



# “STUDY ON MARKETING OF MUSHROOM IN GUNTUR DISTRICT OF ANDHRA PRADESH”

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## Abstract

The demand for mushrooms is steadily increasing as a result of their appeal in terms of cooking, nutrition, and health benefits. They are also being explored for their potential in waste management. In the Indian market, the growth of the mushroom industry is primarily driven by a rising health consciousness among consumers who seek nutrient-rich and cholesterol-free food options. Additionally, the growing trend of veganism and the recognition of mushrooms as a flavourful meat substitute contribute to the market's expansion. The utilization of mushrooms in dietary supplements, thanks to their high fiber content and digestive enzymes that support gut and immune health, further drives the demand for these products. Furthermore, India is witnessing export opportunities for processed mushroom varieties, particularly in Western countries, creating a positive outlook for the regional market. Advancements in mushroom packaging technologies, such as the development of packaging materials that regulate humidity and prevent water condensation, are also contributing to market growth. Additionally, the pharmaceutical industry's increasing use of mushrooms for treating diseases like hypercholesterolemia and hypertension catalyzes market expansion. Moreover, substantial investments in smart automation technologies for mushroom production, aimed at enhancing yield and reducing costs, are expected to further fuel the mushroom market growth in India in the foreseeable future.

## Introduction

Mushroom production presents a promising opportunity for low-income rural households in developing nations, serving as a potentially profitable cottage industry. This labor-intensive activity offers the potential for full or part-time employment. Establishing a small-scale mushroom production business requires minimal capital investment and can be accomplished with limited space and equipment. Like any other business, access to inputs such as agricultural waste, straw, manure, and a reliable market is vital for success. Adequate training and a consistent source of spawn are also essential components to consider.

There has been a significant surge in business and investment opportunities within the mushroom sector. In today's health-conscious era, mushrooms are increasingly being recognized as a promising vegetable of the future, primarily due to their medicinal and nutritional properties. As a result, there has been a noticeable increase in consumer demand for mushrooms in recent years. Mushroom cultivation stands out as a unique and efficient technology, converting lignocellulosic materials into high-quality protein food. This process not only contributes to the conservation of resources but also generates substantial economic value. The cultivation of mushrooms has the potential to boost the income of millions of farmers. Globally, the mushroom industry has witnessed both horizontal and vertical expansion. This expansion encompasses increased production as well as the addition of newer varieties of mushrooms suitable for commercial cultivation, including both edible and non-edible types.

The economic significance of mushrooms primarily lies in their use as a food source for human consumption. With their exotic flavor, unique taste, and fleshy texture, mushrooms have become a valuable delicacy in the human diet. They are considered a complete and healthy food option suitable for all age groups. While the nutritional value of mushrooms varies depending on the type, stage of development, and environmental conditions, they are generally rich in proteins, dietary fiber, vitamins, and minerals. Mushrooms have a low lipid content and a high proportion of polyunsaturated fatty acids, which contributes to their low caloric value.

The significance of mushroom cultivation as a cottage industry is being acknowledged by both the private and public sectors in Andhra Pradesh. Efforts are underway to raise awareness among farmers about the nutritive value of mushrooms, as well as their production and marketing. In Guntur, various public sector entities such as the Department of Horticulture, the Department of Plant Pathology, and the Colleges of Agriculture under Acharya N.G Ranga Agriculture University have been actively training entrepreneurs in mushroom cultivation for several years. These initiatives aim to empower individuals in and around Guntur with the necessary skills and knowledge to engage in mushroom farming as a viable business venture.

## **Objective**

To determine price spread, producer's share in consumer rupee, and marketing efficiency, in existing marketing channels.

## **Scope and Limitations of Study**

### **Scope of study**

**Market analysis:** Conduct a detailed analysis of the mushroom market in the Guntur district, including market size, growth trends, and market segmentation based on consumer preferences and demand patterns.

**Consumer behavior:** Investigating the behavior and preferences of consumers in the Guntur district regarding mushrooms, including factors influencing their purchasing decisions, consumption patterns, and awareness of the nutritional benefits of mushrooms.

**Marketing strategies:** Evaluating the effectiveness of existing marketing strategies employed by mushroom producers, distributors, and retailers in

the Guntur district and identifying potential areas for improvement or innovation.

**Factors affecting mushroom marketing:** Exploring the various factors that impact mushroom marketing in the Guntur district such as pricing strategies, distribution channels, branding, packaging, and promotional activities.

**Stakeholder Perspectives:** Understanding the perspectives and experiences of mushroom industry stakeholders, including farmers, distributors, retailers, and government agencies, to gain insights into the challenges and opportunities in mushroom marketing.

### **Limitations of the study:**

**Limited Generalisability:** The findings of the research paper may be limited in their generalisability to the entire population of mushroom consumers in the Guntur district, as the sample size of 110 consumers may not fully represent the diversity and variation within the district.

**Sample Selection Bias:** There may be a possibility of sample selection bias, as the research relies on a specific sample of 110 consumers. The findings may not accurately reflect the opinions and behaviors of the broader population.

**Time constraints:** The research may be limited by time constraints, which may affect the depth of data collection and analysis. Long-term market trends and changes may not be fully captured due to the limited time frame.

**Data Reliability:** The accuracy and reliability of the data collected from consumers based on memory and experience may be subject to recall, bias, or inaccuracies. Careful consideration in the validation of the collected data will be essential.

**External factors:** The research may be influenced by external factors such as market fluctuations. Economic conditions, or changes in consumer preferences that may impact the findings and their applicability beyond the study periods.

Considering these limitations, researchers should be cautious in interpreting the findings and acknowledge the potential constraints by concluding mushroom marketing in the Guntur district, Andhra Pradesh.

The research should be seen as a valuable contribution to the existing knowledge but may require further studies with larger and more diverse

samples. Comprehensive understanding of the topic.

## **Materials and method**

### **Selection of District: -**

Guntur district is selected purposively for the study since this district is one of the major developing districts under “Mushroom production” in Andhra Pradesh.

### **Selection of Blocks: -**

Guntur district consists of 57 mandals. The lists of blocks were collected from the Department of Agriculture. Two blocks namely Guntur and Tenali were selected purposively based on the maximum number of mushroom farmers for the research purpose.

### **Selection of the villages: -**

A complete list of the village of the selected block is obtained from the Block development office of the concerned block. 20 villages are selected randomly for the present study from the selected blocks.

### **Selection of Respondents: -**

A list of all the mushroom growers of a block is prepared. Out of the total mushroom, growers 10% of mushroom growers were selected randomly according to the farmer's productivity and experience.

### **Selection of markets: -**

Selection of the market is a crucial stage of sampling. The market is selected purposively in the Research Area. An appropriate number of markets are selected nearest to the mushroom-producing area and district headquarter.

### **Selection of Functionaries:-**

In the marketing of agriculture commodities, 10% of market functionaries/marketing agencies are involved.

- Producers.
- Merchant intermediaries.
- Agent intermediaries.

## **NATURE AND SOURCE OF DATA: -**

### **Primary data:**

The Primary data was collected from the sample respondent by supplying interview schedules. A field survey was conducted with the help of a draft interview schedule in the selected village.

### **Secondary data:**

Secondary data was collected from the website of the Ministry of Agriculture, Government of India, Statistical Department of Andhra Pradesh, and the past few years of data records from the Agriculture Office.

## **ANALYTICAL TOOLS EMPLOYED**

- **MARKETING EFFICIENCY**  
Marketing Efficiency = (total sales revenue / total marketing spent) \* 100
- **PRICE SPREAD**  
Price spread= (Consumer price – The net price of producer/consumer price) X 100.

## **RESULTS AND DISCUSSION :**

The price spread comprises marketing costs incurred by different market intermediaries and their profits margin. As mushrooms are perishable in nature so the price spread was studied to know the share of marketing costs and margins of mushroom marketing.

The marketing cost and margins incurred during the marketing of mushroom is presented in (table 1). The (table1) showed that the producer share in the consumer's rupee was more in channel-I (94.62%). The marketing cost per kg incurred by the producer was ₹ 26.00 in channel- II. This is due to high commission charges and transportation costs. The commission agent incurred a cost of ₹6.20 and the retailer incurred a cost of ₹13.70, this is mainly due to spoilage at the store. The marketing cost per kg incurred by the producer was ₹25.45 and the retailer incurred a cost of ₹12.50 in channel III. This is because of many labor charges and transportation costs. The consumer paid ₹149.75, ₹197.50, and ₹198.15 per kg on purchasing mushrooms through channels I, II & III respectively.

Total Marketing Cost was observed to be very less, and the producer received a high share of the consumer's rupee (94.62%) in channel I compared to other channels.

From the above discussion, it may be concluded that channel I was found to be a more profitable channel from the grower's point of view, analyzed price spread, marketing efficiency, and constant marketing of mango in South Gujarat regions.

The study reveals that the **producer share in the consumer's rupee was maximum in Channel I: Producer → consumer (99.42%) and minimum in Channel IV: Producer → preharvest contractor → Commission agent → retailer → consumer (27.64%).**

Therefore, it could be concluded that linking farmers/producers to the consumer directly without any intermediaries could be most beneficial to farmers. Large farmers are benefited from the price spread more than the small mushroom growers due to the advantage of lesser marketing cost

**Table 1: Marketing efficiency, price spread, marketing margin, and marketing costs of mushroom through different marketing channels:**

(Rs/kg)

S.NO	PARTICULARS	CHANNEL - I	CHANNEL – II	CHANNEL – III
<b>1</b>	<b>PRODUCER</b>			
	Gross price received	158.25	141.5	155
	Marketing cost			
	a. packing and weighing	8.5	8	9
	b. transportation	-	4.5	8.45
	c. loading and unloading	-	3.5	8
	Commission charge	-	10	-
	Total	8.5	26	25.45
	Net price received	149.75	115.5	129.55
<b>2</b>	<b>Commission agent/wholesaler</b>			
	Commission charge	-	10	-
	Marketing cost	-	6.2	-
	margin	-	4.8	-
	Sale price	-	152.5	-
<b>3</b>	<b>Retailer</b>			
	Purchase price	-	152.5	155
	Marketing cost	-	31.30	30.65
	margin	-	13.70	12.50
	Sale price	-	197.5	198.15
<b>4</b>	<b>Consumer</b>			
	The price paid by the consumer	160	197.5	198.15
<b>5</b>	<b>Producer's share in consumer rupee</b>	94.62	58.48	65.37
<b>6</b>	<b>Price Spread</b>	49.75	139.01	132
<b>7</b>	<b>Marketing efficiency</b>	16.6	4.3	179



**CONCLUSION:**

Guntur District possesses significant profit potential for mushroom production, primarily due to the abundance of recyclable agro waste such as cereal-based straws, a large domestic market, affordable labor, favorable climatic conditions, and strong technical expertise. However, the success of the mushroom industry in the region will heavily depend on the strategic initiatives and future programs implemented by the government.

To propel the mushroom enterprise, the government and private agencies must focus on capacity building, including training and skill development programs for mushroom farmers. Additionally, there is a need for infrastructure development to support the cultivation, processing, and storage of mushrooms. Furthermore, the establishment of an organized marketing system facilitated by both government and private entities is essential to ensure efficient distribution and access to markets.

By implementing these strategies and programs, the government can act as a catalyst in driving the growth of the mushroom industry in Guntur District. This, in turn, will not only enhance the profitability for farmers but also contribute to the overall economic development of the region. The collaboration between stakeholders, the provision of necessary resources, and the promotion of sustainable practices will be crucial for the success of the mushroom enterprise in Guntur District.

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