

AN ECONOMIC ANALYSIS ON MARKETING ON MARKETING OF ORGANIC VINEGAR IN SAHARANPUR DISTRICT OF UTTAR PRADESH

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ABSTRACT

This study, which includes the title of economic analysis for marketing organic vinegar in Saharanpur district of Uttar Pradesh, was conducted to assess the marketing practices and economic living capacity of the region's organic vinegar production. The study was limited to Saharanpur district and focused on the Deoband block. Villages with a fairly high probability of sugarcane cultivation and organic vinegar production were intentionally selected, and 10% of respondents in these villages were randomly selected for data collection. Three major marketing channels were identified in this study. Channel I (Producer Consumer), Channel II (Wholesaler "Consumer Producer" and Channel III (Producer "Wholesaler" Retailer "Consumer"). It was found that Channel-I provided the highest marketing efficiency of 4.23%, which means that the consumer paid Rs. Producer Rs. Total marketing costs from 149 and Rs. 46 received 195 per liter. Channel-II's marketing efficiency was 1.31%, which led to consumers paying Rs. The producers received 139 per liter and the marketing cost was Rs. Framework of 66 Rs. 40. Channel-III showed lowest efficiency at 1.00%, with consumers paying Rs. The producers will once again receive 277 per liter. 139, and the overall marketing cost and margin is Rs. 73 and Rs. The results showed that direct marketing (Channel I) is the most economically advantageous for manufacturers, highlighting the importance of minimizing intermediaries to improve marketing efficiency and producer profitability in organic veteran trade.

Keywords: Organic vinegar, Marketing channels, Economic analysis, Producer efficiency.

INTRODUCTION

Organic vinegar was recognized as a naturally fermented product resulting from organically grown ingredients such as fruits, grains and most often apples. Created by traditional fermentation processes that exclude the use of synthetic chemicals, pesticides and genetically modified organisms, ensuring pure and environmentally friendly products. Organic vinegar is rich in acetic acid and has antibacterial and antioxidant properties. This makes it useful in a variety of applications, including cooking use, remedies, budget cleaning and more. Its consumption was often associated with a variety of health benefits, including improved digestion, improved glycemic regulation, and detoxification.





Increased awareness of health and ecological concerns has significantly increased consumer demand for organic products, including organic vinegar. In rural and urban urban areas, particularly in areas with high sugar cane cultivation, organic vinegar production has added value to promising agricultural companies. It not only provided a way for agriculture diversification, but also provided sustainable agricultural practices by using locally available organic resources. Additionally, the organic vinegar market had experienced participation in several marketing channels, ranging from direct sales to consumers to wholesalers and retailers. These different methods have influenced both the proportion of producers at consumer price and overall marketing efficiency. Therefore, the role of effective marketing strategies has become increasingly important in maximizing manufacturers' economic returns, ensuring the availability of high-quality organic vinegar for consumers. This study was launched in this context to analyse the marketing structure, cost dynamics, and the economic feasibility of organic vinegar production.

RESEARCH METHODOLOGY

The methodology adopted for this study combined purposive and random sampling techniques. Saharanpur district in Uttar Pradesh was purposively selected to reduce logistical constraints and time limitations. Within the district, Deoband block was chosen based on its suitability and potential for sugarcane cultivation. A list of villages within Deoband block was compiled, from which 5% of villages with a significant concentration of sugarcane farmers were selected. A detailed list of sugarcane farmers from these villages was categorized into five landholding groups: marginal (less than 1 hectare), small (1-2 hectares), semi-medium (2-4 hectares), medium (4-10 hectares), and large (over 10 hectares). A total of 120 sugarcane farmers were selected using proportionate random sampling across these categories. In addition, 10 wholesalers, 5 retailers, 5 manufacturers, and 5 consumers were purposively selected to examine different aspects of the organic vinegar marketing system, including costs, margins, price spread, and marketing efficiency. Primary data were collected through personal interviews using a well-structured and pretested interview schedule. Secondary data were sourced from relevant literature, official records, and reports available at the district and block levels. All data were collected during the 2024–2025 agricultural year and analysed using appropriate statistical tools to derive meaningful insights.

Analytical Tools

1. Cost of Marketing

 $C = Cf + Cm1 + Cm2 + Cm3 + \dots + Cmn$

2. Margin of Market

AMI=Pri-(Ppi+Cmi)

3. Spread in Price

Marketing Cost + Market Margin

4. Efficiency of Marketing

= <u>Price received by producer</u> Marketing Cost + Marketing Margin **RESULTS AND DISCUSSION**



Table 1: Identify the preferred marketing channels of respondents.			
S. No.	Channel Type	No of respondent	Percentage
1	Channel – I	21	17.50
2	Channel -II	38	31.67
3	Channel-III	61	50.83
Total		110	100.00

Table 1: The study found that among the 120 respondents in the Saharanpur district of Uttar Pradesh, the majority preferred purchasing organic vinegar through Channel-III (Producer \rightarrow Wholesaler \rightarrow Retailer \rightarrow Consumer). Specifically, 61 respondents, or 50.83%, reported using this channel. Channel-II (Producer \rightarrow Wholesaler \rightarrow Consumer) was utilized by 38 respondents,

accounting for 31.67% of the sample. In comparison, only 21 respondents (or 17.50%) obtained organic vinegar directly from producers via Channel-I (Producer \rightarrow Consumer). These results suggest that consumers favored more complex distribution channels, possibly due to easier access and wider product availability through retail outlets.

Table 2: Marketing costs, marketing margins, marketing performance and price distribution of organic vinegar in Channel I.

S.No.	Particulars	₹/Litre
1	Producer's Sale Price	195
2	Cost Incurred by Producer	
2.a	– Processing Cost	11
2.b	– Packaging Cost	8
2.c	– Transportation Cost	5
2.d	 Marketing & Promotion 	4
2.e	– Quality Control	3
2.f	 Middleman/Distributor Fee 	6
2.g	 Miscellaneous Costs 	9
	Total Marketing Cost (a–g)	46
3	Net Price Received by Producer	149
Α	Total Marketing Cost	46
В	Price Spread	46
С	Marketing Efficiency	4.23%

Table 2: The study found that in **Channel-I** (**Producer** \rightarrow **Consumer**), the selling price of organic vinegar from the producer was ₹195 per litre. After accounting for the marketing expenses, the producer received a net price of ₹149, with a total marketing cost of ₹46. The

price spread, which is the difference between the consumer's price and the amount received by the producer, was ₹46. This resulted in a marketing efficiency of **4.23%**, highlighting the greater profitability and cost-effectiveness of this direct marketing channel.

₹/Litre



S. No.

А

В

С

D

1	Producer's Sale Price to Wholesaler	185
2	Costs Incurred by Producer	
2. a	– Processing Cost	11
2.b	– Packaging Cost	8
2.c	– Transportation Cost	5
2.d	– Marketing & Promotion	4
2. e	– Quality Control	3
2.f	– Middleman/Distributor Fee	6
2.g	– Miscellaneous Costs	9
	Total Producer Marketing Cost (a–g)	46
3	Net Price Received by Producer	139
4	Wholesaler's Sale Price to Consumer	245
5	Marketing Cost Incurred by Wholesaler	
5. a	– Loading and Unloading Charges	4
5.b	– Carriage to Shop	2
5.c	– Transportation Charges	3
5.d	– Storage Cost	3
5.e	– Miscellaneous Charges	8
	Total Wholesaler Marketing Cost (a-e)	20
6	Wholesaler's Margin	40

Total Marketing Cost (Producer + Wholesaler)

Table 3: Marketing costs, marketing margins, marketing performance and price distribution of organic vinegar in Channel II.

Particulars

Table 3: The study revealed that in Channel-II (Producer \rightarrow Wholesaler \rightarrow Consumer), the marketing price of organic vinegar supplied by the producer was ₹185 per litre. The marketing cost incurred by the producer amounted to ₹46, resulting in a net price of ₹139 received by the producer. In this channel, the wholesaler incurred a marketing

Total Marketing Margin

Marketing Efficiency (%)

Price Spread

cost of ₹20, and earned a margin of ₹40 on the sale of one litre of organic vinegar. The wholesaler's sale price to the consumer was ₹245 per litre. Overall, in Channel-II, the total marketing cost stood at ₹66, with a total marketing margin of ₹40. The price spread in this channel was ₹106, and the marketing efficiency was calculated to be 1.31%.

66

40

106

1.31%



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5.	Particulars	₹/Litı
lo		
	Producer's Sale Price to Wholesaler	185
	Costs Incurred by Producer	
a	– Processing Cost	11
b	– Packaging Cost	8
c	– Transportation Cost	5
d	– Marketing & Promotion	4
e	– Quality Control	3
f	– Middleman/Distributor Fee	6
g	– Miscellaneous Costs	9

Table 4: Marketing costs, marketing margins, marketing performance and price distribution of organic vinegar in Channel III.

INU		
1	Producer's Sale Price to Wholesaler	185
2	Costs Incurred by Producer	
2.a	– Processing Cost	11
2.b	– Packaging Cost	8
2.c	– Transportation Cost	5
2.d	– Marketing & Promotion	4
2.e	– Quality Control	3
2.f	– Middleman/Distributor Fee	6
2.g	– Miscellaneous Costs	9
	Total Producer Marketing Cost (a–g)	46
3	Net Price Received by Producer	139
4	Wholesaler's Sale Price to Retailer	235
5	Marketing Cost Incurred by Wholesaler	
5.a	– Loading and Unloading Charges	4
5.b	– Carriage to Shop	2
5.c	– Transportation Charges	3
5.d	– Storage Cost	3
5.e	– Miscellaneous Charges	8
	Total Wholesaler Marketing Cost (a-e)	20
6	Wholesaler's Margin	30
7	Retailer's Sale Price to Consumer	277
8	Marketing Cost Incurred by Retailer	
8.a	– Storage Costs	2
8. b	– Transportation Costs	1
8.c	– Carriage to Shop	2
8.d	– Miscellaneous Charges	2
	Total Retailer Marketing Cost (a-d)	7
9	Retailer's Margin	35
Α	Total Marketing Cost (Producer + Wholesaler + Retailer)	73
В	Total Marketing Margin	65
С	Price Spread	138
D	Marketing Efficiency (%)	1.00%

Table 4: The study indicated that in Channel-III (Producer \rightarrow Wholesaler \rightarrow Retailer \rightarrow Consumer), the marketing price of organic vinegar supplied by the producer was ₹185 per litre. The producer incurred a marketing cost of ₹46, resulting in a net price of ₹139 received by the producer. In this channel, the wholesaler's marketing cost was ₹20, and the margin for the wholesaler on one litre of organic vinegar was ₹30, with the wholesaler

selling to the retailer at ₹235 per litre. The retailer's sale price to the consumer was ₹277 per litre, with a marketing margin of ₹35 for the retailer and a marketing cost of ₹7 incurred by the retailer. Overall, in Channel-III, the total marketing cost amounted to ₹73, the total marketing margin was ₹65, the price spread was ₹138, and the marketing efficiency was calculated at 1.00%.



S. No.	Particulars	Channel I (Producer → Consumer)	Channel II (Producer → Wholesaler → Consumer)	Channel III (Producer → Wholesaler → Retailer → Consumer)
1	Net Price Received by the Producer	₹149	₹139	₹139
2	Consumer Paid Price	₹195	₹245	₹277
3	Total Marketing Cost	₹46	₹66	₹73
4	l otal Marketing Margin	-	₹40	₹65
5	Price Spread	₹46	₹106	₹138
6	Marketing Efficiency	4.23%	1.31%	1.00%

Table 5: Comparison of marketing costs, marketing margins, and price distributions in organic vinegar marketing through channel I, channel II, and channel III in the study area.

Table 5: The comparative analysis of marketing costs, marketing margins, price spreads, and marketing efficiencies across three organic vinegar marketing channels revealed significant differences. In Channel-I (Producer \rightarrow Consumer), the consumer paid ₹195 per litre, and the producer received ₹149. The total marketing cost in this channel was ₹46, resulting in a price spread of ₹46 and a marketing efficiency of 4.23%, the highest among all channels due to the absence of intermediaries. In Channel-II (Producer \rightarrow Wholesaler \rightarrow Consumer), the consumer paid ₹245 per litre, while the producer received ₹139. The marketing cost in this channel was

CONCLUSION

The study on organic vinegar marketing in Saharanpur district, Uttar Pradesh, highlighted the significant role of marketing channels in shaping pricing structures, cost dynamics, and overall marketing efficiency. Of the three channels examined, Channel I (Producer \rightarrow Consumer) proved to be the most efficient, with a marketing efficiency of 4.23%. This channel, characterized by direct ₹66, with a marketing margin of ₹40, leading to a price spread of ₹106 and a marketing efficiency of 1.31%. Finally, in Channel-III (Producer \rightarrow Wholesaler \rightarrow Retailer \rightarrow Consumer), the consumer paid ₹277 per litre, and the producer once again received $\gtrless 139$. The total marketing cost in this channel was ₹73, with a margin of ₹65, leading to the highest price spread of ₹138 and the lowest marketing efficiency of 1.00%. These findings indicate that as the number of intermediaries increased, marketing efficiency decreased, with Channel-I (direct marketing) being the most cost-effective and beneficial for producers.

interaction between the producer and the consumer, minimized both marketing costs and price spread. On the other hand, Channel-II (Producer \rightarrow Wholesaler \rightarrow Consumer) and Channel-III (Producer \rightarrow Wholesaler \rightarrow Retailer \rightarrow Consumer) displayed lower efficiencies, with marketing efficiencies of 1.31% and 1.00%, respectively. The inclusion of multiple intermediaries in these channels increased marketing costs, raised price



spreads. and reduced profitability for producers. Although Channel-II showed moderate cost and margin structures, Channel-III had the highest price spread and largely marketing cost. due to the involvement of both wholesalers and retailers. These findings underscore the economic advantages of direct marketing through Channel-I. suggesting that reducing intermediaries can significantly enhance marketing efficiency and producer profitability. Additionally, the study emphasized the importance of understanding the cost structures and efficiencies of various marketing channels to promote sustainable growth in organic vinegar production, especially in agricultural regions like the Saharanpur district. Optimizing marketing strategies and minimizing intermediaries can thus improve the economic viability of organic vinegar production and its market performance.

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