An Economic Analysis of Marketing of Onion (*allium cepa*) in Mahabubnagar District of Telangana

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Abstract:- The study is an analysis of price spread, producer's share in consumer's rupee and marketing efficiency of onion in Telangana state. The study was carried out in Mahabubnagar district of the state. A multistage sampling technique was employed to select the market functionaries from whom information were collected using structural questionnaires from the different marketing channels. Channel -1   Producer – consumer, Channel -2 Producer – village merchant/ Retailer – consumer, Channel -3 Producer- Wholesaer- Retailer/village merchant- consumer. Then the data is analyzed using tabulation method along with statistical tool.

Keywords:- Onion, Price Spread, Producer's Share in Consumers Rupee, Marketing Efficiency.

I.   INTRODUCTION

Onion belongs to the family Alliaceae ,origin asia. It is one of the most important commercial vegetable crop grown by large, small, and medium farmers in different parts of the country, Onion is the important vegetable crop widely used in all households all the year round. Onions are good source of dietary fiber, folic acid and contain calcium, iron , high protein quality and medicinal values. India is the second largest producer of onion in the world. Indian onions are famous for their pungency. Onion is mostly consumed vegetable crop in India. Maharashtra alone produces 70 percent of onions in the country.

II.   RESEARCH METHODOLOGY

The study was conducted in Mahabubnagar district of Telangana which is one of the 31 districts of Telangana. Mahabubnagar district comprises of 64 blocks among 2 blocks were selected i.e Gadwal and waddepalle blocks were selected for the study. Out of this villages, waddepale was seleted for primary market and gadwall was selected was selected as secondary market purposively for the present study. All market functionaries of both Primary and secondary market is prepared with the help of market head out of total market functionaries 10% market functionaries selected randomly from both market for present study this market functionaries will be considered for data collection regarding different marketing cost and other charges in different marketing channels. Price spread, producers share in consumer's rupee and marketing efficiency were calculated using required formula.

III.   RESULTS AND DISCUSSIONS

The study was conducted in Mahabubnagar district of Telangana. The necessary data were collected from the market functionaries in above mentioned district. The present chapter is going to tell about the results and discussions for various objectives. The chapter is arranged in different sub-sections according to objectives of the study.

➢ To workout Price spread, Producer's share in consumer's rupee and Marketing efficiency in different existing channels.

❖ *Marketing Channels:*
There are three marketing channels for the onion marketing in Mahabubnagar district given below.
- *Channel- I Producer – consumer*
- *Channel – II Producer- village merchant/ retailer-consumer.*
- *Channel – III Producer – Wholesaler- retailer/village merchant-consumer.*

S. No		Particulars	Channel – I	Channel – II	Channel – III
1		Producer sale price to consumer	900	900	
2		Cost incurred by the producer			
	I.	Transportation cost	20	20	
	II.	Packing cost	15	15	
	III.	Packing material cost	20	20	
	IV.	Loading and unloading charges	30	30	
	V.	Miscellaneous charges	20	20	
	VI.	Weighing charges	10	10	
3		Total marketing cost(i – vi)	115	115	
4		Net price received by producer	785	785	
5		Sale price of producer to consumer	900(100)		
6		Consumer paid price	900		
7		Price spread	115		
8		Producer share in consumer rupee(%)	87.2		
9		Marketing efficiency	7.82		
10		Sale price of producer the village merchant/retailer		1015	
11		Cost incurred by the village merchant			
	I.	Transportation cost		20	
	II.	Packing cost		15	
	III.	Packing material cost		20	
	IV.	Loading and unloading cost		30	
	V.	Miscellaneous charges		20	
	VI.	Weighing charges		20	
	VII.	Margin of village merchant/retailer		200	
11		Total marketing cost(i – vi)		325	
12		Sale price of village merchant/ retailer		1340(100)	
13		Price spread		440	
14		Consumer paid price		1340	
15		Producer share in consumer rupee(%)		58.58	
16		Marketing efficiency		3.04	
17		Producer sale price to wholesaler			1015
18		Cost incurred by the wholesaler			
	I.	Loading and un loading charges			40
	II.	Packing cost			45
	III.	Market fee			25
	IV.	Commission of wholesaler			100
	V.	Miscellaneous charges			20
	VI.	Margin of wholesaler/commission agent			300
19		Total cost			530
20		Sale price of wholesaler to retailer			1545
21		Cost incurred by retailer retailer/village merchant			
	I.	Weighing charges			70
	II.	Loading and un loading charges			45
	III.	Town charges			80
	IV.	Carrying up to shop			15
	V.	Miscellaneous charges			60
	VI.	Margin of retailer/ village merchant			250
22		Total cost			520
23		Sale price of retailer/ village merchant to consumer			2065(100)
24		Price spread			1165
25		Consumers paid price			2065
26		Producer share in consumer rupee(%)			38.01
27		Marketing efficiency			1.77

Table 1:- sample average for three different existing marketing channels

Table 1 reveals that in channel - I sample average marketing cost for small, medium and large size farm groups when producer sold their product directly to consumers in the local market ,consumer Rupee was 87.2 percent. price spread is Rs.115. marketing efficiency was 7.82 Percent.

In channel - II that marketing cost, marketing margin, and price spread for channel II. One intermediaries were identified through which Onion reaches to the consumer's i,e. Village merchant/ Retailer. This is the channel among two identified channel. The producer sells his produce to the Village merchant/ Retailer, and Village merchant/ Retailer, who in turn sell it to the consumers in the market. Finally the produce reaches to consumers after collecting margin.

Marketing cost when producers sold their produce to Village merchant/ Retailer, was Rs.115/quintal. Among these cost transportation charges was most important which accounted for Rs.15/quintal, followed by loading and unloading cost Rs.20/quintal, and miscellaneous cost Rs.20/quintal respectively. Sale price of the producer to Village merchant/ Retailer was -Rs.1015/quintals in different farms size group. In these channel marketing cost of the village merchant/retailer Rs.325/quintals. Among this costs of transportation was so important which accounts for , followed by loaded and unloading charges Rs.30 ,carrying weighing charges Rs.20, and miscellaneous charges Rs.20, Producer share in consumer price was estimated to be 58.58 per cent. Price spread was estimated to be Rs. 440/quintal of consumer paid price. Marketing efficiency was 3.04 per cent.

In Channel-III the marketing cost, marketing margin, and price spread for channel III. Three intermediaries were identified through which onion reaches to the consumer's i.e. wholesaler and Retailer/village merchant. This is the longest channel among two identified channels. The producer sells his produce to the wholesaler, wholesaler to retailer/ village merchant. Finally the produce reaches to consumers after collecting margin. Marketing cost when producers sold their produce to wholesaler , was Rs.115/quintal. Among these cost transportation charges was most important which accounted for Rs.15/quintal, followed by loading and unloading cost Rs.20/quintal, and miscellaneous cost Rs.20/quintal respectively. Average marketing cost when wholesaler sold their produce to retailer/ village merchant was Rs.530 /quintal. Among these cost packing cost was most important which accounted for Rs. 45/quintal, followed by loading and unloading cost Rs. 40/quintal, market fee Rs. 25/quintal, and miscellaneous charges Rs.20/quintal, respectively. The sample average market cost for retailer/village merchant sold their products to consumer was Rs.520/quintal. Among these cost Town charges was most important which accounted for Rs. 70/quintal, followed by loading and unloading cost Rs. 45/quintal and miscellaneous charges Rs.60/quintal, respectively. The marketing margin of retailer/ village merchant was estimated to be 12.10 per cent and commission of wholesaler marketing margin was 14.52 per cent of the consumer paid price. Producer share in consumer price was (38.01 per cent). Price spread was Rs.1165 /quintal of consumer paid price. Market efficiency was 1.77 per cent.

S. No	Particulars	Channel I	Channel II	Channel III
1	Total marketing cost	115	240	615
2	Total marketing margin	0	200	550
3	Price spread	115	440	1165
4	Producer share in consumer rupee (%)	87.2	58.58	38.01
5	Marketing efficiency	7.82	3.04	1.77

Table 2:- Comparison of total marketing cost, total marketing margin, price spread, producer share in consumer rupee(%) and marketing efficiency in three different channels:

Table 2 reveals that total marketing cost in channel-I was Rs.115/quintal, price spread Rs.115/quintal, producer share in consumer rupee 87.2, marketing efficiency 7.82 percentage and there is no total marketing margin respectively. The total marketing cost in channel-II was Rs.240/quintal, total marketing margin Rs.200/quintal, price spread Rs.440/quintal, producer share in consumer rupee 58.58and marketing efficiency 3.034percentage.The total marketing cost in channel-III was Rs.615/quintal, followed by total marketing margin Rs.550/quintal, price spread Rs.1165/quintal, producer share in consumer rupee 38.01 and marketing efficiency 1.77 percentage.

Source	df	S.S	MSS	F. Cal	F. Tab 5%	Result	S. Ed	C.D at 5%
Channel	2	440058.6	220029.3	4.09	4.45897	NS	189.19	435.137
Particular	4	617009.3	154252.34	2.87	3.837853	NS	146.54	337.042
Error	8	429515.64	53689.4					
Total	14							

Table 3:- Anova

In the above Anova table, in due to size group degrees of freedom is 2, sum of squares is 440058.6, mean sum of squares is 220029.3, F. Calculated value is 4.09, F. tabulated value @ 5% is 4.45, result is not significant, standard deviation is 189.19 and critical difference is @ 5% is 435.137. In due to particulars, degrees of freedom is 2, sum of squares is 617009.3.7, mean sum of squares is 154252.34, F. Calculated value is 2.87, F. tabulated value @ 5% is 3.837853, result is not significant, standard deviation is 146.54 and critical difference is 337.042. In error, degree of freedom is 4, sum of squares is 429515.64 and mean sum of squares in error is 53689.4.

IV. CONCLUSION

Among the three marketing channels identified in Mahabubnagar regulated market district, the channel –III, i.e Producer – wholesaler- retailer-consumer was found more popular in marketing of onion, The prices of onions have not influenced by the arrivals in Mahabubnagar market. The maximum Prices of onion were observed during the month of January. Thus , the sellers prefer these months for selling of onion in Mahabubnagar Market.

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