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RESEARCH PAPER

Effect of subsidies on fertilizer sale in Shrirampur and Nagar tahasil

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ABSTRACT

We studied about effect of fertilizer subsidy on sale of fertilizer. This study was conducted between July 2018 to Sept. 2018 on the sample of 200 farmers selected on convenience from 12 villages of 2 talukas of Ahemadnagar district which are Shrirampur and Nagar. Primary data was collected by survey method on pretested semi-structured schedule and appropriate tools were used to analysis of data. Shrirampur taluka has good irrigation facilities as compared to Nagar taluka. 78 per cent farmers used solid fertilizer and 35 per cent farmers used water soluble fertilizer. Solid fertilizer has low prices because government provide subsidy on solid fertilizer and so that its sale is high. But in case of water soluble fertilizer, government does not provide any subsidy so that its price is high and its sale is low as compare to solid fertilizer. 41.5 per cent farmers think about fertilizer subsidy while buying of fertilizers. But 50 per cent famers buy product on the basis on price so that we can say that the sale of solid fertilizer is high than water soluble fertilizer.

KEY WORDS : Fertilizer, Subsidy, Solid fertilizer, Water soluble fertilizer, Price

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Agriculture plays important role in the economic growth of the country. Almost all the activities revolved round agriculture it provide employment to around 60 per cent of the total workforce in the country (Swaminathan, 2009).

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Fertilizer plays a major role in increasing agricultural production and productivity. The fertilizer prices both at producer and farm level are determined by the government in most of the countries and such government interventions generally have the basic objectives : To provide fertilizers to farmers at stable and affordable prices in order to encourage higher consumption of fertilizer and to increase agricultural production thereby and to encourage domestic production. To make fertilizers available to farmers at affordable prices and ensuring adequate returns on investments to the entrepreneurs, the Government of India introduced the retention price-cum-subsidy scheme (RPS), a cost-plus

approach, for nitrogenous fertilizers in November 1977 and extends to complex fertilizers in February 1979. The RPS scheme also aimed at assuring a reasonable return on investment and to attract further investment in the fertilizer sector (GOI, 2011).

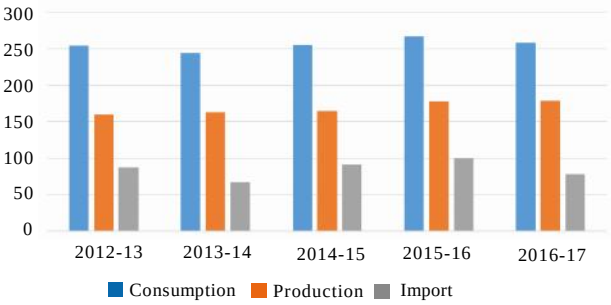
Out of the total amount of subsidies, agricultural subsidies contribute the major portion and that too fertilizer subsidy. In order to achieve self-sufficiency in fertilizer production, subsidies are being provided and it is observed that India has to import fertilizer from other countries to meet its demand (Sharma and Thakker, 2010).

The consumption of nitrogenous and phosphorus fertilizer is highest in 2015-16 (N-173.72 LT) and (P-69.79 LT). Also the consumption of potash in 2012-13 to 2014-15 continuously increase but in 2015-16 its decreases and then in next year its increases.

The nitrogen and phosphorus fertilizer is highest imported in 2015-16 (N-50.68 LT) and (P-28.33 LT). Also imports of potash fertilizer from 2012 to 2015 increases then in 2015-16 its decrease and again increases in 2016-17.

India hugely depends upon import of fertilizer which has high prices. So there is a need for fertilizer subsidy for reduce fertilizers prices. In India, per hector consumption of fertilizer is highest in 2012-13 (131.26 kg).

Consumption of fertilizer per unit hector is very low as compare to others developed countries so that fertilizer subsidy is very important for increasing use of fertilizer and rise in the agriculture production.



*source: *www.agricoop.nic*

Fig. A : Trends in consumption, production and imports of fertilizer in India

Table A : Consumption of fertilizer in last five year (India)

Year	N	P	K	Total
2012-13	168.21	66.53	20.62	255.36
2013-14	167.50	56.33	20.99	244.82
2014-15	169.45	60.98	25.32	255.76
2015-16	173.72	69.79	24.02	267.53
2016-17	167.35	67.05	25.08	259.49

*source: *www.agricoop.nic*

Table B : Imports of fertilizer of in last five year (India)

Year	N	P	K	Total
2012-13	46.90	27.78	12.30	86.98
2013-14	38.08	15.90	13.33	67.31
2014-15	47.66	18.32	25.37	91.35
2015-16	50.68	28.88	20.53	100.09
2016-17	33.88	21.29	23.18	78.35

*source: *www.agricoop.nic*

Table C : Per hector consumption of fertilizer (India)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Per hectare consumption (kg)	131.26	118.49	127.45	130.66	123.41

*source: *www.agricoop.nic*

We conduct survey of 200 farmers of 12 villages of shrirampur and nagar taluka of Ahemadnagar district. 78 per cent farmers used solid fertilizers because of its low price. Though 58.5 per cent farmers did not have appropriate information of subsidy but they buy solid fertilizer more because of its low price. This low price is because of fertilizer subsidy on solid fertilizer. No subsidy is provided on water soluble fertilizer thus prices of water soluble fertilizer is high and less no of farmers use water soluble fertilizer.

METHODOLOGY

We conduct this study for finding the effect of fertilizer subsidy on the sale of fertilizer in Shrirampur and Nagar tahasil of Ahemadnagar district of Maharashtra. For this study we conduct the survey of 200 farmers from 12 villages out of which 6 are from Shrirampur and 6 are from Nagar taluka.

Following are the villages which we selected for study:

Shrirampur:

– Shirasgoan
– Gondavni
– Belapur
– Ashok nagar
– Dattnagar
– Tikal nagar.

Nagar:

– Villad
– Nimalak
– Isalak
– Vadgoan tandali
– Shendi
– Pokhardi.

We prepared questionnaire for conducting survey of farmer. Our questionnaire contains are as follows:

– Name of farmer
– Address
– Contact no.
– Land holding
– Major crops
– Which type of fertilizer you use?

Table D : Comparison of farmers used solid, water soluble fertilizer, or used both

Sr. No.	Particulars	Survey (no. of farmers)	Farmer used solid fertilizer	Farmers used water soluble fertilizer
1.	Shrirampur	100	58	42
2.	Nagar	100	72	28
3.	Total	200	156	70
	%		78%	35%

Table E : Farmers think about fertilizer subsidy while buying of fertilizers

Sr. No.	Particulars	Survey (no. of farmers)	No. of farmers consider fertilizer subsidy during purchase	No. of farmers did not consider fertilizer subsidy during purchase
1.	Shrirampur	100	38	62
2.	Nagar	100	45	55
3.	Total	200	83	117
	%		41.5%	58.5%

Table F: Farmer's preference while buying fertilizer

Sr. No.	Particulars	survey (no. of farmers)	Price	Brand	Availability
1.	Shrirampur	100	48	30	22
2.	Nagar	100	52	36	12
3.	Total	200	100	66	32
	%	100%	50%	33%	17%

(a) Chemical, (b) Organic (c) Both

– Which chemical fertilizer you preferred more?
(a) Solid fertilizer, (b) Water soluble fertilizer

– On what basis you buy product?
(a) Price, (b) Brand (c) Availability

– Is price is important factor while buying of fertilizers?

– What you know about fertilizer subsidy?

– Did you think fertilizer subsidy plays important role in increasing use of fertilizer? How?

– What is the role of fertilizer subsidy in your process of fertilizer buying?

– Suggestion for improvement in subsidy policy?

After conducting survey all data were recorded in table form and analyzed.

ANALYSIS AND DISCUSSION

65 per cent farmers used solid fertilizers. And 35 per cent farmers used water soluble fertilizers. Only 41.5 per cent farmers think about fertilizer subsidy while buying fertilizers. 50 per cent farmers buy fertilizers depending upon price basis. 50 per cent farmers buy fertilizers depending price of fertilizer and subsidy plays very important role in price of fertilizers. Solid fertilizer has low prices because government provide subsidy on solid fertilizer and so that its sale is high. But in case of water soluble fertilizer, government does not provide any subsidy so that its price is high and its sale is low as compare to solid fertilizer.

Conclusion:

Solid fertilizer has low prices because government provide subsidy on solid fertilizer and so that its sale is high. But in case of water soluble fertilizer, government does not provide any subsidy so that its price is high and its sale is low as compare to solid fertilizer. Government should developed new fertilizer subsidy policy for water soluble fertilizer for increasing the use of water soluble fertilizers.

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