

## FINANCIAL PROFITABILITY AND TECHNICAL EFFICIENCY OF CREDIT RECIPIENTS AND NON-RECIPIENTS POTATO GROWERS: A COMPARATIVE STUDY

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### Executive Summary

Potato (*Solanum tuberosum*) is a leading agricultural crop in Bangladesh. It is called as "The King of Vegetable". It has emerged as the fourth most important crop in Bangladesh. The overall objective of the study is to analyze profitability and technical efficiency of potato cultivation in some selected areas of Munshiganj district. The selection of the field of research is a big step. For this study 100 respondents with different income groups were selected as sample size purposively. Among those 50 were credit recipients and the rest of 50 were non-recipients. Descriptive statistics and Cobb-Douglas production function were applied to achieve the objectives of the study. The study found that potato production was lucrative. Total cost of potato growing was BDT Tk. 144650.24 and the gross return amount was BDT Tk. 332500.00 per hectare. The net return from potato production was BDT Tk. 187849.76 per hectare. Undiscounted Benefit Cost Ratio (BCR) was found 1.29. The outcome of the Cobb- Douglas production function showed increasing returns to scale and also exhibited that potato cultivation was highly dominated by human labor, irrigation, manure, fertilizer, insecticide etc. Efficiency analysis indicated that most of the farmers inefficiently used the inputs except human labor, MOP, TSP and insecticide. These were grouped into economic and technical, marketing and storage problem. Though farmers were facing some acute problems such as low market prices of potato and high input prices, it would not hinder the expansion of potato production due to its huge demand. Despite of the constraints in potato production, the farmers are still engaged in this enterprise in the study area because of its easy cultivation method and high profitability.

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