Cost and Return Analysis of Tea Industry - A Case Study on Dauracherra and New Samanbagh Tea Estate

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Abstract

This case study examines the economic profitability and break-even yield of mature tea cultivation of two estates. The objective of this thesis is to analysis cost off tea processing and to find out the profit return of tea estate. The outcome of the analysis is found to be Tk 34.04 and Tk 31.50 respectively. The average cost of production per kg and per hectare at New Samanbagh tea estate is found to be Tk 42584 and 41923 respectively. The average average yields per hectare of Dauracherra & New Samanbagh tea estates were found to be 1250 kg 1331 kg respectively. The average per kg & peer hectare cost of Dauracherra tea estates were found to be 13.91 and 17354 respectively. The average per kg and per hectare cost of New Samanbagh tea estates were found to be Tk 12.75 and Tk 16973 respectively. On an average the benefit cost ratio for Dauracherra & New Samanbagh tea estate is found to be 650 kg and 750 kg respectively. The average break even annual production at Dauracherra & New Samanbagh tea estate were found to be 231136 kg and 466834 kg respectively. This case study research was carried out in order to know or to determine the current economical status of industries average cost of production per kg and per hectare. Current yield per hectare as well as average break even yield per hectare determined to find out tea estates were operating profit. For both estates cost ratios found greater than 1 and also arrange yield per hectare was much higher than average breakeven yield per hectare. This implied that both the estates were operating a profit.

Keywords: Economic profitability, Break-even yield, Break-even point.