

# AGRIBUSINESS THROUGH MICRO FINANCING IN WATERSHED PROGRAMME : A CASE STUDY



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## OBJECTIVE

➤ To work out the economics of carnation flower cultivation

## GEOGRAPHIC LOCATION

➤	Latitude	:	11 0' 55' North
➤	Longitude	:	76 13'0' East
➤	Hill range	:	Western Ghats
➤	Northern Boundary	:	Kerala & Karnataka
➤	Area	:	2540.55 Sq.Kms.
➤	Average Elevation	:	2000 Mts above
➤	Highest Peak	:	Doddabetta 2636 Mts /MSL

## LAND USE PATTERN



## SOCIO ECONOMIC FEATURE OF THE MEMBERS

Sl. No.	Name	Age (years)	Education	Family size	Land holding size (Acres)
1	Smt. Kundi Devi	37	5 <sup>th</sup>	3	2.0
2	Smt. Rukmani	39	Illiterate	4	0.15
3	Smt. Rani	35	8 <sup>th</sup>	4	0.60
4	Smt. Latha	30	10 <sup>th</sup>	4	-
5	Smt. Sunderi	43	Illiterate	2	0.25
6	Smt. Chitra	27	12 <sup>th</sup>	4	0.30
7	Smt. Savitri	37	6 <sup>th</sup>	4	0.25
8	Smt. Alamma	58	Illiterate	3	0.40
9	Smt. Sushedha	40	Do	1	0.60
10	Smt. Prema	32	10 <sup>th</sup>	3	0.20
11	Smt. M. Allamma	30	Do	5	-
12	Smt. P. Parthipa	29	Do	4	0.50
<b>Average</b>				<b>3.36</b>	<b>0.43</b>

## COST OF CULTIVATION

Type of cost	Item	Amount (Rs.)	Percent to total
<b>Cost A1=</b>			
1.	Land preparation and maintenance	784850	(07.15)
2.	Poly Green House Material	3750000	(43.27)
3.	Construction expenditure	330576	(03.01)
4.	Knitting cost	136200	(01.24)
5.	Planting material	2005000	(18.26)
6.	Transportation	86240	(00.79)
7.	Plant protection	62280	(00.57)
8.	Drip irrigation system	200000	(01.82)
9.	Interest on working Capital @ 10%	495000	(04.51)
10.	Depreciation on fixed capital@ 12%	594000	(05.41)
11.	Miscellaneous expenditure	54140	(04.14)
<b>Sub total</b>		<b>8498286</b>	<b>(83.02)</b>

## SHG MEMBERS AT WORK



Cost A2=		Cost A1+	
1.	Rent of land leased in	200000	(01.82)
	<i>Sub total</i>	<b>8698286</b>	<b>(84.84)</b>
Cost B=		Cost A2+	
1.	Imputed interest on fixed capital @ 10%	475000	(04.33)
	<i>Sub total</i>	<b>9173286</b>	<b>(89.17)</b>
Cost C=		Cost B+	
1.	Imputed value of family labour	1189454	(10.83)
	<i>Sub total ( Gross Cost)</i>	<b>10362740</b>	<b>(100.00)</b>
<b>Gross Income</b>		<b>11814180</b>	<b>(100.00)</b>
Enterprise Income (% to gross income)		2700744	(22.86)
<b>Family Labour Income (% to gross income)</b>		<b>2025744</b>	<b>(17.15)</b>
<i>Net income</i>		<b>1451440</b>	

## PROJECTION OF COSTS / BENEFITS FROM CARNATION CULTIVATION FOR 20 YEARS

Name of activity	Discount rates (%)						IRR (%)
	10		15		25		
	NPW	BCR	NPW	BCR	NPW	BCR	
<b>Carnation flower cultivation</b>	30198457	2.70	19845052	2.48	9868810	2.05	75.91

## CONCLUSIONS

- **Conducive and favourable climatic conditions for cut flower cultivation exist in the Nilgiris district with export quality and production potential.**
- **Carnation flower cultivation was found to be an economically viable proposition for Nilgiris in India. Since, land holding size is too small, more SHGs may be encouraged for taking up floriculture in the district with the help of line department and NGO involvement.**
- **This certainly will improve the socio-economic status and solve problems of disguised unemployment in agriculture in the study area.**