

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:44
ANSWERED ON:24.07.2006
DIRECT INDIRECT SUBSIDIES
Renge Patil Shri Tukaram Ganpatrao

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of direct and indirect subsidies being provided to farmers;
- (b) the details of subsidies out of them being provided to small and marginal farmers and poor section of agriculture community;
- (c) whether any study has been conducted to ascertain that the subsidy reach to the targeted sections;
- (d) if so, the outcome of this study; and
- (e) if not, the manner in which it is ensured that the subsidy reach to the actual targeted groups?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): Subsidies are given by both the Central and State Governments for the agriculture sector under various schemes/programmes benefiting the farmers including small and marginal farmers. Details of subsidies provided to agriculture sector in India, as compiled by Central Statistical Organisation (CSO) during 2000-01 to 2004-05 is given in the Annexure.

(c) & (d): Recently, at the instance of Ministry of Agriculture, a study on `Agricultural Input Subsidies in India: Quantum of Subsidies to Scheduled Caste and Scheduled Tribe Farmers` was conducted in selected districts of Haryana, Punjab, Uttar Pradesh, Himachal Pradesh, Assam, Bihar, West Bengal, Madhya Pradesh, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu by the Agro Economic Research Centres. The objectives of the study, inter alia, were

- (i) to examine the utilization pattern of input subsidies by SC, ST and General Category of Farmers, and
- (ii) to assess the share of SC, ST farmers in total amount of subsidies used.

The main findings of the study are

- (i) input subsidies are utilized by all sections of the farmers irrespective of social group but their quantum varied widely across the selected groups and status;
- (ii) although direct subsidies are targeted and crucial for the resource poor marginal, small, scheduled caste, scheduled tribe and other farmers, their proportion in total input subsidies used by farmers was very low;

(iii) the indirect subsidies on fertilizer, power and irrigation were widely used by the farmers irrespective of caste but other farmers emerged as the greater beneficiaries.

The study indicates that input subsidies continue to play a major and useful role in bringing down the cost and increasing the income level of the farmers.

(e): Does not arise.

Source: 1. Fertilizers and other subsidies given to marginal farmers: Expenditure Budget 2006- 07, Vol. I of Central Government.

2. Electricity & Irrigation: Central Statistical Organisation

NA: Not available

: Includes all subsidies to Electricity Boards and Corporations, Separate estimates of Electricity subsidy accountable exclusively to agricultural sector are not available.

: The rates for supply of water to farmers are kept low as a matter of policy, resulting in losses to the Government irrigation system. The excess of operating costs over the gross revenue is treated as imputed irrigation subsidy.

Source: CSO