

# POTATO SEED COST ESCALATION IN GUJARAT

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## INTRODUCTION:

Potato is a crop that is used for table consumption purpose at one side and is used as seed for future production practices at another side. It all depends on the demand supply situation of the market. Every year potato seed cost increases that play a challenge for the producers whether to sale all in the open market or conserve some percentage in the cold storage for future use. Cold storage which is a crucial structure in the potato value chain set up that preserves table potatoes, potato seed and chips potatoes in various temperatures and humidity (Seed potatoes = 2- 4 °C and 95% relative humidity, Table potatoes = 7 °C and 98 % relative humidity and processed potatoes= 8-12 °C and 95 % relative humidity). Again it also determines the fate of stored commodities according to market dynamics.

## OPINION AND RELEVANT FACTS:

Gujarat is a state where natural environment is not conducive for seed potatoes. From very beginning this state depends on other state or avenues for potato seed. That's why, producers depend on Jalandhar market (Punjab) or dealers of corporates for seed potatoes. Now a day, cold storage is another link to have seed potatoes for production purpose. Each source of supply has its own rate and margin. That also depends on market situation in the particular state, nationals and internationals situation. India is a country that mainly depends on its own seed; produced by CPRI (Central Potato Research Institute), Shimla. Besides that corporates have been producing their seed through contract farming according to demand supply situation of the table potatoes, seed potatoes and processed potatoes. Seed is a major input that decides the cost of cultivation

in potatoes. When producers purchase seed in each year either from Jalandhar market or detailers, the cost is always at higher side. It may be touch around 60 percent of cost of cultivation. After that, they keep some percentage of potatoes in cold storage up to the end of October, considering cost of cold storage, market demand of potatoes, availability of cold storage, and specificity of the cold storage in their proximity. It has been observed, cold storage are occupied mainly for table potatoes and processed potatoes. Even some cold storages are kept potatoes for some specific organizations, considering their regular presence in buying and selling practices.

During seed marketing practices, many anomalies and business gimmicks were observed. Major market occupied those producers who procure seed mainly by credit than cash. Price varies significantly in cash and kind arrangement. Another price variations were observed when producers booked seed at the time of harvest (Rs900/- per 50 kg) or some producers purchased seed at the time of plantation (Rs 1500/- per 50kg). Time of booking of potato seeds decide the future price of potatoes and cost of cultivation of the particular crop. Potato is a hybrid crop; need to be replaced every year. Almost all producers replaced the same but storing the same in cold storage, bartering them with fellow members are long run practices, still observed and continued.

Cost of cultivation in potato is increasing and that decides the price of the seed as input mainly. Other major input costs are under the control measures either one way or another. Fertilizer and machineries are subsidized by the government. Labour costs were managed through wage and kind (potatoes) arrangement. It was observed that around 200-250 rupees were paid along with 5kg small size potatoes for compensating labour wage rate in the study area. Entrepreneurs of Gujarat were substituting fertilizer cost with biofertiliser for controlling any hike in cost of cultivation. Government is also controlling interest rate on agriculture. Seed is away from any protective measures from government of from any private players. As a result, it increases impacts more on cost of cultivation.

Processed seeds that were coming through contract farming were under the strict measures of the corporate players, replaced every year. It is under the organization monopoly. Its price increases according to demand and supply situations of the market. Even the organizations prescribed standardized production practices for other inputs but not provide the same in any manner. It has been observed loading and unloading costs are also debited from the producers account during the time of harvest. As the seed multiplication of potatoes are coming from a distance market (Jalandhar of Punjab, Lahul Spiti of Himachal Pradesh), the environmental condition and natural resource management scenario of that area impact highly on quality seed production and their future price (It has been reported that increasing temperature at the time of plantation, loss in production for last three years, hampers the market, and subsequent seed production for the next year.). Somehow, many reports could not establish processed seed cost and its contribution on cost of cultivation separately.

## CONCLUSION

In the end, increasing seed costs is a reflection of availability, affordability, accessibility, and awareness of the produces in the changing context of market dynamics. Changing Climatic conditions is crucial, need to be managed production practices accordance with situations. Difficult but that distorts the market. Infrastructural bottleneck, business avenues, and government supportive measures decide the fate of production. Within these boundaries, potato seed costs vary, impact on cost of cultivation, and future production.