

Empirical study of onion marketing channels in Rajasthan

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ABSTRACT

India is the second largest producer of vegetables in the world next only to China. The onion is the major vegetable crop of Rajasthan. The present investigation was carried out to study the price spread and efficiency in marketing of onion. The study was conducted in Jodhpur and Nagaur which were selected on the basis of highest area and production of onion. A sample of 50 onion growing farmers from different land size categories were selected by probability proportion to number of farmers in each size group. Five intermediaries each, from the commission agents, wholesalers and retailers were selected randomly. 19585 quintal of onion was produced by the sample households, of which 19061 quintal was the marketable surplus. There was no difference in marketable and marketed surplus of onion as farmers were hard pressed by cash needs. The marketable surplus was higher on medium farms (9747 quintals) followed by small (6021 quintals) and large (3293 quintals). In channel – I producer's share was 46.67 per cent. Total marketing cost accounted for 17.47 per cent and marketing margins accounted for 35.86 per cent of consumer's rupee in Jodhpur mandi. In Nagaur, the producer's share was 47.50 per cent. Total marketing cost accounted for 18.33 per cent and marketing margins accounted for 34.17 per cent of consumer's rupee. In channel –II, producer's share was 42.22 per cent. Total marketing cost accounted for 17.64 per cent and marketing margins accounted for 40.14 per cent of price paid by the consumer in Jodhpur Mandi. In Nagaur, producer's share was 40.00 per cent. Total marketing cost accounted for 18.73 per cent and marketing margins accounted for 41.27 per cent of price paid by the consumer. Marketing efficiency was 0.88 and 0.73 in Jodhpur mandi and 0.90 and 0.67 in Nagaur mandi for channel –I and channel –II, respectively. Hence, channel –I was more efficient for onion marketing.

KEY WORDS : Marketing channel, Onion, Marketing efficiency

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Consumer preferences have shifted away from cereals and moved towards high-value agricultural produce like vegetables. With increase in economic standards, urbanization, International market integration and trade liberalization, the demand for horticultural products is expected to increase even further. On the production side, if cereal

pricing is left to market forces, land will be released from traditional cultivation to meet the growing demand for non-cereal crops such as fruits and vegetables in accordance with the diversification in consumption pattern (Mittal, 2006). Thus, in a holistic way, Horticulture can be promoted as a means of agro-diversification for the second green revolution, providing the much needed impetus to the growth of agricultural sector, through increase in trade, income and employment. Presently, Indian agriculture is diversifying into the production of high value commodities, also providing an increasing role to small holding farmers. Indian rural economy had been facing the challenge of inability to manage the problems involved with transition of agriculture from a supply-driven value chain to a demand-led market-oriented supply chain (Viswanadham, 2006).

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