STUDY ON DISPOSAL PATTERN AND MARKETING OF SAFFRON IN GHORYAN DISTRICT, HERAT PROVINCE OF AFGHANISTAN

AHMAD JAWID HIKMAT¹, DR. SANJAY KUMAR² AND DR. ABDUL WAHAB HEKMAT³

¹MSc scholar (Agricultural Economics),
²Assistant Professor Department of Agricultural Economics Sam Higginbottom University of Agriculture, Technology and Sciences, Naini, Allahabad 211007,
³Associate professor Paktya University, Afghanistan

Abstract
The research work was conducted in the year 2017-2018 to study the “A study on disposal pattern and marketing of Saffron in Ghoryan district, Herat province of Afghanistan” The study was conducted with the objectives to find out the marketing system of saffron and marketing channels followed by the growers, producer’s share in consumer’s rupee in marketing costs and margin. For realizing the objectives of this study the researcher used interview schedule, distribute the questioner and interviews and focus discussions with the farmers, wholesalers, retailer with sample size 66 along with cooperative societies and private saffron processing companies. The result showed that price spread was higher channel 1 followed by II, III and IV channel respectively. Whereas producer’s share in consumer’s rupee and marketing efficiency was also higher in same trend. Saffron is plant which has volatile aroma and flavour. Hence the drying, packing, transportation and storage cost from the place of origin to the place of consuming also effects the marketing cost and margin.
Keywords: price spread, marketing efficiency, producer’s share in consumer’s rupee, marketing costs and margin.

I. INTRODUCTION

Afghanistan is a mountainous country covering of 652,225 sq km in the south-western part of Asia. Over 80% of the country population is dependent on agriculture activities as the main livelihood options. From the total land area of 65 million hectares, only 12% is arable land. Saffron has been cultivated in Afghanistan for over 2000 years, and the cultivation has accordingly increased recently as the refugees, especially those who worked in saffron fields, repatriated from Iran. The first decade of the 21st century would be counted as the birth decade of the saffron in Afghanistan. For the first time, the trained returned farmers brought saffron corms from Iran and planted saffron in Ghoryan and Pashtoonzarghoon districts of Herat.

Saffron is the most precious and most expensive spice in the world. It is derived from the stigma of the flower of the saffron crocus (Crocus sativus L.), which is collected and dried to produce the spice. The saffron plant (20-30 cm tall) has a fleshy bulb called corm or onion which is about 5 cm in diameter and has a maximum weight of 8g. The plant has narrow leaves which are around 6-10 cm long and 2-3 mm wide. Its petals are light purple in colour and sometimes have red or white stripes. The flower of saffron plant has three stigmas and these are often collected and dried to make the saffron spice. Saffron plant has a flashy bulb called corm or onion which is about 3 cm in diameter and weighs approximately 8 g (maximum).
II. RESEARCH METHODOLOGY

Saffron cultivation is practiced throughout the district. However, the large scale cultivation of saffron is concentrated mainly in Ghoryan district. The information on area under saffron crop and number of saffron growers from the selected villages was obtained from the respective Head of village (Arbab). The market functionaries of saffron were considered for data collection, regarding different marketing cost and charges in different channels. Therefore a list of all market functionaries’ was prepared with the help of markets heads, of both markets, out of the 10% of each market functionaries were selected randomly for the present study. All to gather total 37 market functionaries (6 village merchants, 7 private companies, 7 Wholesaler, 9 retailers, 8 consumers) were selected randomly for the present study.

A proportion sample of ten percent of the population from each village was selected randomly. Thus the total size of the sample selected for the study was 66. For analyzing the data collected during the study, tablular analysis and financial analysis were employed.

III. RESULT AND DISCUSSION

There were four major marketing channels in the study area. They are listed below:

Channels-1: Producer—consumer
Channels-2: Producer—Retailer— consumers
Channels -3: Producer—cooperative societies —wholesaler — retailer —consumers
Channels-4: Producer —Trader—Wholesaler —Retailer —Consumers

| Table 1: Cost and margin in the marketing of saffron in (10 gram) |
| S.N. | Particulars | Cost of saffron (Rs/10 gram) | %age |
| A. | Producer’s sale price | 700 | 100 |
| a) | Charges paid by the producer | | |
| i) | Transportation charges | 0.00 | 0.00 |
| ii) | Grading charges | 0.00 | 0.00 |
| iii) | Drying charges | 0.00 | 0.00 |
| iv) | Weighting charges | 0.00 | 0.00 |
| v) | Container/packing charges | 8 | 1.143 |
| Sub-total | 8.00 | 1.43 |
| a) | Total marketing charges paid by the Producer | 8.00 | 1.156 |
| b) | Producer margin | 692 | 98.85 |
| B) | Consumer’s price | 700 | 100 |

| Table 2: Channel II- Producer — Retailer — Consumer |
| S.N. | Particular | Rs/10gram | %age |
| A. | Producer’s sale price | 700 | 100 |
| a) | Charges paid by the producer | 0.00 | 0.00 |
| b) | Net price received by the producer | 700 | 100 |
| B. | Retailer purchase price | 700 | 77.778 |
| a) | Charges paid by the Retailer | | |
### Table 3: Channel III. Producer — Cooperative societies — Wholesaler — Retailer — Consumer

| S.N. | Particulars | Rs/10 gram | %age |
|------|-------------|------------|------|
| A-   | Producer’s sale price | 700 | 100.00 |
| a)   | Charges paid by the producer | 00.00 | |
| b)   | Net price received by the producer | 700 | 100 |
| B-   | Cooperative purchase price | 700 | 100 |
| c)   | Cooperative societies selling price | 900 | 77.778 |
| Charges paid by the Cooperative societies | | | |
| i)   | Drying charges | 6 | 0.67 |
| ii)  | Grading charges | 6 | 0.67 |
| iii) | Weighting charges | 4 | 0.44 |
| iv)  | Transporting charges | 6 | 0.67 |
| v)   | Container/packing charges | 8 | 0.89 |
| Sub total | 30 | 3.33 |
| d)   | Cooperative societies purchase price | 700 | 100 |
| e)   | Total marketing charges paid by the cooperative | 30 | 3.33 |
| f)   | Cooperative societies margin | 170 | 15.45 |
| g)   | Charges born by wholesaler | | |
| Transportation | 11 | 0.846 |
| Brokerage | 9 | 0.692 |
| Miscellaneous | 12 | 0.923 |
| Sub-total | 32 | 2.46 |
| h)   | Wholesaler purchase price | 900 | 69.23 |
| i)   | Total marketing charges paid by wholesaler | 32 | 2.46 |
| C    | Wholesaler Sale price | 1100 | 84.62 |
| Wholesaler margin | 168 | 12.92 |
| J)   | Charge born by retailer | | |
| i)   | Transportation | 4 | 0.308 |
| ii)  | Brokerage | 4 | 0.308 |
| iii) | Miscellaneous | 12 | 0.923 |
| k)   | Sub-total | 20 | 1.54 |
| l)   | Retailer purchase price | 1100 | 84.62 |
| ii) | Total marketing charges paid by Retailer | 20 | 1.54 |
| --- | ----------------------------------------|----|-----|
| D  | Retailer sale price                      | 1300 | 100.00 |
| iii) | Retailer margin                          | 180 | 13.84 |

Table 4: Channel IV: Producer/Farmer—Trader—Wholesaler—Retailer—Consumers

| S.N. | Particulars                  | Rs/10 grams | % age |
|------|------------------------------|-------------|-------|
| A-   | Producer’s sale price       | 700         | 100   |
| i)   | Total marketing Charges paid by the producer | 00.00 | - |
| ii)  | Producer margin             | 700         | 100   |
| B-   | Trader                      | 700         | 100   |
| I)   | Charges paid by the trader  |             |       |
| i)   | Drying charges              | 12          | 0.85  |
| ii)  | Grading charges             | 8           | 0.57  |
| iii) | Weighting charges           | 6           | 0.43  |
| iv)  | Transporting charges        | 11          | 0.78  |
| v)   | Container/packing charge    | 30          | 2.14  |
| vi)  | Miscellaneous               | 28          | 2.00  |
|      | Sub-total                   | 95          | 6.786 |
|      | Trader purchase price       | 700         | 100   |
|      | Total marketing charges paid by the trader | 95 | 6.786 |
|      | Trader selling price        | 1400        | 50.00 |
|      | Trader margin               | 605         | 28.81 |
| i)   | Charge born by wholesaler   |             |       |
|      | Transportation              | 16          | 1.43  |
|      | Brokerage                  | 55          | 3.92  |
|      | Miscellaneous               | 30          | 2.14  |
|      | Sub-total                   | 101         | 7.14  |
|      | Wholesaler purchase price   | 1400        | 50.00 |
|      | Total marketing charges paid by wholesaler | 101 | 7.14 |
| C    | Wholesaler Sale price       | 2100        | 66.66 |
|      | Wholesaler margin           | 599         | 21.39 |
|      | Sub Total                  | 76          | 3.619 |
|      | Retailer purchase price     | 2100        | 75.00 |
|      | Total marketing charges paid by retailer | 76 | 3.61 |
| D    | Retailer sale price         | 2800        | 100.00 |
|      | Retailer margin             | 624         | 29.74 |

Table 5: Marketing Cost and margin in different channels (Rs/10 g)

| S.N | Particulars          | Channels |
|-----|----------------------|----------|
|     |                      | I | II | III | IV |
| 1   | Total marketing cost | 8 | 35 | 82  | 272 |
|   | Total marketing margin | 0.00 | 165 | 518 | 1828 |
|---|------------------------|------|-----|-----|------|
| 3 | Price spared            | 8    | 200 | 600 | 2100 |
| 4 | Producer s share in consumer rupee | 98.86 | 77.78 | 53.85 | 25   |
| 5 | Marketing efficiency    | 87.5 | 4.50 | 4.96 | 3.12 |

**ANOVA:**

| Source                  | d.f. | S.S.       | M.S.       | F. Cal. | F. Tab. 5% | Result | S. Ed. (±) | C.D. at 5% |
|-------------------------|------|------------|------------|---------|------------|--------|------------|------------|
| Due to channel          | 3    | 2103879.443| 701293.148 | 3.119   | 3.49       | NS     | 335.320    | 680.0601   |
| Due to particular       | 4    | 1902967.744| 475741.936 | 2.116   | 3.26       | NS     | 299.919    | 608.264    |
| Error                   | 12   | 2698545.123| 224878.760 | 0.00    | 0.00       | -      | -          | -          |
| TOTAL                   | 19   | 6705392.309| -          | -       | -          | -      | -          | -          |

The table (5) comprehensive amount of marketing expenditure (marketing margin and marketing cost) of every one of channels, according to comprehended channel I with highest Producer’s share in consumer’s rupee 98.86% and lowest marketing expenditure (8) is most affective channel but it not used much because producers cannot sell all product in farm.

Channel II with 77.78% producer’s share and 200 rupee Marketing expenditure is the second step of effective channels and consumer can purchase saffron in fair price followed with Channel III has 53.85% producer’s share and Rs 600 marketing expenditure per 10 gram of saffron in this channel. Cooperative societies perform important role in channel VI where in channel IV with 25% producers’ share and Rs 2,100 marketing expenditure has the lowest efficiency.

**IV. CONCLUSION**

Comparing with the global and regional markets, it found that there are plenty export opportunities for Afghan saffron and it is widely accepted in Europe, USA, UAE and other markets for its best quality of yield. By comparing Afghan Saffron with Iran who produces 80% of the world saffron found that Iran has lower quality of saffron compared to Afghanistan, its saffron industry is much bigger in terms of number of firms, level of production, exports value, etc, therefore, there is no doubt that
saffron industry in Afghanistan has great potential to grow further if packaging is designed according to international standards and farmers' growing capacity is built, and processing facilities are built. There are only a few big players who control and set the prices, the total number of active saffron firms who have exported sums up to 14. Therefore, there is no full competition in the market, and this creates an environment in which Afghan firms adopt a behavior that neither helps themselves nor the consumers. Price is high, quality of finished product in terms of packaging and finishing is grim, innovation lacks, market is started to be penetrated by foreign markets due to their lowered prices.

BIBLIOGRAPHY

[1] Abdullaev, F. 1998. Biological proper and medicinal use of saffron. Available at: http://www.actahort.org/books/739/739/-44.htm, accessed January 3, 2010.
[2] Agayev, M.D.Y., Fernandez, J.A. and Zarifi, E. 2009. Colonel selection of saffron (Crocus sativus L.), the first optimistic experimental results. *Euphytica* **169**(1): 81-99.
[3] Aghidaie, S.F. and Roshan, J. 2015. Investigating effective factors on Iran’s saffron exportation. *International Review of Management and Business Research* **4**(2): 124-132.
[4] Burns, C. 2016. Emerging animal and plant industries. *Rural Industries Research and Development Corporation* pp. 21-28.
[5] Craig, B. 2014. Emerging animal and plant industries. *Rural Industries Research and Development Corporation* pp. 215-123.
[6] Evzar, 2016. Central Statistic Organization of the Islamic Republic of Afghanistan. *Afghanistan Statistic Year Book* pp. 275-283.