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**Factors determining the market participation decision of commercial red onion producers in the Jaffna District, Sri Lanka**

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The right choice of a marketing channel is crucial in deciding the producer margins. Hence, it is important to identify the factors which have been influencing the farmers' decision in choosing the marketing channels. Therefore, this research has taken an effort to identify the demographic and socioeconomic characteristics of the red onion farmers, influencing the choice of marketing channel in Jaffna District, Sri Lanka. A purposive random sampling technique was used to select the samples from the population. A structured questionnaire was prepared and pretested prior to the data collection. Total sample size was 191, which represented almost 10% of the total commercial red onion producers in the district. The compiled data were analyzed within the framework of multinomial logit regression model by using the econometric software STATA version 10. The results revealed that investment in the future season and knowing the market price were found to have significantly increased the participation in the wholesale market through a middleman, based on the participation in the direct retailing market by 2.15, and 2.53 respectively. The 'investment in last year' and 'membership in a producer group' manifested a significantly negative impact and decreased the choice of performing direct transporting based on the participation in the direct retailing by 18.44, and 1.89 respectively. The investment in the last year manifested a significantly negative impact and decreased the choice of participation in the wholesale market through middleman based on the participation in the direct retailing by 12.02. Hence, it is important to both government and non-government sectors to take an effort in disseminating market price details to the red onion farmers using current electronic media such as mobile phones, radio, internet and television. This is expected to increase the producer margin *via* choosing the most profitable marketing channel. Moreover, if any of the non-profit farmer organizations could come forward to perform the transport function on behalf of the farmers it is expected to increase the farmers share tremendously. Organizing the red onion farmer societies or organizations is expected to increase the bargaining power collectively on behalf of the individual farmers. This will in turn be expected to help the farmers choose the most suitable and profitable marketing channel.

Keywords: Jaffna District, multinomial logit, participation decision, red onion marketing