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PRODUCTION AND EXPORT OF ONION IN INDIA, OPPORTUNITIES AND CHALLENGES - AN ANALYSIS

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ABSTRACT

Onion (*Allium cepa*) is one of the important commercial vegetable crops grown in India. India is the second largest onion growing country in the world. Production of onion in the year 2010-2011 was 15118.0 MT and it was raised to 19401.7 MT in 2013-2014. In India, the major onion growing states are Maharashtra, Karnataka, Madhya Pradesh, and Gujarat. The quantity of onion exported from India to different countries has increased from 1,340,771.00 MT in 2010-11 to 1,358,193.00 MT in 2013-14 with an increase in the export value from 215,905.50 lakhs to 287,713.00 lakhs. India is presently exporting onion to mainly Bangladesh, Sri Lanka, Malaysia, Singapore, and Kuwait.

KEYWORDS:

Onion, Export, Area, Production, productivity.

INTRODUCTION

India stands second largest producer of onion in the world, next only to China (FAO, Production Year Book). And since only a few countries produce onions, while the whole world consumes it. Onion is the most important culinary commodity grown in India for more than 5000 years ago. India produces all three varieties of onion – red, yellow and white. As a culinary ingredient, it adds to the taste and flavour in a wide range of food preparations and it is also used as a salad. Thus there is a steady increase in the demand for onion across the world. India onion is grown under three crop seasons i.e Kharif, late Kharif and rabi. Onion is important vegetable used by all relations and all over the world. Onion is used for taste and flavor. It is majorly used for the preparation of masala. Indian onions are famous for their

pungency and are available round the year.

Onion has high moisture contents and it has thin skin layers so onion is highly perishable and there is a risk in the storage of onion. Since onion has medicinal value, it is used in some pharmaceutical preparation also. It has many uses as folk remedies and a recent report suggests that onion plays a part in preventing heart diseases and other ailments. Onion bulb is rich in minerals like phosphorous, calcium and carbohydrate. It also contains proteins and vitamin C. A number of onion varieties have been developed in India by SAUs and ICAR Institutes for cultivation in different regions. Onions of four sizes are exported Big size - 4 to 6 cm. Diameter Medium - 3 to 4 cm. Diameter Small - 2 to 3 cm. Diameter Podisu - 2.5 to 3.5 cm. Diameter.

The varieties of different sizes exported are Big - Pusa Red, Agrifound Light Red, N-2-4-1 Agrifound Dark Red, N-53, Nasik Local, Bellary Red, etc. Onion may be one of the earliest cultivated crops because they were less perishable than other food of the time, easy to transport, easy to grow, and could be grown in a variety of soils and climates. Onion is a major item of agricultural exports, earning valuable foreign exchange to the country. There are many problems in production and marketing of onion. Due to seasonal and semi-perishable nature of onion, there are wide fluctuations in prices both month to month and year to year. It adversely affects the economy of the onion grower. In addition, the onion was useful for sustaining human life. Onions prevented thirst and could be dried and preserved for later consumption when food might be scarce. Onion has now become a cash crop. Onion is a major item of agricultural exports, earning valuable foreign exchange to the country. Onion cultivation is a safe source of earning to farmers, and to internal traders and exporters.

OBJECTIVES

1. To study the onion production in India.
2. To know major onion growing states in India.
3. To study the export situation of Onion in India.
4. To understand the marketing problems of onion market.

METHODOLOGY

For accomplishing the above objectives, secondary data were collected. This section highlights the production scenario, growth in the area, production, and export of onion from India. The study utilizes the data collected from different sources like Export statistics for Agro and Food products, APEDA 2014, Department of Horticulture, Bangalore. NHB database 2014 Govt of India. The data collected pertained to the period 2010-2014.

PRODUCTION SCENARIO

Onion is being cultivated in India in an area of 1203.6 thousand hectares (2013-14), with a production of 19401.7 MT/Ha (Table 1). It is mainly cultivated in Maharashtra, Karnataka, Gujarat, Madhya Pradesh, Bihar and Rajasthan and some other states. Maharashtra is the leading state in the cultivation of onion with a production of 5864.0 MT, contributing 30% to the country's production. Madhya Pradesh is the second largest producer of onion is with a production of 2826.0 MT contributing 15% of the India's onion production.

Table 1. Year -wise area, production of Onion in India

Sl no	Year	Area under cultivation in 000'Ha	Production in MT/Ha
1	2010-11	1064.0	15118.0
2	2011-12	1087.2	17511.1
3	2012-13	1051.5	16813.0
4	2013-14	1203.6	19401.7

NHB database 2013-14. The Govt of India.

Above table shows the production of onion in India was 15118.0(MT/HA) in the year 2010-2011 and it reached to 19401.7(MT/HA) in 2012-13. During the years onion production has increased with some ups and down. Onion production has shown a steady upward trend, with a few exceptions. This quantity is enough to meet the present domestic requirement as well as the export of onions. It is also necessary to have proper planning for production, post-harvest handling, storage as well as marketing so as to maintain the stability in prices and supplies. It is, however necessary to make efforts for increasing production and minimizing post harvest losses for meeting increasing demand both in domestic as well as export market.

Table 2. The Major Onion Growing States, production and share in total Production (2013-14 Final Estimates) Production in MT

Sl no	States	Production	Share (%)
1	Maharashtra	5864.0	30%
2	Madhya Pradesh	2826.0	15%
3	Karnataka	2065.2	11%
4	Gujarat	1851.2	10%
5	Bihar	1304.2	7%
6	Andhra Pradesh	1004.6	5%
7	Rajasthan	705.0	4%
8	Haryana	672.2	3%
9	Tamil Nadu	472.7	2%
10	Odessa	432.1	2%

Source; NHB data-base 2013-14. The government of India.

The above table shows, in onion production Maharashtra State is the largest state in India having total production of 5864.0 MT and share is 30% as compared to Indian Total production. Madhya Pradesh, Karnataka, Gujarat, Bihar, Andhra Pradesh, Rajasthan, Haryana, Tamil Nadu and Odessa are major onion growing states whereas Odessa having 2% share in Indian Onion Production. Considering its production potential, there is need to understand the export prospects.

Table 3. Onion Export from India (2013-14) Quantity in MT

Country	Qty	Share in %
Bangladesh	404885	28.1%
Malaysia	240490	20.2%
Srilanka	223697	12.4%
United Arab Emirates	172074	10.4%
Indonesia	78726	7.7%
Pakistan	73329	3.0%
Singapore	28413	2.3%
Nepal	38908	2.1%
Vietnam Social Republic	18058	2.0%
Kuwait	32790	1.9%
Others	171129	10.0%

ONION EXPORT:

Export details of onion are presented in Table 3. It is observed from the table that in the big onions produced in Maharashtra, Gujarat, Karnataka, and Tamil Nadu are exported from Mumbai, Chennai, Tuticorin, Kandla and Kolkata ports to Dubai, Kuwait, Saudi Arabia, Middle East, Malaysia, Singapore, Seychelles and Bangladesh. India is a traditional exporter of onion in the world. Although onion is consumed in all the countries of the world, it is cultivated only in some countries. Hence it has an export market and export value. Onion grown in India is very much in demand in Gulf countries and Singapore, Malaysia, Sri Lanka and Bangladesh because of strong pungency. Small onions produced in Karnataka and Andhra Pradesh is exported from Chennai port to Singapore and Malaysia, and multiplier onions to Singapore, Malaysia, Sri Lanka etc.

Maharashtra has a maximum share in onion export. India is presently exporting onions to mainly Gulf countries, Far East countries, Bangladesh, and Sri Lanka where there is not much scope to increase the quantity as some countries have also started their own production. The scope, however, exists for diversifying the market to European countries and Japan. These countries do not prefer strong and pungent onions. In these countries, yellow onions having mild pungency, bigger bulb size with thick fleshy layers are preferred. This indicates there is a need to harness other potential markets too considering the quality requirements and taste changes preferred by the consumers. In order to see the export performance of onion over the period growth in the export was assessed in the following paragraphs.

Table 4. Year wise data of Onion export in terms of Quantity and Value

Year	Quantity (MT)	Value(Lakhs)
2010-2011	1,340,771.00	215,905.50
2011-2012	1,552,904.00	214,142.90
2012-2013	1,822,760.00	229,490.94
2013-2014	1,358,193.00	287,713.00

NHB database 2010-14.The Govt of India.

Trends in export of onion from India

In the year 2010-2011 the India exported 1,340,771.00 MT of onion valued at 215,905.50 lakhs. During the 2013-2014 wherein, the quantum of exports reached to 1, 358, 193. 00 MT. During the year 2011, there was a reduction in the export of onion due to a ban on export of onion by the government to meet out the domestic demand. There were many ups and downs recorded in export quantity and value which is due to fluctuation in production and prices, and sometimes due to the ban imposed on export to safeguard the interest of consumers in the country.

FINDINGS

- ✦ The study shows that the export of onion in the year 2010- 2011 was 1,340,771.00MT having worth of rupees 215,905.50
- ✦ The study shows that the export of onion in the year 2011- 2012 was 1,552,904.00 MT having worth of rupees 214,142.90
- ✦ It is observed that the export of onion in the year 2012-2013 was 1,822,760.00 MT having worth of rupees 229,490.94
- ✦ The study shows that the export of onion in the year 2013- 2014 was 1,358,193.00 MT having worth of rupees 287,713.00

PROBLEMS OF MARKETING OF ONION

- ✦ Assembling Problem
- ✦ Low productivity of Onion
- ✦ High Marketing Cost
- ✦ Transportation and Packaging Problems.
- ✦ Non-Availability of Storages
- ✦ Malpractices in Trading
- ✦ Delay in Payment
- ✦ Problems in Onion Exporting

OPPORTUNITIES

The demand of onion is increasing due to urbanization and increase in fast foods consumption. The demand for the processed products of onion is also increasing particularly for export. The domestic, as well as export demand of onion, is fatherly likely to increase particularly due to increase in the working female population and rising purchasing power of the Indian population.

Onion can be grown during Kharif late Kharif and rabi in plains of India and during summer in hills. Round the year cultivation is becoming possible due to the development of varieties and technologies for various agro-climatic conditions and seasons. This would help in increasing production and productivity of onion.

Onion is short duration crop (120-140 days) and fits well in various cropping sequences. Onion crop can be grown as inter-crop with sugarcane.

Onion is low input crop and results in high benefit: cost ratio. This crop is particularly suitable for small and marginal farmers who have family labour. Since the land holdings are decreasing due to land divisions in the family, the cultivation of onion is likely to increase.

CHALLENGES

- ✦ Onion is biannual crop which takes two years to complete one cycle.
- ✦ It is highly cross-pollinated crop and commercial seed production of onion requires isolation distance of about 1.5 km to maintain purity.
- ✦ Development of inbreds is difficult as onion suffers high inbreeding depression upon selling.
- ✦ Crossability with wild sources is difficult.
- ✦ Storage losses are high and there are chances of loss of germplasm and stocks due to rooting or sprouting of bulbs.
- ✦ The viability of onion seed is hardly up to 15 to 18 months under ambient conditions.
- ✦ The crop is very sensitive to abiotic stress and climate change.

Besides the research related challenges market sensitivity leading to large fluctuations in onion prices is a big challenge. The water scarcity and erratic rains as being observed now are likely to become more severe and thus detrimental to the production of onion are highly sensitive to water stress as well as excess water. Drought and flooding are becoming more frequent due to climate change. These are likely to affect not only to the bulb production in onion, but also seed production in onion.

CONCLUSION

There are some constraints seen in onion exports and suggestions to overcome these problems so that onion export from India is not only continued but may be increased Popularization of improved varieties, quality seed production and distribution, expansion of area in nontraditional pockets and contract production for export. The concept of developing the onion villages may help increase the export of onion. Developing more ventilated storage godowns for onions. Providing handling sheds and make available modified containers with proper ventilation. The provision of financial assistance to exporters to compete in the international market may also be looked into.

Export on regular basis not only helps in getting foreign exchange earnings but also allows farmers to get remunerative price for their produce thereby encouraging them to sustain the production and availability of onions. The government should, in fact, have a long term export policy and should even introduce contract production system in suitable pockets Government is also taking steps to reduce food processing bottlenecks by augmenting processing and storage capabilities and making finance available.

Hence, government policies should promote direct marketing models for efficient horticultural marketing the results show that Indian onions are huge potential for exports.

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