

## Study on the market integration between the major markets of wheat in Karnataka

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### ABSTRACT

Integration of markets with respect to prices in the major market was analyzed and the results revealed that a very high degree of association between Belgaum and Dharwad markets (0.95) and it was found to be highly significant at 1 per cent level of significance. This would be due to the fact that Belgaum was a major market for wheat and a low degree of association of prices (0.79) was found between Gadag and Bagalkot markets, which may be attributed to the reason that there might be imperfection of market information and intelligence flow between the two markets. Looking into the results, it revealed that, there was a need to bring about integration of markets to bring about stabilization in prices of wheat in the market and also to create a favourable and healthy competitive environment in the markets. This would also in a long way help to protect the interest of producer- sellers. This could be achieved by successfully strengthening the services like market information and intelligence system, providing storage facilities, improving the market infrastructure facilities, etc.

**KEY WORDS :** Wheat, Market integration, Major markets

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India is world's second biggest wheat producer after China. Wheat is the second most important "cereal crop" after rice, grown under divers agro-climatic conditions. The resilience of wheat production in the country mainly came from the technological breakthrough since late sixties, the beginning of green revolution year. Green revolution technology has been most effective not only in expanding

the area under this crop but also in increasing its production and productivity.

About 90 per cent of the total wheat production in the country is contributed by seven states like Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan, Bihar and Karnataka. Even in these areas, it appears for yield enhancement through conventional genetic improvement. Moreover, there exists a definite opportunity for increasing the overall wheat production by reducing the existing yield gap (1.5 to 2.0 t/ha) in different parts of the country.

The spatial price variations are the variations in prices observed over different markets. They occur due to differences in location of production and consumption of commodities. In theory, in a perfect market, the price of a good at one market is not expected to exceed the price at other markets by more than the transport cost and nominal profit. The degree to which wholesale prices of a commodity in different markets are related to one another is an important consideration in

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