



Research Paper

An economic analysis of cost, return and profitability of groundnut across leading states of India

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ABSTRACT : The current study was undertaken with the objectives to estimate the dynamics of cost, returns, profitability and break-even production of groundnut across the leading states of India. For that secondary data were collected from Directorate of Economics and Statistics for the period 1996-97 to 2015-16. For statistical analysis tools like relative change, compound growth rate and Cuddy della Valle index were used. The study found that Cost A_1 , cost A_2 , cost B_1 and cost C_1 of groundnut in Gujarat and cost B_2 , cost C_2 and cost C_2 revised in Andhra Pradesh were found to be increased at higher annual growth rate during the study period than any other states. These cost concepts showed high instability for almost all the leading states. Groundnut was more profitable in Gujarat due to higher net income and B:C ratio than other states. Differential yield and the difference between the cost of production and minimum support price were found better among Gujarat and Tamil Nadu states. In other states, the actual yield was lower than break-even and the cost of production was higher than minimum support price leading to the losses for the groundnut growers.

KEY WORDS : Cost of production, Profitability, Break-even yield, Minimum support price

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