

An economics analysis of contract farming of organically produced, natural colour cotton in Karnataka

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ABSTRACT

The present study, conducted in 2005-06, was based on a data from a purposive sample of 80 farmers contracted for organically cultivating naturally coloured cotton and supervised seed multiplication from Uppinbetageri village of Dharwad taluk. The per hectare variable costs for coloured cotton cultivation was Rs.13,078 and formed 82 per cent of the total costs which was Rs.15,934. About 67.92 human days, 14.70 bullock pairdays and 1.43 tractor hours of labour were required per hectare of cultivation. The yield was 8.53 qtls per hectare and resulted in a net profit of Rs.3398. *Kapas* was purchased by the Khadi Nekar Sahakari Utpadak Sangh Niyamit (KNSUSN), Uppinbetageri under a contract for a market linked price. Area under coloured cotton, seed, manure and manpower would improve returns if their use was increased. There was an increasing returns to scale. However, except for bullock labor, all other inputs could be profitably increased. Maintaining field isolation for genetic purity, lack of more cotton colours, non - availability of a broader market, moisture stress, proper price and yield fluctuations were the major cultivator's problems.

INTRODUCTION

The importance of the cotton in world consumption can be illustrated by the fact that in spite of the fall in the share of the fibre in world fibre consumption, the demand for it keeps on rising. Area under cotton during 2005-06 in Karnataka was around 5.12 lakh hectares, with the production and productivity of 8.00 lakh bales and 266 kg/ha, respectively. The main cotton growing districts in Karnataka are Dharwad, Haveri, Mysore, Gadag, Bellary, Belgaum, Raichur, and Gulbarga.

Cotton fabrics with artificial dyes have been reported to have adverse effects on the skin and human health and the use of pesticides in their cultivation adds to the cost of production of fabric. Of late organic cultivation of coloured cotton has carved a niche entry in Dharwad district of Karnataka under the platform of contract farming. As of today, coloured cotton cultures are now available in *Gossypium hirsutum*, *Gossypium arboreum* and *Gossypium herbaceum* in our country.

An almond colour variety DDCC-1 (Dharwad Desi Coloured Cotton-I) was identified and popularized for cultivation under contract farming and seed multiplication on a large scale in Uppinbetageri village of Dharwad district.

The present paper investigates the economic viability of cultivation of naturally

coloured cotton under the controlled price conditions of contract farming, the hypotheses being that coloured cotton cultivation is a profitably enterprise under the explained arrangement.

METHODOLOGY

Selection of the study area and sampling frame:

Dharwad district and in it, Dharwad taluk were purposively selected for the study, as coloured cotton is grown in Uppinbetageri village of this taluk under contract farming since 2002.

From Uppinbetageri village of Dharwad taluk, all the 80 farmers cultivating naturally coloured cotton under contract farming were interviewed for the study which pertained to the year 2005-06.

The salient features of the contract between farmers of Uppinbetageri, the Khadi Nekar Sahakari Utpadak Sangh Niyamit (KNSUSN), Uppinbetageri and Agricultural Research Station Dharwad are as follows. Only the seeds of DDCC-1 and technical guidance regarding its cultivation is supplied by the University to be cultivated at an isolation distance of 50 mts from other *Desi* cottons. The seed cotton is ginned under supervision; the lint is purchased by the Sangh, at prevailing market price of DDCC-1 coloured cotton on

Key words :

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