

Economics of custom hired tractor service business in Maharashtra

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ABSTRACT

An investigation was carried out during the year 2007-08 to study the economic evaluation of tractor service business. The results showed that the total cost was Rs. 213875.16 in which share of fixed cost was 60.35 per cent followed by share of variable cost (39.65 per cent). In case of work done, total tractor service was found to be 1260.65 tractor-hours. Hence, gross return was found to be Rs. 315162.50 in which share of hiring operations was 84.80 per cent followed by own farm operations (15.20 per cent). Thus, operating income was Rs. 230350 while net income was Rs. 101287.34. Output-input ratio was 1.47. Thus, tractor service business was found to be worthwhile.

Key words : Tractor service, Mechanization, Total cost, Gross return, Operating income, Net income

Farm mechanization refers to the use of mechanical power in farm operations. Mechanization in agriculture may be of either competing nature or of complementary nature. In a labour scarce country, mechanization may be aimed at competing with human labour but in a relatively labour abundant country like India, mechanization may be of a complementary nature. Farm mechanization increases the efficiency of labour as well as land and, therefore, raises agricultural production per hectare and per worker. Tractor can dig deeper and being to the surface more fertile soils and contribute to greater productivity (Sadhu and Singh, 2005). Where water supply is assured and two to three crops can be raised from the same piece of land in a year. The introduction of tractor can reduce the period of sowing operations immediately after a rainfall. Mechanization which increases productivity of land and labour results in reducing cost of production. The new agricultural technology requires faster farm operations as well as accuracy in undertaking them.

Maharashtra is also not different from that of the country as a whole in mechanization. The Marathwada region mostly comes under assured rainfall zone of Maharashtra. In the region, double cropping system has been adopted in which soybean, Bt-cotton, greengram, blackgram, hybrid jowar, bajra are grown in *kharif* season and on same pieces of land in *rabi* season, *rabi* jowar,

wheat, chickpea and safflower are raised. In irrigated area, banana, sugarcane, sweet orange and vegetable crops are cultivated. The farmers who have commercial view are purchasing tractors mainly for custom hired purposes as well as own farm operations. There is necessity to study tractor services on business point of view. Hence, the present study has been undertaken in order to know the profitability of the tractor service business.

METHODOLOGY

Multistage sampling design was adopted for selection of district, tehsils, cluster villages and tractor service owners. In first stage, Parbhani district was purposely selected because of higher mechanization in agriculture. In the second stage, Jintur and Manwat tehsils were purposely selected because of selection to them in Farm Science Centre, Parbhani. In third stage, Muda and Kolhawadi cluster villages were also selected purposely from Jintur and Manwat tehsils, respectively because of adopted cluster villages under Farm Science Centre, Parbhani. In the fourth stage, from each of cluster villages, 15 tractor service owners were randomly selected. Thus, 30 tractor service owners were selected for present study.

Collection of data:

Cross sectional data were collected from the tractor service owners, by personal interview methods with the help of pre-tested schedule. Data pertained for the year 2007-08.

Analysis of data:

Statistical tools like arithmetic mean, percentage and ratio were used to estimate the costs, returns and

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