

Research study on

**Impact assessment of price stabilisation fund of
onion implemented by
National agricultural cooperative marketing
federation of India limited (NAFED)**

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December, 2021



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By

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Executive summary

Volatility of prices is an inherent trait of agricultural produce. Extreme volatilities affect farmers, consumers alike. Thus, it in turn affects Government. Government, therefore intervenes in cases of extreme volatilities. Price stabilization fund (PSF) is another Government intervention. Onion with history of dramatic volatility qualified for PSF. NAFED with its decades old presence in major onion market of the country i.e., Nashik became preferred choice for PSF implementation. The study through checklist of questions gathers primary data from stakeholders of onion market. These stakeholders are farmers, traders, APMC personnel, Cooperative marketing society personnel, exporters and FPO personnel. The so obtained data is analysed through directed qualitative content analysis. Study gathered secondary data in form of monthly onion prices across Nashik, Mumbai and Delhi markets from January 2007 to September 2021. This data is analysed using time series analysis and then GARCH (1,1) Model. Findings reveal that PSF has not intervened negatively in the onion market. A value chain mechanism for efficient supply chain system is also recommended. The study helps in understanding the quantified impact of PSF on onion market dynamics over the years of PSF implementation. Study uses GRETL software for time series analysis.