

FACTORS AFFECTING THE QUANTITY OF RED ONIONS MARKETED IN TRINCOMALEE DISTRICT

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Red onions are a major component in the diet of Sri Lankan households and a high value cash crop of the Dry and Intermediate Zones. The major red onion growing areas are Jaffna, Vavuniya, Mullaitivu, Trincomalee and Puttalam. Around 84% of onion cultivation takes place in the Kuchchaveli Divisional Secretariat area in the Trincomalee District. Smallholder market participation is highly influenced by factors of production as well as transaction costs. For instance, the existing literature suggests that high transaction costs is one of the key reasons for smallholder farmers' failure to participate in markets and supply the right quantity of produce, while in the short term a farmer's response to high prices will be to increase the quantity of produce marketed. Also, an increase in the quantity produced is likely to result in a significant increase in the marketed quantities. This study was designed to analyze the production of red onions and factors affecting the marketed quantity in the *Maha* season. The Nilaveli AI range in the Kuchchaveli DS division was selected for the study. For this study five villages in three GN divisions were identified according to the number of red onion farmers present and the extent of onion cultivation. Simple random sampling technique was used to select 90 onion farmers. Data were collected through a pre-tested questionnaire and a linear regression model was used to identify factors affecting the marketed quantity of red onions. The average area of onion cultivation was 1.68 acres in the *Maha* season with an average yield of 5,294.34kg/ac, and the average quantity of red onions marketed was 4,922.14kg/ac. A linear regression model with the marketed quantity of red onions as the dependent variable was used to identify the factors affecting the quantity of onions sold. Independent variables included were farm gate price of onions, the extent of onions cultivated, the quantity of red onions retained for consumption and as seed material and, marketing outlets. A multi-collinearity diagnostic test was performed and results indicated no significant collinearity among variables used. ANOVA indicated that the model was significant ($P < 0.01$) and an adjusted R square of 0.869 was observed. The regression results indicated that the farm gate price of onions ($P < 0.05$), the retained amount for consumption, the seed material and the extent of onions cultivated ($P < 0.01$) had significant negative effects on the marketed quantity of red onions in the *Maha* season. Although the source of marketing had a negative effect on the marketed quantity of onions, it was not significant. The results have significant policy implications on the quantity of red onions marketed by farmers and the impact of onion prices, the retained quantity and the extent of land cultivated with onions.