

1     **MARKETING EFFICIENCY OF MILK AND MILK PRODUCTS IN PRAKASAM**  
2                                     **DISTRICT OF ANDHRA PRADESH**

5                                     **ABSTRACT**

6             The study was conducted to know the marketing efficiency of milk and milk products  
7 of co-operative and non-cooperative sectors in Prakasam district of Andhra Pradesh.  
8 Primary & secondary data was collected from the dairy farmers, cooperative societies, private  
9 dairies, milk collection centers, whole sellers and retailers. The study was found that price  
10 spread of milk was highest in case of channel 3 and minimum price spread was found in  
11 channel 4. Highest marketing efficiency of milk was observed in case of channel 4 and  
12 channel 6 was the most efficient channel for curd. In case of butter milk highest marketing  
13 efficiency and the lowest price spread was observed in non-cooperative channel 4. Marketing  
14 efficiency of ghee was more in case of channel 1 followed by channel 3 and 2. Findings of  
15 the study showed that marketing efficiency of cooperative dairy plant has been observed  
16 relatively less than private dairy plants and marketing efficiency of private channels was  
17 found to be more than cooperative channel but traditional channel was more efficient than  
18 private channel.

19 **Key Words:** Marketing efficiency, milk and milk products, marketing channel, price spread,  
20 marketing margin and marketing cost.

21  
22     **INTRODUCTION**

23             In India, the marketing of milk and milk products is dominated by the unorganized  
24 sector, and the organized sector handles only about 14 per cent of total milk production (GOI,  
25 2004). Dairy co-operatives play a major role in dairy development and considered as one of  
26 the vital channels to improve milk production and reduce the cost of procurement, processing  
27 and marketing of dairy plants are facing cut-throat competition from the private players for  
28 market share. The marketing efficiency and success of a dairy plant largely depends on  
29 effective management of operations from producer to consumer. If the cost of marketing is  
30 minimum, this ensures the largest share of producer in the consumer rupee that can be  
31 observed in efficient marketing system. At the same time more consumers' satisfaction with  
32 quality of product at reasonable price. An efficient marketing system also influences the  
33 producers' decision to invest resources in a particular economic activity in a particular time  
34 period. Therefore the analysis of milk marketing channels, marketing costs and the margins

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35 of middleman are essential for dairy development at the micro level and in formulating plans  
36 for improvements in the dairy sector through higher value addition and increased  
37 employment generation in agriculture, based on sound economic principles, at the macro  
38 level. Thus, marketing of dairy products plays a very important role in the dairy development  
39 and drawn attention of policymakers, planners and researchers. The analysis of marketing  
40 costs and margins of dairy plants would help in reducing the unwarranted costs in marketing  
41 of dairy products. By keeping all these things in mind, the present study was conducted to  
42 compare the marketing costs, margins and marketing efficiency of of milk and milk products  
43 for different marketing channels.

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## 44 MATERIAL AND METHODS

45 The study was conducted in Prakasam district of Andhra Pradesh. Multistage  
46 sampling technique was used for this study. In the first stage Prakasam district of Andhra  
47 Pradesh was purposively selected based on the criteria of highest milk production (0.873 Mt)  
48 during the year 2014-15 (A.P. socio-economic survey). Four mandals from total mandals of  
49 Prakasam district and two villages from each mandal were selected purposively based on  
50 their highest milk production making a total of eight villages. A total of eighty farmers from  
51 each village were selected out of which, twenty farmers selling milk to cooperative society  
52 i.e. Ongole dairy identified in the district and remaining sixty farmers to non-cooperative  
53 dairies which includes traditional, private and milk collection centres were selected by using  
54 simple random sampling technique. Primary data was collected from dairy farmers, milk  
55 collection units, cooperative society and private dairies with the help of structured interview  
56 schedule. The data was obtained from the selected respondents, then coded, classified and  
57 tabulated. Finally marketing costs, marketing margin, price spread were calculated. For  
58 calculating marketing efficiency, Acharya's approach method was used which is an ideal  
59 measure for marketing efficiency (Acharya and Agarwal, 2011). Agricultural marketing in  
60 India).

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### 62 Acharya Approach of Marketing Efficiency

63 According to Acharya, an ideal measure of marketing efficiency, particularly for  
64 comparing the efficiency of alternate markets/cannels, should account all the following:

- 65 a) Total marketing costs (MC)
- 66 b) Net marketing margins (MM)
- 67 c) Prices received by the farmer (FP)
- 68 d) Prices paid by the consumer (RP)

- 69 1) Higher the MC, lower the efficiency  
70 2) Higher the MM, lower the efficiency  
71 3) Higher the FP, higher the efficiency  
72 4) Higher the RP, lower the efficiency

73 The following modified measure is, therefore, being suggested by Acharya:-

74 
$$\text{MME} = \text{FP} \div (\text{MC} + \text{MM})$$

75 Where MME is the modified measure of marketing efficiency.

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## 77 **RESULTS AND DISCUSSION**

### 78 **Marketing Efficiency of all Identified Supply Chains for Milk and Milk Products**

79 In Prakasam district, both cooperative and non-cooperative dairies were identified  
80 from which seven channels were developed including traditional channel. Milk has been  
81 supplied through all the channels that are identified whereas for milk products, traditional  
82 channel did not exist in the sample area. In the channels identified, there was one cooperative  
83 society i.e. Ongole dairy which plays a major role in marketing of milk and milk products  
84 mainly in Prakasam district. Wholesalers are the one who purchase milk or milk products  
85 directly from cooperative and non-cooperative dairies and sell the produce to either retailers  
86 or consumers. There are some wholesalers like cooperative society, private dairies and MCC  
87 who make different milk products like curd, butter milk and ghee and sell them to other  
88 wholesalers or retailers or directly to consumers. Retailers are those who purchase the  
89 produce and sell them to consumers. In one of the non-cooperative channel, there exists only  
90 two members i.e. producers and consumers in traditional channel (channel 4). In channel  
91 one, two, and three, Ongole dairy was the major wholesaler selling milk and their milk  
92 products to other wholesalers, retailers and consumers. Private dairy was the other major  
93 stakeholder playing the role of wholesaler in channels five and six. As observed in channel  
94 seven, there is also milk collection centers setup by a single farmer where milk was collected  
95 from different dairy farmers in the surrounding areas.

96 Marketing channels for milk and milk products like curd, buttermilk and ghee were  
97 identified and price per litre at different stages in the channels were represented in Tables 1,  
98 3, 5, and 7. For all the identified marketing channels, price spread was worked out to  
99 estimate producers share in consumer's rupee for milk and milk products.

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### 101 **Marketing Efficiency of Milk**

102 | From the **T**able 2, it was evident that producer's share in consumer's rupee was  
103 | highest in case of channel 4 i.e. producers who sold their milk directly to consumers received  
104 | maximum price (Rs. 47.30) followed by private dairies (Rs. 41.77), MCCs (Rs. 40.95) and  
105 | Ongole dairy (Rs. 39.85). Similar result were observed in the work done by Banafar (2007),  
106 | Deokate *et al.* (2007), Masuku and Sihlongonyane (2015) where the producer's share in  
107 | consumer rupee was high in channel i.e., milk producer-consumer. Producer's share in  
108 | consumer's rupee was 100 per cent in non-cooperative channel i.e. traditional channel as  
109 | there were no intermediaries. It was found that highest price spread was observed in case of  
110 | channel 3 where the channel includes more number of intermediaries who incurred some  
111 | costs and retained some portion of the profit which added to the inflated price spreads.  
112 | Minimum price spread was found in channel 4 as there were no intermediaries between the  
113 | producer and consumer. Channel 4 was found to be the efficient channel with highest  
114 | marketing efficiency. In this study, marketing efficiency of private channels was found to be  
115 | more than cooperative channel but traditional channel was more efficient than private  
116 | channel. Similar results were found with Rangasamy and Dhaka (2008), where marketing  
117 | efficiency of private dairy was more than a cooperative sector.

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#### 119 | **Marketing efficiency of curd**

120 | From **T**able 4, it was observed that channel 6 was the most efficient channel in curd  
121 | i.e. marketing through milk collection centers. Price spread was also observed lowest in case  
122 | of channel 6 followed by channel 4 i.e. through private dairies without intermediaries.  
123 | Channels with no or less intermediaries found to have higher marketing efficiency and lower  
124 | price spread. Producers share in consumer's rupee found to be the highest in channel 6 where  
125 | curd was marketed through milk collection centres, producers' price was maximum when  
126 | curd was sold to private dairies compared to Ongole dairy and milk collection centres  
127 | (MCC).

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#### 129 | **Marketing efficiency of butter milk**

130 | Table 6, it was revealed that the highest marketing efficiency and the lowest price  
131 | spread were observed in one of the non-cooperative channel 4 i.e. marketing butter milk  
132 | through private dairies directly to consumers without the presence of intermediaries. This **is**  
133 | **was** followed by milk collection centers with next highest marketing efficiency and next  
134 | lowest price spread. Producers who sold their butter milk to private dairies procured more  
135 | price as compared to other marketing channels. The percentage share in consumer's rupee

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136 was reasonably higher if the producers were selling to the cooperative society and the  
137 consumers also had to pay less price if they purchased from cooperative society.

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### 139 **Marketing efficiency of ghee**

140 Table 6 it was revealed that marketing of ghee does not take place through  
141 cooperative channel; only non-cooperative channels were involved in marketing of ghee.  
142 Marketing efficiency of ghee was more in case of channel 1 followed by channel 3 and 2.  
143 Channel 2 found to have the highest price spread followed by channel 3 and 1. Producer's  
144 share in consumer rupee was highest in case of channel 1 because of the absence of  
145 intermediaries between the private dairy and the consumer and hence the channel having the  
146 highest marketing efficiency.

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### 147 **CONCLUSION**

148 From the results of study it can be concluded that channel 4 was found to be more  
149 efficient channel with highest marketing efficiency in case of milk. For curd, highest  
150 marketing efficiency was found in channel 6. Channel 4 had the highest marketing efficiency  
151 in case of buttermilk and Channel 1 had the highest marketing efficiency in case of ghee.  
152 Overall marketing efficiency was shown more in case of private dairies whereas marketing of  
153 dairy products directly to consumers. Even though dairy farmers preferring the cooperative  
154 channel because of that channel is providing training facilities, supplying feed and fodder on  
155 credit basis which were more important to farmers rather than price. Milk price, distance and  
156 training facilities were considered as the most important factors which influence the dairy  
157 farmers to choose better marketing channel. From the findings of the study the following  
158 implications were drawn. Monthly payment should be made regular and price given to dairy  
159 farmers should be increased by cooperative society so that the dairy farmers preferring to this  
160 channel will be increased more than at present. The dairy plants should lower the sales  
161 commission being paid to commission agents, wholesalers, retailers and other selling agents  
162 to reduce distribution cost.

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UNDER PEER REVIEW

197 **Table 1: Price spread of milk (Rs./l) in different marketing channels in Prakasam**  
 198 **district**

| Particulars                   | Cooperative channel |                    |                    | Non-cooperative channel |               |               |           |
|-------------------------------|---------------------|--------------------|--------------------|-------------------------|---------------|---------------|-----------|
|                               | F-Ongole dairy (1)  | F-Ongole dairy (2) | F-Ongole dairy (3) | F-C (4)                 | F-Private (5) | F-Private (6) | F-MCC (7) |
| <b>Producer</b>               |                     |                    |                    |                         |               |               |           |
| Cost of Production            | 36.80               | 36.80              | 36.80              | 38.32                   | 37.69         | 37.69         | 35.70     |
| Profits                       | 3.05                | 3.05               | 3.05               | 8.98                    | 4.08          | 4.08          | 5.25      |
| Price Received                | 39.85               | 39.85              | 39.85              | 47.30                   | 41.77         | 41.77         | 40.95     |
| <b>Ongole dairy</b>           |                     |                    |                    |                         |               |               |           |
| Marketing Cost                | 7.80                | 7.80               | 7.80               | -                       | -             | -             | -         |
| Profits                       | 2.35                | 2.35               | 2.35               | -                       | -             | -             | -         |
| Price Received                | 50.00               | 50.00              | 50.00              | -                       | -             | -             | -         |
| <b>Private</b>                |                     |                    |                    |                         |               |               |           |
| Marketing Cost                | -                   | -                  | -                  | -                       | 4.63          | 4.63          | -         |
| Profits                       | -                   | -                  | -                  | -                       | 5.60          | 5.60          | -         |
| Price Received                | -                   | -                  | -                  | -                       | 52.00         | 52.00         | -         |
| <b>Milk collection centre</b> |                     |                    |                    |                         |               |               |           |
| Marketing Cost                | -                   | -                  | -                  | -                       | -             | -             | 5.17      |
| Profits                       | -                   | -                  | -                  | -                       | -             | -             | 4.88      |
| Price Received                | -                   | -                  | -                  | -                       | -             | -             | 50.00     |
| <b>Wholesaler</b>             |                     |                    |                    |                         |               |               |           |
| Marketing Cost                | -                   | 0.60               | 0.60               | -                       | -             | 0.30          | -         |
| Profits                       | -                   | 1.40               | 1.40               | -                       | -             | 1.70          | -         |
| Price Received                | -                   | 52.00              | 52.00              | -                       | -             | 54.00         | -         |
| <b>Retailer</b>               |                     |                    |                    |                         |               |               |           |
| Marketing Cost                | -                   | -                  | 0.20               | -                       | -             | -             | -         |
| Profits                       | -                   | -                  | 1.80               | -                       | -             | -             | -         |

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Price Received   | -     | -     | 54.00 | -     | -     | -     | -     |
| Price Paid by Consumer                                 | 50.00 | 52.00 | 54.00 | 47.30 | 52.00 | 54.00 | 50.00 |
| F-C: Farmers to consumers, MCC-milk collection centers |       |       |       |       |       |       |       |

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200 **Table 2: Over view of price spread of milk (Rs. per liter) in different channels**

| Particulars                                    | Channels    |       |       |                 |       |       |       |
|--|-------------|-------|-------|-----------------|-------|-------|-------|
|  | Cooperative |       |       | Non-cooperative |       |       |       |
|  | 1           | 2     | 3     | 4               | 5     | 6     | 7     |
| Marketing Cost (Rs.)                           | 7.80        | 8.40  | 8.60  | 0               | 4.63  | 4.93  | 5.17  |
| Marketing Margin(MM) (Rs.)                     | 2.35        | 3.75  | 5.55  | 8.98            | 5.60  | 7.30  | 4.88  |
| Price Spread                                   | 10.15       | 12.15 | 14.15 | 0               | 10.23 | 12.23 | 9.05  |
| Producer's price(Rs.)                          | 39.85       | 39.85 | 39.85 | 47.30           | 41.77 | 41.77 | 40.95 |
| Consumer's price(Rs.)                          | 50.00       | 52.00 | 54.00 | 47.30           | 52.00 | 54.00 | 50.00 |
| Producer's Share In Consumer Price (%)         | 79.70       | 76.63 | 73.79 | 100             | 80.32 | 77.35 | 81.90 |
| MM In Consumer Price (%)                       | 4.70        | 7.21  | 10.27 | 18.98           | 10.76 | 13.51 | 9.76  |
| Marketing Efficiency(MME) (Acharya's approach) | 4.92        | 4.27  | 3.81  | 5.26            | 5.08  | 4.41  | 4.97  |

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202 **Table 3: Price spread of curd in different channels in Prakasam district (Rs./liter)**

| Particulars         | Cooperative channel |                    |                    | Non-cooperative channel |               |           |
|---------------------|---------------------|--------------------|--------------------|-------------------------|---------------|-----------|
|                     | F-Ongole dairy (1)  | F-Ongole dairy (2) | F-Ongole dairy (3) | F-private (4)           | F-private (5) | F-MCC (6) |
| <b>Producer</b>     |                     |                    |                    |                         |               |           |
| Cost of Production  | 36.80               | 36.80              | 36.80              | 37.69                   | 37.69         | 35.70     |
| Profits             | 3.05                | 3.05               | 3.05               | 4.08                    | 4.08          | 5.25      |
| Price Received      | 39.85               | 39.85              | 39.85              | 41.77                   | 41.77         | 40.95     |
| <b>Ongole Dairy</b> |                     |                    |                    |                         |               |           |
| Marketing Cost      | 9.42                | 9.42               | 9.42               | -                       | -             | -         |
| Profits             | 0.23                | 0.23               | 0.23               | -                       | -             | -         |

|  |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
| Price Received   | 49.50 | 49.50 | 49.50 | -     | -     | -     |
| <b>Private Dairy</b>                                   |       |       |       |       |       |       |
| Marketing Cost   | -     | -     | -     | 7.68  | 7.68  | -     |
| Profits  | -     | -     | -     | 0.75  | 0.75  | -     |
| Price Received   | -     | -     | -     | 50.20 | 50.20 | -     |
| <b>Milk Collection Centre</b>                          |       |       |       |       |       |       |
| Marketing Cost   | -     | -     | -     | -     | -     | 3.52  |
| Profits  | -     | -     | -     | -     | -     | 4.23  |
| Price Received   | -     | -     | -     | -     | -     | 48.70 |
| <b>Wholesaler</b>                                      |       |       |       |       |       |       |
| Marketing Cost   | -     | 0.60  | 0.60  | -     | 0.30  | -     |
| Profits  | -     | 1.70  | 1.70  | -     | 1.10  | -     |
| Price Received   | -     | 51.80 | 51.80 | -     | 51.60 | -     |
| <b>Retailer</b>  |       |       |       |       |       |       |
| Marketing Cost   | -     | -     | 0.10  | -     | -     | -     |
| Profits  | -     | -     | 0.10  | -     | -     | -     |
| Price Received   | -     | -     | 52.00 | -     | -     | -     |
| Price Paid by Consumer                                 | 49.50 | 51.80 | 52.00 | 50.20 | 51.60 | 48.70 |
| F-C: Farmers to consumers, MCC-milk collection centres |       |       |       |       |       |       |

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204 **Table 4: Over view of price spread of curd (Rs. Per liter)**

| Particulars                            | Channels    |       |       |                 |       |       |
|--|-------------|-------|-------|-----------------|-------|-------|
|  | Cooperative |       |       | Non-cooperative |       |       |
|  | 1           | 2     | 3     | 4               | 5     | 6     |
| Marketing Cost (Rs.)                   | 9.42        | 11.02 | 10.02 | 4.63            | 7.98  | 3.52  |
| Marketing Margin(MM) (Rs.)             | 0.23        | 0.93  | 2.03  | 5.6             | 1.85  | 4.23  |
| Price Spread                           | 9.65        | 11.95 | 12.15 | 8.43            | 9.83  | 7.75  |
| Producer's price(Rs.)                  | 39.85       | 39.85 | 39.85 | 41.77           | 41.77 | 40.95 |
| Consumer's price(Rs.)                  | 49.50       | 51.80 | 52.00 | 50.20           | 51.60 | 48.70 |
| Producer's Share in Consumer Price (%) | 80.50       | 76.93 | 76.63 | 83.20           | 80.94 | 84.08 |

|   |      |      |      |       |      |      |
|---|------|------|------|-------|------|------|
| MM in Consumer Price (%)                          | 0.46 | 1.79 | 3.90 | 11.15 | 3.58 | 8.68 |
| Marketing Efficiency(MME)<br>(Acharya's approach) | 5.12 | 4.33 | 4.31 | 4.90  | 5.24 | 6.28 |

205 **Table 5: Price spread of buttermilk in different channels in Prakasam district (Rs. Per**  
206 **liter)**

| Particulars                   | Cooperative channel          |                              |                              | Non-cooperative channel |                      |              |
|-------------------------------|------------------------------|------------------------------|------------------------------|-------------------------|----------------------|--------------|
|                               | F-<br>Ongole<br>dairy<br>(1) | F-<br>Ongole<br>dairy<br>(2) | F-<br>Ongole<br>dairy<br>(3) | F-<br>Private<br>(4)    | F-<br>Private<br>(5) | F-MCC<br>(6) |
| <b>Producer</b>               |                              |                              |                              |                         |                      |              |
| Cost of Production            | 28.30                        | 28.30                        | 28.30                        | 29.60                   | 29.60                | 29.80        |
| Profits                       | 0.96                         | 0.96                         | 0.96                         | 2.90                    | 2.90                 | 0.40         |
| Price Received                | 29.26                        | 29.26                        | 29.26                        | 32.50                   | 32.50                | 30.20        |
| <b>Ongole dairy</b>           |                              |                              |                              |                         |                      |              |
| Marketing Cost                | 2.80                         | 2.80                         | 2.80                         | -                       | -                    | -            |
| Profits                       | 2.94                         | 2.94                         | 2.94                         | -                       | -                    | -            |
| Price Received                | 35.00                        | 35.00                        | 35.00                        | -                       | -                    | -            |
| <b>Private</b>                |                              |                              |                              |                         |                      |              |
| Marketing Cost                | -                            | -                            | -                            | 2.30                    | 2.30                 | -            |
| Profits                       | -                            | -                            | -                            | 3.20                    | 3.20                 | -            |
| Price Received                | -                            | -                            | -                            | 38.00                   | 38.00                | -            |
| <b>Milk collection centre</b> |                              |                              |                              |                         |                      |              |
| Marketing Cost                | -                            | -                            | -                            | -                       | -                    | 2.10         |
| Profits                       | -                            | -                            | -                            | -                       | -                    | 3.70         |
| Price Received                | -                            | -                            | -                            | -                       | -                    | 36.00        |
| <b>Wholesaler</b>             |                              |                              |                              |                         |                      |              |
| Marketing Cost                | -                            | 1.40                         | 1.40                         | -                       | 0.80                 | -            |
| Profits                       | -                            | 1.80                         | 1.80                         | -                       | 1.20                 | -            |
| Price Received                | -                            | 38.20                        | 38.20                        | -                       | 40.00                | -            |

| <b>Retailer</b>             |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| Marketing Cost              | -     | -     | 1.20  | -     | -     | -     |
| Profits                     | -     | -     | 0.60  | -     | -     | -     |
| Price Received              | -     | -     | 40.00 | -     | -     | -     |
| Price Paid by Consumer      | 35.00 | 38.20 | 40.00 | 38.00 | 40.00 | 36.00 |
| MCC-milk collection centers |       |       |       |       |       |       |

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208 **Table 6. Over view of price spread of butter milk (Rs. Per litre)**

| Particulars                                     | Channels    |       |       |                 |       |       |
|---|-------------|-------|-------|-----------------|-------|-------|
|   | Cooperative |       |       | Non-cooperative |       |       |
|   | 1           | 2     | 3     | 4               | 5     | 6     |
| Marketing Cost (Rs.)                            | 2.94        | 4.20  | 5.40  | 2.30            | 3.10  | 2.10  |
| Marketing Margin(MM) (Rs.)                      | 2.94        | 4.74  | 5.34  | 3.20            | 4.40  | 3.70  |
| Price Spread                                    | 5.74        | 8.94  | 10.74 | 5.50            | 7.50  | 5.80  |
| Producer's price (Rs.)                          | 29.26       | 29.26 | 29.26 | 32.50           | 32.50 | 30.20 |
| Consumer's price (Rs.)                          | 35.00       | 38.20 | 40.00 | 38.00           | 40.00 | 36.00 |
| Producer's Share in Consumer Price (%)          | 83.60       | 76.59 | 73.15 | 85.52           | 81.25 | 83.88 |
| MM In Consumer Price (%)                        | 8.40        | 12.40 | 13.35 | 8.42            | 11.00 | 10.27 |
| Marketing Efficiency (MME) (Acharya's approach) | 4.97        | 3.27  | 2.72  | 5.90            | 4.33  | 5.20  |

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210 **Table 7: Price spread of ghee in different non-cooperative channels in the Prakasam**  
211 **district (Rs./kg)**

| Particulars          | F-Private (1) | F-Private (2) | F-MCC (3) |
|----------------------|---------------|---------------|-----------|
| <b>Producer</b>      |               |               |           |
| Cost of Production   | 300.56        | 300.56        | 292.14    |
| Profits              | 25.33         | 25.33         | 22.51     |
| Price Received       | 325.89        | 325.89        | 314.65    |
| <b>Private Dairy</b> |               |               |           |
| Marketing Cost       | 50.35         | 50.35         | -         |

|                               |        |        |        |
|-------------------------------|--------|--------|--------|
| Profits                       | 23.76  | 23.76  | -      |
| Price Received                | 400.00 | 400.00 | -      |
| <b>Milk Collection Centre</b> |        |        |        |
| Marketing Cost                | -      | -      | 50.68  |
| Profits                       | -      | -      | 34.67  |
| Price Received                | -      | -      | 400.00 |
| <b>Wholesaler</b>             |        |        |        |
| Marketing Cost                | -      | 1.23   | -      |
| Profits                       | -      | 18.77  | -      |
| Price Received                | -      | 420.00 | -      |
| Price Paid by Consumer        | 400.00 | 420.00 | 400.00 |
| MCC-milk collection centres   |        |        |        |

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213 **Table 8: Over view of price spread of ghee (Rs./kg)**

| Particulars                                     | Non-cooperative channels |        |        |
|---|--------------------------|--------|--------|
|   | 1                        | 2      | 3      |
| Marketing Cost (Rs.)                            | 50.35                    | 51.58  | 50.68  |
| Marketing Margin(MM) (Rs.)                      | 23.76                    | 42.53  | 34.67  |
| Price Spread                                    | 74.11                    | 94.11  | 85.35  |
| Producer's price (Rs.)                          | 325.89                   | 325.89 | 314.65 |
| Consumer's price (Rs.)                          | 400.00                   | 420.00 | 400.00 |
| Producer's Share in Consumer Price (%)          | 81.47                    | 77.59  | 78.66  |
| MM In Consumer Price (%)                        | 5.94                     | 10.12  | 8.66   |
| Marketing Efficiency (MME) (Acharya's approach) | 4.39                     | 3.46   | 3.68   |

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