

CASH CREDIT SCENARIO OF SEED BUSINESS IN JUNAGADH DISTRICT OF GUJARAT

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ABSTRACT

Seed is considered to the elixir of crop husbandry, particularly in field crops. In case of hybrids, the farmers have to buy the new seed every time, while in case of varieties, he may use the retained seeds from previous year crop. Historically, the seeds have been supplied to farmers by agri input dealers. A small portion of the market share is also supplied by state farm corporations and agricultural universities mainly in case of high volume, low value crops, while in the private sector, the trend is reverse. The present study taken up in eight talukas of Jungadh district revealed that most of the seed is sold on cash basis because of uncertainly involved. In case of crop failure due to any reason, the farmer may not be able to repay back.

KEYWORDS: Credit, Hybrids, Varieties, Dealers

INTRODUCTION

Seed constitutes the most important agricultural input in present day farming. Seed has an implication not only on the performance of the crop in vegetative and reproductive phase but also on the final yield. So, good quality and healthy seed is of utmost importance to get better yields. Companies generally provide seeds to the distributors on credit (around two months). This in turn allows them to provide seeds to dealers and further farmers on credit. But there is a risk involved. In case of crop failure, farmer will not be able to pay for the seeds bought. This is more true for kharif crops in drought years. Hence, an increasingly cash based market trend is seen in seeds, more so in cash crops like cotton. The present study was taken up in eight talukas namely Vanthali, Manavadar, Mendarda, Viswadar, Bhesan, Magrol and Talala. Looking into the above aspects the study had the following objectives:

- To study the current scenario of market in cash and credit purchase by farmer.
- Factors influencing in buying decision –farmers and its impact on purchasing
- Market share of Cash Vs Credit and trend swing in last 3-4 years and future 3-4 years.

Methodology

As indicated earlier, eight talukas were studied. From each taluka, 10 dealers were surveyed. At farmer level, four villages were surveyed in each taluka and from each village 10 farmers were interviewed. Hence, a total of 40 dealers and 320 farmers constituted the study sample. The survey was carried out using semi structured questionnaires. The questions were explained in local language wherever needed, particularly in case of farmers.

Findings

Market is dominated by cash selling in all the talukas, because of uncertainty of seed germination and in a case seed doesn't perform well farmer may fail to repay the credit amount back, and similarly there is risk with retailer as well to recover it, so farmer doesn't get seed on credit mode.

The major reason cited for cash sales was that distributors are not selling seed to retailers in credit; thereby retailers are also not selling seed to farmers on credit. Risk involved in germination percentage of seed keeps retailers away from selling on credit.

Regarding farmer profile, it was observed that medium farmers (1-10 ha) are more than other farmers category except in Keshod taluka where small farmers are more, and in Talala taluka small & medium farmers are equal in number. In Visavadar taluka, 60 % of farmers are medium farmer & in other taluka it ranges from 35-45 %.

With respect to cropping pattern, the survey data revealed that Groundnut and BT. cotton are main crops of kharif Season, except in Mangrol taluka where only Groundnut is cultivated due to high salinity of soil, cotton cannot be cultivated over there.

In rabi season, in most of the talukas crop cultivation is less than 50 %, except in Keshod and Talala talukas, where it is 90% & 55% respectively. Farmers are growing Wheat as main Rabi crop as they have access to irrigation facility followed by cumin in Manavadar and Keshod, and bajra in Keshod and vegetables in Talala taluka. Rest of farmer's leave their land barren due to lack of irrigation facility.

As far as seed replacement rate is concerned, in cotton and vegetables growing talukas, seed replacement rate is 100 %. In Manavadar and Keshod where farmers are growing cumin also, here the seed replacement rate is 30% & 60% respectively. Bhesan is the single taluka where farmers are growing onion also and there the replacement rate is 50%. In Groundnut and Wheat, seed replacement rate is 0%, because farmers are using only retained seed of previous crop or they take it from the other farmer friends or neighbors.

CONCLUSIONS

Most of the seed is sold on cash basis. Credit sale is marginal due to uncertainty in seed performance and hence crop yields. In cotton and vegetable crops, seed replacement is 100% while in field crops like Groundnut, seed replacement rate is 0% where farmers sow the self saved seeds from previous years or get it from neighbor farmers. Kharif is still considered as the main season. In rabi season the area sown comes down to 50% because of lack of irrigation facilities.

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