

OF COTTON IN SINDH (DURING MID EIGHTY'S)

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INTRODUCTION

Pakistan is an agricultural country. Agriculture is the largest single sector of Pakistan economy. It contributes 36% to GNP, account for 40% of export earnings, employees 50% of civilian labour and meets raw material requirements of most industries.¹ Cotton occupies a unique position among the various field crops in Pakistan because it provides four "F" such as food, feed, fibre and fuel. It sustains millions of people for their livelihood at farms, ginning factories, textiles and edible oil mills etc. Cotton is therefore rightly called the life blood of Pakistan economy. The cotton crop is therefore, kept under constant watch, as the production of quality cotton is not only to meet the changing patterns of demand for the textile mills at home but is also to earn the much needed foreign exchange through increase in exports.²

PRODUCTION

Production is concerned with the way in which resources (inputs) are employed to produce firm products (outputs). The concept of production is quite broad and encompasses both the manufacture of the physical goods and the provision of services. In both cases, production theory focuses on the efficient use of inputs to create outputs. In other words, production analysis examines the technical and economic characteristics of systems used to provide goods and services, with the aim of determining the optimal manner of combining inputs so as to minimize costs.³

Something is a product whether it is an idea, service, or tangible good. A product is often more than the thing that is sold. It may be a feeling, a pleasure, a degree of status or a dream. Products may be large or small, tangible or intangible expensive or very cheap. Regardless of their nature products are always more than meets the eye. Unfortunately, the actu-

al quality of a product is often overshadowed by the quality the customer assigns to it.⁴

Production and marketing go together. Producers will not produce unless they are certain that there is marketing demand for their commodity. The marketing system completes the process of production by selling the commodities into the hands of consumers in a usable form at an appropriate time and at a needed place. Marketing can not take place unless commodities are not produced.⁵ The fact is quite obvious that production and marketing go together. Thus it has emphasized on the detail analysis of marketing system i.e. analysis of the production cost of the specific commodity. In the present study, it is concerned with the study of cotton. All the calculations regarding production cost of cotton will enable us to determine the net earnings and the share of the consumer expenditure which is paid back to the growers.

COST COMPONENTS

It is not the practice on the part of the growers to record the cost of production on the basis of per unit weight. The information given by them included the amount spent on various operations. The information thus supplied were analysed to calculate or to ascertain the average cost of production per unit of weight. The production function expresses the way in which outputs are produced by inputs and the way inputs cooperate with each other in varying proportion to produce any given output.⁶ Thus, it is relationship between input and output of products.

CONSOLIDATION OF INPUTS

Usually resources employed to production functions are categorised into four such as: Land, Labour, Capital and Management. The management is also labour resource. Keeping in view resources allocated to the production of cotton crop were aggregated into land labour and capital.

LAND INPUTS

Study of land resources contributed a lot to individual and society to have a real assessment in the present situation.

Market value of rate of leasing out an acre land, growing cotton as prevalent in the area was considered as the best criteria to compute rent of land. The concept in itself concludes the opportunity cost principle.

LABOUR INPUTS

The labour input is the second component of cost of production. Under this type of study i.e. the land inputs include as well the animal labour. Labour inputs were employed in all operations during the production period of cotton. These operations were bunds and channels dressing, ploughing, clod crushing, leveling, irrigation, fertilizer application, sowing, spraying and harvesting.

CAPITAL INPUTS

The capital is the main source of accelerating the production process i.e. to increase productivity. Capital is must for the agricultural products through technological changes. The components of capital, commonly used in the province of Sindh in the product of cotton were, seed, fertilizer and farm yard manure. The application of inputs vary from farm to farm in quality and quantity. Therefore, it was thought necessary to examine the total expenditure incurred by growers of cotton.

METHOD OF STUDY

For the purpose of this study, the sample survey method was developed and the sample was based on random sampling method. The data collected were analysed. The sample characteristics are shown in the following table:

S.No.	District	Type of Sample	No.of Respondents
1.	Sanghar Hyderabad	Sample of Producer	20
2.	Sanghar Hyderabad	Sample of Ginners	20
3.	Sanghar Hyderabad	Sample of Retailers	20
Total Samples			60

The questions asked were related to identify the marketing cost incurred by the growers, ginners and retailers while selling to various intermediaries.

The questions related were asked to collect the relevant data for the purpose of this study which were analysed in the

following sections.

COST OF PRODUCTION

The cost of production per acre in Sindh was investigated, with the help of the following table it reveals that cotton growers on an average of Rs.887.87 per acre of cotton spent during the year 1984-85. It included Rs.255.54 on land inputs, Rs.365.56 on labour inputs and Rs.266.77 on capital inputs. The average cost of production per acre as calculated in Rs.927.36 in Sanghar District and Rs.848.38 in Hyderabad District as indicated in the following given tables.

It is already mentioned that marketing analysis is to be made per unit weight. Therefore, it was considered essential to compute average per maund cost of cotton as incurred by the sample of cotton growers to determine "Price Spread".

It was ascertained that the sample of cotton growers on an average produced 10.67 maunds from an acre after spending Rs.887.87 in selected sample districts of Sanghar and Hyderabad in province of Sindh during the year 1984-85. An average cost of production per maund was calculated as Rs.92.27 in District Sanghar and Rs.75.14 in the District Hyderabad and on the average it came Rs.83.21 per maund in province of Sindh during the study year 1984-85 as indicated in the following given table:

AVERAGE COST OF PRODUCTION PER ACRE OF COTTON IN DISTRICT SANGHAR DURING THE STUDY YEAR 1984-85

No.of Growers	Land input Expenses in Rs.	Labour input Expenses in Rs.	Capital input Expenses in Rs.	Total	Area under Cotton	Total Yield in Maunds
1.	1200	1500	1300	4000	4	25
2.	2800	4000	2800	9600	10	40
3.	6000	9000	7000	22000	22	250
4.	800	1200	900	2900	3	65
5.	4000	5500	4000	13500	14	70
6.	2000	3000	2000	7000	8	60
7.	2000	3000	2000	7000	8	50
8.	2500	4000	2200	8700	9	80
9.	2000	2800	2000	6800	8	75
10.	5000	6000	5800	16800	20	350
10.	28300	40000	30000	98300	106	1065
Average	266.98	377.36	283.02	927.36		10.65

Source: Questionnaire survey based on a sample of ten growers (1985).7

AVERAGE COST OF PRODUCTION PER ACRE OF COTTON IN DISTRICT HYDERABAD DURING THE STUDY YEAR 1984-85

No.of Growers	Land input Expenses in Rs.	Labour input Expenses in Rs.	Capital input Expenses in Rs.	Total	Area under Cotton	Total Yield in Maunds
1.	2000	3000	2000	7000	8	95
2.	3000	5000	3000	11000	12	150
3.	4000	6000	4000	14000	15	190
4.	1500	2800	2000	6300	7	85
5.	1600	2000	1700	5300	6	60
6.	2500	3500	2500	8500	10	140
7.	2000	3000	2000	7000	8	85
8.	2600	3600	2800	9000	12	80
9.	1500	2000	1500	5000	7	85
10.	2000	2000	1800	5800	8	80
10.	22700	32900	23300	78900	93	1050
Average	244.09	353.76	250.53	848.38	-	11.29

Source: Questionnaire survey based on a sample of ten growers (1985).8

SUMMARY OF COST OF PRODUCTION PER ACRE OF COTTON IN SINDH

No.of Districts	Land Input Expenses in Rs.	Labour Input Expenses in Rs.	Capital Input Expenses in Rs.	TOTAL
Sanghar	266.98	377.36	283.02	927.36
Hyderabad	244.09	353.76	250.53	848.38
TOTAL	511.07	731.12	533.55	1775.74
AVERAGE	255.54	365.56	266.77	887.87

Source: Average of cost of production on a sample of 10 growers of District Sanghar and Hyderabad 1985.9

AVERAGE COST OF PRODUCTION PER MAUND OF COTTON INCURRED BY SAMPLE OF GROWERS IN SINDH DURING YEAR 1984-85

DISTRICT	YIELD			AVERAGE PRODUCTION COST	
	Acre	Total Maund	Per Acre Maund	Per Acre	Per Maund
Sanghar	106	1065	10.05	927.36	92.27
Hyderabad	93	1050	11.29	848.38	75.14
TOTAL	199	2115	21.34	1775.74	
AVERAGE	99.50	1057.50	10.67	887.87	83.21

Source: Questionnaire survey based on sample of growers (1985).10

MARKETING BILL

Marketing is necessary for farm production and the agencies involved in the situation almost assume the risks and incur certain marketing costs to create various types of utility in cotton.

As a matter of principle all the intermediaries incurred expenditure for carrying the commodities from producer to consumer are referred as marketing bills. In the present situation, the marketing of cotton (phutti) and Desi cotton (Kapas) involved intermediaries i.e. cotton growers, Ginners-cum-wholesalers and retailers or small traders.

The main item of marketing costs included loading, transport, octroi, weighing, unloading and miscellaneous. These costs were computed on the basis of per unit of weight. The details of expenditure were collected on each item from the concerned functionaries.

The losses due to wastage are common in the marketing of agricultural products, therefore, the losses were assessed for each agency and were calculated.

MARKETING COST INCURRED BY GROWERS WHILE SELLING TO GINNERS OF COTTON

The data collected in this behalf were analysed to compute average marketing cost incurred by growers per maund of cotton (phutti) selling to ginners in the selected sample of Sindh during the year 1984-85 as shown in the following tables.

It was ascertained that grower spent Rs.3.30 on marketing cost on per maund sale of cotton in the selected districts of Sindh during the year 1984-85. It includes Rs.0.46 on loading, Rs.0.46 on transport, Rs.1.13 on octroi, Rs.0.13 on weighing, Rs.0.10 on unloading, miscellaneous Rs.1.02, as given in the table:

**AVERAGE PER MAUND MARKETING COST OF COTTON INCURRED
BY SAMPLE OF GROWERS AGAINST SALE TO GINNERS IN DISTRICT
OF SANGHAR DURING THE YEAR 1984-85**

No. of Growers	MARKETING COST OF GROWERS						
	Loading	Transport	Octroi	Weighing	Unloading	Misc.	Total
1.	0.50	0.50	1.25	0.20	0.10	1.00	3.55
2.	0.60	0.45	1.00	0.15	0.08	1.25	3.35
3.	0.40	0.35	1.00	0.10	0.08	1.20	3.13
4.	0.55	0.45	1.15	0.15	0.10	1.15	3.55
5.	0.45	0.50	1.25	0.10	0.10	1.15	3.55
6.	0.55	0.45	1.20	0.12	0.08	1.20	3.60
7.	0.60	0.45	1.25	0.12	0.08	1.00	3.50
8.	0.40	0.50	1.20	0.16	0.10	1.25	3.61
9.	0.55	0.45	1.05	0.10	0.10	1.25	3.50
10.	0.50	0.46	1.15	0.10	0.08	1.50	3.79
TOTAL	5.10	4.56	11.50	1.30	0.90	11.95	35.31
Average	0.51	0.45	1.15	0.13	0.09	1.20	3.53

Source: Questionnaire survey based on sample of 10 growers (1985).¹¹

**AVERAGE PER MAUND MARKETING COST OF COTTON (PHUTTI) INCURRED
BY SAMPLE OF GROWERS AGAINST SALE TO GINNERS IN
DISTRICT OF HYDERABAD DURING THE YEAR 1984-85**

No. of Growers	MARKETING COST OF GROWERS						
	Loading	Transport	Octroi	Weighing	Unloading	Misc.	Total
1.	0.40	0.50	1.00	0.15	0.10	0.80	2.95
2.	0.35	0.45	1.12	0.12	0.08	0.80	2.92
3.	0.45	0.55	1.20	0.10	0.08	1.00	3.38
4.	0.50	0.45	1.00	0.10	0.12	0.75	2.92
5.	0.40	0.40	1.25	0.15	0.12	0.75	3.07
6.	0.35	0.40	1.25	0.15	0.05	0.80	3.10
7.	0.45	0.45	1.25	0.16	0.10	1.00	3.41
8.	0.40	0.50	1.00	0.16	0.15	1.00	3.21
9.	0.50	0.40	1.00	0.15	0.12	0.80	2.97
10.	0.35	0.50	1.00	0.15	0.12	0.75	2.87
TOTAL	4.15	4.60	11.07	1.39	1.14	8.45	30.80
Average	0.41	0.46	1.10	0.14	0.12	0.85	3.08

Source: Questionnaire survey based on sample of 10 growers in Hyderabad District (1985).¹²

**AVERAGE COST OF MARKETING PER MAUND OF COTTON (PHUTTI)
IN SAMPLE OF DISTRICTS OF SINDH URING THE STUDY YEAR**

MARKETING COST OF GROWERS

District	Loading	Transport	Octroi	Weighing	Unloading	Misc.	Total
Sanghar	0.51	0.45	1.15	0.13	0.09	1.20	3.53
Hyderabad	0.41	0.46	1.10	0.14	0.12	0.85	3.08
TOTAL	0.92	0.91	2.25	0.27	0.21	2.05	6.61
AVERAGE	0.46	0.46	1.13	0.13	0.10	1.02	3.30

Source: Questionnaire survey based on sample of 10 growers in Hyderabad District (1985).¹³

**MARKETING COST INCURRED BY GROWERS OF COTTON (PHUTTI)
WHILE SELLING TO RETAILERS-CUM-COMMISSION AGENTS/
VILLAGE BUYERS/TRADERS (WAPARIES).**

The marketing costs were analysed to compute average marketing cost incurred by growers per maund of cotton (phutti), while selling to retailers-cum-agent/traders (waparies) in the selected sample of districts of Sindh as indicated in the following given tables.

It was ascertained that grower spent Rs.5.64 on marketing cost on per maund sale of cotton (phutti) to the retailer-cum-commission agents/traders in Sindh during 1984-85. It includes Rs.0.21 on Sutli expenses, Rs.0.20 on weighing and filling, Rs.0.22 on chungi, Rs.0.37 on loading and unloading, Rs.1.77 on transportation Rs.1.34 on octroi Rs.0.61 market fee and miscellenous Rs.0.92.

**AVERAGE PER MAUND MARKETING COST OF COTTON (PHUTTI) INCURRED BY
SAMPLE OF GROWERS AGAINST SALE TO RETAILERS/COMMISSION AGENTS/
TRADERS, IN DISTRICT OF SANGHAR DURING THE YEAR 1984-85**

No. of Growers	MARKETING COST OF GROWERS								
	Sutli Exp:	Weigh: Fill	Chungl	Loading unloading	Trans- port	Octroi	Market Fee	Misc.	Total
1.	0.35	0.25	0.20	0.30	1.80	1.25	0.75	1.00	5.90
2.	0.35	0.20	0.15	0.35	1.75	1.50	0.80	0.80	5.90
3.	0.25	0.22	0.10	0.40	2.00	1.40	0.70	0.75	5.82
4.	0.20	0.16	0.15	0.50	2.00	1.25	0.65	0.90	5.81
5.	0.20	0.20	0.20	0.40	1.80	1.30	0.70	0.80	5.60
6.	0.25	0.16	0.30	0.50	1.90	1.35	0.75	0.90	6.11
7.	0.25	0.20	0.25	0.40	2.00	1.40	0.80	1.00	6.30
8.	0.20	0.25	0.25	0.35	1.90	1.45	0.75	1.00	6.15
9.	0.20	0.16	0.25	0.40	1.80	1.50	0.70	1.00	6.01
10.	0.20	0.16	0.25	0.45	1.75	1.50	0.70	1.00	6.01
TOTAL	8.45	1.96	2.10	4.05	18.70	13.90	7.30	9.15	59.61
Average	0.24	0.19	0.21	0.41	1.87	1.39	0.73	0.92	5.96

Source: Questionnaire survey based on sample of 10 growers in Sanghar District (1985).¹⁴

**AVERAGE PER MAUND MARKETING COST OF COTTON INCURRED BY SAMPLE
OF GROWERS AGAINST SALE TO RETAILERS - CUM - COMMISSION AGENTS IN
DISTRICT OF HYDERABAD DURING THE YEAR 1984 - 85**

No. of Growers	MARKETING COST OF GROWERS								
	Sutli Exp:	Weigh: Fill	Chungl	Loading unloading	Trans- port	Octroi	Market Fee	Misc.	Total
1.	0.20	0.25	0.20	0.35	1.75	1.25	0.50	0.80	5.30
2.	0.18	0.22	0.20	0.35	1.70	1.25	0.50	0.90	5.30
3.	0.15	0.20	0.20	0.40	1.60	1.30	0.60	1.00	5.45
4.	0.16	0.20	0.25	0.30	1.80	1.30	0.50	1.00	5.51
5.	0.20	0.22	0.25	0.30	1.50	1.25	0.60	1.00	5.32
6.	0.20	0.18	0.20	0.30	1.60	1.35	0.50	0.90	5.23
7.	0.20	0.18	0.20	0.30	1.50	1.35	0.40	0.90	5.03
8.	0.16	0.16	0.25	0.35	1.75	1.25	0.45	0.80	5.17
9.	0.18	0.24	0.20	0.35	1.80	1.25	0.40	0.90	5.32
10.	0.15	0.24	0.20	0.40	1.80	1.30	0.50	1.00	5.59
TOTAL	1.78	2.09	2.15	3.40	16.80	12.85	4.95	9.20	53.22
Average	0.17	0.21	0.22	0.34	1.68	1.29	0.49	0.92	5.32

Source: Questionnaire survey based on sample of 10 growers in Hyderabad District (1985).¹⁵

**AVERAGE FOR MAUND MARKETING COST OF COTTON (PHUTTI)
INCURRED BY SAMPLE OF GROWERS IN SINDH DURING YEAR 1984-85**

AVERAGE MARKETING COST

Districts	Suth Exp.	Weighing & Filling	Chungi	Load & unloading	Trans port	Octroi	Market Fee	Misc.	Total
Sanghar	0.24	0.19	0.21	0.41	1.87	1.39	0.73	0.92	5.96
Hyderabad	0.17	0.21	0.22	0.34	1.68	1.29	0.49	0.92	5.32
Total	0.41	0.40	0.43	0.74	3.55	2.68	1.22	1.84	11.28
Average	0.21	0.20	0.22	0.37	1.77	1.34	0.61	0.92	5.64

Source: Questionnaire survey based on sample of growers in Sindh.16

MARKETING COST INCURRED BY GINNERS - CUM -WHOLESALEERS

In the present system the Cotton ginners purchase huge quantity of cotton after processing to sell it. The ginners-cum-wholesalers play the role of buying and selling of marketing and there-by creating various utilities. Towards the creation of these utilities, many expenditures are incurred by the ginners. The most common expenses incurred by them are assembling, exercise duty, processing and packaging marketing fees, loading and unloading, octroi, commission, shortage, weighing, storage, transport and administrative expenses. On the whole 20 ginners were approached for the purpose in two districts of Sanghar and Hyderabad. Each ginner was inquired about the volume of business. The information so collected was analysed and the marketing costs incurred on the average per maund was calculated.

It reveals that the marketing cost of ginners per maund was calculated at Rs.20.83 in Sindh during the year 1984-85. It included Rs.0.22 on assembling, Rs.1.52 excise duty, Rs.4.71 on processing and packaging Rs.0.10 on marketing fees, loading and unloading Rs.0.88 octroi Rs.0.15 commission Rs.0.13 shortage Rs.5.30, on weighing Rs.0.04, Rs.0.10 storage, Rs.5.30 on transport and administrative expenses to the extent of Rs.2.38.

(Table on Separate Sheet)

MARKETING COST INCURRED BY RETAILERS OR SMALL TRADERS OF COTTON

The distinct feature of our economy is that retailers or

AVERAGE MARKETING COST PER MAUND INCURRED BY SAMPLE OF GINNERS-CUM-WHOLESALEERS IN SAMPLE DISTRICT OF SANGHAR DURING THE YEAR 1984-85.

NO. OF GINNERS	ASSEMBLING DUTY	PROCESSING & PACKAGING PER MAUND	MARKET LOADING & UN-LOADING PER MAUND	OCROI.	CONMI-SSION	SHOR-TAGE	WEIGH-ING	STOR-AGE	TRANS-PORT.	ADMN. EXP.	TOTAL
1.	0.50	5.00	0.10	1.00	0.10	3.00	0.04	0.10	8.00	2.00	23.39
2.	0.50	1.75	0.10	1.00	0.10	0.15	0.04	0.10	6.00	4.00	26.08
3.	0.50	4.50	0.10	0.80	0.10	8.00	0.05	0.10	6.00	3.50	23.93
4.	0.50	1.50	0.10	0.80	0.10	0.15	0.05	0.10	6.00	2.50	21.94
5.	0.50	4.50	0.10	0.75	0.10	5.00	0.04	0.08	8.00	2.50	22.71
6.	0.50	4.00	0.10	0.75	0.10	5.00	0.04	0.08	8.00	2.50	23.34
7.	0.50	4.00	0.10	1.00	0.10	0.20	0.05	0.10	6.00	4.00	23.18
8.	0.50	4.00	0.10	1.00	0.10	0.20	0.05	0.10	6.00	3.00	21.88
9.	0.50	4.25	0.10	1.00	0.10	0.20	0.04	0.08	6.00	3.00	21.47
10.	0.50	4.25	0.10	1.00	0.10	0.20	0.04	0.08	6.00	3.00	21.47
TOTAL	2.50	43.50	1.18	9.10	1.21	1.75	0.44	0.94	62.00	30.00	229.13
AVERAGE	0.25	4.35	0.12	0.91	0.12	1.75	0.44	0.94	6.20	3.00	22.91

SOURCE:- QUESTIONNAIRE SURVEY BASED ON SAMPLE OF GINNERS-CUM-WHOLESALEERS IN SAMPLE DISTRICT SANGHAR (17).

AVERAGE MARKETING COST PER MAUND INCURRED BY SAMPLE OF GINNERS-CUM-WHOLESALEERS IN SAMPLE DISTRICT OF HYD. DURING THE YEAR 1984-85.

NO. OF GINNERS	ASSEMBLING DUTY	PROCESSING & PACKAGING PER MAUND	MARKET LOADING & UN-LOADING PER MAUND	OCROI.	CONMI-SSION	SHOR-TAGE	WEIGH-ING	STOR-AGE	TRANS-PORT.	ADMN. EXP.	TOTAL
1.	0.50	3.50	0.08	0.80	0.10	3.30	0.02	0.10	3.00	1.00	18.39
2.	0.18	4.80	0.10	0.75	0.10	5.50	0.02	0.10	3.50	2.00	19.84
3.	0.16	1.60	0.08	0.75	0.10	0.08	0.02	0.10	4.00	1.75	19.44
4.	0.16	1.60	0.10	0.80	0.10	4.80	0.04	0.10	4.00	1.75	19.82
5.	0.20	1.75	0.10	1.00	0.10	0.08	0.04	0.10	3.75	1.75	18.79
6.	0.20	1.75	0.08	1.00	0.10	4.80	0.04	0.10	3.75	1.75	19.25
7.	0.20	1.60	0.08	1.00	0.10	4.75	0.04	0.10	4.00	2.00	19.81
8.	0.20	1.50	0.10	0.75	0.10	4.75	0.02	0.10	4.00	1.50	18.25
9.	0.16	1.50	0.10	0.75	0.10	5.00	0.02	0.10	4.00	1.50	18.32
10.	0.20	1.50	0.10	0.75	0.10	5.00	0.02	0.10	4.00	1.50	18.32
TOTAL	1.90	15.90	0.96	8.40	1.77	0.94	0.46	1.18	38.00	17.50	187.50
AVERAGE	0.19	1.59	0.09	0.84	0.18	0.99	0.05	0.12	3.80	1.75	18.75

SOURCE:- QUESTIONNAIRE SURVEY BASED ON SAMPLE OF GINNERS-CUM-WHOLESALEERS IN SAMPLE DISTRICT HYDERABAD (18).

AVERAGE MARKETING COST PER MAUND INCURRED BY SAMPLE OF GINNERS-CUM-WHOLESALEERS IN SAMPLE DISTRICT OF HYD. DURING THE YEAR 1984-85.

NO. OF GINNERS	ASSEMBLING DUTY	PROCESSING & PACKAGING PER MAUND	MARKET LOADING & UN-LOADING PER MAUND	OCROI.	CONMI-SSION	SHOR-TAGE	WEIGH-ING	STOR-AGE	TRANS-PORT.	ADMN. EXP.	TOTAL
1.	0.22	1.45	0.15	0.81	0.12	0.18	0.04	0.12	3.80	1.78	10.71
HYDERABAD.	0.19	1.59	0.09	0.84	0.18	0.99	0.05	0.12	3.80	1.75	18.75
TOTAL	0.44	3.04	0.21	1.72	0.30	0.27	0.09	0.21	10.60	4.92	41.66
AVERAGE	0.22	1.52	0.11	0.88	0.15	0.13	0.04	0.10	5.30	2.38	20.83

SOURCE:- QUESTIONNAIRE SURVEY BASED ON SAMPLES OF GINNERS-CUM-WHOLESALEERS IN SINDH (19).

small traders are dominating and are scattered in whole province of Sindh.

The most common items of marketing cost incurred by retailer or small traders are loading, unloading, transport, octroi, weighing and miscellaneous. The sample of 20 retailer-cum-commission agents/traders were approached in the selected districts of Sindh i.e. Sanghar and Hyderabad for this purpose the data collected were analysed to know the marketing cost of retailer per unit weight.

It indicates the average marketing cost amounted to Rs.7.18 per maund for the retailer of cotton during the year 1984-85. It included loading expenses Rs.0.46, Rs.0.31 on unloading, Rs.4.06 on transportation, Rs.1.11 on octroi, Rs.0.05 on weighing and the miscellaneous expenses Rs.1.19.

TOTAL MARKETING BILL

It reveals from the analysis that the marketing of all types on an average has a marketing bill amounting to Rs.31.31 in the selected sample districts of Sindh during the year 1984-85. This amount included Rs.3.30 incurred by producers Rs.20.83 by ginner-cum-wholesalers and Rs.7.18 incurred by retailers-cum-commission agents/traders.

AVERAGE PER MAUND MARKETING COST OF COTTON (PHUTTI) INCURRED BY RETAILERS IN SAMPLE DISTRICT OF SANGHAR DURING THE YEAR 1984-85

No.of Retailer	Loading	Unloading	Transport	Octroi	Weighing	Misc.	Total
1.	0.40	0.30	3.00	1.25	0.08	1.50	6.53
2.	0.60	0.30	4.00	1.20	0.06	1.25	7.41
3.	0.40	0.40	5.00	1.20	0.06	1.00	8.06
4.	0.50	0.45	5.00	1.20	0.08	1.00	8.23
5.	0.40	0.40	5.00	1.20	0.06	1.50	8.56
6.	0.55	0.40	4.00	1.25	0.06	1.50	7.76
7.	0.45	0.35	4.00	1.00	0.08	1.50	7.38
8.	0.50	0.35	4.50	1.00	0.08	1.40	7.83
9.	0.55	0.40	4.50	1.25	0.10	1.40	8.20
10.	0.50	0.45	4.50	1.25	0.10	1.00	7.80
Total	4.85	3.80	43.50	11.80	0.76	13.05	77.76
Average	0.48	0.38	4.35	1.18	0.07	1.30	7.76

Source: Questionnaire survey based on marketing cost incurred by retailers in sample District Sanghar (20)

**AVERAGE PER MAUND MARKETING COST OF COTTON (PHUTTI)
INCURRED BY RETAILERS IN SAMPLE DISTRICT OF HYDERABAD
DURING THE YEAR 1984-85**

No. of Retailer	Loading	Unloading	Transport	Octroi	Weighing	Misc.	Total
1.	0.50	0.30	4.50	1.00	0.05	1.00	7.35
2.	0.45	0.25	4.00	1.00	0.04	1.20	6.94
3.	0.44	0.25	4.00	0.80	0.04	1.20	6.73
4.	0.44	0.20	4.50	0.80	0.04	1.00	6.98
5.	0.50	0.20	3.75	1.25	0.06	1.00	6.76
6.	0.50	0.20	3.75	1.25	0.06	1.20	6.79
7.	0.45	0.25	3.75	1.25	0.05	1.10	6.85
8.	0.40	0.25	3.00	1.00	0.05	1.10	5.80
9.	0.40	0.20	3.00	1.00	0.05	1.00	5.85
10.	0.40	0.20	3.50	1.00	0.05	1.00	6.15
Total	4.48	2.30	37.75	10.35	0.49	10.80	66.17
Average	0.45	0.23	3.78	1.03	0.04	1.08	6.61

Source: Questionnaire survey based on marketing cost incurred by retailers in sample District Hyderabad (21)

**AVERAGE MARKETING COST BY RETAILERS IN SAMPLE
DISTRICTS OF SINDH DURING THE YEAR 1984-85**

District	Loading	Transport	Octroi	Weighing	Unloading	Misc.	Total
Hyderabad	0.48	4.35	1.18	0.07	0.38	1.30	7.76
Sanghar	0.45	3.78	1.03	0.04	0.23	1.08	6.61
TOTAL	0.93	8.13	2.21	0.11	0.61	2.38	14.37
AVERAGE	0.46	4.06	1.11	0.05	0.31	1.19	7.18

Source: Questionnaire survey based on marketing cost incurred by retailers in sample of Sindh (22).

AVERAGE MARKETING BILL

AGENCIES	AVERAGE PER MAUND MARKETING COST OF DESI COTTON
Producers	3.30
Ginners-cum-whole salers	20.83
Retailers	7.18
TOTAL	31.31

Source: Questionnaire survey based on marketing bill by various intermediaries in Sindh (23).

CONCLUSIONS AND RECOMMENDATIONS

It is generally said that production and marketing go together. Marketing enables the producer to have the right product at time at the right place at the right price.

This present study reveals that the grower (Producer) who invests all his energies for reasonable return on investment in the shape of net margin, very unfortunately, due to lack of mechanized farming, inadequate marketing facilities which include non-availability of infra-structure, transportation and storage facilities, as well as the role played by the market intermediaries in particular the middleman could not receive fair return although the overall economic situation of the country in mid 80's was not very much discouraging.

In view of the authors, the present cotton crisis are the result of ignorance of problems faced by the growers from time to time.

Moreover, the low profit margin to the growers at that time compelled them to shift on other crops which were economically viable which has been a contributing factor in shortage of raw cotton material in the local Textile Industry from time to time.

RECOMMENDATIONS

In order to overcome the crises, the following points could be recommended:

1. There seems strong need to revise the price mechanism by the Pakistan Agriculture Price Commission to make sure that the Growers are getting fair price for their product.
2. There seems strong case for the development of infrastructure facilities in farflung areas of Sindh to make production and marketing activities more efficient and effective.
3. Agricultural credit procedure needs to be made more simple and loan forms etc. be provided in local language due to low literacy rate among the farmers/growers in Pakistan.
4. Role of intermediary/middleman needs to be reduced to make the product more beneficial for the grower as the intermediary generally exploits the growers by paying them low prices than market price.
5. Export of surplus cotton needs to be allowed to

strengthen the local market conditions to avoid a price downfall in the domestic market which may affect the interests of growers.

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