

# **Costs and Net Returns of Tobacco Production 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 six villages. we were interviewed through a well-designed questionnaire. The objectives of the study were to estimate the cost and net returns of production of tobacco crop. The net return from tobacco crop was Rs. 39111.29. Besides tobacco leaf, by-product of tobacco production was also a major contributor to the net return from tobacco crop. The revenue function revealed that price of the produce significantly contributes towards higher revenue for the farmers.

**Key words :** Costs, Net returns, Tobacco production.