

## Procurement and processing management: A comparative study of conventional and modern rice mills in Davangere district of Karnataka

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### ABSTRACT

Rice milling is the oldest and the largest agro-processing industry of the country. This paper discusses the efficiency factors in both conventional and modern rice mills. The traditional rice milling industry has less operational efficiency due to the adoption of traditional milling methods compared to modern mills. The results showed that the capacity utilization was higher in modern rice mills (69%) as compared to the conventional mills (44%). Out of the total paddy procured, 70 per cent was converted into rice and the remaining 30 per cent into Poha in conventional mills and 55 per cent into rice and 45 per cent into Poha in the case of modern rice mills. The recovery of head rice (73 %) and bran (8 %) were higher in modern mills in comparison with the recovery of head rice (66 %) and bran (7 %) in conventional mills. Procurement costs were lower when paddy was purchased directly from farmers instead of purchasing from commission agents. Thus, mills would benefit from strong contractual arrangements with paddy growers.

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Paddy accounts for 36.8 per cent of the cultivated area and about 40 per cent of the total food grain production in the country. Paddy in its raw form cannot be consumed by human beings. It needs to be suitably processed for obtaining rice. Rice milling is the process which helps in removal of hulls and barns from paddy grains to produce polished rice. The byproducts which we get from paddy milling are rice bran and husk. Rice has potential in a wide range of food categories. The recovery of whole grains in traditional rice mills using steel hullers for dehusking is around 56-64 per cent. There is excessive loss in the form of coarse and fine brokens. Against it, the recovery per cent of whole grains in modern rice mills using rubber roll shellers for dehusking operation is around 72-74%. In view of the sustained efforts made by the Government, the number of modernized rice mills has gone up from practically nil in 1970 to 41, 513 in 2006-07 (Vinay Kamat, 2005). Over the years, the total number

of all types of rice mills has increased (Kalse *et al.*, 1996).

In Karnataka Davangere, Mandya, Raichur, Bellary Shimoga are the major paddy growing and paddy milling areas in the state. More number of both conventional and modern rice mills are concentrated in Davangere and Mandya districts. Rice post harvest technology has come a long way over the past three decades. Now, more than 50 per cent of the overall rice production is processed by modern mills, with a growth of only about 40 per cent in traditional mills, and about 10 per cent by hand pounding. Fifty per cent of the total paddy production is parboiled. The CFTRI method of parboiling is used mostly by modern mills which drastically reduces soaking time and improves rice quality. The sustained growth of any processing industry depends on the viability which is largely determined by the cost of production and management efficiency in processing.

The cost of production is one of the important variables influencing the profits which is also an indicator of management efficiency. Rice milling is not an exception to this. Over years in Karnataka, many rice processing units have been closed down, the reason for closer of conventional units and continued operation of modern units could be on account of managerial differences in procurement and processing of paddy. In this context, the study would benefit to analyze the procurement and

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