A Comparative Analysis Of Onion Marketing In Different Seasons: A Case Study Of Haryana

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ABSTRACT

Marketing channels of Agricultural crops has become a subject of high aftercare in these days. Agricultural marketing involves numeral marketing channels/chains as well as agencies which collect products from the farmers and deliver them to final consumers. Each channel has some specific pros and cons equally. As a matter of fact, types of goods and the nature of the usage of that particular crop decide from which channel farmers is going to receive maximum economic benefit. In main objective of the study is to analyze the price received by farmers in different marketing seasons. For fulfilling the above said objective cross-sectional data has been used. The study shows that the farmers received high price in the lean season and there is more stability in the price received by farmers as compare to peak season.

Key Words: *Marketing Channels, Agricultural Crops, Marketing Seasons.*

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Introduction

Marketing channels of agricultural crops has become a subject of high aftercare in these days. The share of producer in consumer rupees is almost stable while the price of agricultural crops is magnifying day by day.Consequently, almost 50 percent of agriculture sector in India are in threat of poverty and considerable low level of living standard. Considering, present circumstances, only without structural reforms, it is not possible to achieve the target of "**Double Farmers Income by 2022**"as announced by Central Government of India.

Agricultural marketing involves numeral marketing channels/chains as well as agencies which collect products from the farmers and deliver them to final consumers. Each channel has some specific pros and cons equally. As a matter of fact, types of goods and the nature of the usage of that particular crop decide from which channel farmers is going to receive maximum economic benefit.

Review of Literature

Keeping the significance of subject matter in view, many researcher and authors examine the marketing pattern and price mechanism from time to time. Some of these are here to brought a clear picture and the magnitude of subject.

Birthal, P., Negi, A., & Joshi, P.K. (2019)[1] in their research paper titled "Understanding causes of volatility in onion price in India" examined the price structure on onion market in India. The study is based on high-frequency time series data on whole sale price and arrivals of onions. The study concluded that there was a strong element of uncertainty in market arrivals of onion. Study also concluded that neither producer nor consumers benefited from the higher price volatility arising due to market power immediate downstream of production.

Shukla, K., et al.(2019)[7] in their research paper entitled " A study on marketing pattern of onion in Nashik District of Maharashtra, India" elaborated the various aspects of onion such as pattern of disposable market practice and different channels involves in marketing of onion. A total of 131 numbers farmers were interviewed for primary survey. Study concluded that marketable surplus was higher in large categories farmers. Farmers share in consumer rupees was more in selling the product on domestic level.

Kodge, V. B. (2013)[5] in his research paper examined the onion price mechanism and problem faced in onion marketing in India. The study was based on secondary data collected from APMC- record and government reports. The study concluded that due to wrong pattern

of storage and lack on transportation facilities there was a loss of almost 15-20 % of its total yield. Maximum onion producers were sold their product to the local market.

Keeping in view the predominance of marketing channels, in present research paper an attempt has been made to examine the marketing of onion at different marketing channels in different marketing seasons. It is very well known that Onion is very common vegetable. As it is excluded from MSP basket as a result the price of Onion is decided by the demand and supply forces of market. In past few years, we can see the magnitude of variation in Onion price. The syndicate of black marketing and middlemen always pillage the high price benefits from the farmers. Ceteris paribus with extreme marketing condition, Onion remains a profitable crop for farmers. In the present research paper, price of onion received by famers is examined at different marketing channels and in different marketing seasons.

Different Marketing Channels of Onion

To simplify the subject, the channels is divided into three following categories-

I)   Direct to local consumers at farmers (DCF) – MC1- is a simple and cost-free channel where farmers sold their product to local consumer at their farm level.

II)   Sale in regulated market at flat price (*Dhada)*(SRW) -MC2 -this marketing channel is very common, farmers sold their product in regulated market at flat price*(DHADA)* rate. This marketing channels involved cost of loading-unloading, transportation, and temporary packing. (reported by farmers during primary survey)

III)   Sale directly wholesaler/traders (SDT) – MC3 -this marketing channels is used only by a few farmers. It required proper knowledge of price and place for the same. In these marketing channels farmers sell their product direct to wholesale shop.

Different Marketing Seasons of Onion

Technically marketing seasons of crops is divided into three seasons i.e. peak, mid and off-season/ Lean season. To find out the sharp and absolute difference between demand and price researcher examined only two seasons i.e Peak and off seasons. During the filed survey that off season include storage cost onion. There was difference in storage cost according to the size of land holding farmers. By applying the equal scale for storage cost in all categories of farmers mean values were calculated.

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Average storage cost for all sampled farmers $= \Sigma\, X/N$

X= Shows the Rs. /Kg storage cost paid by farmers

N= Numbers of farmers

$\bar{X} = 4.6$

Table 1 concluded that the average cost storage cost of onion per kg/ Rs. For six months were 4.6 Rs. Where it was 5.5 Rs, 4.55 Rs. and 3.75 Rs in small medium and large categories farmers respectively.

To avail the high price benefit of off-season, farmers have to incur the storage cost of onion.

Table-1

Storage cost of onion per kg/ Rs. According to land under crop

Small (0-3 acer)	Medium (4-7 acer)	Large (above 8 acer)
6	4	4.5
5	5	4
6	4.5	3
7	5.5	3.5
5	4	4
6	3	3.5
6	5.5	4
5	5	3
4	4	4
5	5	4
5.5	4.55	3.75

Source- Primary survey

Research Methods

The study is based on cross- sectional data. A multistage random sampling method has been used for this purpose. The sampling has been done at three stages i.e. district blocks and farmers. At the first stage Sonipat, Rohtak and Jhajjardistrict of Haryana have been selected on by using purposive sampling. At this second stage three blocks one from each selected district respectively, Rai, Rohtak and Bahadurgarh selected on randomly. On the last stage, farmers have been conferred for interview. A list of those farmers has been prepared by personal investigation, who are growing onion from the selected blocks. Out of these lists a

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sample of 60 farmers (30 for peak season and 30 for off season) selected and interviewed. In this way a total of 60 farmers have been interviewed for this study.

For analyzing the price received by farmers in both the seasons simple statistical tools like average, standard deviation, variance and instability index have been used in the study.

Average: "It is the arithmetic average and is the most popular measure of central tendency and may be defined as the value which we get by dividing the total of the values of various given items in a series by total number of items".

Standard deviation (SD): "The SD is a statistic that measures the dispersion of a dataset relative to its mean. The SD is calculated as the square root of variance by determining each data point's deviation relative to its mean".

Instability Analysis: Instability is simply the deviation from mean and the researchers in their studies have used the Coefficient of Variation (CV %) as a tool for estimating the instability. In present study instability in different marketing channels opted by farmers in different seasons for the sale of their produce have been estimated by using coefficient of variation (CV). The CV for these parameters has been calculated by using the following formula.

$$CV\ (\%) = \frac{\text{Standard Deviation}}{\text{Mean}} \times 100$$

Results and Discussion

Table-2 has explained the different marketing channels opted by farmers for the sale of their produce in different seasons.

Table-2

Price Received by Farmers in Different Marketing Channels in Different Seasons

(figures in Rs./Kg)

MC1 Ps	MC2 Ps	MC3 Ps	MC1 Ls	MC2 Ls	MC3 Ls
15	17	19	24	31	32
14	16	20	29	34	36
13	18	18	27	34	36
14	17	17	24	36	37
15	16	18	26	34	35
16	16	19	24	32	34
13	18	21	25	30	34

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14	19	20	27	33	37
15	17	20	27	34	36
14	18	21	24	32	36

Source- Primary survey

The highest price received by farmers in peak season in MC1 is Rs. 16/Kg while it is Rs. 29/Kg in the lean season. The lowest price received by farmers in the same marketing channel is Rs. 13/Kg in the peak season and Rs. 24/Kg in the lean season. The same trend is visible in other marketing channels also which shows that there is significant difference in the price received by the farmers in different seasons. The table also shows that there is difference in the price received by the farmers in the same season as the highest price received by farmers in MC1 is Rs. 16/Kg while it is Rs. 21/Kg in MC3 in the peak season. Same result is clearly evident from the table in the lean season also.
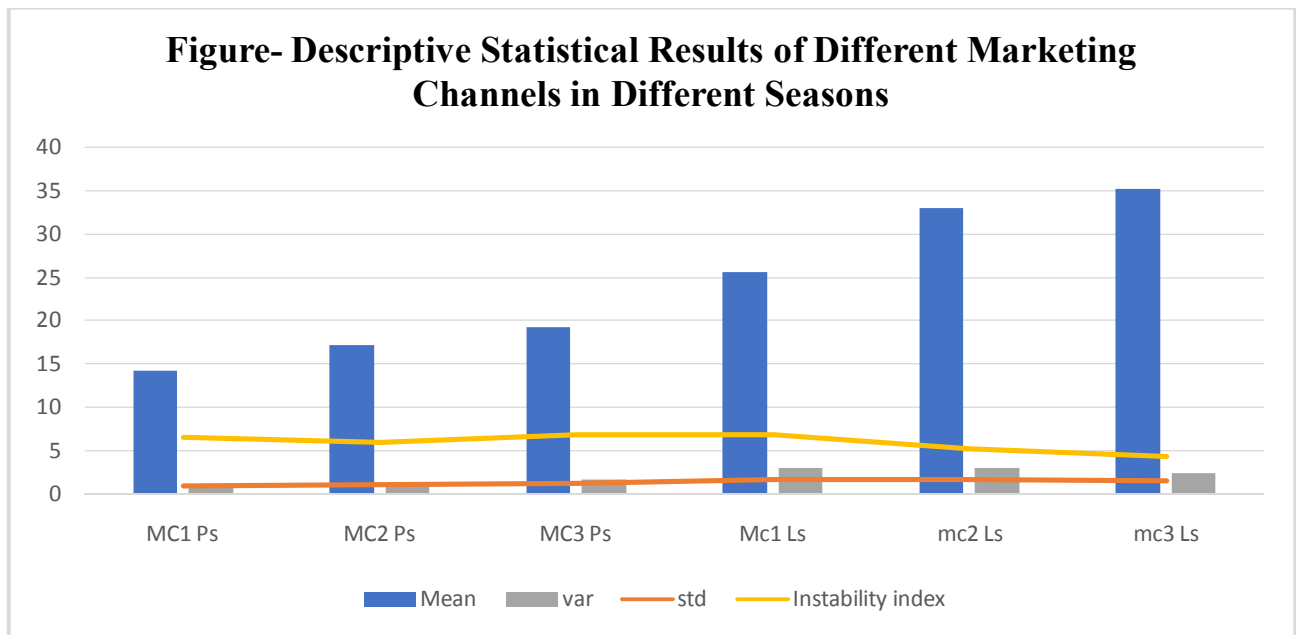
Table-3

Descriptive Statistical results of Different Marketing Channels in Different Seasons

Result	MC1 Ps	MC2 Ps	MC3 Ps	Mc1 Ls	mc2 Ls	mc3 Ls
Mean	14.3	17.20	19.30	25.70	33.00	35.30
S.D.	0.95	1.03	1.34	1.77	1.76	1.57
Variance	0.90	1.07	1.79	3.12	3.11	2.46
Instability Index	**6.63**	**6.01**	**6.93**	**6.88**	**5.345**	**4.44**

Source: Based on author'scalculations.

Figure- Descriptive Statistical Results of Different Marketing Channels in Different Seasons

The above table-3 and figure shows the descriptive statistical results of different marketing channels in different seasons. It is evident from the table that the average price received by farmers is higher in the lean season as compare to that in the peak season. But there is considerable amount of difference between the average price received in different marketing channels in the same season. The instability index shows the variation in the price received by the farmers. The values of CV show that in MC1 more variability in price is in the lean season while in MC2 and MC3 the variability is more in the peak season.

Policy Implications:

In absence of transportation and storage facilities, farmers sell their product in MC1 during peak season. However, if transportation and storage facilities are provided to the farmers, they would get double the price in MC3 during season as compared to MC1 during peak season.

Conclusion

Marketing channels of agricultural crops has become a subject of high aftercare in these days. Agricultural marketing involves numeral marketing channels/chains as well as agencies which collect products from the farmers and deliver them to final consumers. Each channel has some specific pros and cons equally. As a matter of fact, types of goods and the nature of the usage of that particular crop decide from which channel farmers is going to receive maximum economic benefit. The study concludes that the farmers received high price for

their produce in the lean season as compare to peak season and within the same season farmers received higher price in MC3. From the instability point of view the price received in the peak season is more variable as compare to lean season.

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