

## Structure and competitiveness of the maize market in Davanagere

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### ABSTRACT

An attempt was made to analyze the structure and competitiveness of the maize market in Davanagere. The Lorenz co-efficient of inequality was found to be 0.206 which revealed that there existed a higher degree of competitiveness for maize in Davanagere as market concentration was less. The maize traders from Davanagere established linkage with the poultry feed manufacturers of the district. Among the three poultry feed units in the study area, Feeds India Private Limited stood first for price and procurement reasons and Pragathi Feeds was preferred for payment reasons.

**KEY WORDS :** Structure, Competitiveness, Maize

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India is the sixth largest producer of maize in the world contributing to 2.3 per cent of the global production. The crop is grown in an area of 7.18 million hectares with an annual production of around 18.7 million tonnes (as on 2009-10). Among the major producing states Andhra Pradesh tops the list with the contribution of 19 per cent to the total Indian maize production. Other producers are Karnataka (17%), Bihar (10%) and Madhya Pradesh (5%). Karnataka produces around 17 per cent of the total maize production in the country. The average area under maize cultivation in the state during 2009-10 was 1.2 million hectares with a production of 3.17 million tonnes.

Davanagere is the major Maize producing district in Karnataka, accounting for 30 per cent of the state's production (0.95 million tonnes). The other major maize producing districts

are Haveri, Belgaum, Bellary, Bagalkot, Chitradurga and Dharwad districts. Apart from Nizamabad in Andhra Pradesh, Davanagere in Karnataka is a major market in the country. Davanagere is also a delivery centre approved by NCDEX. Being the major maize producing district, Davanagere market attracts more quantity of maize arrivals than any other market in the state. This has led to considerable improvement in the structure, conduct and performance of the maize market in Davanagere.

In this paper an attempt was made to analyze the structure and competitiveness of the maize market in Davanagere and to analyze the forward linkage of maize from Davanagere

### METHODOLOGY

Davanagere district was selected as the study area as it is the major maize producing district in Karnataka. The Davanagere maize market area consists of the entire area of the Davanagere taluka. Hence, this taluka was purposively selected for the study. Further 30 traders from Davanagere market were selected for extracting the primary data. Lorenz curve technique was used for analyzing market structure at traders level to measure their concentration of market power and competitiveness of the market in the study area. Tabular analysis was conducted to analyze the forward linkage

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