



## An overview of government agricultural subsidies in Karnataka

Kaveramma R<sup>1</sup>, Dr. RV Gangashetty<sup>2</sup>

<sup>1</sup> Research Scholar, Department of Economics, Karnataka State Women's University, Athani road, Jnanashakti, Torvi, Vijayapura, Karnataka, India

<sup>2</sup> Assistant Professor, Department of Economics, Karnataka State Women's University, Athani road, Jnanashakti, Torvi, Vijayapura, Karnataka, India

### Abstract

The agriculture subsidies are integral part of the farmers in India. The agriculture sector in every country the every year's government of India spends lot of money in various agriculture subsidies from growth of agriculture sector. The present study basically focuses on overview of agricultural subsidies in Karnataka with help of agricultural R&D (Rural Development) and polices study types on the impact of electricity of subsidies on the agricultural sector. This is paper based on secondary source of information.

**Keywords:** agricultural subsidies, policy, Electricity subsidies, agricultural sectors, agricultural R&D

### 1. Introduction

Indian government plays a vital role in agricultural sector development role is diverse and varied. Some of the cited reasons for vital role are self-sufficiency employment creation, support to small scale producers for adopting modern technologies and inputs, The vital role can take a number of forms such as import-export policies and domestic policies like price support programmes, direct payments and input subsidies to increase the cost and availability of farm inputs, like credit fertilizers, seeds irrigation water etc. of all the domestic support instruments in agriculture input subsidies and product price support are the most common. An Agricultural subsidy is a governmental financial support paid to farmers and agribusinesses to supplement their income a subsidy often viewed as the converse of a tax, is an instrument of fiscal policy, derived from the Latin word "Subsidium" a subsidy literally implies coming to assistance form of subsidies are a cash payment to producers consumers is an easily recognizable form of a subsidy if the government process goods such as food grains at higher than market prices or if it sells at lower than market prices subsidies are implied.

### 2. Review of literature

**The study is very important for growth of farmers in India**

1. Mr. Gajendra Pratap (2005). Presented his view in article Domestic subsidies the agricultural subsidies can be broadly discussed under two categories one is export subsidy and another is domestic subsidy he also focused on following issues subsidies pro-poor in the developed country and subsidy impact on the Indian economy. the growing volume of subsidies particularly the "Green Box" subsidies are the new excuse instruments of the developed countries for projecting pro-poor image.

2. Weilong Zhang (2005) [2]. Presents his views in case study: "Agricultural subsidies and development" the paradox of agricultural subsidies [MGMT] the subsidies are not only detrimental to the poor farmer in developing countries but are also according to the theories of Smith, Ricardo, and Hicks, Ohlin a burden to the tax payers of the developed nations and global trade as a whole. It is widely expected that the whole world would be subsidised.

### 3. Research GAP

There are number of research paper related vision of agricultural subsidy but there is no particular study related to agricultural R and D policy subsidy and selection process and present study focuses on the attempt.

### 4. Objective

1. To study the agricultural R&D and subsidy policies
2. To study the impact of Electricity subsidies on the Agricultural sector

### 5. Methodology

The present study is defended on secondary source of information gathered from the agricultural subsidy Journals, Newspapers, and Relevant websites etc. articles, journals, government reports, news paper and relevant websites ect.

### 6. Analysis and interpretation

- The demand for agricultural commodities is expressed by intermediaries such as food processors manufacturers and retail increasingly including the food service sector who take into account both consumer demand for foods and the cost of the raw materials among other things



5. Having identified which particular subsidies need to be reformed governments need to address the obstacles reforms and identify mechanisms for overcoming resistance to changing the subsidy.
6. They have an array of techniques for doing this for both consumer and producer subsidies.
7. The reforms suggested for electricity irrigation and fertilizer subsidies and brings out the challenges for each reforms.

### **8. Conclusion**

The agricultural R&D has led to dramatic decreases in production costs and to consequent long -term declines in commodity prices. The speed of decline has been different for different commodities reflecting the non -uniform focus of R&D expenditures and impacts over time those who are concerned about obesity on apparent excess of nutrition might conclude that agricultural research is counterproductive and that the federal government should fund less of it as a way of achieving its nation health objectives. This conclusion is probably false the agriculture subsidies are distributed by every country the government of India takes serious measure for development of agriculture sector and agriculture subsidies are one of tool to help for growth of agriculture sector in India.

### **9. References**

1. Acquaye AK, Alstom JM, padey PG. post war productivity patterns in U.S, Agriculture influences of aggregation procedures in a state - level analysis American Journal of agricultural Economics. 2003; 85(1):59-80.
2. Welliong zhang february. Case study Agricultural subsidies and Development the paradox of agricultural subsidies MGMT 6350 international Business, 2005, 12.
3. Badiani R, Jessoe KK. Electricity subsidies for agriculture: Evaluation the impact and persistence of these subsidies in India, Retrieved form, 2011, [http: 11www](http://11www).
4. Government of India, 2012.