

MA Economics Semester II

Paper-V(A), Agricultural Economics, Unit-IV

Topic - Agricultural Subsidies in India

- ⇒ India is the country where large scale population resides in rural areas and is engaged in agricultural and allied activities. 57 to 59% of population earns its livelihood from agriculture or allied activities.
- ⇒ Government of India launched Green revolution and to fulfil its objectives there was the introduction of High Yielding Varieties seeds programme in the 1960s, which demanded proper irrigation and fertilisers also. Government of India tried to ensure availability of these necessities at the affordable rates and are easily accessible also. GoI developed via media for this by means of subsidy; Subsidy on fertilizers is provided by the Central government whereas water subsidy is facilitated by the State governments.
- ⇒ In India government gives various types of subsidies to agriculturists there are as follows - Fertilizer, Irrigation, Agricultural tools and Equipments, subsidy on Credit, seeds, power and export subsidy.
- ⇒ Power Subsidy - Power subsidy means government charges lower rates from the farmers for Electricity utilization. Power is primarily used by the farmers for irrigation purposes. It is the difference between the cost of generating and distributing electricity to farmers and price received from farmers.