



Research
Paper

Economics analysis of spinning unit in Sangli district

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ABSTRACT

Attempt has made to examine the economic analysis of spinning unit. The investigation was based on the data collected from sample unit from Sangli district. The result indicated that the average total cost incurred in the processing of cotton to yarn worked out to Rs. 24.34 crore of which the total variable cost (Rs. 22.24 crore) formed the major component in the cost of processing of cotton and amounted for 90.41 per cent of total cost of cotton processing. The fixed cost being Rs. 2.09 crore accounted for only 8.60 per cent of the total cost of processing. It was found that inadequate power supply was very severe problem faced by the spinning unit.

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Key words : Spinning, Processing, Fixed cost, Variable cost, Value addition

INTRODUCTION

The processing of cotton is a business, which is undertaken for the purpose of value addition to the product. The value addition to cotton takes place at four main stages ginning, spinning, weaving and garments (Mundinamani, 2000). Spinning is the process of converting cotton or manmade fibre into yarn to be used for weaving and knitting. Largely due to deregulation beginning in the mid-1980s, spinning is the most consolidated and technically efficient sector in India's textile industry. The total cotton consumption by spinning unit in India is 289.15 lakh bales. The Gujarat ranks first in cotton processing and consumes 90 lakh bales and Maharashtra ranks second after Gujarat with 62 lakh bales cotton consumption. A textile is the largest single industry in India, accounting for about 20 per cent of the total industrial production. It provides direct employment to around 20 million people. Textile and clothing exports account for one-third of the total value of exports from the country. Yarn is mostly produced in the mills, fabrics are produced in the powerloom and handloom sectors as well. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The present study was

conducted to estimate costs, returns and value addition at spinning stage and to study the problems observed in spinning process.

MATERIALS AND METHODS

The present study was taken in Sangli district of Maharashtra state. Purposively, one textile mill was selected. Data were collected from sample unit with the help of a structured schedule. Data were collected for the year 2009-2010. Data pertaining to the cost of processing, returns from processing and constraints in the working of spinning process were collected from the sample unit. Cost, return and value addition to cotton at spinning stage were achieved by tabular presentation method. The data were presented in tabular form to facilitate comparison. This technique of tabular presentation was employed for estimating the cost of processing, returns and value addition to cotton in spinning unit. In relation to this, tabular analysis comprised of arithmetic mean, percentage and ratio. The second objective *i.e.* to observe problem faced in spinning unit was achieved by tabular method.

RESULTS AND DATA ANALYSIS

The results obtained from the present studies have