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RESEARCH PAPER

Comparison of minimum support price scheme for maize and paddy in north Karnataka

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ABSTRACT

MSP is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices to protect the producer- farmers- against excessive fall in price during bumper production years. The study was conducted during the year 2015-16 using the secondary data pertaining to the MSP for different crops and open market prices for paddy and maize in selected markets of Uttara Kannada and Belagavi districts. Compound growth rate were computed to comprehend the annual growth in MSP of agricultural commodities for the period from 2000-01 to 2015-16. It is revealed that the annual growth rate for MSP for all commodities were found to be positive.The growth rate of MSP for paddy and maize were 8.26 per cent and 8.62 per cent, respectively.The increase in MSP was not equitable to all the crops. Both open market prices and MSP had shown increasing trend but most of the years, open market prices for paddy and maize both were higher than the MSP in all the selected markets of UttaraKannada and Belagavi districtsand the percentage differences were not high. The influence of MSP on market price was not significant in paddy and maize. Hence, there is need to bring some improvement in the price policy to different crops for ensuring highest returns to the farmers to continue their production with the increase in cost of inputs especially the crops like paddy and maize.

KEY WORDS : Minimum support price, Paddy, Maize, APMC, Uttara Kannada, Belagavi

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Minimum support price is currently announced by the Government of India for 24 commodities including seven cereals (paddy, wheat, barley, sorghum, bajra, maize and ragi); five pulses (bengalgram, redgram, greengram, blackgram and lentil); seven oilseeds (groundnut, rapeseed/mustard, soybean, sunflower seed, sesamum, safflower seed and nigerseed); copra, raw cotton, raw jute and tobacco.

Such minimum support price are fixed at incentive level, so as to induce the farmers to make capital investment for the improvement of their farm and to motivate them to adopt improved crop production technologies to step up their production and thereby their net income. In the absence of such a guaranteed price, there is a concern that farmers may shift to other crops causing shortage in these commodities. The major

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objectives are to support the farmers from distress sales and to procure food grains for public distribution. In case the market price for the commodity falls below the announced minimum price due to bumper production and glut in the market, government agencies purchase the entire quantity offered by the farmers at the announced minimum price.

METHODOLOGY

Keeping in view the objectives of the study, a multistage random sampling procedure has been adopted for the selection of the districts, regulated markets and sample respondents. Two districts namely Belagavi and Uttara Kannada were selected for the study. From each market 60 farmers (20 marginal, 20 small and 20 medium farmers) were selected. From Uttar Kannada district paddy was selected and from Belagavi district maize was selected. Since, they are the major crops procured under minimum support price. Hence, the total sample size was 120.

The secondary data pertained to the growth, procurement, minimum support price and open market price were collected from the APMCs and Krishimaratavahini website from 2002-03 to 2015-16. For evaluating the specific objectives of the study, necessary primary data were obtained from the selected respondents, through personal interviews with the help of a pre-tested and structured schedule. The data collected pertained to the agricultural year 2015-16. The data collected from the respondents included production cost and returns, awareness among the farmers regarding procurement process and procurement practices. The method of personal interview was adopted to ensure that the data obtained from the respondents were relevant, comprehensive and reasonably correct and precise.

ANALYSIS AND DISCUSSION

The findings of the present study as well as relevant discussion have been summarized under the following heads :

Growth of MSP for cereals :

The MSP for cereals from 2000-01 to 2015-16 compound growth rate, R^2 value, intercept and t value are represented in Table 1. Among cereals, MSP for ragi showed the maximum growth of 10.35 per cent with

Table 1 : Compound annual growth rate of MSP for cereals (Rs./q)

Year	Paddy common	Paddy grade A	Sorghum	Bajra	Ragi	Maize	Wheat	Barley
2000-01	510	540	445	445	445	445	610	500
2001-02	530	560	485	485	485	485	620	500
2002-03	530	560	485	485	485	485	620	500
2003-04	550	580	505	505	505	505	630	525
2004-05	560	590	515	515	515	525	640	540
2005-06	570	600	525	525	525	540	700	550
2006-07	620	650	540	540	540	540	850	565
2007-08	745	775	600	600	600	620	1,000	650
2008-09	900	980	840	840	915	840	1,080	680
2009-10	1,050	1,080	840	840	915	840	1,100	750
2010-11	1,000	1,030	880	880	965	880	1,170	780
2011-12	1,080	1,110	980	980	1050	980	1,285	980
2012-13	1,250	1,280	1,500	1,175	1,500	1,175	1,350	980
2013-14	1,310	1,345	1,500	1,250	1,500	1,310	1,400	980
2014-15	1,360	1,400	1,530	1,250	1,550	1,110	1,450	1,100
2015-16	1,410	1,450	1,570	1,275	1,650	1,325	1,525	1,150
CAGR	8.26*	7.99*	10*	8.40*	10.35*	8.62*	7.55*	6.76*
R- square	0.93	0.93	0.86	0.92	0.88	0.91	0.90	0.90
Intercept	293.38	320.75	149.38	249.25	141.25	237.38	313.00	313.00
t- value	14.34	14.30	9.10	12.28	10.23	12.13	11.54	11.54

* indicates significance of value at P=0.01

the R^2 value was 0.88 indicating 88 per cent of total variation in MSP of ragi is due to time factor and lowest in case of barley with growth of 7.55 per cent and the R^2 value was 0.90 indicating 90 per cent of total variation in MSP of barley is due to time factor. CACP has recommended a higher MSP to boost domestic production and reduce country's dependence on imports and an increase in MSP may encourage farmer for greater sowing of cereals. These results were in line with the Shayequa *et al*. (2012).

Variation of market price from MSP in Gokak market for maize :

The market price and the MSP rate for maize in Gokak market for the corresponding period was collected from the year 2002-03 to 2015-16 are presented in the Table 2. With respect to maize crop in Gokak market, the MSP was higher than the average prices in only 2 years *viz.*, 2004-05 and 2005-06. The maximum difference between these two prices was observed in 2005-06, when the MSP was higher than average prices by 9 per cent. In the remaining years, MSP was less than the average prices. The maximum negative difference was observed in the year 2011-12, when the MSP was less than average prices by -204 per cent and in 2012-13 and 2010-11. When the MSP was less than the average prices by -133 per cent and -73 per cent, respectively. The reason may be due to low rainfall in the study area. The findings of the study are in line with the findings of Bogahawatte (1988).

Input utilization pattern in maize cultivation in Gokak taluk :

The input utilization pattern in maize cultivation in Gokak taluk has been discussed in Table 3. It has been observed that the seeds usage was maximum in case of medium farmers (17.25 kg/ha) followed by small (16.37 kg /ha) and marginal farmer (16.25 kg/ha). FYM usage was highest in case of medium farmers (6.00 t/ha) followed by small farmers (5.25 t/ha). The FYM usage by marginal farmers was found to be nil. Human labour utilization was maximum in case of medium farmers (82.9 man days) followed by small farmers (81.67 man days) and marginal farmers (69.50 man days). The bullock labour utilization was also maximum in case of marginal farmers and small farmers (6.12 bullock pairs) and least in case of medium farmers (5.75 bullock pair). The machine labour utilization was maximum in case of small farmers (15.27 hours) followed by medium (15.05 hours) and marginal farmers (12.37). It was also observed that the fertilizer usage was maximum in case of medium farmers (105.25 kg of urea, 118.75 kg of DAP and 50 kg of MOP) followed by small farmers (94.75 kg of urea, 112.5 kg of DAP and 37.50 kg of MOP) and marginal farmers (93.75 kg of urea, 106.25 kg of DAP and 62.50 kg of MOP). It was also observed that,in case of plant protection chemicals, small farmers were the maximum users, with 1.075 liters per hectare, followed by medium (0.82 lit per ha) and marginal farmers (0.625 lit per ha). Similar findings were found by Kerur *et al.* (1997).

Table 2 : Variation of market price from MSP in Gokak market for maize **(Rs./q)**

Year	Average price	MSP	Difference	% change
2002-03	519	490	-29	-6
2003-04	560	505	-55	-11
2004-05	513	515	2	0
2005-06	479	525	46	9
2006-07	612	540	-72	-13
2007-08	623	620	-3	0
2008-09	1,337	840	-497	-59
2009-10	1,015	840	-175	-21
2010-11	1,521	880	-641	-73
2011-12	2,980	980	-2,000	-204
2012-13	2,740	1,175	-1,565	-133
2013-14	1,989	1,310	-679	-52
2014-15	1,319	1,100	-219	-20
2015-16	1,379	1,325	-54	-4

Table 3 : Input utilization pattern in maize cultivation in Gokak taluka **(per ha)**

Sr. No.	Inputs	Units	Quantity		
			Marginal farmers (n=20)	Small farmers (n=20)	Medium farmers (n=20)
1.	Seed	kg	16.25	16.37	17.25
2.	FYM	t	-	5.25	6.00
3.	Human labour	man days	69.50	81.67	82.90
4.	Bullock labour	pair days	6.12	6.12	5.12
5.	Machine labour	hours	12.37	15.27	15.05
6.	**Fertilizers**				
	Urea	kg	93.75	94.75	105.25
	DAP	kg	106.25	112.50	118.75
	MOP	kg	62.5	37.50	50
	Complex fertilizers	kg	38.75	48.75	51.25
7.	Plant protection chemicals	lit	0.62	1.07	0.82

Table 4 : Cost and returns structure in maize cultivation in Gokak taluka **(Rs./ha)**

Sr. No.	Particulars	Marginal farmers (n=20)		Small farmers (n=20)		Medium farmers (n=20)	
		Cost	Per cent	Cost	Per cent	Cost	Per cent
1.	**Variable cost material cost**						
	Seed Rs. 150/ kg	2,437.5	5.47	2,455	4.63	2,587.5	4.78
	FYM	-		2,625	4.95	3,000	5.55
	Fertilizer	4,260	9.56	5,077.5	9.57	5,647.5	10.44
	Plant protection chemicals	125	0.28	215	0.41	165	0.31
2.	**Labour cost**						
	Human labour	13,900	31.19	16,335	30.78	16,580	30.65
	Bullock labour	4,287.5	9.62	4,287.5	8.08	4,025	7.44
	Machine labour	8,662.5	19.44	10,697	20.16	10,543.8	19.49
	Interest on working capital (7%)	2,357.08	5.29	2,918.5	5.50	2,978.5	5.51
	Total variable cost	36,029.5	80.85	44,610	84.06	45,527.5	84.17
3.	**Fixed cost**						
	Land revenue	50	0.11	50	0.09	50	0.09
	Depreciation	1,187.5	2.66	1,207.5	2.28	1,222.5	2.26
	Rental value on land	5,250	11.78	5,250	9.89	5,250	9.71
	Interest on fixed capital (12%)	778.5	1.75	780.9	1.47	782.7	1.45
	Total fixed cost	7,266	16.30	7,288	13.73	7,305.25	13.51
	Marketing cost	1,268.75	2.85	1,321.13	2.49	1,259.95	2.33
	Total cost	44,564.3	100	53,220	100	54,092.5	100
4.	**Returns**						
	Yield (q)	43.75		50		52.5	
	Returns Rs.1400/q	61,250		70,000		73,500	
	By product returns	3,750		4,500		5,000	
	Gross returns (Rs.)	65,000		74,500		78,500	
	Net returns (Rs.)	20,435.7		21,280		24,407.8	
	B:C ratio	1.45		1.39		1.45	

Cost and returns structure in maize cultivation in Gokak taluk :

The profitability aspects of maize cultivation in Gokak taluka during 2015-16 have been analyzed by computing per hectare cost and returns. The analysis was carried out for different farm sizes *i.e*. marginal, small and medium farmers and results are presented in Table 4. It could be observed from the table that per hectare cost of cultivation was more in medium farmers (Rs.54,092.5) compared to that in small farmers (Rs.53,220) and marginal farmers (Rs.44,564.3). Variable cost accounting for 84.17 per cent (Rs.45,527.5) in medium farmers, 84.06 per cent (Rs.44,610) in small farmers and 80.85 per cent (Rs.36,029.5) in marginal farmers. Among the variable costs share of human labour was highest. The share of fixed cost in marginal farmers was 16.30 per cent (Rs.7,266), in small farmers was 13.73 per cent (Rs.7,288.5) and in medium farmers was 13.51 per cent (Rs.7,305.25). The average yields of maize in different farm sizes are presented. In marginal farmers yield was 43.75 quintal per hectare, in small farmers and medium farmers the yield was 50 quintal per hectare and 52.5 quintal per hectare, respectively. The gross returns were Rs.65, 000 in marginal farmers. Rs. 74,500 in small farmers and Rs. 78,500 in medium farmers. The gross returns were higher in medium farmers than compared to the small and marginal farmers. Similar findings were found by Kerur *et al*. (1997).

Awareness of farmers about MSP scheme in Gokak taluk :

To study the awareness of farmers about MSP scheme in Gokak district farmers were interviewed and are presented in the Table 5. About 30.00 per cent of marginal farmers, 32.50 per cent of small farmers and 35.00 per cent of medium farmers were having awareness about MSP, among these farmers most of them got information from newspaper/TV/radio (17.50 % of marginal farmers, 22.50 % of small farmers and 25.00 % of medium farmers) and neighbours/friends (12.50 % of marginal farmers 17.50 % of small farmers and 20 % of medium farmers) This may be because of easy contact with neighbours/friends and accessibility of newspapers/TV/radio to the farmers. Also APMC's were important source of information to the farmers 15.00 per cent of marginal farmers, 17.50 per cent of small farmers and 20.00 per cent of medium farmers, since farmers sell their commodities in the APMC's. All the farmers whoever aware of MSP scheme were also aware that MSP is announced by government about

Table 5 : Awareness of farmers about MSP scheme in Gokak taluka

Sr. No.	Particulars	Percentage of farmers		
		Marginal farmers (n=40)	Small farmers (n=40)	Medium farmers (n=40)
1.	Awareness about MSP	30.00	32.50	35.00
2.	Sources of information			
	Raitha Samparka Kendra	10.00	10.00	12.50
	APMC	15.00	17.50	20.00
	Agricultural department	7.50	7.50	7.50
	Marketing federation	0.00	5.00	5.00
	KFCS	2.50	2.50	2.50
	SWC	2.50	5.00	7.50
	News paper/TV/radio	17.50	22.50	25.00
	Neighbours/friends	12.50	17.50	20.00
3.	Aware that MSP is announced before sowing season	0.00	5.00	5.00
4.	Aware that MSP is announced separately for *Kharif* and *Rabi* season	10.00	10.00	12.50
5.	Aware that MSP is announced totally for 26 commodities	12.50	15.00	12.50
6.	Aware that MSP is announced by government	20.00	22.50	27.50
7.	Aware that Bengal gram/ groundnut are procured by government agencies at MSP if market price falls	5.00	10.00	12.50
8.	Aware that farmers can sell only FAQ quality produce at procurement centre	22.50	25.00	30.00
9.	Aware that quantity restriction is imposed for sale while procuring	20.00	22.50	25.00

20.00 per cent of marginal farmers, 22.50 per cent of small farmers and 27.50 per cent of medium farmers were aware that they sell only FAQ quality produce at procurement centre and 22.50 per cent of marginal farmers, 25.00 per cent of small farmers and 30.00 per cent of medium farmers, aware that quantity restriction is imposed for sale while procuring the commodities under MSP.These results were in line with Jaffar *et al.* (2006).

Variation of market price from MSP in Sirsi market for paddy in Uttara Karnataka district :

The market price and the MSP rate for paddy in Sirsi market for the corresponding period was collected from the year 2002-03 to 2015-16 are presented in the Table 6. The paddy crop was selected in Sirsi market and the analysis showed that MSP was less than the average prices in only 3 years *viz.*, 2002-03, 2004-05 and 2013-14. The maximum difference among the three year was in 2013-14, when the MSP was less than average prices by -22 per cent. In the remaining years, MSP was higher than the average prices and the maximum positive difference year. These results were in line with Yuanlong *et al.* (2008).

Input utilization pattern in paddy cultivation in Uttara Kannada district :

The input utilization pattern in paddy cultivation in Uttara Kannada district has been discussed in Table 7. It has been observed that the seeds usage was maximum

Table 6 : Variation of market price from MSP in Sirsi market for paddy in Uttara Kannada district **(Rs./q)**

Year	Average price	MSP	Difference	% change
2002-03	539	530	-9	-2
2003-04	548	550	3	0
2004-05	570	560	-10	-2
2005-06	536	570	34	6
2006-07	550	580	30	5
2007-08	617	645	28	4
2008-09	771	850	79	9
2009-10	958	1,000	42	4
2010-11	974	1,000	26	3
2011-12	970	1,080	110	10
2012-13	1,236	1,250	14	1
2013-14	1,603	1,310	-293	-22
2014-15	1,358	1,360	2	0
2015-16	1,394	1,410	16	1

Table 7 : Input utilization pattern in paddy cultivation in Uttara Kannada district **(per ha)**

Sr. No.	Inputs	Units	Quantity		
			Marginal farmers (n=40)	Small farmers (n=40)	Medium farmers (n=40)
1.	Seed	kg	90.00	94.50	96.25
2.	FYM	t	4.42	5.02	4.85
3.	Human labour	Man days	68.35	72.30	71.92
4.	Bullock labour	Pair days	9.02	9.22	9.07
5.	Machine labour	Hours	7.12	8.87	8.55
6.	Fertilizers				
	Urea	kg	126.55	120.3	125
	DAP	kg	117.17	115.62	117.17
	MOP	kg	50.30	53.12	54.57
	Complex fertilizers	kg	50	59.37	65.62
7.	Plant protection chemicals	lit	0.95	1.3	1.17

in case of medium farmers (96.25 kg/ha) followed by small (94.5 kg /ha) and marginal farmer (90 kg/ha). FYM usage was highest in case of small farmers (5.02 t/ha) followed by medium farmers (4.85 t/ha) and marginal farmers (4.42 t/ha).

With respect to labour, it was observed that human labour utilization was maximum in case of small farmers (72.30 man days). This was followed by medium farmers (71.92 man days) and marginal farmers (68.35 man days). It was observed that small farmers and medium farmers (9.22 and 9.07 bullock pairs) were using bullock labour more than marginal farmers (9.02 bullock pairs). However, when it came to machine labour, medium farmers (8.55 hours) were using more than small (8.87 hours) and marginal farmer (7.12 hours). When it came to fertilizer usage, small farmers were again the maximum users. On an average small farmers used 120.3 kg of urea, 115.62 kg of DAP, 53.125 kg of MOP and 59.37 kg of complex fertilizers compared to medium farmers (125 kg of urea, 117.17 kg of DAP, 54.57 kg of MOP and 65.62 kg of complex fertilizers) and marginal farmers (126.55 kg of urea, 117.17 kg of DAP, 50.3 kg of MOP and 50 kg of complex fertilizers), respectively. In case of plant protection chemicals, it was found that small farmers used more pesticides (1.3 lit) compared to medium farmers (1.17 lit) and marginal farmers (0.95 lit). It can be said that small and medium farmers are on par when it comes to input utilization. Comparatively, marginal farmers use less input. The results are in line with the Nwinya *et al.* (2014).

Cost and returns structure in paddy cultivation in Uttara Kannada district :

The profitability aspects of paddy cultivation in

Table 8 : Cost and returns structure in paddy cultivation in Uttara Kannada district **(Rs./ha)**

Sr. No.	Particulars	Marginal farmers (n=40)		Small farmers (n=40)		Medium farmers (n=40)	
		Cost	Per cent	Cost	Per cent	Cost	Per cent
1.	**Variable cost / Material cost**						
	Seed @ Rs. 25/kg	2,250	4.96	2,362.5	4.89	2,406.2	5.01
	FYM@ Rs. 500/t	2,212.5	4.88	2,512.5	5.20	2,425	5.05
	Fertilizer	5,302.85	11.70	5,417	11.21	5,610.5	11.68
	PPC @ Rs. 200/litre	190	0.42	260	0.54	235	0.49
2.	**Labour cost @ Rs. 200/day**						
	Human labour	13,670	30.15	14,460	29.92	14,385	29.96
	Bullock labour	6,317.5	13.93	6,457.5	13.36	6,352.5	13.23
	Machine labour	4,987.5	11.00	6,212.5	12.86	5,985	12.46
	Interest on working capital (7%)	2,445.1	5.39	2,637.73	5.46	2,617.93	5.45
	Total variable cost	37,375.5	82.43	40,319.7	83.43	40,017.2	83.34
3.	**Fixed cost**						
	Land revenue	50	0.11	50	0.10	50	0.10
	Depreciation	1,200	2.65	1,222.5	2.53	1,240	2.58
	Rental value on land	5,250	11.58	5,250	10.86	5,250	10.93
	Interest on fixed capital (12%)	780	1.72	782.7	1.62	784.8	1.63
	Total fixed cost	7,280	16.06	7,305.25	15.12	7,324.75	15.26
	Marketing cost	687.5	1.52	700	1.45	672.5	1.40
	Total cost of cultivation	45,343	100	48,325	100	48,014.4	100
4.	**Returns**						
	Yield (q)	26.25		27.52		29.50	
	Returns @ Rs. 1420/q	38,062.5		39,911.3		42,775	
	By product	2.75		3.9		4	
	Returns @ Rs. 1000/t	2,750		3,900		4,000	
	Gross returns (Rs.)	40,812.5		43,811.3		46,775	
	Net returns (Rs.)	-4,530.5		-4,513.8		-1,239.5	
	B:C ratio	0.90		0.91		0.97	

Uttara Kannada district during 2015-16 have been analyzed by computing per hectare cost and returns. The analysis was carried out for different farm sizes *i.e.* marginal, small and medium farmers and results are presented in Table 8. It could be observed from the table that per hectare cost of cultivation was more in small farmers (Rs.48, 325) compared to that in medium farmers (Rs. 48,014.4) and marginal farmers (Rs. 45, 343). The medium farmers also used slightly more quantity of inputs than compared to marginal farmers. The share of variable cost in total cost was highest in case of all farmers accounting for 83.43 per cent (Rs.40, 319.7) in small farmers, 83.34 per cent (Rs. 40,017.2) in medium farmers and 82.43 per cent (Rs.37, 375.5) in marginal farmers. Among the variable costs share of human labour was highest followed by cost of fertilizers.

The share of fixed cost in marginal farmers was Rs.7, 280 (16.06%), in small farmers was Rs.7, 305.25 (15.12%) and in medium farmers was Rs.7, 324.75 (15.26%). The average yields of paddy in different farm sizes are presented. In marginal farmers yield was 26.25 quintal per hectare, in small farmers and medium farmers the yield was 27.52 quintal per hectare and 29.5 quintal per hectare, respectively. The gross returns were Rs. 40,812.5 in marginal farmers, small farmers of Rs. 43,811.3 and Rs. 46,775 in medium farmers. The B:C ratio was 0.90 in marginal farmers, 0.91 in small farmers and 0.97 in medium farmers. The results are in line with the Nwinya *et al.* (2014).

Awareness of farmers about MSP scheme in Uttar Kannada district :

To study the awareness of farmers about MSP scheme in Uttara Kannada district farmers were interviewed and are presented in the Table 9. About 35.00 per cent of marginal farmers, 42.50 per cent of small farmers and 45.00 per cent of medium farmers were having awareness about MSP, among these farmers most of them got information from news paper/TV/radio (20.00 % of marginal farmers, 25.00 % of small farmers and 25.00 % of medium farmers) and neighbours/friends (10.00 % of marginal farmers 12.50 % of small farmers and 17.50 % of medium farmers) also APMC's were important source of information to the farmers 15.00 per cent of marginal farmers, 17.50 per cent of small farmers and 17.50 per cent of medium farmers, since farmers sell their commodities in the APMC's. All the farmers whoever aware of MSP scheme were also aware that MSP is announced by government about 10.00 per cent of marginal farmers, 17.50 per cent of small farmers and 22.50 per cent of medium farmers were aware that they sell only FAQ quality produce at procurement centre and 12.50 per cent of marginal farmers, 15.00

Table 9 : Awareness of farmers about MSP scheme in Uttara Kannada district

Sr. No.	Particulars	Percentage of farmers		
		Marginal farmers (n=40)	Small farmers (n=40)	Medium farmers (n=40)
1.	Awareness about MSP	35.00	42.50	45.00
2.	Sources of information			
	Raitha Samparka Kendra	7.50	10.00	12.50
	APMC	15.00	17.50	17.50
	Agricultural department	5.00	5.00	7.50
	SWC	2.50	5.00	7.50
	News paper/TV/radio	20.00	25.00	25.00
	Neighbours/friends	10.00	12.50	17.50
3.	Aware that MSP is announced before sowing season	2.50	7.50	10.00
4.	Aware that MSP is announced separately for *Kharif* and *Rabi* season	5.00	5.00	7.50
5.	Aware that MSP is announced totally for 26 commodities	10.00	12.50	15.00
6.	Aware that MSP is announced by government	10.00	17.50	22.50
7.	Aware that paddy are procured by government agencies at MSP if market price falls	2.50	2.50	5.00
8.	Aware that farmers can sell only FAQ quality produce at procurement centre	12.50	15.00	17.50
9.	Aware that quantity restriction is imposed for sale while procuring	5.00	10.00	12.50

per cent of small farmers and 17.50 per cent of medium farmers, aware that quantity restriction is imposed for sale while procuring the commodities under MSP.These results were in line with Meena and Reddy (2013).

Conclusion :

The annual growth rates for MSP for all commodities were found to be positive.The growth rate of MSP for paddy and maize were 8.26 per cent and 8.62 per cent, respectively. The increase in MSP was not equitable to all the crops.Both open market prices and MSP shown increasing trend but most of the years, open market prices for both maize and paddy were higher than the MSP in all the selected APMC markets of Uttara Kannada and Belagavi. The percentage differences were not high. The influence of MSP on market price was not significant in maize and paddy. Even though during some years MSP was higher than the open market prices most of the farmers sell their commodities to the traders, it may because of the reasons such as understandings between traders and farmers, inability of farmers to store produce until the procurement under MSP starts, early payment by traders etc. Hence, there is need to bring some improvement in the price policy to different crops in ensuring highest returns to the farmers to continue their production with the increase in cost of inputs especially the crops like maize and paddy.

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