

Resource Productivity and Allocative Efficiency of Tobacco in Prakasam District of Andhra Pradesh

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ABSTRACT

This study was conducted to estimate cost and net revenue from tobacco in Prakasam District during 2003-04. The study was conducted in two mandals and six villages were purposively selected from Prakasam district of Andhra Pradesh. A total of 42 respondents were randomly selected from the above six villages. Who were interviewed through a well-designed questionnaire. The Cobb- Douglas production function model was chosen to estimate the resource productivity and returns to scale. Increasing returns to scale prevailed in the study area and also gives signal of higher input use efficiency. MVP to OC ratio was less than unity for inputs like human labour, fertilizers and pesticides indicating excessive use. So there is a tremendous scope for reorganization of resources for curtail the inputs to obtaining maximum profits.

Key words : Allocative, Resource Productivity.