



Cost and Returns Structure of Paddy in Andhra Pradesh

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ABSTRACT

At this time of the year harvest of main 2011 paddy crops is nearing completion or has already been concluded in most northern hemisphere producing countries. In the southern hemisphere, the 2011 season is well over and by now most 2012 main crops are already on the ground. Since the November issue of the RMM, FAO has upgraded its forecast of world paddy production in 2011 by 712,000 tons to 721.4 million tonnes. The revision stems from more buoyant prospects in Asia, in particular Cambodia, the Philippines and Pakistan, where unfavourable climatic conditions this season are now assessed to have had a more limited impact on crops than previously foreseen. Nonetheless, figures were also upgraded for Nepal and Viet Nam, which outweighed reductions mainly for Australia, China, the European Union, Mali and Thailand. Paddy is cultivated in almost all the states India. At the revised forecast level of 721.4 million tonnes, world paddy production would surpass the record 2010 outcome by 3 per cent or 21.4 million tonnes. The major paddy growing states are West Bengal, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Orissa, Bihar, Karnataka, and Kerala, which account 95 per cent of the total paddy supply in the country. In Andhra Pradesh largest state in the Indian union both in respect of area and population, about 43 per cent live in rural areas the main substance being agriculture. In Andhra Pradesh one of the states in India, rice is the main food. Andhra Pradesh contributes a major share in the production of paddy and it is produced by millions of farmers. Unless the central and state governments extend their support to the farmers, they may not be able to continue this occupation. The main objective is to study the cost and return in the production of paddy in the study area. The findings are the highest profit income is found the small farmers in paddy production as a whole in the study area and hypothesis test proves that there is a significant difference in the return of paddy and among the groups of farmers in the study area.

Keywords :

INTRODUCTION

At this time of the year harvest of main 2011 paddy crops is nearing completion or has already been concluded in most northern hemisphere producing countries. In the southern hemisphere, the 2011 season is well over and by now most 2012 main crops are already on the ground. Since the November issue of the RMM, FAO has upgraded its forecast of world paddy production in 2011 by 712,000 tons to 721.4 million tonnes. The revision stems from more buoyant prospects in Asia, in particular Cambodia, the Philippines and Pakistan, where unfavourable climatic conditions this season are now assessed to have had a more limited impact on crops than previously foreseen. Nonetheless, figures were also upgraded for Nepal and Viet Nam, which outweighed reductions mainly for Australia, China, the European Union, Mali and Thailand.

At the revised forecast level of 721.4 million tonnes, world paddy production would surpass the record 2010 outcome by 3 per cent or 21.4 million tonnes. The anticipated growth is notwithstanding a widespread increase in prices of basic inputs as well as severe climatic setbacks in various major producing countries, under the influence of the prevailing conditions. The forecast expansion in paddy production is expected to rely on a 3.7 million hectare increase in area under paddy to 164.8 million tonnes, with average world yields also anticipated to rise slightly to 4.4 tonnes per hectare. Asia looks set to account for much of the growth, although overall prospects remain favourable in Africa, Latin America and the Caribbean and Europe. In Oceania, the season in Australia closed with a marked output recovery, while, in North America, the United States registered a sharp contraction. In various northern-hemisphere Asian countries, new assessments regarding crop progress in the region have been made avail-

able. As a result, FAO has raised its November production forecast for Asia by 1.5 million tonnes to 652.7 million tonnes. This production level would imply a 3 per cent expansion from the already good 2010 turnout, with the forecast growth chiefly reflecting expectations of expansions in Bangladesh, China (Mainland), India,

Pakistan and Viet Nam, all of which are projected to gather record-level crops. The Chinese Province of Taiwan, the Islamic Republic of Iran, the Democratic People's Republic of Korea, Malaysia, Nepal, the Philippines and Turkey are also foreseen to end the season with favourable results, more than compensating for contractions in Afghanistan, Indonesia, Japan, the Republic of Korea, Myanmar, Sri Lanka and Thailand.

India is endowed with land and water resources with conducive agro climatic advantages for cultivation of paddy. In India has witnessed a dramatic increase in paddy production India. Paddy occupies a prominent place in Indian agriculture. The area under paddy in the country in the largest accounting for about one third of the world area under the crop. Next to China, India ranks second in terms of its production. India has the largest paddy output in the world and is also the fourth largest exporter of rice in the world. In India, Chhattisgarh is Largest Rice producer. Paddy fields are a common sight throughout India, both in the northern gangetic plains and the southern peninsular plateaus. Paddy is cultivated at least twice a year in most parts of India, the two seasons being known as Rabi and Kharif respectively. The former cultivation is dependent on irrigation, while the latter depends on Monsoon. The paddy cultivation plays a major role in socio-cultural life of rural India. In India the paddy rises from 86.30 million tons to 95.33 million tonnes during the period 2001-2011. Paddy is cultivated

in almost all the states India. The major paddy growing states are West Bengal, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Orissa, Bihar, Karnataka, and Kerala, which account 95 per cent of the total paddy supply in the country. Many festivals such as Onam in Kerala, Bihu in Assam, Sankranti in Andhra Pradesh, Thai Pongal In Tamil Nadu, Makar Sankranti in Karnataka, Nabanna in West Bengal celebrates harvest of Paddy. Kaveri delta region of Thanjavur is historically known as the rice bowl of Tamil Nadu and Kuttanadu is called the rice bowl of Kerala.

In Andhra Pradesh largest state in the Indian union both in respect of area and population, about 43 per cent live in rural areas the main substance being agriculture. In Andhra Pradesh one of the states in India, rice is the main food. Andhra Pradesh contributes a major share in the production of paddy and it is produced by millions of farmers. With the introduction of High Yielding Varieties Programme in the mid sixties, spectacular achievement in paddy production has been made and paddy production has increased from 86.30 million tons to 95.33 million tons during the period 2001 to 2011 and the production reached to a record high of 104.32 million tons in 2011-2012 crop year. Despite these achievements, farmers in Andhra Pradesh are not able to get a fair price for the paddy and paddy cultivation has become uneconomic over the years. Such a serious problem that affects the livelihood of 65 per cent of total population in the State has aroused the interest of the researcher to probe into the matter. Even though, agriculture is the main occupation of our economy, it involves many risks and uncertainties. Unless the central and state Governments extend their support to the farmers, they may not be able to continue this occupation. In the present study the objective of the analysis is to work out the cost and returns in paddy production in Rayalaseema region of Andhra Pradesh.

OBJECTIVES

- To study the cost and return in the production of paddy in the study area.

HYPOTHESIS

- The cost and return of paddy cultivation differs significantly between farm sizes in the study area.

METHODOLOGY

The nature of data used for study is both primary and secondary data. Physiographically, the state of Andhra Pradesh is broadly divided into three regions viz. Coastal Andhra, Rayalaseema and Telangana. The Rayalaseema region consists of the districts of Anantapur, Chittoor, Kadapa and Kurnool, which occupies about 67.41 lakh sq. km of the total area of the state. A multi stage random sampling method was adopted for the selection of sample farmers in the study area. For the present study, two mandals from each district and one village from each mandal has been selected. A Sample of 100 farmers is selected from each district. Eight villages were selected randomly, out of which 400 sample farmers were selected for the study. The present study is based on an exclusive interview method. The schedules has been prepared and canvassed for the collection of data. The collected data were analyzed with appropriate statistical tools. Rice is cultivated in all the districts of the Rayalaseema region of Andhra Pradesh.

COST AND RETURNS OF THE PADDY OF THE FARMERS

The analyze the cost and returns of all the size of the farmers, the mean money value of total cost and total revenue per acre are presented in Table-I.

Table-I
Cost and Returns of Paddy Farmers in Andhra Pradesh (Per Acre....)

Type of Famers	Total Returns (Rs...)	Total Cost (Rs...)	Net Returns (Rs...)
Small	40833	20718	20115

Marginal	38459	19816	18643
Large	41461	22416	19045
Average	40251	20983	19268

Source:- Field Data.

From the Table-I observed that to analyze the cost and returns of all size of the farmers, the mean money value of total cost and total revenue per acre are taken. In average the total returns are Rs.40,251/- the total cost is Rs.20,983/- and net returns was Rs.19,268/- in the paddy production of the study area. In small farmers category the average the total returns are Rs.40,833/- the total cost is Rs.20,718/- and net returns was Rs.20,115/- of the study area. In marginal farmers category the average the total returns are Rs.38459/- the total cost is Rs.19,816/- and net returns was Rs.18,643/- and large size farmers category the average the total returns are Rs.41,461/- the total cost is Rs.22,416/- and net returns was Rs.19,045/- in the paddy production of the study area. The statistical analyses of returns of the farmers in Rayalaseema region of Andhra Pradesh are presented in Table-II.

Table-II
Statistical Analysis of Returns of the Farmers in the study area

Type of Famers	Number of Famers	Mean Return	S.D	F-value
Small	184	20115	498.14	12.68**
Marginal	128	18643	491.65	
Large	88	19045	546.13	

Source:- Field Data.

Note:- ** significant at 1 per cent level.

From the Table-II shows that the ANOVA test the significant difference between the return of the groups of farmers. The test proves that there is a significant difference between the return among the groups of farmers in the study area. Hence the null hypothesis is rejected and the alternative hypothesis is accepted.

MAJOR FINDINGS

- The highest profit income is found the small farmers in paddy production as a whole in the study area.
- Hypothesis test proves that there is a significant difference in the return of paddy and among the groups of farmers in the study area.
- It shows efficiency gain in production in terms of labour under new production technology. The total income generated in the paddy production and employment generation id considerably satisfaction in Rayalaseema region of Andhra Pradesh.

SUGGESTIONS AND POLICY IMPLICATION

The suggestions and policy implications are

- Adequate steps should be taken by the Government to reduce the cost of cultivation by reducing the price of fertilizers.
- Adequate steps should also be taken by the Government to provide the necessary credit facilities to the farmers in time.
- The majority of the farmers make sales immediately after harvest to meet the cash requirement at the time of harvest. As a result they get lower income. To overcome this, government should extend schemes like pledge loan so that their financial requirements are met with. At the same time, it would help them to fetch a higher price by postponing their sales.
- Storage and godown facilities are to be constructed by Government at mandal level by which it is possible to postpone their sales to fetch a higher price
- The Government should follow different marketing poli-

- cies especially the price policy for different seasons.
- In recent years, the farmers meet the bad weather conditions, climate changes, over rain during the harvest time of paddy, which spoiled the production of paddy. So, the farmers claim compensation Government should protect the interest of the farmers by giving compensation when they are badly affected by climatic changes.

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