

# MARKETING OF MAIZE - A CASE STUDY OF HASSAN DISTRICT

## Abstract

Maize is a crucial crop in India, grown year-round and accounting for 10% of total food grain production. It serves as a staple food for humans and animals, and is used in various industries. Maize marketing is crucial for producers, as it affects market structure, marketing cost, margin, price-spread, price analysis, and efficiency. The study focuses on six main agricultural markets, with Hassan and Holenarasipura being the leading markets. The study found a 400-percent price difference between producers and wholesalers, while farmers sold their maize through NAFED channels. The government should implement e-Marketing information systems and train farmers on marketing information through mass media. This will help farmers gain financial, social, and technical support, ultimately leading to increased income and fair prices for their crop.

**Keywords:** Maize, Marketing, Farmers, NAFED.

## Authors

**Dr. Basavaraju H.N**

Principal  
Government First Grade College  
Channarayapatna, Karnataka, India.

**Dr. Poornima B S**

Assistant Professor  
Department of Economics  
GFGC  
Channarayapatna, Karnataka, India.  
drpoornimabasavaraju@gmail.com

## I. INTRODUCTION

Maize (*Zea mays* L.) is one of the most important crops in the world and is one of the multipurpose emerging crops having wider adaptability under varied agro-climatic conditions. Because being among the cereals with the highest genetic production potential, maize is referred to as the "Queen of Cereals" internationally. Corn is the name given to maize in North America. About ten thousand years ago, in central Mexico, maize was first domesticated in North America. In the sixteenth century, the crop was brought to Europe, where it quickly spread to Africa and Asia. It is currently one of the most frequently cultivated crops in both temperate and tropical parts of the world. One of the most widely grown and consumed cereal crops worldwide is maize. A total of 170 countries produced 1.15 billion MT of maize in 2020, which was grown on an area of around 193.7 million Ha. In 2020, the USA produced 360,252 thousand tonnes of maize, or 33.84 percent of the total amount produced worldwide. China, Brazil, Argentina, Ukraine, and India round up the top five countries with 75.18% of the total.

Global production and consumption both grew at a CAGR of roughly 3.4% over the previous ten years. International trade accounted for just over 15% of total production, with five exporters—the United States, Brazil, Argentina, Ukraine, and the European Union—contributing nearly 89% of all exports. In terms of world maize output and acreage, India comes in at positions 4 and 7, respectively, providing 4.6 and 2.4 percent. Given that maize is a preferred staple meal for more than 900 million impoverished people worldwide, including one-third of all malnourished children, maize makes a significant contribution to food security. Maize is a major source of carbohydrates, protein, iron, vitamin B, and minerals in areas like Latin America and Sub-Saharan Africa, where it is a major staple crop. The livelihoods of about 120–140 million farming families depend on this crop. Along with other cereal crops, maize is one of the most widely grown and consumed. It can be produced under various agro-climatic settings and genetically altered for certain human needs due to its photo-thermal insensitivity and genetic reconstruction capabilities. As a result, it is used as a crucial raw ingredient in many industries, including starch, food processing, bioethanol, and livestock feed. Derivatives of maize starch are also widely employed in a variety of sectors, including textiles, paper, food processing, cosmetics, pharmaceuticals, and cosmetics. Around the world, maize is grown under a wide range of climatic and soil conditions.

After rice and wheat, maize is the third-largest cereal crop in India. In terms of area, production, and productivity, it is the cereal crop that is rising the fastest. In recent years, maize cultivation has changed from being grown exclusively during the Kharif in traditional regions like Rajasthan, Uttar Pradesh, and Bihar, primarily for food use, to being grown diagonally in non-traditional regions like Andhra Pradesh, Madhya Pradesh, and Karnataka, across seasons, and primarily produced for industrial use. The production system is still mostly fueled by rain, though. India produced 30,200 thousand tonnes of maize in 2020, increasing at an average annual rate of 4.67 percent. Consumption of maize increased in India during the past ten years at a compound annual growth rate of 5.6%, while production only increased by roughly 2.9%. The industrial sector saw growth at a compound annual growth rate of 6.2%, which was followed by the feed industry, which consumed maize at a compound annual growth rate of 8.8%. Compound annual growth rate with the domestic demand for maize outpacing supply and the fact that maize offers the ideal opportunity for crop diversification and raising farmer income, there is an urgent need to identify and remove major roadblocks preventing the expansion of the Indian maize ecosystem. The availability of

high-quality product to consumers at reasonable rates is being constrained by a number of issues that are hurting farm pricing diagonally across the value chain.

## **II. MARKETING OF MAIZE**

One of the first plants that humans domesticated was maize. The plant known as maize, also known by its scientific name *Zea mays* L., is a member of the grass family. The third most widely cultivated crop is maize, which falls under the category of coarse grains. Due to its exceptional geographic adaptability, maize is a perennial plant that is grown all over the world, however it is primarily grown in nations in the Northern Hemisphere. A significant chunk, or more than 60%, of the world's maize production is used in animal feed since it gives cattle a lot of energy and oil. Additionally, maize is a staple grain and has a wide range of industrial uses, including the production of ethanol and culinary products. Due to the green revolution and the quick development of biotechnological progress in seed and production, which has led to the availability of genetically modified maize seeds that offer improved average maize yield, the maize market has seen significant change over the past several decades.

## **III. REVIEW OF LITERATURE**

Manual (2008) reported on good agricultural marketing practices for Maize, the report explains that Maize is extensively cultivated throughout the world. It is an important cereal crop in India. The significance of Maize is due to its wide diversity of uses. It is used both food for human and feed for animals. Maize is the dry land crop for four months. There are six types of marketing channels like producer, wholesaler, seller; commission agent. District marketing is truly benefited for the producer. Less number of producers sold their product in co-operative market because of grading system, lakh of facilities. Grains which are insect or vermin damaged, broken kernels other grains max: 7 per cent which diseased grains must not exceed 0.5 per cent maximum 6 per cent, maximum 2 per cent usually examination ISO 5223-1983 visual assessment Finally concluded that Maize is one of highest profitable crops in India.

Ragasa, Catherine & Chapoto, Antony & Kolavalli, Shashi, (2014) "Maize Productivity in Ghana," in his paper presented Since maize makes up more than half of Ghana's total cereal production, it is a significant food crop. Major expenditures were made to increase maize yield under the Ghana Grains Development Project (1979–1997) and the Food Crops Development Project (2000–2008). Despite these efforts, Ghana continues to have one of the lowest average maize yields in the world and far lower than the norm for Africa south of the Sahara.

## **IV. OBJECTIVE OF THE PAPER**

To study the market structure, marketing cost, marketing margin, price-spread, price analysis and marketing efficiency of different channels in the study area.

## **V. METHODOLOGY**

The present study is mainly based on survey method. Both primary and secondary data is used. The required primary data is collected from the sample respondents through two

types of well-constructed interview schedules originally, in conformity with the objectives of the study.

## VI. ANALYSIS OF THE PAPER

In Hassan district maize is the major growing crop. Majority of the farmers are growing maize crop. The district alone accounted 87526 hectares in area and 237736 tonnes in production at present

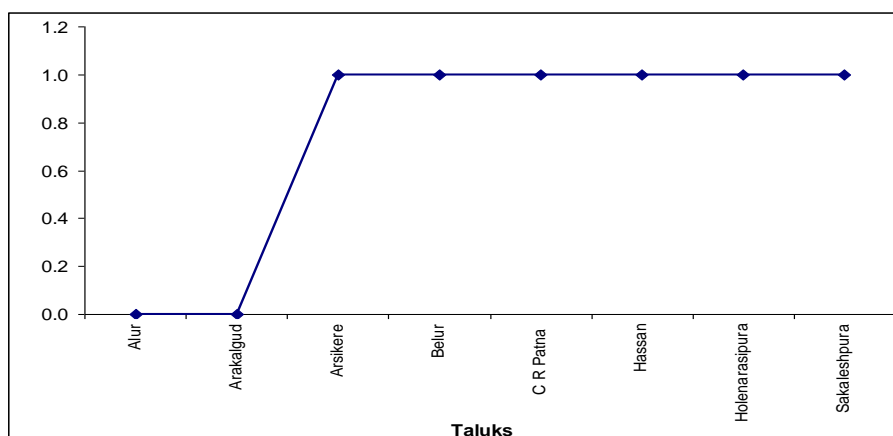
## VII. MARKET STRUCTURE, COST, MARGIN AND PRICE-SPREAD ANALYSIS

Hassan District is mainly Depends on Agriculture production for its development and substance of its economic growth. 70 percent of the total population is engaged in agriculture. The products are marketed through APMC. The working regulated markets of the district is shown in the below Table 1.

**Table 1: Taluk-wise Regulated Markets in the District**

Sl. No	Taluk	Main Market	Total
1	Alur	0	0
2	Arakalgud	0	0
3	Arsikere	1	1
4	Belur	1	1
5	C R Patna	1	1
6	Hassan	1	1
7	Holenarasipura	1	1
8	Sakaleshpura	1	1
	<b>District total</b>	<b>06</b>	<b>06</b>

**Source:** District at a Glance, 2019-20, District Statistical Office, Hassan



**Graph 1: Taluk-wise Regulated Markets in the District**

Table 1 and Graph 1 reveals that Hassan and Holenarasipura leading maize regulated markets on the basis arrivals. Above two markets receive it supply of maize from surrounding area and for flung regions and taluk with in the district and from outside the district. The

annual turnover of the Agriculture produce transacted at APMC exceeded 300 crore and less for an equal amount of produce is transacted through private traders, middleman, commission agents etc.

Marketing efficiency of different channels in the study area, identifying market channel in the study area as below:

**Table 2: Price Spread in Marketing of Maize in Study Area**

Sl. No	Market Channels	Price Received by Farmers
1	Producer	2100
	Wholesalers	2500
	Price spread	400
2	Producer	2500
	NAFED	2500
	Price spread	0000

**Source:** Field Survey

**Note:** Producer- Wholesaler and Producer-NAFED

Above table shows Price spread in marketing of maize in the study area. In identified market channel-I is Producer-wholesaler, in this producer received price of 2100 and wholesaler received 2500 in the study area. This was clearly indicating that the price spread or rate difference between producers and wholesaler was 400. Another channel producer-NAFED, farmers sell their maize through this channel, there no difference between farmers received price and market price. Hence, maize farmers sell their commodity directly to NAFED, then only they get maximum price, in case producer would not get NAFED facilities, farmers have sell their products through the middleman. So, the interference of middle farmers will get very less price comparatively market price.

### VIII. FINDINGS OF THE PAPER

1. In study area there are 6 main agricultural markets were there. Hassan and Holenarasipura leading maize regulated markets on the basis arrivals. Above two markets receive it supply of maize from surrounding area and for flung regions and taluk with in the district and from outside the district. The annual turnover of the Agriculture produce transacted at APMC exceeded ` 300 crore and less for an equal amount of produce is transacted through private traders, middleman and commission agents. Identifying market channel in the study area are Producer-middlemen and Producer-NAFED.
2. In identified market channels one is Producer- wholesaler, in this channel producer received price was ` 2100 and wholesaler received ` 2500 in the study area. This was clearly indicates that the price spread or rate difference between producers and wholesaler was ` 400. Another channel producer and NAFED, farmers sell their maize through this channel there no difference between farmers received price and market price. Hence maize farmers sell their commodity direct to NAFED they have got maximum price, in case producer could not get NAFED facilities, farmers have sell their product through the

middleman. Hence the interference of middle farmers will get very less price comparatively market price.

## IX. SUGGESTION

Marketing facilities should be made easy by the government in this digital era since everyone having mobiles, so e-Marketing information system should be implemented and trained for farmers and broadcasting of marketing information through mass media should be made regularly. Co-operative farming should be encouraged for the benefit of farmers. Organic farming should be encouraged.

## X. CONCLUSION

It can be concluded that, main motive behind the production and marketing of the maize by the farmers is to financial, social, technical support for getting more income and fair price for the crop. Government awareness programmes and other training programmes by commercial banks, co-operative banks and industrial organizations has to be undertaken to encourage the farmers to cultivate maize. Through maize is one of the food crops of India, the farmers are facing many problems, regarding labour, cost of cultivating, harvesting losses, pests and insects, credit problems, water problems or they may be fair price problems. Maize cultivation is still a mass cultivation of food grains. If government helps the maize farmers to overcome from these problems, no doubt there will be a bumper maize crop production can be achieved. Since, increase in production of maize is for meeting domestic and export requirement, increases the income and livelihood of the farmers and also helps in increasing rural employment and overall developments in agricultural sector, because it is the backbone of our economy.

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