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# Economics of production of tomato in Nagpur district

# PJ Gedam, SM Sarap, KA Mahadik and AJ Godage

#### Abstract

Tomato is rich source of vitamins A, C, Potassium, Minerals and fibers. Tomatoes are used in the preparation of soup, salad, pickles, ketchup, puree and sauces and also consumed as a vegetable in many other ways. The study has based on cost structure, returns and profitability during the year 2021-22 based on primary data. The study was conducted in Nagpur, Hingana and Kuhi tahsils based on purposive sampling. Four villages were selected from Nagpur tahsils and three villages selected from Hingana and Kuhi tahsils. Total 10 villages were selected for the present study. A sample of 35 Tomato growers were selected based on random sampling. Twelve tomato growers were selected from Nagpur and Hingana tahsil and Eleven tomato growers were selected from Kuhi tahsil. The study's main purpose was to estimate cost, returns and profitability of tomao production It was observed that, per hectare cost of cultivation of Tomato at cost  $C_3$  i.e. Rs. 147394.36. The average yield and gross returns per hectare increased with increased with the increase in size of farms. The input output ratio of Tomato at cost  $C_3$  was 1:2.49. This indicates that, Cultivation of Tomato crop was economically profitable. The average main production was 245.57 qtl/ha.

Keywords: Tomato, cost, returns, profit, input-output ratio

# Introduction

Vegetables are important constituents of Indian agriculture and nutritional security due to their short duration, high yield, nutritional richness, economic viability and ability to generate on-farm and off-farm employment. Vegetables are vital sources of proteins, vitamins and minerals, dietary fibers, micronutrients, antioxidants and phytochemicals in our daily diet. India continues to the second largest producer of vegetables in the world next to china. However, the horticulture sector has witnessed tremendous growth as a result of investment through National Horticulture Mission (NHM) and a number of other programmes.

Tomato (*Solanum lycopersicum*), flowering plant of the nightshade family Solanaceae, cultivated extensively for its edible fruits. Labelled as a vegetable for nutritional purposes, tomatoes are a good source of vitamin A, C and the phytochemical lycopene. Tomato is one of the most important protective food crops in India. India ranks second in the area as well as production of tomato next to China. The fruits are commonly eaten raw in salads, served as a cooked vegetable, used as an ingredient of various prepared dishes, and pickled. Additionally, a large percentage of the world's tomato crop is used for processing, products include canned tomatoes, tomato juice, ketchup, puree, paste and "sun-dried" tomatoes or dehydrated pulp. (P. B Bandgar 2021)<sup>[9]</sup>. The area under Tomato in Nagpur district 2117.02 ha with production of 9402.40 tonnes in 2021-22.

# **Materials and Methods**

The standard cost concepts i.e. Cost  $A_1$ , Cost  $A_2$ , Cost  $B_1$ , Cost  $B_2$ , Cost  $C_1$ , Cost  $C_2$ , and Cost  $C_3$  were used in present analysis.

Cost A1: All variable cost excluding family labour cost and including depreciation.

- 1. Value of Hired human labour (HL)
- 2. Value of hired and owned bullock labour (BL)
- 3. Value of hired and owned machine labour (ML)
- 4. Value of seeds
- 5. Value of insecticides and pesticides
- 6. Value of manure
- 7. Value of fertilizers
- 8. Irrigation charges
- 9. Depreciation on implements and farm building

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- 10. Land revenue, cesses and other taxes
- 11. Interest on working capital
- 12. Miscellaneous expenses

Cost A<sub>2</sub>: Cost A<sub>1</sub> + Rent paid for leased-in land

**Cost B1:** Cost  $A_1$  + interest value of owned fixed capital assets

Cost B<sub>2</sub>: Cost B<sub>1</sub> + rental value of owned land

Cost C<sub>1</sub>: Cost  $B_1$  + imputed value of family labour

Cost C<sub>2</sub>: Cost B<sub>2</sub>+ imputed value of family labour

**Cost C3:** Cost  $C_2 + 10$  % of Cost  $C_2$  on account of managerial functions performed by farmers.

# Gross and net returns

# Gross returns

Gross returns of the farmers under the present study was estimated from returns obtained from sale of main produce.

Gross returns = Value of main produce + Value of by produce

### Net returns

Net returns were computed at different costs i.e. Cost  $A_1$ , Cost  $A_2$ , Cost  $B_1$ , Cost  $B_2$ , Cost  $C_1$ , Cost  $C_2$ , and Cost  $C_3$  by deducting respective costs from the gross returns.

# **Input-Output ratio**

It was calculated at cost  $A_1$ , Cost  $A_2$ , Cost  $B_1$ , Cost  $B_2$ , Cost  $C_1$ , Cost  $C_2$ , and Cost  $C_3$  by dividing gross income by respective cost.

#### **Results and Discussion**

# Cost of cultivation of selected Tomato growers

The cost of cultivation is helpful for crop planning therefore in order to know the cost, returns and profitability, the cost of cultivation of selected tomato growers were worked out.

## Per hectare cost of cultivation of Tomato growers

The per hectare cost of cultivation of Tomato growers were workout and presented in Table 1.

No.         Item         Unit $\widehat{Ha}$ .         Unit of input         Total Cost per ha.         % to co           1         2         3         4         5         6         7           1         Hired human labour         Male         Days         54.30         250.00         13575.00         9.2           2         Bullock labour         Days         3.33         360.00         13228.20         8.9           3         Machine charges         Hrs         5.51         450.00         2479.50         1.6           4         Seeds         Grass         17.91         10.00         4179.10         2.8           5         Manure         CL         14.93         400.00         5972.00         4.0           4         Seeds         Grass         48.75         585.90         0.3           6         Fertilizers         P         Kg         48.97         440.73         0.2           7         Irrigation charges         Irrigation charges         1761.27         1.1           7         Irrigation charges         Irrigation charges         244.89         0.1           10         Repairing charges         Image         239.87         <		10010 111	er neeture	cost of		for formato grow	(10, 110)	
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Sr. No.	Item	Uni	it	Input/ Ha.	Cost/ Unit of input	Total Cost per ha.	% to cost 'C3'
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	1	2	3		4	5	6	7
Image: Subtral         Female         Days         73.49         180.00         13228.20         889           2         Bullock labour         Days         3.33         360.00         1198.80         0.08           3         Machine charges         Hrs         5.51         450.00         2479.50         1.6           4         Seeds         Gms         417.91         10.00         4179.10         2.8           5         Manure         CL         14.93         400.00         5972.00         4.0           6         Fertilizers         N         Kg         97.95         585.90         0.3           6         Fertilizers         P         Kg         48.97         440.73         0.2           7         Irrigation charges         Incidental charges         1761.27         1.1           7         Inrigation charges         244.89         0.1         10           10         Repairing charges         244.89         0.1         2237.57         1.5           14         Land Revenue         2237.57         1.5         32.2         19           13         Depreciation         2         233050.13         355.9           14	1	Hirad human labour	Male	Days		250.00	13575.00	9.20
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	1	Hiled Ilulian labour	Female	Days	73.49	180.00		8.97
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			Subtotal					18.17
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	2			Days				0.81
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	3	Machine charges		Hrs		450.00		1.68
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Seeds		Gms	417.91	10.00	4179.10	2.83
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	5	Manure		CL	14.93	400.00	5972.00	4.05
6         Fertilizers         K         Kg         48.75         734.64         0.4           7         Irrigation charges         1761.27         1.1           7         Irrigation charges         0         3918.36         2.6           9         Incidental charges         0         3918.36         2.6           9         Incidental charges         0         367.34         0.2           10         Repairing charges         0         367.34         0.2           11         Working Capital         0         2859.54         1.9           13         Depreciation         0         2237.57         1.5           14         Land Revenue         0         293.87         0.1           15         Cost A1         0         0         293.87         0.1           15         Cost A2         0         53050.13         355.9           18         Int. on Fix. Cap. @10%         0         6158.63         44.1           19         Cost B1         0         6158.63         44.1           19         Cost B1         0         6158.63         44.1           21         Cost B2         0         120795.08			N		97.95		585.90	0.39
6         Fertilizers         K         Kg         48.75         734.64         0.4           7         Irrigation charges         1761.27         1.1           7         Irrigation charges         0         3918.36         2.6           9         Incidental charges         0         3918.36         2.6           9         Incidental charges         0         367.34         0.2           10         Repairing charges         0         367.34         0.2           11         Working Capital         0         2859.54         1.9           13         Depreciation         0         2237.57         1.5           14         Land Revenue         0         293.87         0.1           15         Cost A1         0         0         293.87         0.1           15         Cost A2         0         53050.13         355.9           18         Int. on Fix. Cap. @10%         0         6158.63         44.1           19         Cost B1         0         6158.63         44.1           19         Cost B1         0         6158.63         44.1           21         Cost B2         0         120795.08	6	Fortilizons	Р	Kg	48.97		440.73	0.29
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	0	refulizers	K		48.75		734.64	0.49
8         Plant Protection         3918.36         2.6           9         Incidental charges         244.89         0.1           10         Repairing charges         367.34         0.2           11         Working Capital         47659.15         32.3           12         Interest on working Capital         2859.54         1.9           13         Depreciation         2237.57         1.5           14         Land Revenue         293.87         0.1           15         Cost A1         293.87         0.1           15         Cost A1         293.87         0.1           16         Rental Value Leased in land         -         -           17         Cost A2         2         53050.13         35.9           18         Int. on Fix. Cap. @10%         6158.63         4.1           19         Cost B1         20         59208.76         40.1           20         Rental Value of Land         6158.632         41.7           21         Cost B2         120795.08         81.9           22         Family human Labour         Male         Days         24.64         250.00         6160.00         4.1           22			Subtotal				1761.27	1.19
9Incidental charges0244.890.110Repairing charges367.340.211Working Capital47659.1532.312Interest on working Capital2859.541.913Depreciation2237.571.514Land Revenue293.870.115Cost A153050.1335.516Rental Value Leased in land17Cost A253050.1335.518Int. on Fix. Cap. @10%6158.634.119Cost B161586.3241.720Rental Value of Land61586.3241.721Cost B2120795.0881.922Family human LabourMaleDays23Cost C113199.808.9	7	Irrigation charges					734.69	0.49
10         Repairing charges         367.34         0.2           11         Working Capital         47659.15         32.3           12         Interest on working Capital         2859.54         1.9           13         Depreciation         2237.57         1.5           14         Land Revenue         293.87         0.1           15         Cost A1         53050.13         35.5           16         Rental Value Leased in land         -         -           17         Cost A2         53050.13         35.5           18         Int. on Fix. Cap. @10%         6158.63         4.1           19         Cost B1         6158.63         4.1           21         Cost B2         120795.08         81.9           22         Family human Labour         Male         Days         24.64         250.00         6160.00         4.1           22         Female         Days         39.11         180.00         7039.80         4.7           23         Cost C1         13199.80         8.9         24.64         250.00         6160.00         4.1	8	Plant Protection					3918.36	2.65
11       Working Capital       47659.15       32.3         12       Interest on working Capital       2859.54       1.9         13       Depreciation       2237.57       1.5         14       Land Revenue       293.87       0.1         15       Cost A1       53050.13       35.5         16       Rental Value Leased in land       -       -         17       Cost A2       53050.13       35.5         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       6158.63       41.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         22       Family human Labour       Male       Days       39.11       180.00       7039.80       4.7         23       Cost C1       13199.80       8.9	9	Incidental charges					244.89	0.16
11       Working Capital       47659.15       32.3         12       Interest on working Capital       2859.54       1.9         13       Depreciation       2237.57       1.5         14       Land Revenue       293.87       0.1         15       Cost A1       53050.13       35.5         16       Rental Value Leased in land       -       -         17       Cost A2       53050.13       35.5         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       6158.63       41.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         22       Family human Labour       Male       Days       39.11       180.00       7039.80       4.7         23       Cost C1       13199.80       8.9	10	Repairing charges					367.34	0.24
13       Depreciation       2237.57       1.5         14       Land Revenue       293.87       0.1         15       Cost A1       53050.13       35.9         16       Rental Value Leased in land       -       -         17       Cost A2       53050.13       35.9         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       6158.63       4.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         23       Cost C1       13199.80       8.9	11	Working Capital					47659.15	32.33
14       Land Revenue       293.87       0.1         15       Cost A1       53050.13       35.9         16       Rental Value Leased in land       -       -         17       Cost A2       53050.13       35.9         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       59208.76       40.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         23       Cost C1       13199.80       8.9	12	Interest on working Capital					2859.54	1.94
15       Cost A1       53050.13       35.9         16       Rental Value Leased in land       -       -         17       Cost A2       53050.13       35.9         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       6158.63       4.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         22       Family human Labour       Male       Days       39.11       180.00       7039.80       4.7         23       Cost C1       13199.80       8.9	13	Depreciation					2237.57	1.51
16       Rental Value Leased in land       -       -       -         17       Cost A2       53050.13       35.9         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       59208.76       40.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         22       Family human Labour       Male       Days       39.11       180.00       7039.80       4.7         23       Cost C1       13199.80       8.9	14						293.87	0.19
16       Rental Value Leased in land       -       -       -         17       Cost A2       53050.13       35.9         18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       6158.63       40.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         22       Family human Labour       Male       Days       39.11       180.00       7039.80       4.7         23       Cost C1       13199.80       8.9	15	Cost A <sub>1</sub>					53050.13	35.99
18       Int. on Fix. Cap. @10%       6158.63       4.1         19       Cost B1       59208.76       40.1         20       Rental Value of Land       61586.32       41.7         21       Cost B2       120795.08       81.9         22       Family human Labour       Male       Days       24.64       250.00       6160.00       4.1         23       Cost C1       13199.80       8.9	16						-	-
19         Cost B1         Image: Cost B1         Substrain Substraint	17	Cost A <sub>2</sub>					53050.13	35.99
19         Cost B1         Image: Cost B1         Substrain Substraint	18						6158.63	4.17
21         Cost B2         Image: Cost C1	19						59208.76	40.17
22         Family human Labour         Male         Days         24.64         250.00         6160.00         4.1            Female         Days         39.11         180.00         7039.80         4.7            Subtotal         Subtotal         13199.80         8.9           23         Cost C1         Image: Constraint of the subtotal subtot	20	Rental Value of Land					61586.32	41.78
22         Family human Labour         Male         Days         24.64         250.00         6160.00         4.1            Female         Days         39.11         180.00         7039.80         4.7            Subtotal         Subtotal         13199.80         8.9           23         Cost C1         Image: Constraint of the subtotal subtot	21	Cost B <sub>2</sub>					120795.08	81.95
Female         Days         39.11         180.00         7039.80         4.7           Subtotal         13199.80         8.9           23         Cost C1         72408.56         49.1	22	Family human Labour	Male	Days	24.64	250.00	6160.00	4.17
Subtotal         13199.80         8.9           23         Cost C1         72408.56         49.1					39.11	180.00	7039.80	4.77
			Subtotal				13199.80	8.94
24 Cost C <sub>2</sub> 133994.88 900	23	Cost C <sub>1</sub>					72408.56	49.12
	24	Cost C <sub>2</sub>					133994.88	90.90
								9.09
			Rs.	ha				100.00
27         Main produce         qtl         245.57         1500.00         368355.00					245.57	1500.00		
28   Per quintal cost of Production   Rs   qtl   600.21			Rs					

Table 1: Per hectare cost of cultivation of Tomato growers (Rs/ha)

Table 1 revealed that, the per hectare cost of cultivation of Tomato at cost  $A_1$ , cost  $A_2$ , cost  $B_1$ , cost  $B_2$ , cost  $C_1$ , cost  $C_2$ 

and cost  $C_3$  were Rs. 53050.13, Rs. 53050.13, Rs. 59208.76, Rs. 120795.08, Rs. 72408.56, Rs. 133994.88 and Rs.

147394.36 respectively. The major share of cost of cultivation goes towards cost 'A<sub>1</sub>' and cost 'A<sub>2</sub>' (35.99 per cent). In cost 'A<sub>1</sub>' share of seed was 2.83 per cent, hired human labour 18.17 per cent, bullock labour 0.81 per cent, manure 4.05 per cent, fertilizers 1.19 per cent, indicating that all the above inputs are cash inputs. The cost 'B<sub>1</sub>' contributes to 40.17 per cent, cost 'B<sub>2</sub>' contribute 81.95 per cent. The share of family labour was 8.94 per cent. The per hectare yield obtained by tomato growers were 245.57 quintals with gross return of Rs. 368355.00. In case of tomato crop the per quintal cost of production was Rs. 600.21.

# Per hectare cost, returns and profitability from Tomato

The per hectare cost and returns of the tomato growers was workout and presented in Table 2.

 Table 2: Per hectare cost, returns and profitability from Tomato (Rs/ha)

Sr. No.	Particulars	Tomato
1.	Main produce (q/ha)	245.57
2.	Value of main produce	368355.00
3.	Gross Returns	368355.00
4.	Cost of cultivation at	
	Cost A <sub>1</sub>	53050.13
	Cost A <sub>2</sub>	53050.13
	Cost B <sub>1</sub>	59208.76
	Cost B <sub>2</sub>	120795.08
	Cost C <sub>1</sub>	72408.56
	Cost C <sub>2</sub>	133994.88
	Cost C <sub>3</sub>	147394.36
5.	Net returns	
	Cost A <sub>1</sub>	315304.87
	Cost A <sub>2</sub>	315304.87
	Cost B <sub>1</sub>	309146.24
	Cost B <sub>2</sub>	247559.92
	Cost $C_1$	295946.44
	Cost C <sub>2</sub>	234360.12
	Cost C <sub>3</sub>	220960.64
6.	Input-output ratio	
	Cost A <sub>1</sub>	6.94
	Cost A <sub>2</sub>	6.94
	Cost B <sub>1</sub>	6.22
	Cost B <sub>2</sub>	3.04
	Cost C <sub>1</sub>	5.08
	Cost C <sub>2</sub>	2.74
	Cost C <sub>3</sub>	2.49

Table 2 indicates that the per hectare production of tomato growers was 245.57 quintals. The gross returns from tomato was Rs. 368355.00. Whereas the cost of cultivation at C<sub>3</sub> of tomato has been estimated to be Rs. 147394.36. The per hectare net returns at cost C<sub>3</sub> received by tomato was Rs. 220960.64. The input-output ratio at cost C<sub>3</sub> for tomato was 1: 2.49.

The input-output ratio which is an indicator of economic efficiency in crop production for the crop and it indicates that the tomato registered a good input-output ratio was 1: 2.49 it means the hypothesis is acceptable. It indicates that the tomato cultivation was profitable.

# Conclusions

The average main production was 245.57 qtl/ha. It is observed that per hectare cost of cultivation of tomato at cost  $C_3$  was Rs. 147394.36. The gross returns from tomato was Rs.

368355.00. The average yield and gross returns per hectare increased with the increase in size of farms. The input-output ratio at cost  $C_3$  for tomato was 1: 2.49. This indicates that, cultivation of tomato was economically profitable.

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