

ABSTRACT:

One of the most market sensitive commodities is onion, that creates ripples in the trade as also political circles. Its significant position in the diets across all income groups and an important ingredient in many Indian recipe causes wide ranging effects of any significant price change. It is equally important for the poor as also the middle class. Thus the changes in prices causes all embracing stir among farmers and consumers. High price variability in case of primary products affects both producers as well as consumers through a spillover effect to the other sectors, thereby leading to high inflation in the economy. Thus it is major concern for the politicians, policy makers and experts.

In this study we try to catch up the price transmission mechanism of Onion Markets of different states of India, to explore the speed of adjustment and linkage between different market structures.