



Research Paper

Economics of production and marketing of vegetables through self-help group

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ABSTRACT : In this study an attempt has been made to study the “Economics of vegetable production activity of self-help groups in Amravati district” with view to work out the economics of vegetable production activity performed by self-help groups and to study marketing of vegetables. The study revealed that the average fixed capital investment of self-help groups on capsicum production under shed net was Rs. 46387.81. The cost of production in case of vegetables was Rs.25428.08 per 1089 sq ft (Dasgupta, 2001). Total income obtained from capsicum production was Rs.27051.34. The Input-Output ratio in capsicum production was 1:1.53. Two channels were identified in marketing of capsicum. In channel I The total marketing cost incurred by producer in capsicum estimated amounts Rs. 173.00 which includes commission charges Rs. 146.18. Producer share in consumer rupee was 92.75 per cent. In case of capsicum price spread was estimated Rs. 220. The total marketing cost incurred by producer in capsicum estimated amounts Rs. 253.56 which includes commission charges Rs. 228.4. The total marketing cost of wholesaler and retailer was Rs.4.43 and Rs.9.24, respectively. Market margin of wholesaler and retailer was Rs. 295.57 and Rs. 316.76, respectively. Producer share in consumer rupee was 81.78 per cent. In case of capsicum price spread was estimated Rs. 626.

KEY WORDS: Economics, Vegetable production, Self-help groups

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INTRODUCTION :

Fast growing populations tend toward deprivation by default. Increasing population densities have also rendered lives of people inevitably interdependent, offering little scope for segregation. Even social factors like religion, region, language, culture etc serve as ready fractures for strife in times of deprivation. In such scenarios, in the absence of social paradigms for peaceful, synergistic and productive human co-existence, life eventually tends to become predatory. Anti-poverty or

welfare measures, launched by elected governments often tend to miss the targeted population or those outlays are absorbed as entitlements by the population; such measures are yet to achieve strategic, comprehensive and sustainable development. Reciprocity is one of the basic tendencies of nature and man has, time and again, consciously forged mutually fulfilling relationships. One such mechanism in recent years in our country has been the self-help groups. Remarkably it is the women in India which have dominated this socio-economic phenomenon and have rendered it a promising vehicle for development

vindicating what Dr. Mohamed Yunus, Economist and Nobel laureate, founder of the Grameen Bank of Bangladesh observed decades earlier, that “women are good social investors and give more mileage to the rupee earned” (Joshi, 2004).

Though the advent of self-help groups is widely linked with the innovation of the Grameen Bank Model in Bangladesh in 1983 by Dr. Mohamed Yunus, it should be noted that India too has a rich tradition of informal grass root credit institutions, especially of the rotating variety such as the Chit funds, non-rotating variety such as bishtis (in Maharashtra). NGOs such as SEWA (Self-employed women Associations) established in Gujarat in 1974, MYRADA in early 1980s organised SHGs of poor rural women encouraging their members to meet and save regularly and lend out their savings to each other for consumption and petty production requirements (Nair, 2006). The self-help group movement has been a global one with microfinance establishing its roots in many countries. In 1988-89, NABARD conducted a survey of NGOs in the country to gain insights into their working and consequently launched a pilot project in 1992 for linking 500 SHGs with commercial banks, which was later extended to co-operatives and Regional Rural banks in 1993. In brief the period from 1992 to 1995 can be considered as the ‘Pilot testing phase’, the period from 1996 to 1998 as the ‘Mainstreaming phase’ and the period from 1998 onwards as the ‘Expansion phase’ of the SHG – Bank Linkage programme.

The main objective of the study was to work out economics of vegetable production performed by SHG.

MATERIALS AND METHODS :

For the present study, four tahsils viz., Amravati, Dhamangaon (R), Chandur Railway and Nandgaon (Khandeshwar) of Amravati district of Maharashtra state were purposively selected, on the basis of more development of SHG movement. Out of the vast number of SHGs observed in selected area only SHGs engaged in economic activities were selected. SHGs observed to be involved in various economic activities, out of which only agriculture related activity namely vegetable production was selected. Total ten SHGs were selected from district. SHG activity was randomly selected from each tehsil on the basis of availability of activity in that locality. Simple tabular analysis method was used for analysis of data.

RESULTS AND DATA ANALYSIS :

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

Fixed capital investment in shade net house erection :

The cost of shade net house construction/erection depends upon the total area of shade net house, quality and quantity of steel used and additional facilities like shading net, support net, etc. However, the sample shade net house owners from the selected district owned the naturally ventilated type of shade net houses. The details are presented in Table 1. It has been observed that the total fixed capital investment for shade net house establishment was Rs. 46387.81. The cost of shade net structure was Rs. 29803.63 shared 64.25 per cent, which was high among the other items of fixed cost. Value of land, Electric installation and drip irrigation system was Rs.9963.54, Rs.2701.29 and Rs.3080.12. Whereas, Land preparation cost was near about 1.81 per cent.

Table 1 : Cost of establishment of shed net (1089sq. ft.)

Sr. No.	Particulars	Values (Rs.)
1.	Value of land	9963.54 (21.48)
2.	Irrigation structure	3080.12 (6.64)
3.	Shed net structure	29803.62 (64.25)
4.	Electric installation	2701.29 (5.82)
5.	Land preparation	839.22 (1.81)
	Total establishment cost	46387.81(100)

(Figures in parentheses indicates percentage to the total fixed capital)

Cost of cultivation of vegetables in shade net :

The cost of cultivation of vegetable in shade net house is shown in Table 2. The total cost of cultivation of vegetables was Rs.17718.05. In the case of capsicum cultivation the cost of farm yard manure, cost of seeds, cost of plant protection chemicals, cost of chemical fertilizers was Rs.370.12, Rs.127.77, Rs.791.22 and Rs.1059.90, respectively (Ramesh and Arumugam, 2010).

As vegetable cultivation considered fixed cost and variable cost, the share of fixed cost and variable cost worked out to the extent of 73.33 per cent and 26.67 per cent, respectively, which amounted Rs.12993.02 and Rs.4725.03, respectively. Among these costs, the land rent shared 25.41 per cent, labour cost shared 11.90 per

Table 2 : Cost structure of capsicum production

Sr. No.	Particulars	Value (Rs.)
1.	Farm yard manure	370.12 (2.09)
2.	Seeds	127.77 (0.72)
3.	Plant protection chemicals	791.92 (4.47)
4.	Chemical fertilizers	1059.90 (5.98)
	Total	2349.71 (13.26)
Total labour cost		
1.	Seed bed preparation and sowing	53.08 (0.30)
2.	FYM application	58.98 (0.33)
3.	Hand weeding	39.80 (0.22)
4.	Land preparation and planting	448.09 (2.53)
5.	transportation of FYM	123.45 (0.70)
6.	FYM application	98.45 (0.56)
7.	Spraying of PPC	182.62 (1.03)
8.	Fertilizers application	79.71 (0.45)
9.	Irrigation	169.36 (0.96)
10.	Staking and pinching	199.23 (1.12)
11.	Weeding and inter-cultivation	243.08 (1.37)
12.	Harvesting	412.03 (2.33)
	Total labour cost	2107.86 (11.90)
	Variable cost	4457.57 (25.16)
13.	Interest on working capital@ 6%	267.45 (1.51)
	Total variable cost	4725.03 (26.67)
Fixed cost		
14.	Depreciation	1159.70 (6.55)
15.	Rental value of land	4502.22 (25.41)
16.	Land revenue	4.96 (0.03)
17.	Interest on fixed capital 10%	1159.70 (6.55)
18.	Establishment cost	6166.45 (34.80)
	Total fixed cost	12993.02 (73.33)
	Total cost (I+II)	17718.05 (100.00)

(Figures in parentheses indicates percentage to the total cost)

cent, interest on fixed capital 6.55 per cent, plant protection 4.47 per cent, fertilizer charges 5.98 per cent, depreciation 6.55 per cent (Sengar and Kothari, 2008).

Yield and return from capsicum in shade net house:

It could be seen from the Table 3 that, the average total yield obtained and price received in the pooled sample groups were 960.63 kg and Rs. 28.16/kg, respectively. Gross income and net income obtained from vegetables is Rs. 27051.34 and Rs.9336.21, respectively. While benefit cost ratio was 1:1.53.

Table 3 : Yield and return from capsicum in shade net house

Particulars	Value (Rs.)
Total yield (kg)	960.63
Price (Rs./ kg)	28.16
Total cost	17718.05
Total returns	27051.34
Net returns	9336.21
B:C ratio	1.53

Marketing aspects of capsicum :

Channel I : Producer → Consumer

The total marketing cost incurred by producer in capsicum estimated amounts Rs. 173.00 which includes commission charges Rs. 146.18. Producer share in consumer rupee was 92.75 per cent. In case of capsicum price spread was estimated Rs. 220 (Bhegade, 2002) (Table 4).

Table 4 : Marketing cost of capsicum for one quintal

Sr.No.	Particulars	Capcicum
1.	Selling price of producer	2816.00
Marketing cost incurred by producer		
1.	Loading and unloading	2.38
2.	Cost of bag / caret	10.18
3.	Transportation	11.25
4.	Weighing charges	1.75
5.	Commission	146.18
6.	Miscellaneous charges	1.26
	Total	173.00
	Consumer purchase price	3036.00
	Price spread	220.00
	Producer share in consumer rupees	92.75

Marketing cost of capsicum for one quintal :

Channel II : Producer → Wholesaler → Retailer → Consumer

The total marketing cost incurred by producer in capsicum estimated amounts Rs. 253.56 which includes commission charges Rs. 228.4. The total marketing cost of wholesaler and retailer was Rs.4.43 and Rs.9.24, respectively. Market margin of wholesaler and retailer was Rs. 295.57 and Rs. 316.76, respectively. Producer share in consumer rupee was 81.78 per cent. In case of capsicum price spread was estimated Rs. 626 (Table 5).

Conclusion:

The average fixed capital investment of self-help

Table 5 : Marketing cost of capsicum for one quintal

Sr.No	Particulars	Capsicum
1.	Selling price of producer	2810
Marketing cost incurred by producer		
1.	Loading and unloading	2.56
2.	Cost of bag / caret	9.25
3.	Transportation	11.05
4.	Weighing charges	1.44
5.	Commission	228.4
6.	Miscellaneous charges	0.86
	Total	253.56
Marketing cost incurred by wholesaler		
1.	Weighing charges	1.04
2.	Hamali	2.27
3.	Market cess	1.12
4.	Market margin of wholesaler	295.57
5.	Sale price of wholesaler	3110.00
	Total	4.43
Marketing cost incurred by retailer		
1.	Transportation	6.31
2.	Hamali	1.75
3.	Market cess fund	1.18
	Total	9.24
1	Sell price of retailer	3436.00
2.	Market margin of retailer	316.76
3.	Total marketing cost	267.23
4.	Consumer purchase price	3436.00
5.	Price spread	626.00
6.	Producer share in consumer rupee	81.78

groups on vegetable production under shed netwas Rs. 46387.81. The cost of production in case of vegetables was Rs.25428.08 per 1089 sq.ft. Total income obtained from vegetable production was Rs.27051.34. The input-output ratios in dairy unit were 1:1.53. In channel I The total marketing cost incurred by producer in capsicum estimated amounts Rs. 173.00 which includes commission

charges Rs. 146.18. Producer share in consumer rupee was 92.75 per cent. In case of capsicum price spread was estimated Rs. 220. The total marketing cost incurred by producer in capsicum estimated amounts Rs. 253.56 which includes commission charges Rs. 228.4. The total marketing cost of wholesaler and retailer was Rs.4.43 and Rs.9.24, respectively. Market margin of wholesaler and retailer was Rs. 295.57 and Rs. 316.76, respectively. Producer share in consumer rupee was 81.78 per cent. In case of capsicum price spread was estimated Rs.626.00.

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