



A STUDY ON IMPACT OF PRICE VOLATILITY ON AGRICULTURAL MARKETING OF ONION

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Abstract

Agriculture plays a vital position in the growth of Indian economy. India stands second among the largest onion cultivating countries in the world. Karnataka is one of the major onion producing states in India. Indian onions are famous for their tanginess and are available throughout the year. The present study has been undertaken to analyze the impact of price volatility on agricultural marketing of onion. The data for the present study has been collected from both primary and secondary sources. Primary data has been collected with the help of structured questionnaire by meeting 50 onion cultivators residing in ajjampura taluk, Chikkamagaluru district. Simple random sampling technique has been used for the purpose of data collection. From the present study it was found that lack of storage facilities, climatic issues, capital, high cost of fertilizers, transportation issues etc were the major challenges faced by onion cultivators.

Keywords: onion cultivation, problems, agricultural marketing etc

I. INTRODUCTION

Agriculture plays a vital position in the growth of Indian economy. India stands second among the largest onion cultivating countries in the world. Karnataka is one of the major onion producing states in India. Indian onions are famous for their tanginess and are available throughout the year. Onion is one of the non-perishable crops throughout the year. Even though onion is a non-perishable good, farmers are facing difficulties in cultivating and storing the yield until they get right price for their yield in the market as the price volatility of onion price is uneven. farmers need to be educated regarding marketing their yield in right duration in the market. Government should take initiative with this regard by organizing various platforms to educate the farmers regarding cultivating and marketing the yield. However, the present study has been undertaken to

analyze the impact of price volatility on agricultural marketing of onion., to analyze fluctuations in market price of onions.

II. LITERATURE REVIEW

- **N K Agale and B B Thavare (June 2021)** conducted a study on **“problems of onion production and prospects in Ahmednagar district”**. The study focuses towards analysis of problems of onion cultivation at Ahmednagar district and to give prospects and remedies for problems. The data for the present study has been collected from secondary sources only for a period of 2017-18 to 2020-21. It was found that poor economic condition, high inputs and less output, less number of availability of labour, monopoly of merchants and other physical factors are the major problems faced by the onion cultivators.
- **Dr M Jayanthi and A Vaideke (July 2014)** conducted **“A Study on Farmers Problems In Production And Marketing Of Onion In Suler Taluk, Coimbatore District”**. The study focuses towards factors influencing cultivation and marketing of onion, to identify the problems faced by farmers in cultivation and marketing of onion, to offer suitable suggestions in cultivation and marketing of onion. The data for the present study has been collected from both primary and secondary sources. Primary data has been collected with the help of structured questionnaire. Simple random sampling technique has been used for the present study.
- **Et al (November 2020)** conducted a study on **“Constraints and Suggestions in Production and Marketing of Onion in Gadag District Of Karnataka, India”**. The present study focus towards major constraints faced by the onion cultivators and to offer certain suggestions overcome these barriers in onion cultivation. The study was conducted in Gadag district of Karnataka state during the year 2017-18 by meeting 120 onion cultivators of four taluks of Gadag District. Ex- post facto research technique has been used for the purpose of data collection. It was found that farmers are demanding for fixed rate on production and export of onion to foreign countries.
- **A Vadivelu and B R Kiran (August 2013)** conducted a study on **“Problems and Prospects of Agricultural Marketing in India: An Overview”**. The study focuses towards problems faced by farmers in marketing their yield and to offer certain suggestions regarding the problems experienced by the farmers. From the present study it can be suggested that awareness must be created by agricultural extension agencies among farmers regarding benefits offered by the government, marketing information on agricultural commodities.

III. OBJECTIVES OF THE STUDY

1. To study in detail about agricultural marketing of onion.
2. To study the impact of price volatility on agricultural marketing of onion.
3. To study the problems and prospects of agricultural marketing of onion.

IV. SCOPE OF THE STUDY

The present study deals with the impact of price volatility on agricultural marketing of onion. The study focuses only towards the impact of price volatility on agricultural marketing of onion by ignoring others. The study area is limited to Ajjampura taluk only. The number of respondents was limited to 50 only.

V. RESEARCH METHODOLOGY

The data for the present study has been collected from both primary and secondary sources.

Primary data: Primary data has been collected with the help of structured questionnaire by meeting 50 onion cultivators of Ajjampura taluk. Simple random sampling technique has been used for the purpose of data collection.

Secondary data: Secondary data has been collected by referring various articles, journals, books, websites etc.

VI. RESULTS AND DISCUSSIONS

Table No-1: Year of experience in onion cultivation

Sl no	Particulars	No of respondents	Percentage (%)
1	Below 5 years	07	14
2	5-10 years	10	20
3	10-15 years	06	12
4	15-20 years	11	22
5	above 20 years	16	32
	Total	50	100

(Source: Field Survey)

From the above table it can be analyzed that out of 50 respondents, 14% are having below 5 years of experience in onion cultivation, 20% said 5-10 years, 12% 10-15 years, 22% said 15-20 years and 32% are having above 20 years of experience in onion cultivation.

From the above analysis it can be interpreted that majority of the respondents are having above 20 years of experience in onion cultivation.

Table No-2: Problems faced in cultivation of onion

SI No	Particulars	No of Respondents	Percentage (%)
1	High cost of quality seeds	07	14
2	High cost of fertilizers	19	38
3	High wage rate	11	22
4	Lack of capital	03	06
5	Climatic condition	10	20
		50	100

(Source: Field Survey)

From the above table it can be analyzed that out of 50 respondents, 14% have come across issues like high cost of quality seeds, 38% said high cost of fertilizers, 22% said high wage rate, 06% said lack of capital and 20% said climatic conditions were the major challenges faced by the onion cultivators.

From the above analysis it can be interpreted that majority of the onion cultivators said that high cost of fertilizers is one of the major challenges faced by the onion cultivators while cultivating the yield and very few said lack of capital.

Table No-3: Challenges faced while marketing onion

SI No	Particulars	No of respondents	Percentage (%)
1	High cost of transportation	10	20
2	Inadequate storage facilities	13	26
3	High marketing tax	08	16
4	Poor market information	07	14
5	Price volatility	15	30
	Total	50	100

(Source: Field Survey)

From the above table it can be analyzed that out of 50 respondents, 20% said high cost of transportation, 26% said inadequate storage facility, 16% said high marketing tax, 30% said price volatility are the major challenges they have come across while marketing onion.

From the above analysis it can be interpreted that majority of the respondents said price volatility is one of the major challenges they have come across while marketing onion.

Table No-4: Satisfaction with market price of onions

Sl no	Particulars	No of respondents	Percentage (%)
1	Highly satisfied	05	10
2	Satisfied	07	14
3	Neutral	24	48
4	Dissatisfied	14	28
5	Highly dissatisfied	00	00
	Total	50	100

(Source: Field Survey)

From the above table it can be analyzed that out of 50 respondents, 10% are highly satisfied with the market price of onions, 14% are satisfied, 48% are neutral, 228% are dissatisfied, and none are highly dissatisfied with the market price of onions.

From the above analysis it can be interpreted that majority of the respondents are neutral with their opinion regarding satisfaction with market price of onion.

VII. FINDINGS

- Majority of the respondent's i.e., 42% comes under the age group of above 40 years.
- Majority of the respondent's i.e., 46% educational qualification is PUC or equivalent.
- Majority of the respondent's i.e., 54% farmers annual income is between 2,50,000-5,00,000.
- Majority of the respondent's i.e., 42% are cultivating onion from past 20 years.
- Majority of the respondent's i.e., 40% are having 2-4 acres of land.
- Majority of the respondent's i.e., 45% prefer animal carts to transport agricultural produce.
- Majority of the respondent's i.e., 54% are aware about modern agricultural implements.
- Majority of the respondent's i.e., 86% immediately sell the onions after harvesting.
- Majority of the respondent's i.e., 48% are satisfied with the market price of onion.
- Majority of the respondent's i.e., 46% have come across frequent issues with transportation for delivering onions in market.
- Majority of the respondent's i.e., 76% said that morning is the most convenient time of the day for selling onions at farmer's market.
- Majority of the respondent's i.e., 86% determine the selling price of onions as per market rates.
- Majority of the respondent's i.e., 58% said high cost of fertilizers is one of the major problem they have come across while cultivating and marketing onions in their area.
- Majority of the respondent's i.e., 72% said environmental distraction is one of the most difficult barriers for vegetable vendors to overcome.

VIII. SUGGESTIONS

- Proper storage facilities need to be improved so that cultivated yield can be sold in the market at standardized price margin.
- Technical advancements in transporting need to be brought in agricultural sector because even today most of the farmers prefer animal carts to transport the yield to the market which may delay the duration of delivery of the yield.
- To maintain the quality of the yield, farmers should get the soil fertility tested when necessary.
- Farmers should focus towards the market demand condition, right season for cultivating onions.
- Government should take initiatives in providing financial assistance to farmers so that they can meet their necessities in cultivation and marketing of agricultural products.
- Since rapid fluctuations in onion price, farmers have to get better their storage space conveniences.

IX. CONCLUSION

From the present study it can be concluded that farmers have come across various challenges while cultivating the yield like lack of financial assistance, improper storage facility, price volatility, high cost of fertilizers, high price of seeds, fluctuating climatic conditions, lack of proper transportation facilities etc. Government should take initiative in providing financial assistance to farmers with exempted interest rates so that they can contribute better yield to the market. Farmers should enhance their knowledge regarding market demand conditions, and right season for cultivating the yield so that they can enjoy the benefits.

X. REFERENCE

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