



Impact of Karnataka Co-operative oilseed growers federation limited (KOF), Raichur regional union (RRU) on oilseed production, Raichur, Karnataka, India

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Abstract: Impact of the society on oilseed production can be judged by the area allotted under oilseed crops and per acre yield obtained by members and non-members and yield obtained by members (3.56q/acre) was relatively higher than non-members (3.05q/acre) since, encouragement, guidelines and technical assistance provided by RRU has made good impact on the production. The study has provided that, 91.91 per cent of non members were willing to become members of society. Only 8.89 per cent of them were not willing to become members of OGCS because they had personal relationship with traders and commission agents. Hence the federation should take note on the suggestion made by members to improve its service to the oilseed and the ongoing price policy should be directed towards assuring appropriate remunerative prices to oilseed growers in the state in general and study area in particular.

Key words: OGCS, RRU, CAG, Oilseeds

Introduction

India is the fourth largest oilseed producing country in the world, next only to USA, China and Brazil, harvesting about 24.6 million tons of oilseeds against the world production of 250 million tons per annum. Since 1995, Indian share in world production of oilseeds has been around 11.30 percent. Although, India is a major producer of oilseeds, per capita oil consumption in India is only 11.2 kg/annum which is low compared to 13.11 kg/annum in China, 21.71 kg/annum in Japan, 21.3 kg /annum in Brazil , 42.50 kg / annum in USA(FAO, 2014). Karnataka is one of the major oilseeds producing state in the country accounting for 8.92 per cent of the total area under oilseeds and 8.43 per cent of the national production in the year 2012-13 (Mruthunjaya *et al.*, 2005). It was observed that 73 per cent of the total irrigated area was under food crops and only 14.56 per cent was under oilseeds. From this 19.17 per cent and 20.03 per cent of the total area respectively for groundnut and sunflower was irrigated. But in the case of soyabean 53 per cent of the area was under irrigation in the year mentioned above. For rapeseed-mustard the level of irrigation was only 10 per cent and in all other oilseed crops it was less than 2 per cent. This showed that oilseed crops in the state is mainly grown under rainfed condition.

However oilseed growers in India have been caught in the hard clutches of private traders, brokers, and money lenders (Chand, 2012). The common method by middlemen is to flood the market with oilseed during the harvest this would consequently

make the price fall so low as to cause real despair to the otherwise aspiring growers. This is followed by another strategy of creating artificial scarcity that is by withholding the stock so as to manipulate the price mechanism to reach peak (Choudhary *et al.*, 2004). Thus trader, hoarders and stockiest join hand to reap enormous profit. Whereas the growers supply their oilseeds, as a result of which suffer with heavy losses Karnool *et al.* (2012). In the entire marketing process, the consumers too at large have to undergo the agony of paying more prices for the oil than normally warranted. This is especially true of situations prevailing in the Indian marketing mechanism in general but with particular reference to oilseed production (Debashis and Debajit, 2013). The oilseed growers are supposed to lessen their problems of hardship through marketing cooperatives at the village and taluk level. Since marketing cooperative handle a variety farm produce (particularly cereals and pulses), no concerted effort were made especially with oilseeds growers. As a result, their problems have remained more or less unsolved, unanswered and called for greater attention (Anil *et al.*, 2012).

The government of India approached Dr. Verghese Kurien in 1978 to formulate a project on the pattern of AMUL, Gujarat to do something for development of oilseed growers. Based on the recommendation of Dr. Verghese Kurien Government of India formulated a project called as "restructuring edible oils and oilseeds production and marketing". The main objective of the project was to make coordinated effort to encompass a variety of activities

concerning oilseed industry such as production, processing and marketing of oilseeds and obtaining of vegetable oils through a co-operative organization. As a result of this Karnataka Co-operative Oilseed Growers Federation Limited was registered as a co-operative society under the Karnataka Co-operative Society Act, 1959 on October 26, 1984. At the time of implementation of society, the structure was on a two tier basis. The primary oilseeds grower's co-operatives at village level were affiliated to the federation, the apex body at the state level. All the technologies developed by the oilseed cooperatives, research network and transferred by the transfer of technology network for oilseeds, are not accepted as such by the oilseed growers due to many socioeconomic and cultural constraints (Hedge, 2012). At this juncture, a study on performance and influence of oilseed cooperatives on oilseed producers will certainly provide strategies for a road map in encouraging oilseed growers and achieving self-sufficiency in oilseed production through effective planning and efficient implementation.

Materials and Methods

The study was conducted purposively in the selected organization i.e., Raichur Regional Union of Karnataka and RRU is one among the three regional unions operating in Karnataka. The union covers Raichur, Gulbarga, Bidar, Koppal, and Yadgir districts of NEK region. To study the impact of federation on oil seed

production, three top Oilseed Growers Co-operative Society (OGCS) were selected from Raichur Regional Union (RRU) based on highest volume of business and these were Devadurga and Lingasaguru from Raichur district and Yelaburga from Koppal district random sampling method was used to select the sample households. From each OGCS 15 members and 15 non member growers were selected and the total sample comprises of 90 households. Data collected were analyzed using techniques like, tabular analysis, averages, percentages, and other economic tools to arrive at meaningful conclusion.

Results and Discussion

General features of sample respondents: The average age of members was relatively higher when compared to non- members (Table-1). The average family size of members was 9.37 and in non-members it was 7.40 members. The education level of the respondent families differed among the members and non-members. However, most of the respondents were of primary and secondary level of education. Only 11 per cent of members were illiterate and in case of non-members it was 18 per cent. The average land holdings was also higher in the members (7.85 ha) than that of in non-members (5.08 ha) and compared to non-members the area under irrigated condition was relatively higher in members.

Area under different oilseed crops and output produced by members and non-members: The per acre yield obtained by members was 3.83, 3.72, 2.08 and 2.31 quintals in groundnut, sunflower, safflower and castor seed respectively, whereas in case of non-members per acre yield realized was 3.11, 3.60, 1.96 and 2.11 quintals of groundnut, sunflower, safflower and castor seed respectively (Table-2). It indicated that, members have obtained relatively higher yield compared to non-members, and in general the average area under oilseed crops was maximum in case of members compared to non-members revealed that the guidelines, technical assistance and inputs provided by the federation (RRU) were utilized in better way for cultivation of oilseed and has made good impact on the production.

Opinions of respondents on performance of society: The majority of members and non-member respondents expressed that they were strongly agree (satisfactory) with respect to transport facilities provided by society was good because the society procured the produce from their door step (Table 3). Majority (73.33%) of the members and non-members (68.88%) were highly satisfied with the purchase of produce at doorstep because it minimized their

Table-1: General characteristics of sample respondents

Particulars	Member N=45	Non-member N=45
Average age (Years)	46.86	42.77
Family size (No.)		
(i) Male	3.97 (42.35)	3.30 (44.59)
(ii) Female	2.37 (25.27)	2.33 (31.54)
(iii) Children	3.03 (32.38)	1.77 (23.87)
Average	9.37 (100.00)	7.40 (100.00)
Education level (No.)		
(i) illiterate	11 (24.44)	18 (40.00)
(ii) Primary	13 (28.88)	15 (33.33)
(iii) Secondary	19 (42.22)	8 (17.77)
(iv) College	2 (4.44)	4 (8.88)
Average	45 (100.00)	45 (100.00)
Land holding (ha)		
(i) Irrigated	5.16 (65.73)	2.69 (52.85)
(ii) Dry land	2.69 (34.27)	2.39 (47.15)
Average	7.85 (100.00)	5.08 (100.00)

Note: Figures in the parenthesis indicate percentage to the total; No.: number; ha.: hectare

Table-2: Area under different oilseed crops and out put produced during 2012-13

Particulars	Members						Non-members					
	Area (acre)			Average a rea/farmers	Production (q)		Area (acre)			Average area/farmers	Production (q)	
	Dry land	Irrigated land	Total area		Total	Yield /acre	Dry land	Irrigated land	Total area		Total	Yield /acre
Groundnut	70	110.50	180.5(45)	4.01	693	3.83	63	54	117(43)	2.72	365	3.11
Sunflower	60	90	150(45)	3.33	558	3.72	18.5	33	51.5(39)	1.32	185	3.60
Safflower	23	12	35(32)	1.07	73	2.08	21	4	25(31)	0.80	49	1.96
Castor	9	7	16(21)	0.76	37	2.31	2	7	9(19)	0.47	19	2.11
Total	162	219.50	381.5	2.70	1361	3.56	104.50	98	202.5	1.53	618	3.05

Note: Figures in the parenthesis indicate the number of respondents

Table-3: Opinions of respondents on performance of society

Sl.No.	Particulars	Members			Non-Members		
		Strongly agree	Agree	Disagree	Strongly agree	Agree	Disagree
I	Satisfaction regarding performance of OGCS						
a)	Adequate transportation facilities	9(20.00)	21(46.00)	15(33.33)	8(17.77)	20(44.44)	17(37.77)
b)	Purchase of produce at doorstep	33(73.33)	7(15.55)	5(11.11)	31(68.88)	6(13.33)	8(17.77)
c)	Timely procurement	12(26.66)	19(42.22)	14(31.11)	9(20.00)	17(37.77)	19(42.22)
d)	No hamali and commission charge	37(82.22)	6(13.33)	2(4.44)	31(68.88)	11(24.44)	3(6.66)
e)	Remunerative price	10(22.22)	23(51.11)	12(26.66)	8(17.77)	26(57.77)	11(24.44)
II	Non- members willing to become a members						
	Particulars	Numbers	Percentage to total				
a)	Willing to become members of OGCS	41	91.11				
b)	Not willing to become members of OGCS	4	8.89				
	Total	45	100.00				

Note: Figures in the parenthesis indicate percentage to the total

transport cost, marketing cost and market fees. About the timely procurement and no commission and hamali charge of society were concerned majority of the respondents agreed because the society procured through out the harvest season of the year. When compared to price paid by the society, majority of the members and non-members were found to be agreed with price paid by the society (Kiumars *et al.*, 2010). And there was no much difference between opinions expressed by members and non-member growers. It is interesting to note that willingness of non-members for becoming members of OGCS is one of the important factors for development of society. It was found that 91.91 per cent of non members were willing to become members of society because the society gave remunerative price for their produce. Only 8.89 per cent of them were not willing to become members of OGCS because they had personal relationship with traders and commission agents since long period. Hence the federation should take note on the suggestion made by members to improve its service to the oilseed growers.

The study has provided enough evidence that the area allocation decisions in respect of oilseed crops have been governed by their relative profitability, indicating that price factors are more important than non-price factors similar result found by Adis *et al.*, (2007) in their study on farmers cooperative and its marketing channels in Gulina district of Ethiopia. Hence, the ongoing price policy should be directed towards assuring appropriate remunerative prices to oilseed growers in the state in general and study area in particular.

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