

Economics analysis of saffron production in Kashmir valley

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ABSTRACT

The study was undertaken in Kashmir valley of Jammu and Kashmir state, to investigate the economics of saffron production. Results revealed that the gross expenditure of crop during 5 years planting cycle of saffron was Rs: 4, 31,185 per hectare of land because of high establishment cost in first year and the gross returns in the planting cycle of 5 years were Rs: 23,66,000. The net profit per annum was calculate Rs: 3,86,963/ha if saffron is sold @ Rs: 230/gram and average net profit per year per kanal of land was Rs: 19, 348.15 including seed corms which were obtained after completion of 5 years were projected for Kashmiri saffron.

INTRODUCTION

Saffron (*Crocus sativus* L.) is the legendary cash crop of Kashmir, cultivated over an area of three thousand hectares with an annual production of more than 50 quintals. Saffron is one of the most important foreign exchange earners among the spice crops about 60 per cent of its total produce is exported to other countries (Anonymous, 2008). Saffron is the costliest spice of world known as 'king of spices'. "SAFFRON" (Stigma of Aesthetic and Flavouring Flower of Real Orchis Nature) this logic adds its worth.

Pulwana district of South Kashmir has tremendous potential for saffron production and has proximity to national and international capital market of saffron. Net return in first year is low because of very high establishing costs, but once crop is established the rate of returns per hectare after first year goes an increasing with an average income of Rs. 3,86,963 per annum in a planting cycle of five years if it sold @ Rs 230 per gram and cost of the subsequent inputs after first year remains the same however, crop yields for five to seven years after plantation. The first year of establishment cost were analyzed as Rs. 3,79,117 and Rs. 13,017 in subsequent years in a cropping cycle of 5 years. The cost involved on seed corms is about 95 per cent of its total cost.

METHODOLOGY

The present study was planned to be

conducted in the state of Jammu & Kashmir to explore the economics of saffron production. Average net income per annum and average net income per kanal for saffron crop were also estimated. Economic feasibility of the saffron cultivation was examined for the crop cycle of five years on the basis of following costs *i.e.*

Operational cost:

It includes cost incurred due to operations required in saffron cultivation.

Material cost:

Cost of seed corms, manure, fertilizer, irrigation, plant protection measures etc.

In existing condition of farming, the valuation is to charge the input cost and produce at prices in the local market and the labour may be charged at the current rate in the locality (Table 1).

RESULTS AND DISCUSSION

Economics of saffron:

It was observed from the Table 1 that the saffron cultivation is relatively complicated and expensive. Gross expenditure of saffron cultivation during five years cycle was estimated Rs. 4,31,185 in which major amount was involved in cost of seed corms *i.e.*, Rs. 3,60,000 for thirty quintals. The cost involved in other operations was estimated only Rs. 19,117/hectare of land in the first year of its

Key words :

Saffron, *Crocus sativus*,
Economics,
Production,

Accepted :
April, 2009