## Research Paper

# Economics and Resource Use Efficiency of Wheat Crop: Findings from Jammu Region of Jammu \& Kashmir 

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#### Abstract

Economics of wheat crop revealed that, the cost-benefit ratio was found out to be highest in case of Jammu district and the least in case of Udhampur district. The overall yield of the wheat crop worked out to be 5.92, highest yield found out to be in the Jammu district and lowest in the Rajouri district. Production function analysis revealed that wheat crop yielded constant returns to scale. In addition, variables like human labour, machine labour, fertiliser, manure, etc. proved to be positively significant that could influence the yields of the wheat crop. Except Udhampur district, mustard crop in the rest of the district experienced constant returns to scale. Moreover, variables like machine labour, manure and fertiliser worked out to be significant. On the other hand, in the Udhampur district, rice crop revealed the increasing returns to scale and the rest of the districts showed the constant returns to scale. Human labour, plant protection chemicals and manure came out to be significant. Therefore, such input variables need to be taken care of accordingly.

\section*{HIGHLIGHTS}

0 Cultivation of wheat crop was found out to be most profitable in the case of Jammu district in spite of the fact that the total cost was very high in this district. 0 Resource-use-efficiency revealed that the input variables like human labour, machine labour and plant production chemicals proved out to be the most important input variables in wheat cultivation.


Keywords: Production function, resource use efficiency, returns to scale, Jammu regions

Rainfed farming is the form of farming practice in which, the water requirements of crops are mainly met by the rainfall activities. If we take into consideration of the possession of the total arable land, India leads the world with the total arable land in possession to the tune of 156.46 million hectares (MoFPI, 2016). Therefore, it is not very strange to observe the fact that the India also leads the other nations in terms of the possession of rainfed area, respectively (NRAA, 2016).
Swaminathan and Rawal (2010) carried out their
research on costs and returns from the cultivation of different types of cotton in rainfed village in Vidarbha region of Maharashtra. In the study, there found the high variability in the production for Btcotton in comparison to the other types of cotton. Further, net income from Bt cotton fields was found

[^0]out to be ₹ 7,059 per acre. Though, the advantage of income declined with intercropping practices. The study further revealed that, on the intercropped plots, the gross value of output per acre from intercropped Bt cotton was only slightly higher than from intercropped premium non-Bt cotton, but as costs were also higher, net incomes turned out to be slightly lower. Further, Tiwari (2011) in his study worked out the per hectare cost of cultivation and reported cost of cultivation of kharif soybean found out to be ₹ $30,740.85$, ₹ $28,466.26$ and ₹ $29,587.43$ for small, large and pooled farms, respectively. In addition, the net income soared from ₹ $8,986.56$ on large farms to ₹ $13,342.47$ on small farms with overall average of $₹ 10,999.42$ on pooled farms. Further, the study also carried out onthe net income per rupee of expenditure and found out that the net income per rupee of expenditure was ₹ 0.43 , Rs. 0.32 and ₹ 0.37 on small, large and pooled farms, respectively. Meshram et al. (2018) carried out a study of wheat crop in Wardha district of Vidharba region and found out that the per hectare cost of cultivation of overall adopter at cost ' A ', cost ' B ' and cost ' $\mathrm{C}^{\prime}$ revealed to be of ₹ 27312.29 per ha, ₹ 35611.35 per ha and $₹ 39700.51$ per ha, respectively. Gross returns were found out to be ₹ 52849.50 per ha and the overall B:C ratio at cost ' $C$ ' was revealed to be 1:1.31. Hussain et al. (2012) conducted a study on the wheat production in the rainfed areas of Punjab in Pakistan. The study utilized the stochastic CobbDouglas production frontier and revealed that the wheat productivity can be improved significantly and can even be doubled in these areas under the present use of input-use and technology.
The present study was undertaken in the rainfed areas of the Jammu region as thereis existence of the research gap in the study of the farmers in the rainfed regions of the Jammu region. Majority of the farmers in the Jammu region practices rainfed farming and in this context, it becomes important to work out the economics of these regions with wheat as the major crop as this will directly help in analyzing and assessing the returns of the farmer in these regions. Therefore, the present study was undertaken with two major objectives. First, to find out the cost structure of the wheat crop in the rainfed regions. Secondly, to find out the resourceuse efficiency of this crop in the rainfed regions.

## Research Methodology

As far as the statistical analysis is concerned, for the calculation of costs and returns, there was employment of the cost concepts framed by the CACP like Cost $\mathrm{A}_{1^{\prime}}$ Cost $\mathrm{A}_{2^{\prime}}$ Cost $\mathrm{B}_{1^{\prime}}$ Cost $\mathrm{B}_{2^{\prime}}$ Cost $C_{1}$ and $C_{2}$. The input items included under each category of costs are indicated below:
Cost $\mathrm{A}_{1}=$ All actual expenses in cash and kind incurred in production by the producer. The items covered in cost $\mathrm{A}_{1}$ are costs on purchasing chick, feed, hired human labor, bullock labour, machine labour, litter, medicine, electricity, depreciation on farm machinery, equipment and farm building, interest on working capital and miscellaneous expenses.
$\operatorname{Cost} \mathrm{A}_{2}=\operatorname{Cost} \mathrm{A}_{1}+$ rent paid for leased-in land
$\operatorname{Cost} B_{1}=\operatorname{Cost} A_{1}+$ interest on value of owned capital assets (excluding land)
$\operatorname{Cost} B_{2}=\operatorname{Cost} B_{1}+$ rental value of owned land and rent paid for leased-in land
$\operatorname{Cost} \mathrm{C}_{1}=\operatorname{Cost} \mathrm{B}_{1}+$ imputed value of family labor
$\operatorname{Cost} \mathrm{C}_{2}^{*}=\operatorname{Cost} \mathrm{B}_{2}+$ imputed value of family labor
$\operatorname{Cost} C_{2}=\operatorname{Cost} C_{2}$ estimated by taking into account statutory or actual wage rate whichever is higher
$\operatorname{Cost} \mathrm{C}_{3}=\operatorname{Cost} \mathrm{C}_{2}{ }^{*}+10$ percent of $\operatorname{Cost} \mathrm{C}_{2}{ }^{*}$ to (on account of managerial functions performed by farmer)
For computing resource-use efficiency, it was carried out by employing Cobb-Douglas production function. There is something peculiar about using such type of production function as this production function measures the marginal contribution of each input to that of the total output. In addition to this, it clears the picture about the returns to scale i.e. whether a particular crop/enterprise yield diminishing, constant or increasing returns to scale. As, input combinations/selections tends to differ with respect to the crops, therefore, the regression coefficients had been modified to find out the specific results.
Furthermore, the estimated parameters of production function of crops/enterprises with reference to elasticities of yield, standard errors of regression coefficients, their significance and the coefficient
of multiple determination ( $\mathrm{R}^{2}$ ) has also been estimated. The coefficient of multiple determination $\left(R^{2}\right)$ represents the total variation in the dependent variable that has been explained or detailed by that of the independent variable. Moreover, the production elasticity of respective resource variable in multiple regression equation is shown by the regression coefficient of the individual resource variable. This simply connotes the fact that one unit change in the yield associated with one unit change in the concerned input at its geometric mean level, while other factors are being held constant.
The general form of the production function can be expressed as follows:

$$
Y_{t}=\beta_{o}\left(\prod_{i=1}^{n} X_{i} \beta_{i}\right) u(i=1,2,3, \ldots n)
$$

Where ' Y ' and $X_{i}(i=1,2,3, \ldots . n)$ represents the levels output and levels of inputs. In addition, the respective constants $\beta_{o}$ and $\beta_{i}^{\prime} \mathrm{s}(i=1,2,3 \ldots . n)$ reflects the efficiency parameters as well as the efficiency parameters along with the production elasticities of the particular input variables for the given population at a particular period ' $t$ '. The term ' $u$ ' represents the error term.
The fitted Cobb-Douglas production may be represented in the mathematical form for the present case with six input variables (in case of crops) as follows:

$$
Y=a_{o} X_{1}^{b 1} X_{2}^{b 2} X_{3}^{\mathrm{b} 3} \ldots \ldots \ldots \ldots \ldots X_{n}^{b n} e^{n}
$$

In the above functional model, ' $Y$ ' depicts the dependant variable, ' $X_{i}^{\prime}$ depicts the independent variable, ' $a$ ' is the constant representing the intercept or the production function and finally ' $b_{i}^{\prime}$ ' reflects the regression coefficients of the respective resource variables. The elasticity of production is represented by the regression co-efficient obtained from this function. The nature of returns of scale is reflected by the sum of ' $b_{i}^{\prime}$. Now, this function has been transformed into linear form by employing the use of logarithmic transformation. The modified form of the logarithmic transformation was then turns out to be:

$$
\begin{aligned}
& \log Y=\log a+b_{1} \log X_{1}+b_{2} \log X_{2}+\ldots \ldots \ldots+b_{n} \\
& \quad \log X_{n}+u \log e
\end{aligned}
$$

The fitted Cobb-Douglas production for the present case (in case of crop enterprise) with six variables has been represented as follows:

$$
Y=a_{0} X_{1}^{b 1} X_{2}^{b 2} X_{3}^{b 3} X_{4}^{b 4} X_{5}^{b 5} X_{6}^{b 6}
$$

On log transformation, the modified linear from of the above function is:

$$
\begin{aligned}
& \log Y=\log a_{0}+b_{1} \log X_{1}+b_{2} \log X_{2}+b_{3} \log X_{3}+ \\
& b_{4} \log X_{4}+b_{5} \log X_{5}+b_{6} \log X_{6}
\end{aligned}
$$

Where,
$Y=$ Gross returns of the crop enterprise in rupees per acre as a dependent variable
$X_{1}=$ Total cost on seed input in rupees per acre
$X_{2}=$ Total cost on human labour in rupees per acre
$X_{3}=$ Total cost on machine labour in rupees per acre
$X_{4}=$ Total cost on manure in rupees per acre
$X_{5}=$ Total cost on fertilisers in rupees per acre
$X_{6}=$ Total cost on plant protection chemicals in rupees per acre

## Marginal value productivity

The marginal value productivity (MVP) reflects the addition of gross value of farm production per unit increase in the ' $i^{\text {th' }}$ resource with all the resources fixed at their geometric mean levels. The MVP for both the agricultural as well as the alliedagricultural inputs was worked out by employing the following formula (Heady and Dillion, 2002):

$$
M V P=b \frac{\bar{Y}}{\bar{X}} P_{y}
$$

Where,

$$
\begin{aligned}
& b=\text { Regression coefficient of particular independent } \\
& \text { variable } \\
& \bar{Y}=\text { Geometric mean of dependent variable } \\
& \bar{X}=\text { Geometric mean of independent variable } \\
& P_{y}=\text { Price of dependent variable. }
\end{aligned}
$$

## Statistical significance

It was measured by t-statistic i.e.,

$$
\text { t-statistic }=\frac{\text { Regression coefficient }}{\text { Standard error }}
$$

## RESULTS AND DISCUSSION

Table 2 clears out the picture regarding the cost and returns of wheat crop in the four districts under study. The total cost has been found highest i.e., ₹ 9682.51 per acre, which was subsequently been followed by Kathua district ( $₹ 9065.65$ per acre),

Udhampur district ( $₹ 7315.58$ per acre) and finally by Rajouri district ( $₹ 6756.09$ per acre). The overall average, thereby, was found out to be ₹ 8716.17 per acre. It is imperative to find out that the Udhampur and Rajouri district were also employing bullock labour along with the machine and human labour.

Table 1: District-wise rainfed area of Jammu division (2016-17) (Area in ha)

| District | Net area sown | Irrigated area | Rainfed area/ Unirrigated area Area-wise ranking |  |
| :--- | :--- | :--- | :--- | :--- |
| Jammu | 106798 | 66115 | 40683 | 2 |
| Samba | 32645 | 10067 | 22578 | 7 |
| Udhampur | 48885 | 10212 | 38673 | 3 |
| Reasi | 20937 | 1439 | 19498 | 8 |
| Doda | 29848 | 2495 | 27353 | 5 |
| Kishtwar | 16044 | 2815 | 13229 | 10 |
| Ramban | 19961 | 1372 | 18589 | 9 |
| Kathua | 58797 | 21218 | 37579 | 4 |
| Rajouri | 53632 | 4768 | 48864 | 1 |
| Ponch | 27336 | 3501 | 23835 | 6 |
| Total | 414883 | 124002 | 290881 |  |
| J\&K | 757026 | 336083 | 420943 |  |

Source: Digest of statistics 2016-17 (J\&K).
Table 2: Item-wise cost structure of wheat crop under rainfed conditions in four districts (₹/acre)

| Sl. No. | Items | Jammu | Kathua | Udhampur | Rajouri | Overall average |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| (A) | Variable Cost |  |  |  |  |  |
| a) | Seed | 1157.52 | 1112.15 | 1012.15 | 880.16 | 1040.50 |
|  | Farm produced seeds | 810.26 | 778.51 | 809.72 | 704.13 | 775.65 |
|  | Purchased seeds | 347.26 | 333.65 | 202.43 | 176.03 | 264.84 |
| b) | Manure | 563.09 | 504.56 | 296.84 | 287.37 | 412.97 |
|  | Farm produced manure | 450.47 | 403.65 | 267.16 | 258.63 | 344.98 |
|  | Purchased manure | 112.62 | 100.91 | 29.68 | 28.74 | 67.99 |
| c) | Chemical fertilisers (NPK) | 871.62 | 874.66 | 590.05 | 460.04 | 699.09 |
| d) | Human labour | 1834.36 | 1572.45 | 1333.19 | 1392.50 | 1533.13 |
|  | Owned | 817.36 | 586.45 | 766.59 | 596.25 | 691.66 |
|  | Hired | 1017.00 | 986.00 | 566.60 | 796.25 | 841.46 |
| e) | Machine labour | 1274.07 | 1190.79 | 1055.45 | 1180.33 | 1175.16 |
|  | Owned | 424.69 | 396.93 | 263.86 | 295.08 | 345.14 |
|  | Hired | 849.38 | 793.86 | 791.59 | 885.25 | 830.02 |
| f) | Bullock labour | 0.00 | 0.00 | 885.15 | 1159.66 | 1022.41 |
|  | Owned | 0.00 | 0.00 | 531.09 | 773.11 | 652.10 |
|  | Hired | 0.00 | 0.00 | 354.06 | 386.55 | 370.31 |
| g) | Plant protection chemicals | 394.23 | 343.04 | 92.78 | 36.09 | 216.54 |
| h) | Interest on working capital | 426.64 | 391.84 | 368.59 | 377.73 | 391.20 |
|  | Total | 6521.53 | 5989.49 | 5634.20 | 5773.88 | 6490.98 |
| (B) | Fixed Cost |  |  |  |  |  |
| a) | Depreciation on farm buildings \& equipment | 621.39 | 579.10 | 128.50 | 43.35 | 343.09 |
| b) | Estimated rental value | 2200.91 | 2167.47 | 1372.73 | 833.62 | 1643.68 |
| c) | Land revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d) | Interest on fixed capital | 338.68 | 329.59 | 180.15 | 105.24 | 238.41 |
|  | Total | 3160.98 | 3076.16 | 1681.38 | 982.21 | 2225.18 |
|  | Total Cost (A+B) | 9682.51 | 9065.65 | 7315.58 | 6756.09 | 8716.16 |

As far as the returns are concerned (Table 4), the net returns were also found highest in case of Jammu district which was found out to be ₹ 6788.36 per acre. The lowest was found in the case of Udhampur district (₹ 4004.89 per acre). In addition, the net returns in case of Kathua and Rajouri was revealed to be ₹ 6225.24 per acre and ₹ 4070.75 per acre with the overall average found out to be ₹ 4761.10 per acre. The cost-benefit ratio was therefore, found highest in case of Jammu district (1:1.70), followed by Kathua district (1:1.69), Udhampur district (1:1.54) and Rajouri district ( $1: 1.60$ ). The overall cost-benefit ratio came out to be 1.63 . To find out the wider picture, family labour income as well as
the farm business income has also been calculated and found that the former was highest in case of Jammu district (₹ 7605.72 per acre) and lowest in case of Rajouri district (₹ 4667 per acre), whereas, the latter was therefore, found highest in the Jammu district ( $₹ 7944.40$ per acre) and lowest in case of Rajouri district (₹ 4772.24 per acre). Subsequently, the overall family labour income and farm business income was found out to be ₹ 5452.76 per acre and ₹ 5691.17 per acre.
Table 3 indicates that the overall cost $\mathrm{A}_{1}$ comes out to be ₹ 6142.42 per acre. When the interest on fixed capital is included in this amount, the overall average increased to ₹ 6380.83 per acre, which is

Table 3: Concept-wise cost of cultivation of wheat crop under rainfed conditions in four districts (₹/acre.)

| Sl. No. | Particulars | Jammu | Kathua | Udhampur | Rajouri | Overall average |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1. | Cost $\mathrm{A}_{1}$ |  |  |  |  |  |
| (a) | Hired labour | 1017.00 | 986.00 | 566.60 | 796.25 | 841.46 |
| (b) | Machine labour | 1274.07 | 1190.79 | 1055.45 | 1180.33 | 1175.16 |
| (c) | Bullock labour | 0.00 | 0.00 | 885.15 | 1159.66 | 1022.41 |
| (d) | FYM | 563.09 | 504.56 | 296.84 | 287.37 | 412.97 |
| (e) | Seed | 1157.52 | 1112.15 | 1012.15 | 880.16 | 1040.50 |
| (f) | Fertilisers (NPK) | 871.62 | 874.66 | 590.05 | 460.04 | 699.09 |
| (g) | Plant protection chemicals | 394.23 | 343.04 | 92.78 | 36.09 | 216.54 |
| (h) | Interest on working capital | 426.64 | 391.84 | 368.59 | 377.73 | 391.20 |
| (i) | Depreciation charges | 621.39 | 579.10 | 128.50 | 43.35 | 343.09 |
|  | Total cost- $\mathrm{A}_{1}$ | 6325.56 | 5982.14 | 4996.11 | 5220.98 | 6142.42 |
| 2. | Cost-A ${ }_{2}$ |  |  |  |  |  |
| (a) | Cost-A ${ }_{1}$ | 6325.56 | 5982.14 | 4996.11 | 5220.98 | 6142.42 |
| (b) | Rent paid for leased-in land | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | Total cost- $\mathrm{A}_{2}$ | 6325.56 | 5982.14 | 4996.11 | 5220.98 | 6142.42 |
| 3. | Cost- $\mathrm{B}_{1}$ |  |  |  |  |  |
| (a) | Cost $\mathrm{A}_{1}$ | 6325.56 | 5982.14 | 4996.11 | 5220.98 | 6142.42 |
| (b) | Interest on fixed capital (excluding land) | 338.68 | 329.59 | 180.15 | 105.24 | 238.41 |
|  | Total cost- $\mathrm{B}_{1}$ | 6664.24 | 6311.73 | 5176.26 | 5326.22 | 6380.83 |
| 4. | Cost- $\mathrm{B}_{2}$ |  |  |  |  |  |
| (a) | Cost $\mathrm{B}_{1}$ | 6664.24 | 6311.73 | 5176.26 | 5326.22 | 6380.83 |
| (b) | Land revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (c) | Estimated rental value | 2200.91 | 2167.47 | 1372.73 | 833.62 | 1643.68 |
|  | Total cost- $\mathrm{B}_{2}$ | 8865.15 | 8479.20 | 6548.99 | 6159.84 | 8024.51 |
| 5. | Cost -C ${ }_{1}$ |  |  |  |  |  |
| (a) | Cost $\mathrm{B}_{1}$ | 6664.24 | 6311.73 | 5176.26 | 5326.22 | 6380.83 |
| (b) | Imputed value of family labour | 817.36 | 586.45 | 766.59 | 596.25 | 691.66 |
|  | Total cost- $\mathrm{C}_{1}$ | 7481.60 | 6898.18 | 5942.85 | 5922.47 | 7072.49 |
| 6. | Cost-C ${ }_{2}$ |  |  |  |  |  |
| (a) | Cost $\mathrm{B}_{2}$ | 8865.15 | 8479.20 | 6548.99 | 6159.84 | 8024.51 |
| (b) | Imputed value of family labour | 817.36 | 586.45 | 766.59 | 596.25 | 691.66 |
|  | Total cost- $\mathrm{C}_{2}$ | 9682.51 | 9065.65 | 7315.58 | 6756.09 | 8716.17 |
| 7. | Cost- C3 |  |  |  |  |  |
|  | Cost of management (10\% of Cost- $\mathrm{C}_{2}$ ) | 968.25 | 906.57 | 731.56 | 675.61 | 871.62 |
|  | Total cost- $\mathrm{C}_{3}$ | 10650.76 | 9972.22 | 8047.14 | 7431.70 | 9587.79 |

represented by cost $\mathrm{B}_{1}$. Further, the overall value of the cost $B_{2}, C_{1}, C_{2}$ and $C_{3}$ was revealed to be ₹ 8024.51 , ₹ 7072.49 , ₹ 8716.17 and ₹ 9587.79 per acre, respectively. As the net returns was found to be highest in the case of Jammu district, so the family labour income and farm business income was also found to be highest in case of the Jammu district (Table 4).
Further, Table 5 finally represents the production pattern on wheat crop cultivation under rainfed conditions in the four districts under study. The highest yield and price were found in the case of Jammu district and the lowest in the case of Rajouri district with the average comes about 5.92 quintals per acre in case of yield and ₹ 1756.75 per quintal.
The resource-use efficiency of wheat crop has been presented in Table 6. For the Jammu district, the sum of elasticities revealed to be 1.03, thereby, reflecting the constant returns to scale. In addition, the coefficient of determination $\left(R^{2}\right)$ came out to be 99.68. Thus, more than 99 per cent variability in output was jointly explained by six explanatory (regressor) variables. Careful analysis of the table shows that, the result for the regression coefficients turned out to be positive and significant (at 5\%
level) for the human labour, machine labour and plant protection chemicals. It means that, one unit increase in the cost of human labour, machine labour and plant protection chemicals, would lead to the enhancement in returns by 0.06 percent, 0.34 per cent and 0.34 percent, respectively. Therefore, these three variables were found out to be of considerable importance. Whereas, the regression coefficients for the seed, manure and fertiliser were found to be positive but non-significant. The idea about the over-utilisation and the under-utilization of the resources has been revealed by the concept of MVP. The MVP of seed, human labour, machine labour, manure, fertiliser and plant protection chemicals were found to be $1.58,0.53,4.33,0.26$, 3.09 and 10.12 , respectively. It reveals that variables like human labour and manure are over-utilized and therefore needs to be reduced and variables like seed, machine labour and fertilisers are underutilised and are required to be enhanced, so as to increase the overall returns from the cultivation of wheat crop in the Jammu district.
In case of Kathua, the sum of elasticities was revealed to be 1.01, thereby, reflecting the constant returns to scale. Further, the $\mathrm{R}^{2}$ turned out to be 98.93 , thereby,

Table 4: Cost and returns of wheat crop under rainfed conditions in four districts ( $₹ /$ acre.)

| Sl. No. | Particulars | Jammu | Kathua | Udhampur | Rajouri | Overall average |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Cost |  |  |  |  |  |  |
| (a) | Total variable cost | 6521.53 | 5989.49 | 5634.20 | 5773.88 | 6490.98 |
| (b) | Total fixed cost | 3160.98 | 3076.16 | 1681.38 | 982.21 | 2225.18 |
| (c) | Total cost (C) | 9682.51 | 9065.65 | 7315.58 | 6756.09 | 8716.17 |
| Returns |  |  |  |  |  |  |
| (a) | Gross returns | 16470.87 | 15290.89 | 11320.47 | 10826.84 | 13477.27 |
| (b) | Net returns | 6788.36 | 6225.24 | 4004.89 | 4070.75 | 4761.10 |
| (c) | Family labour income | 7605.72 | 6811.69 | 4771.48 | 4667.00 | 5452.76 |
| (d) | Farm business income | 7944.40 | 7141.28 | 4951.63 | 4772.24 | 5691.17 |
| (e) | Cost-Benefit Ratio | $1: 1.70$ | $1: 1.69$ | $1: 1.54$ | $1: 1.60$ | $1: 1.63$ |

Table 5: Production pattern of wheat crop cultivation under rainfed conditions (per acre)

| Sl. No. | Particulars | Jammu | Kathua | Udhampur | Rajouri | Overall average |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
|  | Main product |  |  |  |  |  |
| (a) | Quantity (quintals) | 6.48 | 6.40 | 5.80 | 5.00 | 5.92 |
| (b) | Average price per quintal | 1887 | 1865 | 1650 | 1625 | 1756.75 |
|  | Total amount (A) | 12227.76 | 11936.00 | 9570.00 | 8125.00 | 10464.69 |
|  | By- product |  |  |  |  |  |
| (a) | Quantity (quintals) | 9.43 | 7.21 | 4.30 | 6.75 | 6.92 |
| (b) | Average price per quintal | 450 | 465 | 406.95 | 400 | 430.49 |
|  | Total amount (B) | 4243.11 | 3354.89 | 1750.47 | 2700 | 3011.51 |
|  | Total (A+B) | $\mathbf{1 6 4 7 0 . 8 7}$ | $\mathbf{1 5 2 9 0 . 8 9}$ | $\mathbf{1 1 3 2 0 . 4 7}$ | $\mathbf{1 0 8 2 6 . 8 4}$ | $\mathbf{1 3 4 7 7 . 2 7}$ |

Table 6: Resource-use efficiency of wheat crop

| Variables | Jammu |  | Kathua |  | Udhampur |  | Rajouri |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Coefficients | MVP | Coefficients | MVP | Coefficients | MVP | Coefficients | MVP |
| Constant or intercept | 2.782 (0.171) |  | 2.632 (0.062) |  | 2.782 (0.476) |  | 2.567 (0.203) |  |
| $\mathrm{X}_{1}$ Seed | 0.113 (0.101) | 1.582 | -0.073 (0.043) | -0.961 | $-0.427^{*}(0.201)$ | -4.817 | 0.074 (0.062) | 0.862 |
| $\mathrm{X}_{2}$ Human labour | 0.062* (0.032) | 0.532 | $0.461 *(0.072)$ | 4.510 | 1.229* (0.217) | 10.501 | 0.256 (0.147) | 1.963 |
| $\mathrm{X}_{3}$ Machine labour | 0.342* (0.091) | 4.332 | 0.184* (0.081) | 2.422 | -0.273* (0.091) | -2.930 | 0.532* (0.102) | 4.935 |
| $\mathrm{X}_{4}$ Manure | 0.01 (0.021) | 0.261 | 0.041 (0.031) | 1.702 | $0.327^{*}(0.022)$ | 12.80 | 0.033 (0.021) | 0.862 |
| $X_{5}$ Fertiliser | 0.186 (0.101) | 3.094 | $0.310^{*}(0.060)$ | 5.451 | 0.048 (0.88) | 0.837 | 0.014 (0.053) | 0.291 |
| $X_{6}$ Plant protection chemicals | 0.342* (0.11) | 10.122 | 0.072* (0.031) | 3.191 | 0.088 (0.179) | 10.912 | 0.101* (0.063) | 31.022 |
| $\mathrm{R}^{2}$ \% | 99.68 |  | 98.93 |  | 99.68 |  | 99.89 |  |
|  | 1.03 |  | 1.01 |  | 0.99 |  | 1.06 |  |

*Significant at 5 per cent level of significance; Figures in parentheses indicate standard error.
shows that 98.93 per cent of variability in output is shown by the six explanatory (regressor) variables. Further, the value of coefficients for human labour, machine labour, fertiliser and plant protection chemicals turned out to be positive and significant and for that of seed turned out to be non- significant but negative. The value of coefficient for the manure was positive but non-significant. One unit increase in cost of human labour, machine labour, fertiliser and plant protection chemicals would lead to an increase in the returns by 0.46 percent, 0.18 per cent, 0.31 percent and 0.07 percent, respectively. MVP for seed came out to be negative and it came out to be positive for the rest of the variables. It connotes the fact that, seed needs to be reduced so as to enhance the returns of the farmers. Further, all the rest of the variables reflected the under-utilization of resources, and therefore, there is high scope of increasing the usage of these resources in Kathua district.
The sum of elasticities in case of Udhampur district, were found out to be 0.993, representing the decreasing returns to scale. Further, the value of $\mathrm{R}^{2}$ was 99.68 i.e., 99.68 of the variability is explained by the explanatory variables (regressors) in the independent variable (regressand). Further, the value of regression coefficients revealed out to be negative and significant (at 5 per cent level) in case of seed and machine labour, whereas, it came out to be positive in case of the rest of the variables. Therefore, the cost in case of seed as well as machine labour needs to be reduced. The value of coefficients of human labour, manure, fertiliser and plant protection chemicals came out to be 1.229, 0.327, 0.048 and 0.088 , thereby, reflecting the fact that, with
one unit increase in the cost of these inputs there will be increase in the returns for the farmers by 1.22 per cent (for human labour), 0.32 per cent (for manure), 0.05 per cent (for fertilisers) and 0.09 per cent (for plant protection chemicals), respectively.
Finally, in case of Rajouri district, the sum of elasticities was revealed to be 1.06 per cent, respectively, which revealed the constant returns to scale and the value of $\mathrm{R}^{2}$ came out to be 99.89 . Thus, 99.89 of regressors representing the variation in the regressand. The value of regression coefficients was found to be significant (at $5 \%$ level) and positive in case of two variables i.e., machine labour (0.53) and plant protection chemicals (0.1). One-unit increase in cost of machine labour and plant protection chemicals would lead to increase in returns for farmers by 0.53 per cent and 0.1 per cent, respectively. In addition, the value of coefficients for seed, human labour, manure and fertilizer were revealed out to be $0.07,0.26,0.03$ and 0.01 , respectively. The analysis at the geometric level showed that the variables like seed, manure and fertiliser were over-utilised and therefore, needed to be reduced and the variables like human labour, machine labour and plant protection chemicals were under-utilised and therefore, should be enhanced accordingly, so as to increase the returns for the farmers.

## CONCLUSION

The total cost of production of wheat crop in case of Jammu and Kathua districts was found to be high in comparison to that of two districts of Udhampur and Rajouri, respectively. With the gross returns
of ₹ 16470.87 per acre and ₹ 15290.89 per acre, Jammu and Kathua districts yielded cost-benefit ratio of 1:1.70 and 1:1.69, respectively. As far as the production per acre was concerned, it was found out to be 5.92 quintals per acre, on an average, in the rainfed regions of the four districts. The highest was found out to be in case of Jammu district i.e., 6.48 quintals per acre. On the other hand, resourceuse efficiency of wheat crop delineates the fact that there was positively significant relationship in the human labour, machine labour and plant protection chemicals in the Jammu district. Also, study found the significantly positive relationship in human labour, machine labour, fertilizer and in plant protection chemicals. Positively significant relationship was also being observed in the human labour and manure in district Udhampur and in the variables of machine labour and plant protection chemicals in Rajouri district. At the same time, negatively significant relationship was witnessed in seed in Kathua district, seed and machine labour in Udhampur district, respectively

## Policy recommendations

Wheat proves out to be an important staple crop in the rainfed areas of the Jammu region. Therefore, effort should be made to enhance the production as well as the productivity of this crop. The cost analysis revealed high cost in the labour as a input in the production process. Therefore, the same needs to be reduced as there is high scope of its reduction as showed by the marginal value productivity. At the same time, inputs like plant protection chemicals should be given due consideration as it was found to be significant.

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