

# RESOURCE USE EFFICIENCY OF GROUNDNUT PRODUCTION IN MAHASAMUND AND RAIGARH DISTRICTS OF CHHATTISGARH, INDIA

## ABSTRACT

Groundnut is an important oilseed in Mahasamund and Raigarh Districts of Chhattisgarh and occupies a prominent position, both in area and production. This study investigates the resource use efficiency of groundnut production. Data was obtained from 145 farmers using data from 145 farmers through personal interviews and survey methods with the help of well-prepared interview schedule for during the crop year 2020/2021-21 cropping year. The input-output relationship of groundnut production was examined using the Cobb-Douglas production function. It was found that Marginal value product of groundnut to price ratio (MVP/Pi) was less than unity for human labour, seed, manure, fertilizer and plant protection chemicals. In groundnut cultivation Tractor cost (X3) was the significantly contributed to production of groundnut. However, human labour (X1), seed (X2), manure (X4) and fertilizer(X5) were non-significant in production of groundnut. The Groundnut production in the study area was profitable.

**Keywords:** Cobb-Douglas production function, resource use efficiency, marginal value product, price ratio.

## Highlights:

- The Marginal value product of groundnut to price ratio (MVP/Pi) was less than unity in the case of human labour, seed, manure, fertilizer and plant protection chemical.
- Human labour (X1), seed (X2), manure (X4) and fertilizer(X5) were non significant in production of groundnut.

## INTRODUCTION

Oilseed crops have been the backbone of several agricultural economies, and play an important role in agricultural industries and trade throughout the world. India is fortunate to have a variety of oilseed crops grown in its distinctively rich agro-climatic zones. India ranks fifth in the world vegetable oil economy, next to the United State of America (USA), China, Brazil and Argentina. Recently, oilseeds have attracted more attention due to an increasing demand for

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2. Clarify the need for this study, possibly by highlighting gaps in existing research or recent changes in groundnut production practices.

3. Clearly state the objectives of the study.

their healthy vegetable oil, livestock feeds, pharmaceuticals, ~~and biofuel~~ and other industrial uses. India ranks 1<sup>st</sup> in the production of groundnut, 3<sup>rd</sup> in rapeseed-mustard, and 5<sup>th</sup> in soybean. The Indian vegetable oil economy is the 4<sup>th</sup> largest economy in the world. The country accounts for 12-15% of the global oilseed area, 6-7% of vegetable oils production (next to the USA, China and Brazil), and 9-10% of total edible oils consumptions (FAO, 2011). Currently, India accounts for 6.8% of the oil meal production, 5.9% of the oil meal export, 6.1% of the vegetable oil export, 9.00% of the vegetable oil import and 9.3% of the edible oil consumption of the world studied (Sonnad *et al*, 2011). India rank 1<sup>st</sup> in the production of castor, Niger safflower and sesame. In the case of major oilseeds groundnut, rapeseed-mustard and soybean account for about 80% of area and 87% of production of oilseed in the country found the Naidau and Sankar 2014. Oilseed crops accounts for 13% of gross cropped area, 3% of gross national product, 10% of total value of output from agricultural crops and 6.0% of value of output from agriculture and allied sector. The per capita consumption of edible oils had 19.30 kg per person per annum in 2019-20 (Department of Sugar and Vegetable Oils; DG, CI and S, Dept of Commerce, Kolkata). States ranking of oilseeds in 2019-20 are Madhya Pradesh (6244 thousand metric tons), Rajasthan (5711 thousand metric tons) Gujarat (4102 thousand metric tons) and Maharashtra (2375 thousand metric tons) (Statista Research Department 2020). During the financial year 2021 over 36 million metric tons of oilseeds were produced in the south Asian country of India. Soybean was the highest produced oilseed with nearly 13 million metric tons produced in the country that year. (Statista Research Department 2021).

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Groundnut is an important oilseed crop in India and also an important agricultural export commodity. Globally, Groundnut covers 295 lakh hectares with the production of 487 lakh tonnes and with the productivity of 1647 kg/hectare (FAOSTAT, 2019). With annual all-season coverage of 55.6 lakh hectares, Globally, India ranks first in Groundnut acreage and is the second largest producer of Groundnut in the world with 101 lakh tonnes and with a productivity of 1816 kg per hectare in 2020/2021-21 (Agricoop, 2021, ~~nie. in~~). Groundnut is a major oilseed crop, contributing around 37 percent of the total oilseeds production in the country during 2020-2021. The area under groundnut constitutes approximately 3.3 percent of the net sown area in India. In India, Gujarat was the largest producer, accounting for ~~consisting~~ 25 percent of the total production followed by Tamil Nadu (22.48%), Andhra Pradesh (18.81%), Karnataka (12.64%), and Maharashtra (10.09%) during 2006-2007.

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Total area of groundnut in Chhattisgarh is 67.7 thousand ha<sup>-1</sup> with the production of 70.2 thousand tones and the productivity of 103 kg ha<sup>-1</sup> respectively.

The term resource use efficiency in agriculture may be broadly defined to include the concepts of technical efficiency, allocative efficiency and environmental efficiency. An efficient farmer allocates his land, labour, water and other resources in an optimal manner, so as to maximize his income, at least-cost on a sustainable basis. However, there are countless studies showing that farmers often use their resources sub-optimally. While some farmers may attain maximum profit per unit of inputs used, also in the process of achieving maximum yield and return some farmers may ignore the environmentally adverse consequences, if any of their resource use intensity. (Devi et al 2020).

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## MATERIALS AND METHODS

### Analysis of resource use efficiency

Cobb-Douglas production function

$$Y = a \cdot X_1^{b_1} \cdot X_2^{b_2} \cdot X_3^{b_3} \cdot X_4^{b_4} \cdot X_5^{b_5} \cdot X_6^{b_6} \cdot \mu$$

Y = Output from oilseed crops (Qtl/ha)

X1 = per/ha human labour (Man-days)

X2 = per/ha seed (kg)

X3 = per/ha manure (qtl)

X4 = per/ha fertilizer (in rupees)

X5 = per/ha tractor cost (in hours)

X6 = per/ha insecticide cost (in rupees)

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\*\*\*Please use appropriate labels and units of measurement for all variables.

b1 to b6 = are parameter/elasticity of coefficient of respective input or regression coefficient of factor inputs

A= constant term

$\mu$  = Error

Calculation of MVP at factor cost

$$MP = b_1 \bar{Y} \bar{X}_i$$

$B_1$  = production elasticity

$Y$  and  $X_i$  are the geometric mean of the variable

$i = 1, 2, 3, \dots$

$$MVP = M_p \cdot P_y$$

Where,  $P_y$  = price of  $y$

$$MVP_{x1} = b_1 \bar{Y} \bar{X}_i \cdot P_y$$

MVP = marginal value product of  $X_i$

$B_1$  = regression coefficient of  $X_i$

$X_i$  = geometric mean of  $X_i$  inputs

$Y$  = geometric mean of output

$P_y$  = per unit price of output

t-test

$$t = b / S.E. (b)$$

$b$  = partial regression coefficient

S.E. ( $b$ ) = standard error of 'b'

## RESULT AND DISCUSSION

### 1.1 Resource use efficiency of in groundnut production major oilseeds

#### 1.1.1 Resource use productivities in groundnut production

The Cobb-Douglas production function was used for estimating resource use efficiency in groundnut production on the basis of goodness of fit ( $R^2$ ). The  $R^2$  which indicates the proportion of total variation of the dependent variable jointly explained by the independent variables, and at

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the same time, the regression equation ~~which indicates the percentage change in yield associated~~ equation ~~which~~ indicates the percentage change in yield associated with one unit change in the ~~concerned~~ input at its geometric mean level, ~~while when~~ other factors are ~~supposed to be~~ held constant. These ~~findings are critical because results have of paramount importance as~~ they provide ~~information relating to probable effects of resource use provided~~ information ~~relating about the~~ ~~most to~~ probable effects of resource use change on yield. ~~The~~ Cobb-Douglas production function was found ~~to be the~~ best fit ~~for to~~ the data.

The results of resource use efficiency for groundnut are presented in ~~the~~ Table 1. The results revealed that the ~~six~~ resource variables, viz., human labour (X1), seed (X2), tractor cost (X3), manure (X4), fertilizer (X5) and plant protection chemical (X6) were included in the production function. The ~~result of the~~ analysis indicated that ~~above~~ six variables ~~have~~ jointly explained about 48 percent ~~of the~~ variation in the yield of groundnut. ~~The~~ regression coefficient of tractor cost (X3) was ~~the~~ significant at 1% level of ~~probability significance~~. The regression coefficient of human labour (X1), seed (X2), manure (X4) and fertilizer (X5) were ~~not~~ ~~significant~~, it indicates that they have positive impact on output it is similar to findings of Zekeri and Tijjani (2013) and Abbeam *et al* (2015).

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**Table 1. Results of Cobb- Douglas production function for groundnut in Mahasamund and Raigarh districts (per/ha)**

S/N.	Variables Particular		Regression coefficients	Standard Error
1	Intercept	A	1.89**	0.78
2	Total Human labour	X1	0.05	0.04
3	Seed	X2	-0.20	0.16
4	Tractor cost	X3	0.35***	0.03
5	Manure	X4	0.01	0.04
6	Fertilizer	X5	0.13	0.12
7	Plant protection chemical	X6	-0.01	0.04
8	R <sup>2</sup>		0.48	
9	Number of observations		145	

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(Figures in parenthesis are standard errors of respective regression coefficient)

NoteHint: \*\*\* = 1 % level of significance NS = Non-significant

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### 1.2 Resource use efficiency in groundnut production

The resource use efficiency in groundnut production on the sample farm in the Mahasamund and Raigarh districts and the results of resource use efficiency are presented in Table 2. The marginal value product to price ratio (MVP/Pi) was less than unity in the case of human labour, seed, manure, fertilizer and plant protection chemicals. It implies that these resources were efficiently utilized of these resources. The above results also found reported by the Choudhary et al (2017).

**Table 2. Resource use efficiency for groundnut production in Mahasamund and Raigarh district (per/ha)**

S. N.	Resources	Units	Bi	MVP	Pi	T calculated value	Comparison between T tabulated value	Significant/Non-significant	Remarks
1	Total human labour	Man Days	0.06	0.03	1	-0.89	t cal < t tab	Non-significance	Efficiently utilized
2	Seed cost	Per hours	-0.21	-0.05	1	-4.30	t cal < t tab	Non-significance	Efficiently utilized
3	Tractor cost	Kg	0.35	0.74	1	1.56	t cal > t tab	significance	under utilized
4	Manure	Qtl	0.02	0.01	1	-2.85	t cal < t tab	Non-significance	Efficiently utilized
5	Fertilizer	Kg	0.14	0.01	1	-1.21	t cal < t tab	Non-significance	Efficiently utilized

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2. Ensure that all units and descriptions are accurate and consistent.

3. Provide a detailed discussion on the implications of different MVP/Pi ratios.

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6	Cost of Plant protection chemicals	rupees	-0.02	-0.03	1	-9.43	t cal<t tab	Non-significance	Efficiently utilized
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## CONCLUSION

In this study, ~~an attempt was made to study~~ the resource use efficiency of groundnut production in Mahasamund and Raigarh district of Chhattisgarh in India. From The Marginal value product of groundnut to price ratio (MVP/Pi) was less than unity in the case of human labour, seed, manure, fertilizer and plant protection chemicals. ~~It indicates that~~ efficiently utilization of these resources for their groundnut production.

~~In groundnut cultivation~~ However, tractor cost (X3) ~~was the~~ significantly contributed ~~to~~ groundnut production, suggesting under-utilization and potential for improvement of groundnut. ~~However~~ The findings highlight that human labour (X1), seed (X2), manure (X4) and fertilizer (X5) were non-significant ~~in production of~~ groundnut.

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