

Study of cotton ginning mills in Marathwada region of Maharashtra

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ABSTRACT

Average cost required for the establishment of cotton ginning mill was Rs.5.63 lakhs. The annual total costs and returns of cotton ginning mill were Rs.3.61 and 5.04 lakhs, respectively. The annual net profit per cotton ginning mill was Rs.1.43 lakhs and it increased with increase in the size of the units. The net benefit cost ratio in cotton ginning was 0.39. In cotton ginning mill, 37.01 workers were employed for 131.93 days in a year. The employment generation was directly related with the size of plants. The cotton ginning mills provided the maximum employment per lakhs rupees investment (903 man days). Average capacity utilization of cotton ginning was 43.79 per cent, respectively. Minimum quantity of 5253.91 quintals of raw cotton was required to convert the fixed cost in a year.

INTRODUCTION

Agro-processing industries assume great significance in the context of a developing country like India where agriculture still accounts for over 30 per cent of our national income and about two-third of our working population. Agro-processing industries have great significance in our rural areas since it can be instrumental in fostering strong linkages between agriculture and industrial sectors. Agro-processing industries in our countryside hold promise to bring about substantial improvement in the quality of living of our rural masses. If agro-processing industries are set up on a big scale in the rural areas, there is no doubt that in a short time our rural environment will get dynamised bringing about the desirable social changes. The specific objectives of the study are to study the present status and future prospectus of cotton ginning mills, to study the value addition, to workout benefit cost ratio, to examine the employment pattern.

METHODOLOGY

Adoption of sound methodology is of vital importance in economic study. For the present study, cotton ginning industries were purposively selected. According to raw material availability of agricultural produce in Marathwada region, the area specific crop based industries were purposively selected (2004-05). Out of total agro-processing industries in the selected districts, a sample of about 25 per cent of agro-processing industries

were selected randomly under each category and cotton ginning industries were divided into two groups, Group I ginning capacity below 80q/day, Group II ginning capacity 80 q/day and above.

RESULTS AND DISCUSSION

Average establishment cost of cotton ginning mills (2004-05):

The average cost required for establishment of cotton ginning mills have been shown in Table 1. It is revealed from the table that the average cost required for the establishment of cotton ginning mill was Rs.5.63 lakhs. Among these, the cost of machinery was the major item contributing 59.15 per cent followed by cost of shed (28.24 per cent) and cost of land (12.61 per cent). According to the size groups, the average establishment cost of plant was Rs.3.73 and Rs.6.39 lakhs in first and second groups, respectively. It indicated that the establishment cost increased with the increase in the plant size.

Annual cost of cotton ginning per mill (2004-05):

Annual costs of cotton ginning were worked out and the same is presented in Table 2. It is revealed from the table that on an average annual fixed cost of cotton ginning mill was Rs.1.17 lakhs. Item wise distribution of annual fixed cost showed that the major cost was on account of interest on fixed capital (57.73 per cent) followed by depreciation on

Key words :

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