

Production aspects of contract farming in hybrid bitter gourd seed production

CHIDANAND PATIL*, B.M. SHASHIDHARA, BASAVARAJ BANAKAR¹, R.A. YELEDHALLI AND KULDEEP CHOUDHARY

Department of Agribusiness Management, University of Agricultural Sciences, DHARWAD (KARNATAKA) INDIA

ABSTRACT

The study on a case of contract hybrid bitter gourd seed production was conducted in Ranebennur taluk of Haveri district, which is considered to be hub of vegetable seed production not only in the State but also in the country. Primary data were collected from 90 farmers who were into contract with three company's viz., Mahyco, Indo-American Hybrid Seeds and Namdhari Seeds. Necessary data were also collected from the contracting companies. The study reveals that hybrid bitter gourd seed production is a highly labour intensive activity. Women labour contribution is more as compared to the men. The women labour accounted for 78 per cent in case of both Mahyco and Indo-American Hybrid Seeds and 79 per cent in Namdhari Seeds Company for hybrid bitter gourd seed production. The cost incurred for hybrid bitter gourd seed production per acre was found to be Rs. 55,906, Rs. 58,006 and Rs. 54,947 in case of Mahyco, IAHS and Namdhari Seeds Company, respectively. The average net returns realized by the farmers per acre were Rs. 27,769, Rs. 5,144 and Rs. 31,340 in case of Mahyco, IAHS companies, respectively. The reason for low net returns by farmers under IAHS Company was due to low quality seeds followed by heavy rains during production season and powdery mildew disease, resulting in drastic yield reduction. However, the farmers under Mahyco and Namdhari Seeds Company realized better returns because of high quality disease resistant seeds.

Patil, Chidanand, Shashidhara, B.M., Banakar, Basavaraj, Yeledhalli, R.A. and Choudhary, Kuldeep (2011). Production aspects of contract farming in hybrid bitter gourd seed production. *Internat. J. agric. Sci.*, 7(2): 452-457.

Key words : Contract farming, Seed production, Hybrid bitter gourd seed production

Contract farming is the contractual arrangements between farmers and the company, whether oral or written, specifying one or more conditions of production and or marketing. The essence of such arrangements is being a commitment to provide agricultural and horticultural produce of a type, at a specified price and in a specified quantity to a known buyer. The contract farming offered the advantage of reduced capital investment, reduced risk of price fluctuations, guaranteed income, provision of technical assistance to the farmers and reduced capital investment, improved efficiency, efficient marketing with timely and assured supply to the contracting company. In India, seed production is outsourced to the farmers through contract farming by the seed companies. The seed companies provide foundation seed, technical guidance, monitor the seed production activities and procure seed material from the farmers. About more than 150 seed companies are functioning in India concentrating on field crops and vegetables.

India is one of the leading vegetable seed producing countries in Asia, others being China and Thailand. Karnataka produces nearly 90 per cent of the total hybrid vegetable seed in India. The major production centers

are located around Ranebennur in the northern part of the state.

In India, vegetable seed production started by the two private companies way back in 1982 viz., Indo American Hybrid Seeds (IAHS) and Mahyco. A number of medium and small sized companies have began to operate in the seed production in solanaceous and cucurbitaceous vegetables for domestic and international market. They include Namdhari, Mahyco, IAHS, Nunhems, Syngenta, Seminis, Bejoshethal, Sungrow, Exim, Unicorn, Emergent-Genetics, Nath seeds, Century, Oriental, Golden seeds, CK seeds, Ankur, Nijaveedu so on.

The seed production contributed to regional development in a big way. It has provided ample employment opportunities especially for women in villages. It is estimated that the total employment generation is over 7,00,000 in the sector.

Seed material is the primary input in agriculture and the quality of seed is one of the determinants of output growth, given other complementary inputs. In spite of intensive use of inputs, agriculture has witnessed stagnant/falling productivity levels in most of the crops and the cost of production has been increasing. As a result, the

* Author for correspondence.

¹Department of Agricultural Marketing, Cooperation and Business Management, University of Agricultural Sciences, G.K.V.K., BENGALURU (KARNATAKA) INDIA