[When this study was taken up sometimes at the close of the seventies, there were sporadic farmers' agitations in different parts of the rural countryside of India, on the plea that the prices fixed by Government for agricultural commodities were not sufficient enough to cover the costs incurred by them. Until then, as and when the farmers, or their interests, raised demands for higher agricultural prices, it was regarded as pressure tactics adopted by the so called 'farm lobby' that stands for the rural rich, with a view to obtaining still higher profit margin for their output. But, of late, these agitators included not only the rural rich but also the small and middle peasants. We therefore thought that it would be interesting to know the reality of the fact by bringing together whatever costs of production data are there and comparing them with the relevant procurement prices announced from time to time. This being a stupendous task, which is beyond any one individual's capacity within a specified period, we proposed to concentrate our attention on the major foodgrains, namely, paddy and wheat.]
The study is divided into two parts. Part I consists of five chapters. Chapter I is devoted, as an introduction, to survey the history of agricultural price policy and State intervention in the market for foodgrains in India right from the Second World War. The remaining chapters of part I deal with various aspects of costs of production estimates, i.e., chapter II and chapter III for a discussion of the conceptual question relating to agricultural costing, including the relevance of family labour, imputed rental value of owned land and interest on owned fixed capital in costs of production estimates. Chapter IV explains the method adopted for official cost estimates, and a detailed examination of all available costs from the mid-sixties upto fairly recent period is made in chapter V.

Part II starts with chapter VI, in which the estimated costs of production are compared with the relevant procurement prices. In chapter VII, we examine the compulsions of the foodgrain economy that
shaped the procurement prices to move as it did from 1964-65 to 1982-83, and in chapter VIII we conclude.

This study, in fact, took unusually long time to finish, owing to too many odds in the course of its preparation; two unexpected deaths in the family, a full time job in Government that took away the entire working days — all had imposed heavy strains and occasional breaks on peaceful investigations and early completion of this work. I started working initially under Dr. S.K. Rao and did a course in Macro-economics, under Prof. Krishna Bharadwaj, which enabled me to obtain much of whatever little I know about modern economic theory. However, this thesis has taken its present shape entirely under the supervision of Dr. Prabhat Patnaik, to whom the debt of gratitude that I owe is so much that I cannot express it in words. But for his encouragement and active involvement, this thesis could not have been finalised even now. I have also benefited from discussions, relating to various aspects of this thesis, with Dr. Utsa Patnaik, Dr. D.N. Rao, Dr. Amal Sanyal, Dr. C.P. Chandrasekhar,
Dr. N.J. Kurien, V. Bhaskaran, T.K. Balakrishnan and many of my colleagues whose names are too numerous to mention. I remain grateful to all of them. But none of them is responsible for the opinions expressed or for whatever shortcomings are left in it. It is particularly necessary to add one more disclaimer in this respect that the views expressed here are my personal views and that these have nothing to do with my employer, namely, Government of India.

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