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RESEARCH PAPER

Marketing management of onion seed production

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Abstract : The present study titled 'Marketing management of onion seed production' is based on a sample of 90 onion seed growers drawn from Shrigonda, Parner and Nagar tehsils of Ahmednagar district in Maharashtra. The primary data was collected through a survey and pretested questionnaire for the agriculture year 2021–22. The analysis was completed using data gathered from market intermediaries by calculating marketing cost, marketing margin, marketing efficiency, price spread and producer's share in consumer rupee. Production and disposal patterns of onion seed showed that 90.43 per cent of the produce was marketed. The total amount of onion seed available for sale was 255.18 kg, with 191.54 kg of onion seed sold through channel I, this included Producer → Consumer and was the most efficient method for onion seed distribution. Channel II, included Producer → Wholesaler →Retailer → Consumer and accounted the sale of 63.64 kg of total onion seed production. The marketing cost for channel-II was 10.60 per kg followed by channel-I 1.09 per kg. The average per kg price spread for onion seed was 1.09 and 606.37 for Channel I and Channel II, respectively. The marketing efficiency for channel II was 3.

Key Words : Marketing cost, Price, Channel, Onion seed

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INTRODUCTION

The most important piece of information for practical horticulture is seed. The highest earnings will not be obtained without excellent seed ventures. As a result, seed is regarded as a significant agribusiness contributor. Onions have lower seed reasonability, but it is constantly increasing. The green insurgency's success has been largely due to the availability of high-yielding seed varieties. Seeds with more developed assortments, a high germination rate, cross-breeds, and high hereditary virtues play a crucial role in the transformation of Indian agriculture. Seed is a necessary input for successful onion production. It has a significant expense ratio as it is a more expensive product. Choosing the right variety and the right seed source is an important and crucial decision. High-quality seeds are essential to support crop yields. As for onion-like products, there is a strong market demand for significantly higher germinability, ensuring high propagation and robust plant emergence. According to FAO, quality-declared seed systems require a minimum germination of 70 per cent for onion seeds. Efficient marketing of onion seed is one of the important factors determining the profitability of the crop because onion seeds exhibit poor performance due to attributes

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like limited longevity and storability, which ultimately result in rapid loss of viability. Therefore, considering the crucial role of the marketing system and its efficiency, the present investigation was carried out with the objective; to analyze the marketing management of onion seed, which identified different marketing channels along with marketing costs, margins, price spread and the producer's share in consumer rupees.

MATERIAL AND METHODS

Multistage sampling procedure was adopted for the selection of district, tehsils, villages and onion seed growers. In the first stage, Ahmednagar district was selected because of its maximum area and production under the onion seed crop in the state. In the second stage, three tehsils *viz.,* Shrigonda, Parner and Nagar were selected because of their maximum area and production under the onion seed crop among the fourteen tehsils. In the third stage, from each selected tehsil, two villages were randomly selected. In the fourth stage, 15 onion seed growers were selected from each village on the basis of the actual area under onion seed. All 15 onion seed growers were categorized into three different groups (five in each group), *i.e.* Category I (below 0.05ha), Category II (0.05 to 0.15 ha), and Category III (0.15 ha and above). The study was based on both primary and secondary data. The primary data were collected through the personal interview method from onion seed growers, with the help of a well-structured and pretested questionnaire exclusively designed for the study. The data was collected from onion seed growers through a personal interview and pertains to the year 2021–2022.

Analytical tools :

The analysis was completed using data gathered from market intermediaries by calculating marketing cost, marketing margin, price spread, marketing efficiency and producer's share in consumer rupee.

Total marketing cost:

$$C = Cf + Cm1 + Cm2 + ... + Cmn$$

where,

C = Total marketing cost

Cf = cost paid by the producer from the time the produce leaves the farm until he sells it.

Cm1 = cost incurred by the middleman in the process of buying and selling the product.

Market margin :

$$MT = \frac{\sum (Si - Pi)}{Qi}$$

where,

MT = Total marketing margin

Si = Sale value of a product paid by ith firm

Pi = Purchase value of a product paid by ith firm

Qi = Quantity of product handled by ith firm.

Price spread :

Ps = CF – PF

where,

CF = Consumer's price

PF = Price received by farmer.

Marketing efficiency (ME) :

The modified marketing efficiency calculated using the new formula proposed by Acharya and Agarwal (1999), which is as follows:

MME = RP / (MC+ MM)

where,

MME = Modified measure of marketing efficiency,

RP = Price paid by consumer or retailers sale price.

MC= Total marketing cost and

MM = Net marketing margin.

Producers share in consumer's rupee :

$$Ps = \frac{\text{Net price received by the producer}}{\text{Price paid by consumer}} \times 100$$

RESULTS AND DISCUSSION

The findings of the present study, as well as relevant discussions, have been summarized under the following headings:

Marketing of onion seed

Results revealed that two channels have been noticed: Channel I (Producer →Consumer) and Channel II (Producer →Wholesaler →Retailer → Consumer). According to Table 1, the total amount of onion seed available for sale was 255.17 kg, with 191.53 kg of onion seed sold through Channel I, which included Producer → Consumer and was the preferred method for onion seed distribution. Channel II, which included Producer →Wholesaler →Retailer →Consumer, accounted for sale of 63.64 kg of total seed production. The producer's share was observed to be at its maximum as a mere number of intermediaries were taking part in the

Table 1 : Marketing of onion seed

Sr. No.	Particulars	Size group							
		Category I		Category II		Category III		Total	
		Average (Kg)	Percentage	Average (Kg)	Percentage	Average (Kg)	Percentage	Average (Kg)	Percentage
1.	Channel I	25.30	100.00	74.95	100.00	91.28	58.92	191.53	75.06
2.	Channel II	0.00	0.00	0.00	0.00	63.64	41.08	63.64	24.94
	Total	25.30	100.00	74.95	100.00	154.92	100.00	255.17	100.00

Table 2 : Marketing cost of onion seed (Rs./kg)

Sr. No	Particulars	Size group			
		Channel I		Channel II	
		Cost (Rs.)	Percentage	Cost (Rs.)	Percentage
1.	**Cost incured by producer**				
	Cost of packing	0.67	61.47	0.92	8.68
	Weighing charges	0.00	0.00	0.05	0.47
	Labour charges	0.00	0.00	0.08	0.75
	Other	0.42	38.53	0.00	0.00
	Subtotal	1.09	100.00	1.05	9.91
2.	**Cost incured by wholesaler**				
	Cost of packing			1.50	14.15
	Processing charges			4.50	42.45
	Labour charges			0.17	1.60
	Transporation charges			1.02	9.62
	Subtotal			7.19	67.82
3.	**Cost incured by retailer**				
	Labour charges			0.17	1.64
	Forwarding charges			0.58	5.46
	TCS on sales			1.61	15.19
	Subtotal			2.36	22.28
	Total marketing cost	1.09	100.00	10.60	100.00

marketing channel.

Marketing cost of onion seed :

The result revealed from Table 2 that, marketing cost for channel-II was Rs.10.60 per kg followed by channel-I Rs.1.09 per kg. The low marketing cost of channel-I was because of the producers did not need to follow attractive packing and there were no intermediaries involved.

In the channel I total marketing cost of onion seed was of Rs. 1.09 per kg which was wholly incurred by the producer since there were no any intermediaries in the marketing. In this total cost per kg cost of packing was higher contributed Rs. 0.67 followed by other costs (Rs. 0.42). There were no any expenses on weighing and labour charges in channel I. The consumers collected the seed directly from the producer's farm which has helped in lowering the marketing cost through channel-I.

In channel II, the total marketing cost of onion seed was Rs. 10.60 per kg which was incurred by the producer, wholesaler and retailer. The cost incurred by the producer was Rs. 1.05, including the cost of packing Rs. 0.92 which was the highest, followed by labour charges of Rs. 0.08 and weighing charges of Rs. 0.05. The cost incurred by Wholesaler was Rs. 7.19, including processing charges Rs. 4.50, which was the highest contribution, followed by the cost of packing Rs. 1.50, transportation charges Rs. 1.02 and labour charges Rs. 0.17. The cost incurred by retailer was Rs. 2.36 including TCS on sales of Rs. 1.61, which was the highest contribution, followed by the forwarding charges of Rs. 0.58 and labour charges of Rs. 0.17.

In the total marketing cost of channel II, the cost incurred by wholesaler was high, accounting 67.82 per cent of the total marketing cost followed by the cost incurred by retailer at 22.28 per cent and the cost incurred by producer at 9.91 per cent.

Table 3 : Channel wise price spread (Rs./kg)

Sr. No.	Particulars	Size group	
		Channel I	Channel II
A	**Producer**		
1.	Gross price received	2155.85	1253.54
2.	Cost incurred by producer	1.09	9.91
3.	Net price received	2154.76	1243.63
B	**Wholesaler**		
1.	Wholesalers purchase price		1253.54
2.	Cost incurred by wholesaler		7.19
3.	Wholesalers sale price		1525
4.	Net margin		264.27
C	**Retailer**		
1.	Retailers purchase price		1525
2.	Cost incurred by retailer		2.36
3.	Retailers sale price		1850
4.	Net margin		322.64
D	**Consumer**		
	Consumer purchase price	2155.85	1850
	Price spread	1.09	606.37
	Producers share in consumer rupee	99.95	67.22
	Marketing efficiency		3

Price spread :

From Table 3, it was observed that producers share of consumer's rupees in Channel I was 99.95 per cent as there were no intermediaries and the consumers collected the seed directly through the producer's farms.In channel-II, as per the rule the increase in intermediaries led to a decrease in the producer's share in the consumer's rupee, which accounted for 67.22 per cent and the price spread in channel-II was observed to be Rs. 606.37 per kg and in channel-I Rs. 1.09 per kg of onion seed.

Marketing efficiency of onion seed was 3.

Conclusion :

As per the study, we concluded that the high marketing cost was found in channel II and was low in channel I. Channel I (Producer →Consumer) was the more efficient marketing channel than Channel II (Producer →Wholesaler →Retailer →Consumer) for onion seed marketing. Producer's share in consumer rupees was highest in channel I (99.95%) followed by channel II (67.22%).

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