Summary

The subsidy means a benefit is given by the government to groups or individuals usually in the form of a cash payments or tax reduction or in kind. The basic objectives of subsidy are to improve the standard of living of poor, development of respective sector to improve sharing of respective sector in GDP and the achievement of social policy objectives including redistribution of income, population control, etc. The major alternative modes of administering a subsidy are subsidy to producers and subsidy to consumers. The estimates of budgetary subsidies are computed as the excess of the costs of providing a service over the recoveries from that service. As per nature subsidy is divided into two types direct & indirect. The agricultural subsidy is a global phenomenon and it percent is more in developed country and less in developing countries. The study comprises the review of relevant past literature on various aspect of the subsidy & their impact on agricultural sector, impact of fertilizers subsidy, role of subsidy, agricultural policy, growth of agricultural sector, investment in Indian agriculture, agricultural credit etc.

The education level of whole sample population in Jalgaon District indicates that the literacy rate is good. More than 90% irrigation depends on well water. In Jalgaon District most farmers are marginal & small farmers have less than 5 acres land. Most of the farmers in Jalgaon District use irrigated (Flood & Drip) method for farming as a compared rainfall method & shifting method. In Jalgaon District large numbers of farmers using mix of conventional and modern technique for farming as compared to conventional & modern method. Most of farmers in Jalgaon District are financially weaker due to the small size of farm. The major crops of Jalgaon District are banana and cotton. In last fourteen years near about 825 farmers did suicides due financial crises in Jalgaon District.

The famers in District are not satisfied with bureaucratic distribution process of Government for agricultural subsidies and facing hurdles for getting agricultural subsidy. The major hurdle faced by farmer for getting subsidy is lack of awareness. There is a leakage in subsidies distribution system. The lack of effective distribution management, corruption & poor government policy are major leakages in distribution system. The amount of subsidies directly transfers to farmers account and farmers expect direct subsidy for farming as compared to indirect subsidy from Government.
Few percent of farmers are getting subsidy for agricultural allied business in Jalgaon District like goat farming & poultry farm. The agricultural subsidies are more beneficial to fertilizer industry as compared to agricultural sector. The agricultural subsidies are really helpful in reducing farmer’s suicides. The agricultural subsidies are helpful for growth of agricultural sector in Jalgaon District. The agricultural subsidy does not make farmers lazy. The farmers in Jalgaon District obtain subsidy from government office by self efforts or with help of friend, relative & agent in Government offices. Government policy is not fair regarding the credit distribution.

The subsidies make a positive impact on the agricultural sector of Jalgaon District. The subsidy helps to farmers for reducing their cost of production. But the problem of bureaucratic process subsidy is not reaching to farmers within times. The government should improve the distribution process and reduce the leakage in the distribution system. The most of the farmers in Jalgaon District are marginal & small. They are getting less amount subsidy for farming. Due to less amount subsidy they are not reducing their cost of production.