



Economics of Production and Marketing of Small Onion in Coimbatore District

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M.R. Vaidyanathan

Assistant Professor, Department of Economics
PSG College of Arts & Science, Coimbatore, Tamil Nadu, India
 <https://orcid.org/0000-0003-0171-8500>

Abstract

The study is based on the production and marketing of small onion in coimbatore district. Data were collected by individual questionnaire method from 40 formers and 14 middlemen in De-varayapuram village, Thondamuthur taluk, Coimbatore district, Tamil Nadu. The Cobb- Douglas production function was run to identify the significance of labour and capital in the yield of onion. The study identified that the major problems of the farmers is low level of prices, credit sales, rain and lack of government support during price fluctuations.

Keywords: Small Onion, Production, Marketing, Commission Agents

Introduction

India is the second largest producer of Onion, in the world next only to China but the productivity of onion in India is very low that is 14.21 tons per hectare as compared to China and other countries like Egypt, Netherlands and Iran etc.

Table 1.1 World Scenario of Onion Cultivation

Country	Area (000ha)	Production (000mt)	Productivity (mt/ha)	% share in total production
China	930.21	20507.76	22.0	26.99
India	1064	15118	14.2	19.90
Pakistan	124.74	1701.10	13.6	2.24
Bangladesh	117.56	872.08	7.4	1.15
Indonesia	109.47	1048.23	9.6	1.38

Onion Cultivation in India

Onion is one of the most popular vegetable that form of daily diet. In India, onion an important commercial crop. It is widely grown is different parts of the country. At present, India stand second larger producer of Onion in the world, next only to China (FAO, Production Yearbook). Indian onions are famous for their pungency and are available round the year. At least 175 countries grow onions. According to United Nations Food and Agricultural Organizations. There are estimate million acres of onion is an indispensable item in every kitchen as condiment and vegetables. It is used either in raw form and dehydrated form to add favor and taste to Indian cousins. Since onion has medicinal value, it is used in some pharmaceutical preparation also. It has many uses as, folk remedies and recent report suggests that onion play a part in preventing heart diseases and other ailments. It also contains proteins and vitamins. The area under onion in India was 804.600 thousand hectare and its production were 82 lakhs metric tons in 2010-2011 and it was increased to 27 27 million metric tons in 2020-2021. It is grown three seasons of the year namely Kharif, Late Kharif and Rabi

Research Issues

Onion is one of the remunerative vegetables cultivated by the farmers but sometimes due to low prices they incur losses too. The price is fixed based on demand and supply of onion in the market. To receive the fair prices out of sale proceeds of onion, one should wait for a higher price in the market which requires a very good storage system because onion is a highly perishable commodity or product. To understand this there is a need for a farm level study on the cost of cultivation, marketing pattern and the price spread of onion.

Objectives

1. To study the cost of cultivation of onion in the selected village.
2. To examine the channels of marketing of small onion in selected village.
3. To find out the returns to the cultivation of onion production and productivity

Survey Research Design

Out of 12 blocks in Coimbatore district, Thondamuthur block has been chosen as it has a larger area under onion cultivation. This block consists of 6 revenue villages and one revenue village namely Devarayapuram was selected randomly. Out of 395 farmers cultivators 40 cultivators (10%) were selected and out of 28 middlemen 14 who cultivated small onion in the preceding agricultural year have been selected based on simple random sampling technique. The required data were collected from the selected farmers by using a structured interview schedule and analyzed with the help of percentage, mean, standard deviation and Cobb-Douglas Production Function.

Land Holding

Land holding is one of the indicators of the economic status of the farmers. Here, the land holdings of farmers were classified into 3 types as Large farmers (more than 10 acres). Medium farmers (7.5-10 acres) and Small farmers (less than 7.5

acres).

According to it was found that 24 were large farmers followed by seven medium and nine small farmers.

The average land holding size came to 17.8 acres. And doing the field survey it was ascertained that average the area under onion cultivation was 8.57 acres. It was found that half of the selected (20) farmers were having an experience of 5-10 years in the cultivation of onion and the rest with more than 10 years (11 to 40 years) of experience. Around 32 (80%) farmers used drip irrigation for onion cultivation and others used surface irrigation.

Yield of Onion

The yield under the onion cultivation of the selected farmers was ascertained the average gross weight of onion came to 55546.25kgs.

The average amount kept for own use was 177.8kgs and the marketed surplus worked out as 55353.37kgs.

Marketing Channels

The marketing practice of onion cultivators were found as different from other crops. No. of farmers was able to directly sell their product, onion, to the customers. Almost all of them (95 %) depend on middlemen for selling the onion. These middlemen commission agents charged a fixed percentage as their commission (12 out of 14 commission agents) and a few of them charged depending upon the situation in the market.

Further the farmers sold their onion in three different methods: cash payment, credit payment and sometimes by both and paid within a week / within a month.

Present study showed that out of 40 farmers, 13 (32.5 %) each of them sold their onion for cash and credit and the remaining 14 (35 %) received in both cash and credit payments. Most of them told that in the case of sale by credit, they received the amount within a month.

Production Function Analysis Table 1.2 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-113644.529	79263.387			
	L	73060.756	11550.391	.919	6.325	.000
	K	-14220.892	8372.099	-.247	-1.699	.098

Dependent Variable: Productivity

The Cobb- Douglas production function was run

to identify the significance of labour and capital in the yield of onion. From the Cobb-Douglas results,

it was inferred that the input labour significant by influenced the yield than the capital. As cultivation of onion is highly labour intensive.

It is clear from the Cobb-Douglas function there is a significance between labour and productivity.

Commission Agents

Out of 14 commission agents, six were in the age group of 41-50 years and five in the age group of 51-60 years and remaining three in the age group of 31-40 years. Out of 14 agents, maximum 9 (64.29%) agents are earning 10 lakhs to 50 lakhs per annum, whereas 3 (21.43) agents are earning more than 99 lakhs per annum and only 2 (14.29) agents are earning 51 lakhs to 99 lakhs.

Price Conundrum

As a perishable commodity, which is cultivated within a short period (65 to 75 days) and seasonal the price of onion varies widely. The onion market price is highly volatile because i) size of onion, ii) heavy rain, iii) consequent flooding, iv) supply chain breakage, and v) excess production.

Conclusion

The present study examined the production and cultivation cost of the 40 small onion cultivators and 14 middlemen in Devaraya puram village, Thondamuthur taluk, Coimbatore district, Tamil Nadu. Major source of the farmer's income came from small onion cultivation for more than 70 percent of their total income. Onion cultivation is a labour intensive enterprise providing employment to both men and women in small onion cultivation and production. In the study area, family labour was also employed in this enterprise all around the year. Thus, encouraging this enterprise would help to generate additional income and absorb family labour which is underemployed during off season. Majority of the farmers was at the age of 41-50. The major problems of the farmers is low price, credit sales, rain and lack of government support during price fluctuations. So, it is tough to cultivate onion and to take yield in onion is so hard for farmers without any support system.

Author Details

M.R. Vaidyanathan, Assistant Professor, Department of Economics, PSG College of Arts & Science, Coimbatore, Tamil Nadu, India, **Email ID:** vaithipsg@gmail.com

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