



## **PRODUCTION AND MARKETING DIMENSIONS OF SEED COMPANIES AND ITS PROBLEMS A CASE STUDY OF RANEBENNUR TALUKA**

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### **ABSTRACT**

*India is a land of villages with 80 per of population residing in bout six lakh villages. It is predominantly an agricultural country. Agriculture forms the backbone and important sector in the Indian economy. About 70 to 75 percent of working population depends on agriculture for their livelihood. These farmers carry out the cultivation on age old traditional methods. Efforts have to be made change their traditional farming practices and to increase agricultural production. But, fatalistic attitude of the rural people resist any change suggested in the method of improving their lot and stick to the old traditional methods for fear of losing their scanty capital and pecuniary income.*

### **INTRODUCTION**

With recent technological development in agriculture hybrid seed production has become more complex business and requires careful planning for successful operations. The hybrid seed production is systematically organized, carefully planned and based on the best information available and aimed to achieve high yields and best quality of seed out of their resources. It is the deliberate and conscious effort on the part of seed grower to think about the seed programme in advance and adjust them according to new knowledge on technological development , changes in physical and economic situations, price structure, etc.

### **Objectives of the Study**



The overall objectives of the study are to analyse the problems associated with the production and marketing of hybrid seeds at Ranebennur taluk , in Haveri district .

Keeping the above facts in view, the present study is designed with the following specific objectives:

- 1] To study the costs and returns of hybrid seeds production.
- 2] To work out marketing cost, margins and channels in the distribution of hybrid seeds. The office of the Karnataka State Seed Certification Agency , Bangalore.
- 3] To find out the problems faced by seed growers at the time of marketing of hybrid seeds in Ranebennur taluk .
- 4] To find out the problems faced by marketing functionaries.
- 5] To identify the major constraints in production and marketing of hybrid seeds.

### **Significance of Study :**

Present study has made a deep study covering, both important aspect such as economies of production and marketing , besides , constraints in the hybrid seed production in Ranebennur taluk of Haveri district . A very few studies could analyze the marketing costs , marketing margin and price spread in input distribution like seed. The findings of the study will be of interest and useful to local agencies , research scientists, policy makers and commercial organisations .

The Mahyco Ltd., has a national standing and its marketing strategy adopted in selling hybrid seeds in different from those adopted for marketing of consumer goods .The above two reasons have created interest to interpret the phenomenon of seeds marketing companies .

### **Production and Marketing Dimensions Of Seed Companies**

The seed company occupy a pivotal position in the production and marketing of hybrid and high yielding varieties of seeds in Haveri district. These seed companies have been the backbone of a large number of seed farms producing high quality seeds in this part of Karnataka and helping the seed farmers by providing technical financial and material assistance in their seed production operations. A total number of 40 national and multinational seed companies have been assisting the hundred selected seed farmers in the study area by providing them production and marketing facilities. The present chapter provides a detailed analysis of the various activities of these 40 seed companies in the different areas of production and marketing of quality seeds. The different aspects of the involvement of the seed companies in this direction relate to the following:

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- I. Investment dimension of the companies
- II infrastructural dimension of the companies
- III Employment dimension of the companies
- IV Areas of assistance to seed farmers
- V Production trends in recent years
- VI Marketing involvement of the seed companies and
- VII The marketing problems encountered by these seed companies etc.

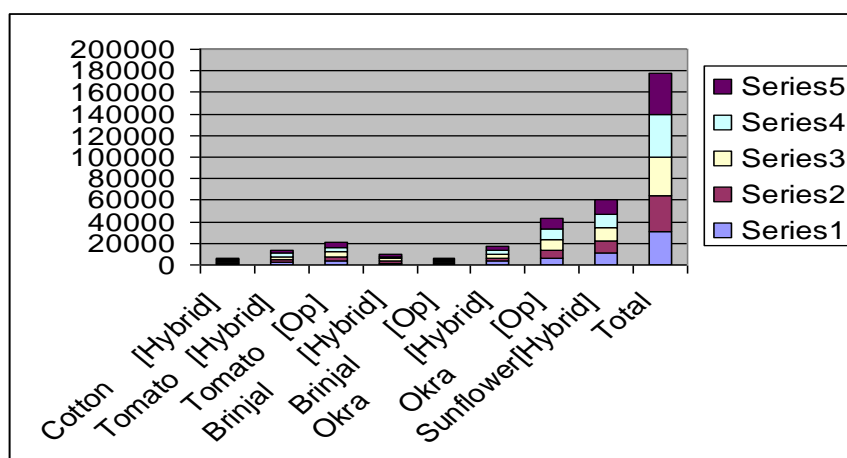
The analysis provides a good backdrop for the subsequent analysis of the production and marketing dimensions of the 100 selected seed farmers in the study area.

### Different Seeds in Ranebennur

The total area under different hybrid and high yielding (open pollination) varieties of seeds gone up continuously during the five years from 2001-02 to 2005-06. The following table and figure provides the details: **Table 5.1**

Seed	2001-02	2002-03	2003-04	2004-05	2005-06
Cotton [Hybrid]	1208	1167	1359	1490	1442
Tomato [Hybrid]	2844	2070	2891	2980	2800
Tomato [Op]	3992	4021	4033	4450	4415
Brinjal [Hybrid]	1797	1835	2155	2062	2067
Brinjal [Op]	1047	1268	1304	1357	1541
Okra [Hybrid]	3142	3238	3628	3801	3782
Okra [Op]	6685	7388	9190	9511	9950
Sunflower[Hybrid]	10600	11697	11999	13051	13000
<b>Total</b>	<b>31315</b>	<b>32684</b>	<b>36559</b>	<b>38702</b>	<b>38997</b>

Source : Field survey



The details in the above table and figure indicate a continuous increase in the area under different seed crops during the five year period. The total area increased from 31315 acres in 2001-02 to 38997 acres in 2005-06. There has been an increase of more than 8000 acres of land under different seed crops of hybrid and high yield varieties in five years. This indicates the increased demand for seeds as well as rising income prospects for the seed of farmers and the seed companies in the study areas.

Increase in acreage under different seed crops reveal different trends during the above period. Fluctuations in the total acreage under hybrid cotton seed crop is indicated during the five years. However a continuous rise in the acreage under tomato seed crops during the first four years and a small fall of 180 acres in 2005-06 is observed. The same trend is also observed for tomato (OP) during the same period.

Incase of Brinjal (Hybrid) seed crop there is a trend of decline in the acreage during the 4<sup>th</sup> year marginal rise in the last year while a continuous rise in the acreage of land under Brinjal (OP) during the five years covered by the study is observed. Area under okra (hybrid) seed crop has gone up continuously during the first four years and a small decline in the 5<sup>th</sup> year is noticed. However the area under okra (OP) has gone up continuously during the entire five years from 2001-02 to 2005-06.

The area under sunflower (Hybrid) has gone up continuously during the first four years but showed a small decline during the last year.

#### **Different Seed Crops In Ranebennur :**

Data available for the year 2009 - 10 for the area under different seed crops in the Ranebennur taluka indicate some significant trends. Maximum area under hybrid cotton seed crop during the year 2005– 06 is mentioned in the Ranebennur. Maximum area under hybrid tomato and tomato (OP) seeds crops area found in Ranebennur . In case of Brinjal (hybrid) and Brinjal (OP) the maximum area under these seed crops are indicated in Ranebennur.

Ranebennur had the maximum area under sunflower hybrid seed crop in 2009 – 10. The following table provides the detail.

#### **Different Seed Crops for the year 2009 -2010**

Seed crop	Ranebennur
Cotton (Hybrid)	277
Tomato (Hybrid)	839
Tomato (OP)	873
Brinjal (Hybrid)	562
Brinjal (OP)	277
Okra (Hybrid)	820
Okra (OP)	1510
Sunflower (Hybrid)	2465
<b>Total</b>	<b>6507</b>

Source : Field survey

It is evident from the details in the above table that Ranebennur taluk had the maximum areas of 6507 acres of land under different hybrid and high yielding (OP) varieties of seed crops

### Marketing Problems of Seed Companies

The seed companies have provided a list of 11 marketing problems faced by them in their seed marketing operations. They have also ranked their marketing problems. In terms of the severity of each problem. A brief description of the responses of the 40 seed companies in this direction has been made here.

1. Inadequate demand due to entry of new seed companies. There has been a good influx of domestic and foreign seed companies in the domestic trade. This has resulted in diluting the demand for seeds for individual seed companies
2. Price competition from rival seed companies. The Rival seed companies have been resorting to price reductions and thereby posing unfair competition in the seed market.
3. Aggressive advertisements of rival Seed Companies. Rival Seed Companies have been engaged in excess advertisement and weaning away the seed buyers from other companies. This type of competition has resulted in rising the cost of advertisement of all seed companies.
4. Quality competition from rival companies. Technical advantages in the production of high quality seeds of some seed companies is another marketing problem faced by some seed companies.
5. High Package costs. Package cost of high quality seed has gone up considerably. This has added to the Overall rise in the marketing cost.



6. Severe competition in Export Market. International market in seeds is very competitive. Advanced countries of the west with their advanced technology and superior marketing skill pose a severe competition to seed companies from India and other developing countries .

### **Conclusion**

In overall production of seeds on the bases of rain,soilfertility and labours so Ranebennur is highest seeds production but problems faced by the Farmers at the time of marketing

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