

RESEARCH PAPER

# Comparative analysis of performance of Andhra Pradesh seeds corporation vs. private seed companies in Chittoor district

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Received : 02.12.2016; Revised : 09.03.2017; Accepted : 22.03.2017

## ABSTRACT

Seeds form the crucial input of agriculture. A sound seed sector in terms of quality and quantity can only support the agriculture sector of a huge country like India. Although, the AP seeds corporation is running with profits, the demand for further strengthening and expansion of the corporation has been increasing. In order to further compete with other competitors in producing quality seeds, it has to be alert and improve in all the aspects of seed production, distribution, marketing etc. SWOT analysis is a strategic planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. The objective of the research is to evaluate the performance of AP seeds vs. the private seed companies in Chittoor district of Andhra Pradesh through SWOT analysis and to develop a strategy for effective functioning of the organization. With consistence performance in all functional areas of the corporation, endeavor is to make AP seeds a benchmark seed company with the best of research, innovation and product development.

**KEY WORDS :** Andhra Pradesh seed industry, AP seeds corporation, SWOT analysis, Strengths, Weaknesses, Opportunities, Threats

**How to cite this paper :** Kiran, S. Tej and Sastry, T.V. Neelakanta (2017). Comparative analysis of performance of Andhra Pradesh seeds corporation vs. private seed companies in Chittoor district. *Internat. J. Com. & Bus. Manage*, 10(1) : 34-37, DOI: 10.15740/HAS/IJCBM/10.1/34-37.

**A**round 200 companies are involved in development and marketing of seeds in India. Andhra Pradesh is one of the leading seed producing States in the country, comprising seven (7) distinct agro-climatic zones. The extensive network of seed growers all across the state, with a rich tradition of seed production and

varietal improvements has enabled a strong core production of crops at comparatively lower costs with higher yields per unit.

AP seeds corporation was set up with active joint participation of Government of Andhra Pradesh, Government of India through National Seeds Corporation, and shareholder farmers in the state. AP seeds, Srikalahasti has appointed district co-operative Marketing Societies and licensed dealers on commission basis in the Chittoor district. Apart from this the corporation has opened own seed counters in the needy remote zones of the district to benefit the farmers. The seeds are supplied to the dealers on cash and carry basis. The corporation has never entertained the credit system.

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On an average 1,37,929 quintals of seed was supplied through all the above outlets per annum.

The main objective of the Andhra Pradesh State Seeds Development Corporation Limited is to produce good quality seeds for timely supply to the farmers in the state at reasonable prices. It sub-serves the Department of Agriculture in meeting the seed requirements of the state of Andhra Pradesh, apart from sustainable varietal replacements and introduction of high yielding hybrids and varieties for increased agricultural productivity.

It is also an important task for the AP Seeds Corporation to ensure the availability of seed to meet contingent situations like drought or flood, so the farming community can access alternate crops and ensure food security. The objective of the study is to analyze the performance of the AP seeds corporation vs. the private seed corporations in Chittoor district.

SWOT analysis is an acronym for the internal strengths and weaknesses of firm and the external opportunities and threats facing by that firm. A good fit maximizes a firm's strengths and opportunities and minimizes its weaknesses and threats. The findings of the study could be gainfully utilized by the administrators, scientists related to production of quality seed, managements of various seed industries, students and new entrepreneurs entering into the seed business activity.

The managers and technical personnel can apply the SWOT analysis for identifying various weaknesses and threats of the corporation and take various steps in converting them into possible opportunities and strengths, respectively.

Analysis was done to expose the strengths, weaknesses, opportunities and threats of the AP Seeds Corporation against the private seed companies which will help the management of AP Seeds to take a decision to overcome the weaknesses and possible threats of the corporation.

**METHODOLOGY**

A case study design was adopted for the research to study the issues and frame up the problem statement. Detailed analysis has been undertaken to understand various trends and performances and undertake a problem solving process and suggest the recommendations to the corporation. AP Seeds

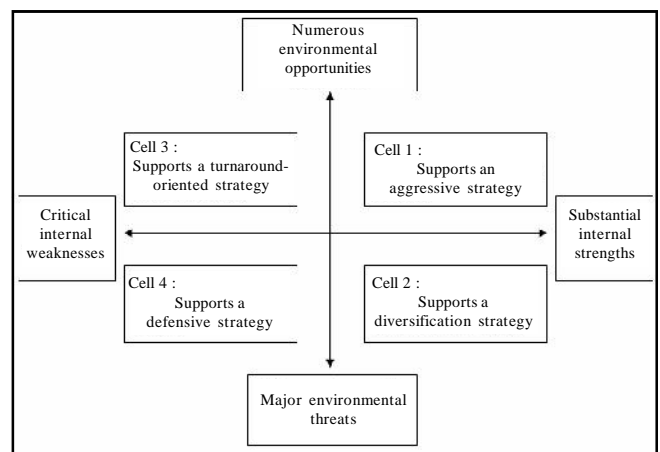
Corporation, Srikalahasti, Chittoor district was purposively selected for the study.

Three mandals – Srikalahasti, Yerpedu and Tottembedu were purposively selected based on highest amount of certified paddy seed production and from these 10 villages were selected purposively based on the number of farmers involved in the seed production activity.

The sample for the study was taken as 110 respondents comprising 10 officials related to the corporation, 10 dealers selected randomly from list of the total seed dealers covered by the corporation. From the selected villages 90 farmers were selected randomly. A specially designed schedule was used for the collection of data from the officials, seed dealers and the farmers.

District	Mandal	Village
Chittoor	Srikalahasti	Muchivolu
		Kapu Gunneri
		Thondamanadu
	Yerpedu	Akkurthy
		Gudimallam
		Modugulapalem
		Merlapaka
	Tottembedu	Bonupalli
		Chittatoor
		Chemuru

Regarding analysis of data, apart from simple tabular analysis, SWOT analysis was used (Fig. A). SWOT analysis is a historically popular technique through which managers create a quick overview of a company's



**Fig. A : SWOT analysis diagram**

strategic situation. It is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s internal resources (strengths and weaknesses) and its external situation (opportunities and threats).

## ANALYSIS AND DISCUSSION

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

### **The important challenges to the corporation based on the analysis are :**

Withdrawal of subsidy on seeds, threat of rejection due to isolation, threat of damage to seed due to improper storing, competition from the private seed companies and dealers, black marketing by suppliers during shortage of a popular variety, frequent changes in the policies by the state and central governments.

### **The weaknesses of the corporation perceived by the majority of the respondents are :**

Lack of Government of India policy to encourage the Primary Agricultural Co-operative Societies to organize seed production activity, lack of extensive Research for the development of varieties compared to private seed organizations, insufficient logistics storage, transport, warehousing, delay in packing of certified seed lots because of delay in the results from quality control lab, compensation rates based on the market prices prevailing at the time of agreement, lack of support to the dealers from banks, cumbersome reporting and documentation work, poor management information system and lack of computer application knowledge to the staff.

### **The strengths of AP seeds perceived by the respondents as per the analysis are :**

Vertical support from Government of India organizations viz., NSC/SFCI, ICAR and State Agricultural Universities, support from Department of Agriculture, forecasting demand and planning, feedback from seed officers/dealers/farmers, organization production/multiplication, support of shareholders and farmers organizations, better extension service, good co-ordination from seed certification agency and quality control officials, co-operation of processing staff/labour to the farmers, timely payment of compensation, high

acceptance of AP seeds varieties by the farmers.

### **The opportunities to AP seeds that have been opined by the respondents are :**

Support from the government of India, seasonal co-ordination meetings, knowledge updating and training of the staff, involvement of Co-operative Societies for seed production, opportunity to expand seed production in new potential areas, adopting staggered sowing, plan to replace old condemned machinery, plan to construct new processing plants to decentralize the processing, strengthening the quality control lab, selling vegetable seeds which is having high demand in the district, compensation based on purity per cent, opening of more sales counters.

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