



Economic Analysis of Mustard Production by Members of Farmer Producer Organization in Swai Madhopur District of Rajasthan

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ABSTRACT

An attempt has been made to study the economic analysis of mustard production by members of farmer producer organization in Swai Madhopur district of Rajasthan State, India. The study was conducted in Chauth Mata Agro Producer Company Limited, Chauth ka Barwada blocks in Swai Madhopur district. Eighty farmers were selected randomly from ten villages from these blocks to collect the required information on the cost of cultivation and other aspects for the present study. The primary data were collected from the mustard producers through personal interview method with the help of well-prepared schedule and questionnaire for the production and post-harvest year for Rabi mustard 2017-18. The analysis of cost of cultivation was done as per Cost concept given by CACP. The average cost of cultivation of mustard of member and non-member of Farmer Producer Organization (FPO) were worked out as Rs. 43,900 /ha and Rs. 45,195/ha, respectively. Input-output ratios of member and non-member farmers of FPO were worked out as 1: 1.29 and 1:1.20, respectively. Out of average cost of cultivation, the operational cost was Rs. 29,320/ha and Rs. 30,595/ha, respectively and fixed cost was Rs. 14,580/ha and Rs. 14,600/ha, respectively of the total cost. The study suggested that urgent attention must be paid towards enhancing the productivity of mustard crop by providing improved and high yielding varieties, technology, irrigation, price support, policy and effective extension through formation of FPOs.

Key Words: Cost of Cultivation, Input-output ratio, Net Income.

INTRODUCTION

Agriculture is an important sector for economic development and a requirement for poverty alleviation and overall economic development. Although its contribution to the country's gross domestic product (GDP) is around 15 per cent, its share in total employment is about 44 per cent (Anon, 2017). In the present Indian context of rapid changes, agricultural sector is facing severe challenges like declining per capita agricultural land availability (due to increased fragmentation of land holdings), declining natural resource base, increasing demand of land for non-agricultural purposes due to urbanization and industrialization, breaking of joint to nuclear families, disinterest or

disenchantment of youth towards agriculture, lack access to credit, market information, input price change, lack of technical adoption etc. So, more than 40 per cent of farmers did not like farming as a profession and would like to change their source of livelihood (Anon, 2003).

The small and marginal farmers constitute the largest group of cultivators in Indian agriculture. The share of small and marginal landholding in total landholding has increased from 80.8 per cent in 2000-01 to 85 per cent in 2010-11 due to increased fragmentation of land holdings. The average sized holding in country is 1.15 ha. The small and marginal farmers require agricultural inputs in small quantities which they buy from local traders

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at a price 20-30 per cent higher than the market rate (Dev, 2005). Therefore, a variety of approaches have emerged in response to the problems faced by the small and marginal farmers. The approach is the facilitation of collective action by small and marginal farmers such as Non Government Organizations (NGOs), Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) etc. The Government of India has identified a new form for collectivization of producer, especially small and marginal farmers, called Farmer Producer Organizations (FPOs). The FPOs registered under the special provisions of the company Act 1956.

The FPOs most appropriate institution from around which to mobilize to collectively leverage their production and marketing. The FPOs address the challenges faced by the small and marginal farmers, particularly those to do with augment access to investments, technology, efficient input and markets. The FPOs provide input supply services at low cost and quality inputs and procurement and packaging services for member farmers. The FPOs also provide direct marketing after procurement of agricultural produce as well as insurance and technical services to member farmers.

MATERIALS AND METHODS

Keeping in view the objective of the study, Chauth Mata Agro Producers Company Limited in Swai Madhopur district of Rajasthan state was purposively selected. Mustard is main Rabi crop in Swai Madhopur district. For each selected randomly villages, a separate list of mustard growing farmers was prepared and 80 farmers were selected. Out of these, 40 farmers each were member and non member of the farmer producer organization (FPO). The economic analysis was made as per cost concept analysis given by the commission for agricultural cost and prices (CACP) to work out the cost of cultivation. Total returns from mustard crop which included the value of main product as well as by product. The Net return calculated by deducting the total cost from the total return. The primary data were collected by survey method through

personal interview on well-structured and pre tested schedule, while secondary data were collected from books, journals, report and records of the district and block headquarters.

RESULT AND DISCUSSION

The data (Table 1) revealed that the average total cost of cultivation per hectare was found to be Rs.43,900/- and Rs.45,195/-, respectively. The cost of cultivation per hectare of non member farmers was 2.86 per cent more than member farmers of FPO. Out of this, operational cost was Rs. 29,320/- which accounted for 66.79 per cent and fixed cost was Rs. 14,580/- which accounted for 33.21 per cent of the total cost of member farmers. The non member farmers' operational cost was Rs. 30,595/- which accounted for 67.69 per cent and fixed cost was Rs. 14,600/- which accounted for 32.31 per cent of the total cost. The member farmers, rental value of owned land was the largest component in the total cost contributing up to 28.47 per cent of the total cost followed by human labour which was to the tune of 21.44 per cent and non member farmers also, rental value of owned land was the largest component in the total cost contributing up to 27.65 per cent of the total cost followed by human labour which was to the tune of 20.64 per cent. From the above observations, it can be seen that the cost of cultivation of member farmers was less than the non member farmers of the FPO. This difference was due to FPO which provided timely, chiefly and quality input, technical services and improved technology for member farmers.

Returns of member and non member farmers of FPO

The return from main product was Rs. 48,397/- which formed 84.99 per cent and Rs.46345/- which formed 85.31 per cent of the total returns by member and non member farmers, respectively. Net return obtained by the member and non member farmers from mustard production in the state was Rs. 13,047/ha and Rs.9,130/ha. Input-output ratio of member and non member farmers was 1:1.29 and 1:1.20 respectively.

Economics of Mustard Production

Table 1. Comparative cost of cultivation of mustard between member and non member of farmer producer organization (Rs. /ha).

Sr. No.	Item wise breakup of cost of cultivation		Member farmer (Rs.)	Non member farmer (Rs.)
i.	Human labour	Family	3,125 (7.12)	3,015(6.67)
		Hired	6,285(14.32)	6,325(13.99)
		Total	9,410(21.44)	9,330(20.64)
ii.	Animal labour	Hired	0(0)	0(0)
		Owned	2,050(4.67)	2,095(4.64)
		Total	2,050(4.67)	2,095(4.64)
iii.	Machine labour	Hired	4,750(10.82)	5,235(11.58)
		Owned	0(0)	0(0)
		Total	4,750(10.82)	5,235(11.58)
iv.	Fertilizer & Manure		5,725(13.04)	6,325(13.99)
v.	Seed		1,115(2.54)	1,245(2.75)
vi.	Plant protection		1,970(4.49)	2,130(4.71)
vii.	Irrigation charges		3,670(8.36)	3,510(7.10)
viii.	Interest on working capital		630(1.44)	725(1.60)
A	Total Operational Cost		29,320(66.79)	30,595(67.69)
	Rental Value of Owned Land		12,500 (28.47)	12,500 (27.65)
	Rent Paid For Leased-in-Land		0(0)	0(0)
	Depreciation on Implements & Farm Building		1,345(3.06)	1,245(2.75)
	Interest on Fixed Capital		735(1.67)	855(1.89)
B	Total Fixed Costs		14,580(33.21)	14,600(32.31)
	Cost of cultivation [A+B]		43,900(100)	45,195(100)

Figures in parentheses show the percentage of total cost of cultivation.

Table 2. Returns in mustard cultivation of member farmers and non member farmers.

Sr. No.	Item	Member farmer (Rs.)	Non member farmers (Rs.)
1.	Gross return from		
	Main product	48397 (84.99)	46345 (85.31)
	By product	8550 (15.01)	7980 (14.69)
2.	Total Return	56947 (100)	54325 (100)
3.	Cost of cultivation	43900	45195
4.	Net return	13047	9130
5.	Input-output ratio	1:1.29	1:1.20

Figures in parentheses show the percentage of total returns.

CONCLUSION

It was concluded that Farmer Producers Organizations (FPOs) were beneficial for the farmers. It was found that the member farmers of FPO got net return of Rs. 13,047/ha in comparison to non member farmers Rs. 9,130/ha. Similarly, the cost of cultivation of mustard crop incurred by member farmers was less than that of non member farmers. Likewise, input output ratio of member farmers was also high than non member farmers.

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