

Original Research Article

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Income and Employment Generation under Optimum Combination of Different Enterprises in Sugarcane Based Farming System for Small Category of Farms in District Meerut of Uttar Pradesh, India

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ABSTRACT

Keywords

Farming system, Optimization, LP model, Livestock, Land allocation, Employment generation.

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The present study was conducted during the year 2013-14 in District Meerut of Uttar Pradesh to know the possibilities of optimum combination of different enterprises for the enhancement of the farms income and employment of small category of farms household's. Multistages stratified random sampling design was used to collect the primary data from; a sample of 32 respondents was selected on the basis of probability proportion to size of holdings. A linear programming (LP) model was used to find out the optimal farm plan for optimum land allocation for maximization of net returns and to generate employment from, small category of farms. In the study area, Small farms linear programming model resulted that increase in return which was 33.72 per cent higher than the existing farm plan and labour man days 69.59 per cent higher compare to the existing farm plan.

Introduction

Agriculture continues to be the backbone of Indian economy. It may be noted that Indian agriculture is the home of small and marginal farmers (80%) The structural reforms and stabilization policies introduced in India in 1991 initially focused on industry, tax reforms, foreign trade and investment, banking and capital markets. The economic reforms did not include any specific package specifically designed for agriculture. We have

problems of poverty, unemployment, inequalities in access to health and education and poor performance of agriculture sector. One of the excluded sector during the reform period was agriculture which showed low growth and experienced more farmers' suicides. There are serious concerns on the performance of agriculture sector in the country. Especially for small and marginal farmers who constitute more than 80 Per cent of the farming community. The crop and cropping system based research needs to be

conducted in a holistic manner for the generating suitable management of available resources in an optimum manner by small farmer. Compared to many other crops grown, sugarcane is a highly versatile plant which is successfully grown as a cash crop under a wide range of conditions in Meerut. Soil texture varying from light sands to heavy clay and under pH ranging from 4 to 7, and it also shows remarkable resistance to drought. Therefore the farming systems approach is a valuable tool for addressing the problems of sustainable economic growth for farming communities in India. Farming System is a complex inter-related matrix of soil, plants, animals, implements, power, labour, capital and other inputs controlled in parts by farming families and influenced to varying degrees by political, economic, institutional and social forces that operate at many levels. Agriculture production and livestock production are intrinsically linked, one be dependent on the other, and both crucial for overall food security. The role of small farms in development and poverty reduction is well recognized (Lipton, 2006). The global experience of growth and poverty reduction shows that GDP growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture (WDR, 2008). Small holdings play important role in raising agricultural development and poverty reduction.

The objective of this paper is to examine the role and challenges of small holding agriculture in achieving agricultural growth, food security and livelihoods in India. Small holdings also face new challenges on integration of value chains, liberalization and globalization effects, market volatility and other risks and vulnerability, adaptation of climate change etc. (Thapa and Gaiha, 2011). One of the paradoxes of the Indian economy is that the decline in the share of agricultural

workers in total workers has been slower than the decline in the share of agriculture in the GDP. Thus, the small holding character of Indian agriculture is much more prominent today than even before. The average size of holdings in India declined from 2.3 ha. in 1970-71 to 1.33 ha. in 2000-01.

Materials and Methods

District Meerut was purposively selected for present investigation. Being homogeneous of all the Blocks, two blocks were selected randomly i.e. Hastinapur and Sardhana. Three villages were selected randomly from each block. List of all the farmers of the selected villages was prepared according to their land holding size. A sample of 32 respondent having area upto 1-2 hectare were selected on the basis of probability proportional to their total numbers. Required primary data on crops, livestock and other allied enterprises was collected by personnel interviewed method and secondary data was also collected from various published sources. CACP cost concept and Linear programming is a systematic and accurate method of determining mathematically the optimum combination of enterprises or inputs so as to maximize the income or minimize the cost within the limits of available resources.

Programming approach of the following form was used use to optimize the return from Sugarcane Based Farming System.

Objective function –I (Maximization of income)

$$\text{Maximize } Z = \sum_{j=1}^n C_j X_j$$

Where,

Z = Net returns (income) variable cost in rupees

C_j= Net return over variable costs per unit of

j-th activity in rupees
 X_j = The level of j-th activity,

Subject to constraints

$$\sum_{j=1}^n a_{ij}x_j \leq b_i$$

Non-negative decision variable

$$X_{ij} \geq 0$$

Where:

a_{ij} = amount of i-th resource required for the j-th activity,
 b_i = total available quantity of i-th resources.
 $i = 1, 2, 3, \dots, m$, resources)
 $j = 1, 2, 3, \dots, n$, activities)

The farmer must decide how many hectares that should be allocated to each activity. So the decisions are:

- X_1 = hectares allocated for paddy production.
- X_2 = hectares allocated for Jawar production.
- X_3 = hectares allocated for sugarcane production.
- X_4 = hectares allocated for wheat production.
- X_5 = hectares allocated for potato production.
- X_6 = hectares allocated for mustard production.
- X_7 = hectares allocated for oat production.
- X_8 = number allocated for buffalo rearing.
- X_9 = number allocated for cow rearing.

Results and Discussion

Optimum farm plan for small farms

The linear programming formulation for small farms was presented in the in the Table 1, average land holding size and labour availability of small farm household in the study area was 1.44 hectare and 360 man-days

respectively in both the season. The working capital availability was Rs. 49264 and Rs. 47658 respectively in kharif and rabi season. The sugarcane production is important crop for attaining maximum return by the marginal farms in the study area which was included as minimum area constraint and value was 0.45 ha. number limit on livestock unit was imposed for determining the potential of increasing income and employment.

Resource utilization pattern for small farms

The linear programming formulation was solved by using computer based MICRO SOFTWARE and results of existing and optimum resource allocation plan of small farms is presented in Table 2. In existing plan area under paddy, jowar, sugarcane, wheat, potato, mustard and oat were 0.35, 0.30, 1.02, 0.52, 0.42, 0.27 and 0.11 hectare respectively whereas all the area in optimum farm plan covered fewer than three crops viz., sugarcane, potato and oat with 0.45, 0.99 and 0.99 hectare respectively and other crops were not feasible in selected area due to their minor importance in returns. Similarly buffalo and cow were in number of 1.58 and 1.36 respectively in the existing farm plan but due to greater importance of buffalo in planning, it appears 9.24 in numbers in to optimum farm plan.

Further linear programming resulted into a net return of ₹ 429103.94 in optimum farm plan as compared to ₹ 320906.10 in existing farm plan. There is an absolute improvement in net return which was 33.72 per cent higher than the existing farm plan. The land was fully utilized in optimum farm plan, whereas, requirement of labor man-days was 69.59 per cent higher in optimum farm plan than the existing farm plan. Analysis indicates that optimal farm plan seems more feasible because it create more opportunity for employment to the small farm families in the study area.

Table.1 Matrix of linear programming model for small farms

Crop	Paddy (0.30)	Jawar (0.21)	Sugarcane (0.59)	Wheat (0.35)	Potato (0.24)	Mustard (0.13)	Oat (0.05)	Buffalo * (1.3)	Cow* (1.1)	KH L	R H L	KB	RB	Paddy (0.30)
Variable	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11	X12	X13	
Kharif Land (ha)	1	1	1	-	-	-	-	-	-	-	-	-	-	≤ 1.23
Rabi Land (ha)	-	-	1	1	1	1	1	-	-	-	-	-	-	≤ 1.23
Kharif Laboure (man-days)	96	38	80	-	-	-	-	30	25	-1	-	-	-	≤ 360
Rabi Laboure (man-days)	-	-	70	45	78	31	32	28	23	-	-1	-	-	≤ 360
Kharif working capital (Rs.)	32346	16421	30080	-	-	-	-	31317	26047	-	-	-1	-	≤ 49264
Rabi working capital (Rs.)	-	-	27904	27579	63007	18028	18328	30610	25083	-	-	-	-	≤ 47658
Minimum area (ha)	-	-	-	-	-	-	-	-	-	-	-	-	-1	≥ 0.45
Net Return (Rs.)	60366	40608	113326	55082	75670	45556	38315	37599	27588	-	-	-	-	

Table.2 Land allocation, income and employment generation under optimum combination of different enterprises in sugarcane based farming of small farms

Crop	Variables	Land Allocation			Labour			Net Return		
		Existing	Optimum	%Δ	Existing	Optimum	%Δ	Existing	Optimum	%Δ
Paddy	X ₁	0.35	0	-100	32.9	0	-100	21379.4	0	-100
Jowar	X ₂	0.30	0	-100	11.40	0	-100	12301.5	0	-100
Sugarcane	X ₃	1.02	0.45	-55.88	153.00	67.50	-55.88	115860.8	51115.05	-55.88
Wheat	X ₄	0.52	0	-100	23.92	0	-100	28284.88	0	-100
Potato	X ₅	0.42	0.99	135.71	32.34	29.70	135.71	32621.82	76894.29	135.71
Mustard	X ₆	0.27	0	-100	8.37	0	-100	13171.41	0	-100
Oat	X ₇	0.11	0.99	800.00	93.22	76.23	800.00	4117.74	37059.66	800.00
Buffalo	X ₈	1.58	9.24	484.81	65.28	545.16	484.81	57121.74	334019.9	484.81
Cow	X ₉	1.36	0	-100	3.3	0	-100	36046.8	0	-100
Total					423.73	718.59	69.59	320906.1	429103.94*	33.72

%Δ - Percentage change over existing,

(Appendix – I)

Optimal value of the objective Function = 429103.95000

Activity	Allocation	Objective	Contribution	Reduced Cost
Paddy	0.00000	61084.00000	0.00000	25104.68000
Jowar	0.00000	41005.00000	0.00000	2476.88300
Sugarcane	0.45000	113589.00000	51114.98000	0.00000
Wheat	0.00000	54394.00000	0.00000	12872.08000
Potato	0.99000	77671.00000	76894.35000	0.00000
Mustard	0.00000	48783.00000	0.00000	14215.40000
Oat	0.99000	37434.00000	37059.68000	0.00000
Buffalo	9.23906	36153.00000	334019.90000	0.00000
Cow	0.00000	26505.00000	0.00000	2947.30900
Kharif Hired Labour	0.00000	-200.00000	0.00000	-528.23500
Rabi Hired Labour	-1.46519	-200.00000	293.03820	0.00000
Kharif Borrowing	275647.60000	-0.12000	-33077.71000	0.00000
Rabi Borrowing	305118.40000	-0.12000	-36614.21000	0.00000
Objective Function			429103.94000	

Resources / Constraints	Type	Slack	Utilization	R.H.S.	Shadow price
Kharif land (ha.)	<=	0.00000	1.44000	1.44000	13765.35000
Rabi land (ha.)	<=	0.00000	1.44000	1.44000	54635.04000
Kharif labour(man day)	<=	0.00000	360.00000	360.00000	728.23500
Rabi labour (man days)	<=	0.00000	360.00000	360.00000	200.00000
Kahrif working capital (Rs.)	<=	0.00000	49264.00000	9264.00000	0.12000
Rabi working capital (Rs.)	<=	0.00000	47658.00000	47658.00000	0.12000
Minimum area (ha.)	>=	0.00000	0.45000	0.45000	32448.48000

Sensitivity Analysis

Activity	Objective	Incoming Variable	Lower Limit	Incoming Variable	Upper Limit
Oat	37434.0000	Jowar	34957.1200		
Sugarcane	113589.0000			Kharif land (ha.)	146037.5000
Potato	77671.0000	Wheat	64798.9200		
Buffalo	36153.0000	Cow	32525.5400	Kharif land (ha.)	50836.0500
Rabi Hired Labour	-200.0000	Mustard	-509.0303	Rabi labour (man day)	0.0000
Kharif Borrowing	-0.1200	Jowar	-0.5214	Kahrif working capit	0.0000
Rabi Borrowing	-0.1200	Mustard	-0.4317	Rabi working capital	0.0000
Resource/Constraint	R.H.S.	Outgoing Variable	Lower Limit	Outgoing Variable	Upper Limit
Kharif land (ha.)	1.4400	Rabi Hired Labour	1.3821	Buffalo	11.2950
Rabi land (ha.)	1.4400	Potato	0.4500	Rabi Hired Labour	1.4590
Kharif labour(man day)	360.0000	Kharif Borrowing	85.0741	Rabi Hired Labour	361.7365
Rabi labour (man day)	360.0000	Rabi Hired Labour	358.5348		
Kahrif working capital	49264.0000			Kharif Borrowing	324911.6000
Rabi working capital	47658.0000			Rabi Borrowing	352776.4000
Minimum area (ha.)	0.4500	Oat	-0.5400	Rabi Hired Labour	0.4836

The adoption of improved technology had a much higher impact on increasing farm income. Similarly, the integrated crop and milk production showed a scope for generating employment on small categories of farms. Thus from the optimal plans for small categories of households, it could be inferred that there are significant potentials for income and employment generation in the study area. These could be achieved by making just a few adjustments in the existing farm plans, suggested by the developed optimal farm plans. Adoption of recommended technology even with restricted capital investment resulted in higher net farm income and better utilisation of human labour. With relaxation of capital constraint, more profitability could be generated with more opportunities for human labour employments.

In conclusion, the central point of dispute revolves around the nature of the impact of new farming system on income generation among the farms. The change in cropping pattern, which is still in its transitional stage has lifted agriculture from decades of stagnation to a new threshold of growth and dynamism. The change in farming system has given rise to new hopes and aspiration to the farms regarding the future of agriculture. An empirical study has been done to know the actual impact of sugarcane based farming system on income and farm employment in Meerut district of Uttar Pradesh. In the small farms linear programming model included constraints were land ≤ 1.23 ha., labour ≤ 360 days, capital \leq Rs. 111201, and minimum area ≤ 0.45 ha. In rabi and kharif season. In the further linear programming result for small farms rearing 9.24 buffalo in optimal plan compare to rearing 1.58 buffalo on existing plan that increase in returns which was 33.72 per cent higher than the existing farm plan and labour man days 69.59 per cent higher than the existing plan. The results of the developed response functions revealed

that using linear programming model showed for all the seven crops and rearing of livestock. The model resulted in optimal land allocation in sugarcane based farming system in district Meerut, Uttar Pradesh. The main components, viz., crop and livestock proved complementary to each other. Thus in the farming system of land use, farm products, rearing of livestock and their by-products are better utilized and fetch more income and generate employment.

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