Economic Study to Measure the Efficiency and Marketing Margins of the Main Vegetable Crops Baghdad Province for the Agricultural Season 2016.

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Abstract: *The aim of this work was to calculate the marketing efficiency that measures efficiency of marketing processes for vegetable crops. Also, the work targeted calculating marketing margins and total marketing margin items in the marketing process. To meet research requirements and objectives, data were collected from 25 farmers of the 3 vegetable crops (open agriculture) farms in Abu Ghraib city in Baghdad province. The research found that marketing efficiency of marketers was 63.22%, 65.58%, and 60.31% for tomato, eggplant, and cucumber crops respectively. The total marketing margins were 212 IQD/KG, 235 IQD/KG, and 125 IQD/KG for tomato, eggplant, and cucumber respectively. The loss value for tomato, eggplant, and cucumber crops respectively were 31.56 IQD/KG, 15.3 IQD/KG, and 17.6 IQD/KG. The IQD/KG ratio that paid by consumer was distributed as the following. The ratio for tomato crop was 58.9% for farmer and 41.1% for middlemen. For eggplant, the ratio was 61.8% for farmer and 38.1% for middlemen. Finally, the ratio for cucumber was 62.7% for farmer and 37.7% for middlemen. The results indicated a weakness in marketing processes that farmers carried out on vegetable crops. Specifically, marketing processes were limited to packaging, transportation omitting the important marketing steps such as cleaning, sorting, and grading according to color, quality, and size. The study recommended to increase efficiency of marketing operations to raise marketing efficiency and reduce the loss during the conduct of marketing operations. The paper also recommended to educate farmers to pay attention to the marketing operations that take place on the farm*
Key words: agricultural Marketing , Margins Cost , Efficiency Marketing .

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I.   Introduction

Vegetable crops are important for the consumer. They are of great important in terms of their nutritional value. They are rich in minerals and salts and contain adequate amounts of vitamins, proteins, starches, sugars, etc.(2), as well as constituting a large part of the amount of food consumed daily for different consumer groups. The vegetable crop is characterized by its seasonality(7). This relatively short period enables the farmers to benefit from the production of vegetable crops for relatively quick income. Vegetable crops account for 15.3% of the total agricultural land in the country. (235467 dunums) by 19.45% and production by 18.65%. But that the agricultural sector in general suffers in addition to the problem of production to marketing problems limit its ability to grow and achieve food security and achieve a better standard of living for workers in the agricultural sector(9)The marketing of agricultural products is generally linked to the process of production so closely that some economists believe that marketing precedes Production is justified by the need to know how to dispose of the product before making the production decision. It cares about everything that happens from the farm door until the commodity reaches final consume(4)r. Hence, processes and marketing functions overlap, which gives a great importance to the study of the marketing of agricultural crops. Therefore, the study of marketing efficiency of the important studies, in terms of multiple criteria used to measure efficiency, that the achievement of marketing efficiency is linked to production of good specifications and high productivity, which is reflected in the low cost of the unit produced, which has the impact when measuring efficiency. Therefore, the achievement of marketing efficiency would be after linking the production processes that affect the quality of the crop and thus reduce the rates of damage and loss at production with marketing processes, which is reflected on the percentage of loss when marketing. Therefore, the agricultural marketing is the main factor to continue to deal with production of any crop so, attention to this aspect is important for the success of the marketing process.Agricultural marketing is very important to individual and society. The importance of agricultural marketing is illustrated by linking it to three different target groups (product - intermediary – consumer).

importance of study

vegetable crops are important in the list of food basket for the Iraqi consumer. At the level of prices and quantities.And the importance of marketing operations on agricultural commodities.

Problem of the study

The problem of the study is the high margins of marketing, which leads to a decrease in marketing efficiency, and the decline of what the producer receives compared to what the consumer pays.

Purpose of the study

The objective of the study was to measure the marketing efficiency of the study sample for the main vegetable crops marketer in Baghdad province, and to calculate the marketing margins of the marketing stages (producer - wholesaler) and (wholesaler - retailer.(

hypothesis of the study

The study assumes that there is a decrease in marketing efficiency with a rise in the profits of brokers. That comes accompanied with weak marketing operations that take place in marketing vegetable crops (tomato ,eggplant, and cucumber) during the marketing process from the product to the consumer.

Data Sources:

Data obtained;

1- from the initial sources through a questionnaire prepared for this purpose for a random sample (25 farmers) of the farmers of the target crops in this study in Baghdad provincee for the summer season 2016 from the .
2- From preliminary sources through a sample questionnaire prepared for this purpose for a random sample (30 wholesalers) who receive the crops from the farmers in the study area (25 retailers) who buy the crops under study from the wholesaler
3- from various office sources.

Materials and Methods of research

The study was based on the efficiency of marketing, which is one of the most important economic criteria used to measure the performance of marketing jobs. Marketing efficiency at the sample level was average (43.6% for Tomato crop brokers, 57.8% for eggplantbrokers , 61.2% for cucumber brokers). Through the equation:

$$\text{ME} = 100 - \left[\left\{ \frac{MC}{MC + PC} \right\} * 100 \right] \dots \dots \dots .. (5)$$

ME =Marketing Efficiency
MC = Marketing costs
PC = Production costs

Table1 shows efficiency marketing , marketing cost and production cost

cucumber			Eggplant			Tomato			crop
Marketing Efficiency	Marketing cost	Production cost	Marketing Efficiency	Marketing cost	Production cost	Marketing Efficiency	Marketing cost	Production cost	farm
63.5	122	212	64.8	157	288	63.66	145	254	1
59.9	134	200	65.85	153	295	64.14	132	236	2
58	137	189	63.66	165	289	63.84	149	263	3
60.4	128	195	66.7	148	296	59.8	153	227	4
61.42	125	199	67.1	152	310	63.5	142	247	5
58.3	134	187	67.62	148	309	62.9	152	257	6
64.7	136	194	66.74	152	305	65.8	145	278	7
59.1	134	193	66.4	158	312	60.53	165	253	8
62.2	120	197	66.32	160	315	62.8	134	226	9
58.93	138	198	63.1	167	297	63.53	151	263	10
63.16	146	187	63.12	165	291	59.86	163	243	11
58.24	137	191	67.3	156	321	60.14	173	261	12
61.5	129	209	67.87	143	302	64.79	156	287	13
61.2	130	205	67.1	159	324	64.9	163	198	14
60.06	141	212	65.1	154	287	63	156	265	15
60.47	136	208	65.17	155	290	59.36	167	234	16
61.5	128	204	65.63	165	315	64.65	134	245	17

59.81	127	189	63.62	167	287	67.55	123	256	18
60	129	193	65.77	164	315	65.55	143	272	19
58.3	134	187	67.1	158	322	66.7	146	287	20
59.4	133	194	65.42	166	314	65.8	145	284	21
60.5	131	200	66.26	165	324	60.47	153	234	22
59.1	137	198	65.21	159	298	62.3	156	257	23
57.3	139	186	66.08	153	298	62.17	157	258	24
61	123	192	67.25	151	310	62.8	144	243	25
60.3196	132.32	196.76	65.851	157.6	304.56	63.22	149.88	253.12	Averag

Source : calculate by researcher depend on

Marketing margins:

The study of margins and marketing costs is one of the most important areas of marketing studies, Itdetermines the share of the product of the price paid by the consumer for this agricultural commodity, and determines the efficiency of the marketing system of goods. It represents the difference between the sale price at the producer gate and the consumer purchase price for the same commodity(1). The lower the margin, the higher the marketing efficiency and vice versa.The higher the margins, the difference between the price of the product and the consumer price. The difference is significant in some marketing channels. In this case, this procedure needs to carry out some marketing reforms, and the marketing margin may be absolute or relative. The marketing margin for each stage can be calculated in the marketing path using the equations:

1- Absolute marketing margin wholesaler = (wholesale price - product price)
2- - The relative marketing margin of the wholesaler ={ (wholesale price - the price of the product) \ wholesale price {X100
3- Absolute marketing margin of the retailer = (consumer price - wholesale price)
4- Relative marketing margin for retail traders ={ (consumer price - wholesale price) \ consumer price {X100
5- The total marketing margin = (consumer price - the price of the product),
   which includes the costs of marketing activities in addition to the profits of intermediaries and the operators of the marketing process, including losses in the event of occurrence.

The table below shows the marketing margin and marketing process costs of the stages (product - wholesaler - retailer) JD / kg

| Important rate Profit of Retailer merchant from marketing margin %	net Profit of Retailer merchant	Average cost boxes(trans and processing)	Profit of Retailer merchant	Important rate cost Operation Marketing %	Average cost operation marketing and processing	Important rate transport cost	Average transport cost	Important rate marketing margin	Marketing margin	Average price farm	Average Consumer price	Crop
63.86	135.4	31.56	166.9	6.8	14.54	14.38	30.5	37	212	423	635	Tomato
77.06	181.1	15.3	196.4	3.6	8.6	12.7	30	23.19	235	495	730	egg plant
53.04	66.3	17.6	83.9	9.8	12.5	22.85	28.6	22.7	125	425	550	Cucumber
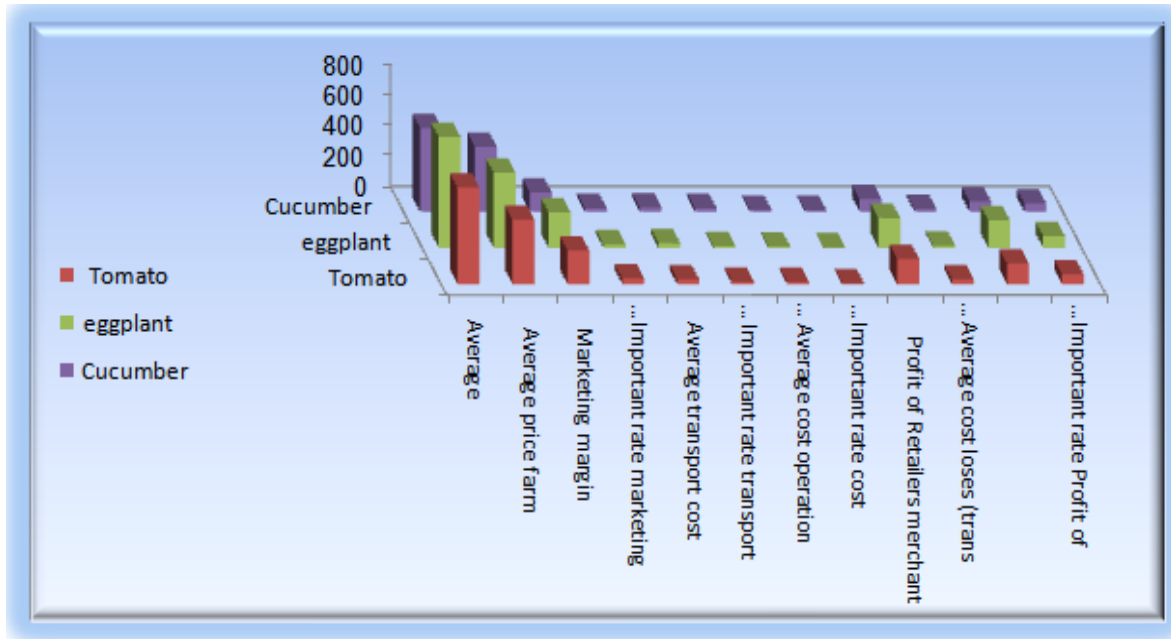
The figure above shows the marketing margin and costs of the marketing processes of the stages (product - wholesaler - retailer) ID / kg

Distribution of Consumer Dinars:

The agricultural marketing is very important for the individual and society and its importance is through marketing workshops for agricultural products (producers, intermediaries, consumers). What the consumer pays is distributed among the parties to the marketing process, as shown in the table below

Table3 the distribution of consumer dinars between the producer, the wholesaler and the retailer

| | Distribution consumer ID % | | | Prices ID\Kgm | | | |
Middlemen rate %	Retailers merchant rate %	Wholesalers merchant rate%	Farmer rate %	Retailers merchant	Wholesalers merchant	Farm	Crop
41.1	33.4	7.7	58.9	635	423	374	**Tomato**
38.1	32.2	5.9	61.8	730	495	452	**Eggplant**
37.3	22.8	14.5	62.7	550	425	345	**Cucumber**
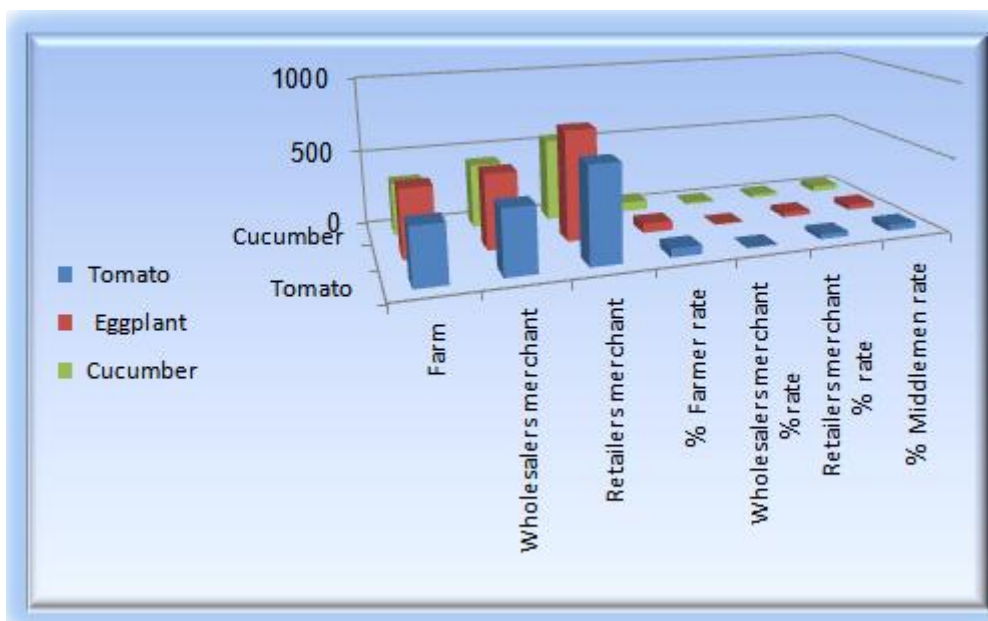
II. Conclusions

The study came out with conclusions:

1- weakness of the marketing operations carried out by the farmer on the marketed crops from the cleaning, sorting, classification, grading according to quality specifications in terms of color, size and taste, as it is only limited to packing and transport without the use of modern methods.
2- high profit margin of marketing intermediaries without providing any activities or marketing services on the product
3- Primitive marketing processes that take place on the crop along the marketing route
4- Low marketing efficiency of crops under study.
5- Different marketing routes of the goods under study, including the course (product - consumer) and conduct (product - wholesaler - retailer - consumer) as well as behavior (producer - retailer – consumer)

Recommendations

1- Reducing crop losses by increasing the efficiency of operations and marketing functions along the marketing route
2- The need to educate farmers about the importance of marketing processes that take place on the farm, such as sorting and staging and the use of appropriate packaging
3- To make some organizational changes in the vegetable markets in the province of Baghdad, which leads to the improvement of marketing processes by influencing profits of intermediaries in order to provide better marketing services.
4- Encouraging the study of the marketing efficiency of the studied crops through tracking the marketing path including the manufacture of these crops.
5- Issuing legislations to protect domestic products from foreign competition because they are characterized by good marketing services that local products can only compete with through the development of marketing operations.

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