**Project: Supply Chain scenario in Oilseeds**

**PERIOD :2012-13**

The study involved examining the performance of the processing industry with respect to sunflower in Maharashtra and Karnataka with the objective of studying the length of supply chain and identifying possibilities for establishing linkages with the industry for minimizing the supply chain to the advantage of the various stakeholders involved in production to consumer.

MAHARASHTRA

In Maharashtra, the study was conducted in Latur and Osmanabad districts. These two districts constitute to nearly 50 per cent of the total sunflower area in the state. The study involved collection of primary data from the sunflower farmer, traders, oilseed processing units and major APMC’s.

The average yield of sunflower was 10-14 qtl per ha Sunflower is confine to rabi season alone in the area. Farmers resort to sunflower in kharif only when there is a delay in monsoon. Soybean in kharif and Bengal gram in rabi are the major competing crops for sunflower. The average operational Cost of sunflower (Cost a) was Rs.23250.per ha

Farmers have expressed strong apprehensions against expansion of area under sunflower chiefly due to its exhaustive nutrient mining and poor yield levels of the prevailing hybrids.

The study revealed four marketing channels prevailing for sunflower in the region

1. Producer-village level merchant-Processor: This channel is most predominant in marketing of sunflower by the small and marginal farmers. The quantum of produce available for disposal is also limited. Farmers prefer this channel since they avoid the costs involved towards transportation and marketing. However, the major lacuna in this channel is that the farmers accept the price paid by the village level merchant. The only source of price information made available to the sunflower farmers is through the network of Village centres run by ADM AGRO TECH Pvt.Ltd. Yet the farmers do not insist for higher prices since the village level merchants provide credit for production and consumption credit reqyuirements. The averages price received by the farmer in this channel is Rs.3100-3200.

The village level merchant after aggregation sells it to the processing units available at Latur and also to Nanded. The average cost incurred towards transportation and other costs ranged from Rs.75 to 105/qtl The produce is sold to the processor at a price ranging from 3425-3750 per qtl (as per the oil recovery realization)

1. Producer-APMC-Processor: This channel is operational but to a limited extent. The farmers preferring this market are those who have greater marketable surplus. The average price received by the farmer in this channel was ranging between Rs.3300 to 3550 per qtl. The traders on final aggregation disposed the produce to the processing industry at a price ranging between Rs. 3610 to 3700.
2. Producer-Processor : This channel is of recent origin and is gaining prominence in the region. It holds considerable promise in the future since there is complete elimination of all the middle men. The farmers in this channel directly sell the produce to the processor. Most of the farmers sold their produce to ADM Agro tech at prices ranging from Rs.3700 to Rs.4150 per qtl. Higher price incentive was paid for produce with higher oil per cent.
3. Producer-Local village ghanis: This channel was prevailing on a limited scale and was operational only to the extent of those farmers who were accustomed to using the oil for their domestic purpose. The cost of crushing one quintal is Rs.200. The cake is purchased at Rs.1000 per qtl and sold to the traders at Rs.1150-1200 per qtl.

The capacity utilization of the processing units in the area reveal drastic reduction in sunflower processing. The utilization is less than 20 per cent. The cost of processing from raw material to final packing is Rs. 220-235.

KARNATAKA:

In Karnataka, the study was conducted in Chalakere in Chitradurga district and in Sira of Tumkur district. The public sector and the private industries were analysed for the processing of sunflower.

Under the private sector, it was observed that the operational capacity utilization was hovering between 10-15 per cent of the capacity utilization as against 55-65 per cent a decade back. Most of the MSME units have closed down due to non availability of raw material.

The average cost of processing for crushing sunflower seed to expeller oil is Rs..120 to 135 per qtl.

The KOF located at Chitradurga is involved only in packing of sunflower oil. The average cost incurred is Rs. 18-20 per qtl. The monthly demand of the packaged sunflower oil is 700 tonnes. The raw material is purchased from the millers from Challakere, Bellary, Bijapur and other areas. The major quantity is procured from millers of Chalakere in Chitradurga district.

The sunflower traders were chiefly trading to districts in North Karnataka besides Latur of Maharashtra.The cost of transportation varied from Rs. 400 per tone to Rs.1000 per tone depending upon the distance in addition to the CST of 2%

There exists an opportunity to link the industry with the sunflower farmers for improving the efficiency of the processing scenario in sunflower.