ABSTRACT

Dairy farms' failure and financial crises are consequences of less milk production, and it is of great importance when it comes to farming because it is more than a business. It is an essential need of people and country as it feeds children and they don't use technology and for this purpose, it is the basis of their failure or survival in the market. This study intends to examine the impact of geographical proximity on trade credit, also, the impact of technology on profitability. This is a cross-sectional study and primary data has been collected from various dairy farms (Old cattle colony Hala Naka Hyderabad) for the geographical proximity and technology usage as independent variables and trade credit and profitability as dependent variables. By using Regression analysis as a statistical tool, this research concludes that there is a positive significant impact of geographical proximity on trade credit, more the firms operating in an industrial cluster, the more chances a dairy farm must raise funds as an informal mode of financing. Furthermore, the technology usage also has a significant impact on profitability, because due to the advancement in technology, sales revenue increases and it reduces the expenses of manual work.

Keywords – Dairy farming,Industriasl cluster, Profitablity, Technology adaption, Financial ratios, Financial detraminats, financail variables.