



Research Paper

## Economic analysis of processing of fresh grapes into raisins

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**ABSTRACT :** The study was conducted in Karnataka to study processing of fresh grapes into raisins. The primary data were obtained from 60 growers of Bijapur district comprising of investment required to set up a processing unit, recurring expenses grading practices etc. The data were subjected to simple and conventional budgeting technique to analyze the economic aspects of processing. It was found that a total investment of Rs. 161382/- was required to set up a processing unit with all necessary accessories. The recurring expenditure of Rs. 23916/- was required to procure chemicals, labour for processing of fresh grapes into raisins. The processing activity resulted in value addition of Rs. 4,55,432/-. The farmers were able to realize an additional income of Rs. 49,542/- per farm, when they invest a sum of Rs. 1,61,382/- and process grapes on their farms. The rate of returns per rupee of investment on processing was 6.22. Hence, it is worth emulating by other growers in the region.

**KEY WORDS :** Capital investment, Value addition, Partial budgeting analysis

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## INTRODUCTION

Grape is one of the important fruit crops in our country. Its economic importance can be gauged from its high employment potential for agricultural labour, income generating capacity and improving the standard of living/better living conditions of grape growers (Nagaraj *et al.*, 1989). Grape cultivation is predominant in northern parts of Karnataka. The area under the crop is expanding at a greater pace over the last one decade. Suitable soils, irrigation, climatic conditions are the reasons for successful grape cultivation in this region.

Grapes are an important/vital component in diet in the various forms *viz.*, juice, fresh grapes, vine and raisins. Area under grapes has been increasing resulting in surplus production. When the growers do not get remunerative price for their produce in the market they resort to on farm processing for effective utilization of the produce. Processing of grapes into raisins is indeed a method of preservation. Raisins are extensively used in confectionaries and medicines.

Processing of grapes into raisins is an important function at farm level. It is indeed a part of production process. Processing activity at farm level assumes greater significance

because it adds farm utility to the product (Hasan and Raghuram (1987). Processed grapes (raisins) have long shelf-life unlike fresh grapes. Raisins are used in preparation of different kinds of recipes. Freshly harvested grapes cannot be stored for long as they are highly perishable in nature. Hence, riped fruits require some kind of processing to prolong their keeping quality. Besides, processing fetches higher price to growers and helps in orderly marketing. It is in this context, processing of grapes into raisins assumes paramount importance. Accurately estimated and reliable information on advantages of processing will be of much use to the grape growers to start their processing activity on their farms. This is against back drop and the present study makes an attempt to study the economics of processing of fresh grapes into raisins.

## MATERIALS AND METHODS

The present study was conducted in Bijapur district of Karnataka state. Bijapur district is well-known for grape cultivation. The objective was to enquire into economics of processing of fresh grapes into raisins (dry grapes). The requisite data for the purpose were collected from 30 grape