Volume - 5, Issue- 1, January 2017 e-ISSN : 2347 - 9671| p- ISSN : 2349 - 0187
EPRA International Journal of Economic and Business Review SJIF Impact Factor(2016) : 6.484
ISI Impact Factor (2013): 1.259 (UAE)

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Research Paper

COST AND RETURN STRUCTURE OF VERMICOMPOST PRODUCTION AND MARKETING IN TIRUNELVELI DISTRICT

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ABSTRACT

Vermicompost is dropping of earthworms after the intestinal digestion of organic matter; these dropping are high in nutritive value. Since vermicompost helps in enhancing the activity of micro organisms in soils which further enhance solubility of nutrients and their consequent availability to plants is known to be altered by micro-organisms by reducing soil pH at micro sites, chelating action of organic acids producing by them and intraphyl mobility in fungal filaments. Such inputs or Organic manure has number of apparent agronomic and environmental advantages. In recent years increasing fertilizer input cost, soil health, sustainability and pollution considerations have led to renewed interest in the use of organic manure. Vermicompost being a major component of organic manure has attracted attention of scientist worldwide, since it is an entirely natural product which maintain soil ecosystem and leaves no harmful effect on it. An analysis of Cost and return structure is highly essential in case of Production and marketing of any commodities, as it is the systematic way for estimating profitability.

Against this backdrop, the present study has been made to analyze the cost and return structure of vermicompost production and marketing in Tirunelveli district.

KEY WORDS: *Vermicompost, cost, return, commodities,*

INTRODUCTION

Vermicomposting or vermiculture revolution is a buzz word nowadays. Indian farmers had been using the FYM adages and its role in crop production and plant nutrition is well proved and documented. Vermicompost is dropping of earthworms after the intestinal digestion of organic matter; these dropping are high in nutritive value. Since vermicompost helps in enhancing the activity of micro organisms in soils which further enhance solubility of nutrients and their consequent availability to plants is known to be altered by micro-organisms by reducing soil pH at micro sites, chelating action of organic acids producing by them and intraphyl mobility in fungal filaments.

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Against this backdrop, the present study has been made to analyze the cost and return structure of vermicompost production and marketing in Tirunelveli district.

OBJECTIVES

- To analyse the cost of vermicompost production.
- To present the cost and returns from production and sale of vermicompost.

METHODOLOGY

The present study has used both primary and secondary data. The Primary data were collected from the vermicompost producers in Tirunelveli district. The secondary data were collected from published sources.

COST OF VERMICOMPOST PRODUCTION

The total costs incurred in production of a ton of vermicompost are given in table.

Table-1 Cost of Vermicompost Production

(Rs. /ton)

SL. No	Particulars	Cost of Vermicompost Production		
		Units	Physical Quantity	Value (Rs.)
1.	**Variable Costs**			
	I. Material Costs	Rs.		776.35 (77.95)*
	Earthworms	Kgs	1.97	355.48
	Bedding Material	Kgs	0.49	139.14
	Worm feed	Kgs	0.52	155.86
	Watering	Rs.	0.48	125.87
	II. Labour Costs	Rs.	3.32	139.03 (13.96)*
	Filling of pits	MD	0.95	39.87
	Separation of worms	MD	0.55	22.56
	Watering	MD	0.65	27.81
	Waste collection	MD	0.32	13.17
	Sieving	MD	0.85	35.62
	III. Interest on working capital	Rs.		80.57 (8.09)*
	IV. Total variable costs (I+II+III)	Rs.		995.95 (70.59)**
2.	Fixed Costs			
	1. Land	Rs.		125
	2. Building	Rs.		177.85
	3. Machinery	Rs.		60.52
	4. Tools & Equipment	Rs.		51.48
	V. Total Fixed Costs	Rs.		414.85 (29.41)**
	VI. Total Production Costs (IV+V)	Rs.		1410.80

Source: Computed data

Note: * Percentage to total variable cost; ** Percentage to total cost; MD - Man days

Table-1 shows that total variable costs which primarily comprised the material costs accounted for 70.59 per cent of total costs. Material costs which arose on account of procurement of earthworms, bedding material, worm feed and watering were as high as 77.95 per cent of total variable costs. Labour costs which accounted for around 13.96 per cent of the total variable costs were incurred for filling of pits, separation of worms, watering, waste collection and sieving. Interest on working capital accounted for around 8.09 per cent of the total variable costs. The total cost incurred per ton of vermicompost was Rs. 995.95. Total fixed cost which amounted to around Rs.414.85 per ton accounted for around 29.41 per cent of total cost of production. The components of the fixed costs were land, building, machinery and tools & equipment. Overall, the total cost of production of vermicompost per ton was Rs.1410.80. The material costs accounted for around 77.95 per cent of the total variable costs. It was so because earthworms, bedding material, worm feed and watering were main components of vermicompost production and were required in large quantity. Hence, the cost of these inputs

accounted for a major share in the total variable cost of vermicompost production.

COSTS AND RETURNS FROM PRODUCTION AND SALE OF VERMICOMPOST

The following table shows the costs and returns from production and sale of vermicompost.

Table-2 Costs and returns from production and sale of vermicompost

(Rs/ton)

Sl. No	Particulars	Rs.
I.	Production Cost (A)	1410.80
II.	Marketing Cost (B)	225
	1. Standardisation	35
	2. Packing	15
	3. Loading and Unloading	45
	4. Transport	88
	5. Storage	17
	6. Labour	15
	7. Miscellaneous	10
3.	Price realized per ton (C)	2815.85
	Net returns per ton (C-B-A)	1180.05

Source: Computed data

Table -2 shows that the production cost per ton of vermicompost was Rs. 1410.80. However, marketing costs incurred for standardization, packing, loading and unloading, transport, storage, labour and miscellaneous. As such, the total marketing costs amounted to Rs. 225 per ton. The table also reveals that price realized on an average per ton of vermicompost amounted to Rs. 2815.85. The net returns per ton of vermicompost were Rs.1180.05. In the marketing cost of Rs.225, transportation cost of Rs.88 had the maximum share since the producer himself had to take the compost to distant markets from the production unit.

RESULTS

- It is evident from the study that cost of production and marketing of Vermicompost was reasonable and the returns realized was higher, indicating a profitable scenario for the producers.
- The net returns per ton of vermicompost were Rs.1180.05. In the marketing cost of Rs.225, transportation cost of Rs.88 had the maximum share since the producer himself had to take the compost to distant markets from the production unit.

CONCLUSION

Vermicompost with its multifarious uses, plays a significant role in organic farming. Vermicomposting technology is highly beneficial and helps in improving the economic status of the manufacturers and farmers. If it is taken up on a commercial scale, it is sure to generate a high return and the farmers can also use it for their own purposes. Soon the production of Vermicompost will take the centre stage in India and the need of the hour is to chalk out a definite nationwide strategy to ensure maximum production and marketing of the produce.

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