

Study on success–failure of cashew nut entrepreneurs of Konkan region

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ABSTRACT

The study on success-failure of the cashew nut processors concluded that, they had average 21.36 per cent gross return gained, net income in enterprise (Rs.5.42,072), 7.28 per cent reinvestment of profit, 4.08 per cent growth in clients, employment level of 6 persons, adaptability score (7.86), sustainability score (7.61), degree of satisfaction score (7.24) and prestige earned score (6.26). The micro and small cashew nut processors recorded noteworthy difference in respect of all the components of success-failure, except 'sustainability'. Overall success-failure score of cashew nut enterprise was 72.11. The micro and small cashew nut processors had significant difference in the overall success-failure of cashew nut enterprise.

INTRODUCTION

Due to increased area and production of cashew in the Konkan region, cashew nut processing industry has gained much importance. Looking to the employment and income generation potential of the industry, many cashew nut processing units of different capacities have been established in the region. Some of them are functioning successfully, while some are sick. The reasons thereof need to be understood. Besides, there are few questions that need to be answered, What is socio-economic condition of the cashew nut processors? What are the factors contributing to the success or failure of cashew processing enterprise?, Keeping these issues and questions in mind, the present study was conducted.

The specific objectives of the study was to study the personal, socio-economic and psychological profile of the cashew nut processors and to identify the factors associated with the success-failure of cashew nut processing enterprise.

METHODS

The present study was conducted in Ratnagiri and Sindhudurg districts of the Konkan region of the Maharashtra

state, since those are the major cashew producing districts and also have good number of cashew nut processing industries.

The large numbers of cashew nut processing units are in operation in the two selected districts. The list of the micro and small cashew nut processing units was collected from the District Industry Centre and office of the Department of Agriculture at district level. From the list, total 100 units (50 micro and 50 small) were selected by random sampling method. Personal interview technique was used for data collection. An interview schedule was prepared in Marathi, so as to collect the information in line with the objectives of the study. It was developed into two parts. Part first included the questions about selected personal and socio-economic characteristics of the cashew nut processors and second part comprised the factors contributing to success-failure of cashew nut processors.

OBSERVATIONS AND ANALYSIS

The findings of the present study as well as relevant discussion have been summarized under following heads:

Sr. No	Components of success-failure	Respondents (n=100)		
		Micro	Small	Overall
1.	Gross return gained (%)			
	Total loss of investment	-	-	-
	Upto 119	11 (22.00)	2 (4.00)	13 (13.00)
	120 to 121	16 (32.00)	11 (22.00)	27 (27.00)
	122 to 123	6 (12.00)	25 (50.00)	31 (31.00)
	124 to 125	9 (18.00)	12 (24.00)	21 (21.00)
	126 and above	8 (16.00)	-	8 (8.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
	Average	120.89	122.1	121.5
	$t' = 2.57$	Significant at 0.05 level	d.f.= 98	
2.	Gross return gained (score)			
	Low (up to 14)	7 (14.00)	12 (24.00)	19 (19.00)
	Medium (15 to 28)	32 (64.00)	26 (52.00)	58 (58.00)
	High (29 and above)	11 (22.00)	12 (24.00)	23 (23.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	20.52	22.2	21.36
	$t' = 1.21$	Significant at 0.05 level	d.f.= 98	
3.	Net income in enterprise (Rs.)			
	Nil	-	-	-
	Upto Rs. 2,25,729	26 (52.00)	-	26 (26.00)
	Rs. 2,25,730 to 3,52,267	14 (28.00)	-	14 (14.00)
	Rs. 3,52,268 to 4,78,805	-	-	-
	Rs. 4,78,806 to 6,05,343	4 (8.00)	1 (2.00)	5 (5.00)
	Rs. 6,05,344 and above	6 (12.00)	49 (98.00)	55 (55.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
	Average	285013.3	799130	5,42,072
	$t' = 14.00$	Significant at 0.05 level	d.f.= 98	
4.	Net income in enterprise (Score)			
	Low (up to 4)	28 (56.00)	6 (12.00)	34 (34.00)
	Medium (5 to 13)	16 (32.00)	40 (80.00)	56 (56.00)
	High (14 and above)	6 (12.00)	4 (8.00)	10 (10.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	7.2	9.76	8.48
	$t' = 3.16$	Significant at 0.05 level	d.f.= 98	
5.	Per cent reinvestment of profit in enterprise (%)			
	No	-	-	-
	Up to 9.71	5 (10.00)	-	5 (5.00)
	9.72 to 10.97	21 (42.00)	12 (24.00)	33 (33.00)
	10.98 to 12.23	4 (8.00)	5 (10.00)	9 (9.00)
	12.24 to 13.50	-	-	-
	13.51 and above	20 (40.00)	33 (66.00)	53 (53.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
	Average	12.04	13.64	12.84
	$t' = 2.63$	Significant at 0.05 level	d.f.= 98	

Table 1 contd....

Contd.... Table 1

6.	Per cent reinvestment of profit in enterprise (score)			
	Low (up to 4)	26 (52.00)	11 (22.00)	37 (37.00)
	Medium (5 to 10)	24 (48.00)	39 (78.00)	63 (63.00)
	High (11 and above)	-	-	-
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	6.36	8.20	7.28
	$t' = 3.20$	Significant at 0.05 level	d.f.= 98	
7.	Employment level in enterprise (persons)			
	No	-	-	-
	Up to 8	28 (56.00)	-	28 (28.00)
	9 to 13	12 (24.00)	-	12 (12.00)
	14 to 18	4 (8.00)	-	4 (4.00)
	19 to 23	4 (8.00)	26 (52.00)	30 (30.00)
	24 and above	2 (4.00)	24 (48.00)	26 (26.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
	Average	9.94	25.02	17.48
	$t' =13.32$	Significant at 0.05 level	d.f.= 98	
8.	Employment level in enterprise (score)			
	Low (up to 3)	24 (48.00)	-	24 (24.00)
	Medium (4 to 10)	26 (52.00)	50 (100.00)	76 (76.00)
	High (11 and above)	-	-	-
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	3.76	8.96	6.36
	$t' = 13.01$	Significant at 0.05 level	d.f.= 98	
9.	Growth in clients in enterprise (%)			
	No growth	-	-	-
	Up to 5 per cent	19 (38.00)	-	19 (19.00)
	10 per cent	31 (62.00)	31 (62.00)	62 (62.00)
	15 per cent	-	15 (30.00)	15 (15.00)
	20 per cent	-	4 (8.00)	4 (4.00)
	25 per cent	-	-	-
	Total	50 (100.00)	50 (100.00)	100(100.00)
	Average	8.1	12.3	10.2
	$t' =7.32$	Significant at 0.05 level	d.f.= 98	
10.	Growth in clients in enterprise (score)			
	Low (up to 3)	19 (38.00)	-	19 (19.00)
	Medium (4 to 5)	31 (62.00)	31 (62.00)	62 (62.00)
	High (6 and above)	-	19 (38.00)	19 (19.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average (std.)	3.24	4.92	4.08
	$t' =7.32$	Significant at 0.05 level	d.f.= 98	
11.	Adaptability in enterprise			
	Adapted very well to the demands of the day	16 (32.00)	34 (68.00)	50 (50.00)
	Adapted well to some situations only	7 (14.00)	10 (20.00)	17 (17.00)
	Could survive barely and now adjusting	27 (54.00)	6 (12.00)	33 (33.00)
	Could not foresee the impending crisis and unable to adjust well	-	-	-
	Could not adjust at all and thinking of quitting or changing	-	-	-
	Total	50 (100.00)	50 (100.00)	100(100.00)

Table 1 contd...

Contd.... Table 1

11.	Adaptability in enterprise (score)			
	Low (up to 6)	26 (52.00)	6 (12.00)	32 (32.00)
	Medium (7 to 10)	24 (48.00)	44 (88.00)	68 (68.00)
	High (11 and above)	-	-	-
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	6.92	8.8	7.86
	$t' = 4.56$	Significant at 0.05 level	d.f.= 98	
12.	Sustainability in enterprise			
	I am enjoying this experience of running the enterprise	17 (34.00)	28 (56.00)	45 (45.00)
	I feel quite comfortable with sustaining the enterprise	12 (24.00)	6 (12.00)	18 (18.00)
	I am able to survive the crisis and now growing slowly	21 (42.00)	16 (32.00)	37 (37.00)
	I may not be able to continue for long in this enterprise	-	-	-
	I wish I had started another enterprise; I do not see any future in this enterprise	-	-	-
	Total	50 (100.00)	50 (100.00)	100(100.00)
13.	Sustainability in enterprise (score)			
	Low (up to 5)	21 (42.00)	16 (32.00)	37 (37.00)
	Medium (6 to 10)	29 (58.00)	34 (68.00)	63 (63.00)
	High (11 and above)	-	-	-
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	7.18	8.04	7.61
	$t' = 1.90$	Significant at 0.05 level	d.f.= 98	
14.	Degree of satisfaction in enterprise			
	Highly dissatisfied	-	-	-
	Dissatisfied	5 (10.00)	-	5 (5.00)
	So-So (Neutral)	14 (28.00)	-	14 (14.00)
	Satisfied	29 (58.00)	28 (56.00)	57 (57.00)
	Highly satisfied	2 (4.00)	22 (44.00)	24 (24.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
15.	Degree of satisfaction in enterprise (score)			
	Low (up to 5)	19 (38.00)	-	19 (19.00)
	Medium (6 to 9)	29 (58.00)	28 (56.00)	57 (57.00)
	High (10 and above)	2 (4.00)	22 (44.00)	24 (24.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	6.16	8.32	7.24
	$t' = 7.05$	Significant at 0.05 level	d.f.= 98	
16.	Prestige earned in enterprise			
	None at all	-	-	-
	Moderate name earned	8 (16.00)	-	8 (8.00)
	Earned a good name in sales	14 (28.00)	11 (22.00)	25 (25.00)
	Became quite popular in the vicinity	14 (28.00)	18 (36.00)	32 (32.00)
	Much sought after by every farmer for apt advice	5 (10.00)	11 (22.00)	16 (16.00)
	Won awards and enjoyed good press coverage in local and national dailies.	9 (18.00)	10 (20.00)	19 (19.00)
	Total	50 (100.00)	50 (100.00)	100(100.00)
17.	Prestige earned in enterprise (score)			
	Low (up to 4)	22 (44.00)	11 (22.00)	33 (33.00)
	Medium (5 to 9)	20 (40.00)	29 (58.00)	49 (49.00)
	High (10 and above)	8 (16.00)	10 (20.00)	18 (18.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	5.72	6.8	6.26
	$t' = 2.25$	Significant at 0.05 level	d.f.= 98	

Figures in the parentheses indicate percentages

Table 2 : Distribution of the respondents according to their overall success-failure in enterprise

Sr. No	Overall success-failure	Respondents		
		Micro (n=50)	Small (n=50)	Overall (n=100)
1.	Low (up to 56)	13 (26.00)	1 (2.00)	14 (14.00)
2.	Medium (57 to 88)	29 (58.00)	42 (84.00)	71 (61.00)
3.	High (89 and above)	8 (16.00)	7 (14.00)	15 (15.00)
	Total	50 (100.00)	50 (100.00)	100 (100.00)
	Average	66.34	77.88	72.11
		$t' = 3.92$	Significant at 0.05 level	d.f.= 98

Table 3 : Association between socio-economic characteristics of the cashew nut processors and success-failure in enterprise

Sr. No	Characteristics	Variable code	Chi-square value(X^2)			Degrees of freedom
			Micro (n=50)	Small (n=50)	Overall (N=100)	
1.	Age	X ₁	9.74*	1.33	11.09*	4
2.	Major occupation	X ₂	7.05	7.05	17.50*	2
3.	Education	X ₃	0.81	15.89*	1.94	4
4.	Size of land holding	X ₄	13.50*	1.42	15.91*	6
5.	Annual income	X ₅	2.31	0.72	33.12*	4
6.	Family size	X ₆	14.05*	0.73	2.14	4
7.	Size of cashew orchard	X ₇	7.94	1.75	15.66*	4
8.	Yield of cashew nut	X ₈	13.17*	9.78*	27.96*	4
9.	Mass media use	X ₉	2.15	1.47	6.06	4
10.	Cosmopolitaness	X ₁₀	8.85	1.03	7.36	4
11.	Availability of raw material	X ₁₁	11.80*	0.80	19.52*	2
12.	Availability of cash credit	X ₁₂	22.80*	4.95	37.05*	4
13.	Storage space	X ₁₃	15.57*	3.12	56.52*	4
14.	Location of processing unit	X ₁₄	2.64	0.65	7.95	4

* indicates significance of value at P=0.05

Success - failure of cashew nut enterprise:

The findings pertaining to success-failure of the cashew nut processing enterprise and factors influencing it are presented in this part.

Success-failure of cashew nut processor:

About gross return gained, majority (64.00 %) of the micro cashew nut processors had 'medium' gross return gained, whereas 52.00 per cent of small cashew nut processors had 'medium' gross return gained. The average gross return gained score of the micro cashew nut processors and small cashew nut processors was 20.52 and 22.2, respectively.

About net income, majority (56.00 %) of the micro cashew nut processors had 'low' net income, whereas 80.00 per cent of small cashew nut processors had 'medium' net income. The average net income score of the micro cashew nut processors and small cashew nut processors was 7.2 and 9.76, respectively.

About per cent reinvestment of profit, majority (52.00 %) of the micro cashew nut processors had 'medium' per cent reinvestment of profit, whereas 78.00 per cent of small

cashew nut processors had 'medium' per cent reinvestment of profit. The average per cent reinvestment of profit score of the micro cashew nut processors and small cashew nut processors was 6.36 and 8.20, respectively.

More than one half (52.00 %) of the micro cashew nut processors had 'medium' employment level, whereas 100.00 per cent of the small cashew nut processors had 'medium' employment level. The average employment level score of the micro cashew nut processors and small cashew nut processors was 3.76 and 8.96, respectively.

More than three fifth (62.00 %) each of the micro cashew nut processors and small cashew nut processors had 'medium' growth in clients. The average growth in clients score of the micro cashew nut processors and small cashew nut processors was 3.24 and 4.92, respectively.

About adaptability, more than one half (52.00 %) of the micro cashew nut processors had 'low' adaptability, whereas 88.00 per cent of the small cashew nut processors had 'medium' adaptability. The average adaptability score of the micro cashew nut processors and small cashew nut processors was 6.92 and 8.8, respectively.

Less than three fifth (58.00 %) of the micro cashew nut processors and 68.00 per cent of the small cashew nut processors had 'medium' sustainability. The average sustainability score of the micro cashew nut processors and small cashew nut processors was 7.18 and 8.04, respectively.

About degree of satisfaction, less than three fifth (58.00 %) of the micro cashew nut processors and 56.00 per cent of the small cashew nut processors had 'medium' degree of satisfaction. The average degree of satisfaction score of the micro cashew nut processors and small cashew nut processors was 6.16 and 8.32, respectively.

More than two fifth (44.00 %) of the micro cashew nut processors had 'low' prestige earned, whereas 58.00 per cent of the small cashew nut processors had 'medium' prestige earned. The average prestige earned score of the micro cashew nut processors and small cashew nut processors was 5.72 and 6.80, respectively.

It is seen from Table 2 that 58.00 per cent of the micro cashew nut processors and 84.00 per cent of the small cashew nut processors had 'medium' success-failure. The average success-failure score of the micro cashew nut processors and small cashew nut processors was 66.34 and 77.88, respectively. Calculated 't' value (3.92) was statistically significant at 0.05 level of probability.

Factors influencing success-failure of the cashew processing enterprise:

Among the fourteen variables studied (Table 3), only six variables namely, age, size of land holding, family size, yield of cashew nut, availability of raw material, availability of cash credit, and storage space were significantly associated with

success – failure of the micro cashew nut processors, whereas, education and yield of cashew nut showed significant association with success-failure of small cashew nut processors.

At overall level, age, major occupation, size of land holding, annual income, size of cashew orchard, yield of cashew nut, availability of raw material, availability of cash credit and storage space showed significant association between success-failure of cashew nut processors.

Hundal (1971), Hissain and Mishra (2002) and Jadhav *et al.* (2009) have also contributed some information on the related aspects of the present investigation.

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