

An Economic analysis of dissemination and utilization of market information on onion in Karnataka

C.P. AMRUTHA AND L.B. HUGAR

Accepted : September, 2009

ABSTRACT

Lack of information is an entry barrier to both production and trade. Conventionally the markets maintain information in the form of registers. The daily prices are compiled manually and written on the blackboards for the use of farmers visiting the markets. The information is disseminated through various media like radio, newspapers, blackboard display and public address system at market yards. The utility of market information was low among the farmers as compared to traders. The benefit derived in the form of obtaining higher price by traders was relatively higher as compared to the benefits derived by farmers.

Key words : Market information, Dissemination, Utilization, Onion, Traders

The availability of prompt and reliable information about what is happening in the market, what quantities are arriving and what prices are quoted for different commodities considerably improve the decision making capability of the farmers and strengthens their bargaining power. Lack of information is an entry barrier to both production and trade. Where farmers have had access to information, shifts in cropping patterns to higher value produce have been noted. In the area of trade, individuals find it difficult to begin trading without information, so reducing the competition within markets. Conventionally the markets maintain information in the form of registers. The daily prices are compiled manually and written on the blackboards for the use of farmers visiting the markets. Similarly, the information is disseminated through various media like radio, newspapers, blackboard display and public address system at market yards.

A critical review of the existing system of market information is essential so as to provide reliable and useful information to the farmers at quickest possible time in order to get the benefits by suitable post harvest management. Keeping this in view, the present study was carried out with the following specific objectives : to identify the pattern and extent of dissemination of market information, to analyze the utilization of existing formal information by farmers and traders and to find out the benefits derived from market information by the different stakeholders.

Correspondence to:

C.P. AMRUTHA, Department of Agricultural Economics,
College of Agriculture, University of Agricultural Sciences,
RAICHUR (KARNATAKA) INDIA

Authors' affiliations:

L.B. HUGARL, Department of Agricultural Economics,
College of Agriculture, University of Agricultural Sciences,
RAICHUR (KARNATAKA) INDIA

METHODOLOGY

The entire Karnataka state was considered for the study as onion is a crop being grown in both northern and southern parts of the State though in different seasons. Multistage sampling technique was adopted to choose the sample farmers in the study area. In the first stage, four regulated markets - one in each of the revenue divisions of the State namely, Bangalore market from Bangalore division, Hubli market from Belgaum division, Mysore market from Mysore division and Raichur market from Gulbarga division were selected based on the highest average arrivals of onion in these markets for the last three years. In the second stage, one taluka from each of the selected districts were selected based on highest area under onion. From each of the taluka, 30 farmers growing onion atleast for the last 3 years were selected in the third stage based on random sampling techniques.

In addition, ten traders dealing in onion were selected at random from selected markets namely, Bangalore, Mysore, Hubli and Raichur. The data pertained to the agricultural year 2007-08. The data were analyzed using simple tabular analysis with percentages and averages. The responses of the traders were scored giving a weight of 3 for 'always', 2 for 'sometimes' and 1 for 'rarely' responses.

FINDINGS AND DISCUSSION

The results obtained from the present investigation are summarized below :

Pattern of dissemination of market information:

The selected markets disseminates only the arrivals and prices information and were not able to disseminate