge found. The
cost incurred for feed and fodder was the major cost next to labour in case of retailer while as for farmer
the miscellaneous charge includes the wholesale charge for farmer and only 25 % for retailer. In channel-
IV farmer and ultimate consumer had to spend ₹ 145 and ₹ 415.00 respectively to sell one animal. The
cost on labour and transportation was the major cost for farmer (34.48%) because they have to move their
animals to the local market on roadways during Muslim festivals especially Id-ul- Azha. The cost on feed
and fodder was the major cost for wholesaler 43.47% and 23.26% for male and female animals
respectively.

**Marketing margin and efficiency**

Marketing margin and efficiency analysis was carried out for each channel presented in the given Table 3.
In channel-I, the share of marketing cost in buyer’s rupee was 3.87% with marketing efficiency of
24.80% and was considered as the most efficient marketing channel through price negotiation between seller and buyer. Through this channel, majority of the animals marketed were female animals because farmers purchase them for farming purposes from the neighboring farmers who have either large supply of stock or having some urgent need of cash. Through channel-II, the share of marketing cost in buyer’s rupee was highest among the four channels found in the study area; the share of marketing cost in buyer’s rupee was 14.86%. The share of marketing margin in ultimate buyer’s rupee was 6.7% in marketing animal.

Table 3: Marketing margins and efficiency of animals in different Channels

<table>
<thead>
<tr>
<th>Channels</th>
<th>Marketing cost (₹)</th>
<th>Marketing margin (₹)</th>
<th>Price received by the producer (₹)</th>
<th>Price paid by ultimate buyer (₹)</th>
<th>Marketing efficiency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel-I</td>
<td>155 (3.87%)*</td>
<td>0</td>
<td>3845</td>
<td>4000</td>
<td>24.80</td>
</tr>
<tr>
<td>Channel-II</td>
<td>550 (14.86%)</td>
<td>250 (6.7)</td>
<td>2900</td>
<td>3700</td>
<td>3.62</td>
</tr>
<tr>
<td>Channel-III</td>
<td>355 (7.88%)</td>
<td>740 (16.44)</td>
<td>3200</td>
<td>4500</td>
<td>2.92</td>
</tr>
<tr>
<td>Channel-IV</td>
<td>560 (11.24%)</td>
<td>0</td>
<td>4440</td>
<td>5000</td>
<td>7.92</td>
</tr>
</tbody>
</table>

*Figures in parenthesis indicate percentage of marketing cost in buyer’s rupee for marketing animals

The marketing efficiency was 3.62%. In channel-III, The share of marketing cost in ultimate buyer’s rupee was 7.88% in marketing animals. The share of marketing margin in ultimate buyer’s rupee was 16.44% in marketing the. Due to the higher marketing margin and cost, the marketing efficiency was as low as 2.92% and found to be the least efficient channel among the four channels. The share of marketing cost in ultimate buyer’s rupee in channel-IV was 11.24%. The marketing efficiency was 7.92% and found to be the second most efficient marketing channel in marketing male animals. The marketing efficiency for female animals was 4.21% and ranked third in the term of efficiency.

Price spread analysis

Table 4: Price spread in different channels for animals in different Channels

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Marketing channels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Channel-I</td>
</tr>
<tr>
<td>Net price received by producers</td>
<td>3845 (96.12%)*</td>
</tr>
<tr>
<td>Marketing cost</td>
<td>155 (3.87%)</td>
</tr>
<tr>
<td>Marketing margin</td>
<td>0</td>
</tr>
<tr>
<td>Price paid by ultimate buyer</td>
<td>4000 (100%)</td>
</tr>
<tr>
<td>Price spread</td>
<td>155</td>
</tr>
</tbody>
</table>
Price spread analysis was carried out for each channel the animals and presented in Table 4. Through channel-I, the farmer got a higher share of about 96.12% in the ultimate buyer’s rupee. Through channel-II, buyer’s rupee shared by producer-farmer was 78.37%. The price spread was ₹ 800 which was higher than that of channel-I due to involvement of middlemanship. Through channel-III, the most inefficient channel for marketing of both the animals, the retailer receive animals from the farmers of neighboring village or towns, or from the middleman. On a whole, the producer farmer received a lower share of 71.11% for the animals. Price spread was as high as ₹ 1095. It was observed from channel-IV that producer farmer got the second highest share receiving 88.80% from the ultimate buyer’s rupee and price spread was found to be ₹ 560.

References