

Economic analysis of tomato soup as value added product in Nagar District

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ABSTRACT

Annual wastage of fruit and vegetables in India is estimated Rs.2500 crores. It is disheartening to note that value addition to fruit and vegetable processed in India is only 7% as against 23% in China and 88% in U.K. thus, the scope of value addition is mind boggling for the reasons such as availability of raw material as well as large domestic market size. The study an economic analysis of tomato soup as value added product in Ahmednagar district of Western Maharashtra was undertaken with specific objectives to analyse the value addition in tomato soup. The multistage sampling design has been used for selection of district, tehsil, villages and the respondents tomato grower, marketing functionaries and processors. Tomatoes have long been considered a healthy food it significantly reduces heart diseases. The economics of production of value added product *i.e.* tomato soup was calculated. It showed total cost for preparation of tomato soup for 33.8 q was Rs.1.31 lakh and the return was Rs.1.69 lakh and input output ratio was 1.29.

Key words : Tomato soup, Value added, Variable cost, Fixed cost.

Vegetables have proved to be important supplementary food crops which form an essential part of human diet. Tomato rank first among the processed and second in area and production in the world. It can be processed into various forms like juices, salads, pickles and soup etc. Fruits and vegetables process in India are meagre 2% against 65% in USA 70% in Brazil and 83% in Malaysia.

Value addition for many of small scale processed for is apparently impressive. However, the market for these processed foods in location and season / time-specific in addition to ethnic specificit. These seriously limit the width of the market as well as large scale of processing of the produce. Further, as these processed food are appreciated and demanded by specific communities at specific periods, branding and associated market profession are lacking. Thus, scale economies in the high value addition processed food are not emerging. Value addition varies inter alia, with the produce, mode of preparation, stage of processing to indicate the 'value addition' due to primary processing. As this estimation of value addition excludes value of raw material lost due to primary conversion, other costs of marketing inter alia packing, branding, storing the value addition reduces with the successive inclusion of different market functions. When tomato is converted to tomato juice value addition in 65 to 70 per cent. The value addition generate employment in rural and urban area and protects the interest of both producers and consumers through backward and forward linkages.

India is world's second largest producer of fruits (45

MT) and vegetables (91 MT). It is also one of the world's major food producers contributing less than 1.5 per cent of international food trade. In addition, India largest producer, consumer and exporter of spices. Yet, the share of India in international trade of fruits and vegetables is insignificant at less than 1% against 3% of Brazil and 3% of China. Fruits and vegetables processed in India are a meager 2% against 65% in US, 70% in Brazil, and 83% in Malaysia. Annual wastage of fruits and vegetables in India is estimated at Rs.25000 crores. It is disheartening to note that value addition to fruits and vegetables processed in India is only 7% as against 23% in China and 88% in UK. Thus, the scope of value addition is mind boggling for the reasons such as availability of raw material as well as the large domestic market size.

Tomatoes have long been considered a healthy food. Researchers in a new study found that tomatoes can significantly reduce heart diseases. The scientists advised people with high cholesterol to start taking tomatoes or drink tomato juice / soup to reduce the risk of heart attacks. Three weeks consuming tomato products either 30 g of pure tomato or taking 400 ml of tomato juice every day check cholesterol levels and found that those added small quantity of tomato in their break fast, lunch and dinner showed low density lipo protein (LDL). The LDL is known as bad cholesterol. High level of this cholesterol in blood can increase the risk of heart disease. Researchers at the University of Oulo in Finland said that the cholesterol levels dropped by 6 per cent and LDL level by 13 per cent in people who added tomatoes in their meals. Less than five millimoles of fat per litre of blood in individual is considered