**Abstract**

It has been widely acknowledged that sericulture has the potential for increasing the income of the marginal and smaller farmer. In order to understand this, the benefit-cost ratio of sericulture farming and input-output relationship in cocoon production were analysed by collecting information from 120 sericulture farmers in Coimbatore district of Tamil Nadu, India. The benefit cost ratio was worked out as 1:1.24. It indicates that sericulture is economically viable and commercially feasible for the farmers. The production function analysis shows increasing returns to scale. Increase in the amount of fertilizer, DFLs and number of batches have a positive effect on production.