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ABSTRACT OF Ph.D. THESIS

Kunnal, Laxman B. 1994. Performance of the Karnataka State Seeds Corporation Limited: An Economic Analysis University of Agricultural Sciences, Dharwad, *Major Advisor:* H.G. Shankara Murthy.

Since its establishment in 1979 the Karnataka State Seeds Corporation (KSSC) has been playing a pivotal role in production and marketing of quality seeds in the State. The spatial coverage of the Corporation increased from a mere 13 branches in 1978-79 to 43 branches in 1989-90. It has established 18 seed processing units in the State. The volume of the business increased from Rs. 58.08 lakhs in 1978-79 to Rs. 1137.68 lakhs in 1989-90.

The present study is an attempt to assess the performance and impact of the KSSC during the past 12 years from 1978-79 to 1989-90. The required secondary data were collected from the KSSC, State Department of Agriculture and Karnataka State Seed Certification Agency. The primary data were collected by opinion survey from the policy makers and officials of the KSSC and farmers. The data were analysed using various statistical techniques like financial ratios, growth rate analysis, principal component analysis, cluster analysis and SWOP (T) management techniques.

The results revealed that there was substantial increase in the physical and financial indicators of the KSSC. The compound growth rates with respect to physical and financial indicators were positive and statistically significant. The area under seed production programme of the KSSC increased from 2857.49 hectares in 1980-81 to 8424.70 hectares in 1989-90. The quantity of seeds procured increased from 14318 quintals in 1978-79 to 67629 in 1989-90. The quantity of seeds marketed increased from 12090 quintals in 1978-79 to 71067 quintals in 1989-90. The transactions of the KSSC with institutions outside the State were limited.

To identify the variables associated with performance of the KSSC principal component analysis was done. Three principal components had

eigen values more than one and they together accounted for 93.77 per cent of the total variation. The first principal component 'Physical and financial growth of resources' explained 84.03 per cent of the total variation and the second component 'Resources mobilisation for investment' explained 5.18 per cent of the total variation. The variable 'net profit' found place in the third dimension, which explained 4.57 per cent of the total variation. This clearly showed that the profitability position of the KSSC was not satisfactory. The market share analysis revealed the share of the KSSC in the distribution of seeds of cereal crops as 28.10 per cent, pulse crops 18.37 per cent and oilseed crops 3.64 per cent. Its performance in vegetable seeds was very poor. The KSSC had 41.14 per cent share in the total seed processing capacity created in the State.

The cluster analysis of opinions of policy makers high lighted the low impact of the KSSC on seed market in the State. The seed producer as well as seed user farmers were satisfied to some extent with the working of the KSSC. The SWOP (T) analysis brought to light the strength and weaknesses of the KSSC and problems faced along with opportunities open to it. The strengths of the KSSC are its Government status, recognition of seed as an essential input, launching of National Seed Project with World Bank assistance, competent team of officials, good infrastructure of seed processing, strong and sound communication and co-ordination system, mixed seed distributing channels and fairly good public confidence as a reputed source of seed supply. The weaknesses of the KSSC are under utilisation of seed processing capacity, inadequate number of retail outlets, keen competition in the market, non availability of seed production facilities of its own and complexity of demand forecasting with respect to seed.