# A Study on Awareness of Farmers Towards Agricultural Input Subsidies and Minimum Support Price in South India

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### ABSTRACT

Both agricultural input subsidies and output price support are complementary to each other for achieving higher level of agricultural productivity, profitability and growth. The 400 respondent farmers are chosen from the states of Andhra Pradesh, Telengana, Karnataka and Tamil Nadu for the present study by using multi stage random sampling method. To accomplish the objectives and test the hypotheses, the percentage analysis, Analysis of Variance [ANOVA] test and t-test are carried out. The results reveal that 71.25 per cent of respondent farmers are of the view that the level of awareness towards agricultural input subsidies at moderate level. Further there is significant difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies. The results imply that 71.50 per cent of respondent farmers view that the level of awareness towards minimum support prices at moderate level and there is significant difference between size of holdings and awareness of respondent farmers towards minimum support prices. Besides, there is no significant difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices. By and large, agriculture is dominated by small and marginal farmers in Southern states of India, who are resource poor and low capacity to buy agricultural inputs, therefore, the Government should put more efforts to increase the awareness of marginal and small farmers towards agricultural input subsidies through effective awareness campaigns. The Government should distribute more agricultural input subsidies to targeted marginal and small farmers as compared to medium and large farmers. In addition, the Government should fix minimum support prices in such a way it covers cost of production and procure crops timely from targeted medium and large farmers.

*Keywords:* Agricultural Input Subsidies, Minimum Support Price, Awareness

## 1. INTRODUCTION

Generally, agricultural input subsidies are used to increase the efficiency of input and profitability of farmers. It also seeks to deal with problems in input usage from farmer's lack of technological familiarity on the effective use of agricultural inputs and lack of financial understanding of the possible returns to their efficient use of agricultural inputs [Morris et. al, 2007]. The Indian agricultural policy evolves on the twin objectives of assurance of remunerative prices and market situation to farmers while simultaneously providing a package of agricultural input subsidies. Further, harmonizing the conflicting interests of both farmers and consumers, who are both unpredictable and politically significant, is a significant challenge to policy framers as they engage conflict with each other. Both agricultural input subsidies and output price support programmes are observed as complementary factor for achieving higher level of agricultural productivity, profitability and growth [Acharya, 2000].

## 2. REVIEW OF LITERATURE

Rai, et. al., [1982] assessed that the gross cost to the government in price support programme was five times higher than subsidies for fertilizers. Based on social cost and benefit of the twin programmes, the programme for fertilizer subsidy was better. The net savings in foreign exchange were larger in price support programme in comparison to fertilizer subsidy. Hence, fertilizer subsidy programme was found to be highly effective in attaining self-sufficiency.

Sharma [1982] found that the subsidies for agricultural inputs influenced production of agricultural products and national income positively during the period between 1970-71 and 1981-82. He recommended that amount of various subsidies must be allotted based on the productivity of different subsidies and in developed country, there was chance for misusing of subsidies for agricultural inputs and it led to high level of inflation rate.

Sirohi [1984] found that the support price had increased the income of the upper middle class and rich in rural areas, while poor and landless labourers were divested from this benefit. The load of the food subsidy experienced chiefly on the rich people through progressive taxation of income, these programmes assisted in distribution of income fairly.

Singh and Chand [1986] indicated that the advantages of fertilizer subsidy were seen to be biased against the marginal and small farmers and it shared only 30 per cent of fertilizer subsidy of nation. They concluded that input subsidies must be given more to marginal and small farmers that could help them and to encourage backward areas to use higher level of inputs at lower costs.

Gulati [1989] found that large variations exhibited in the distribution of inputs among different states, which ended with different benefits from subsidy of inputs in various regions. The developed states received higher subsidies for agricultural inputs as compared to all-India average.

Gowda [1992] found that the impact of fertilizer and food subsidies were highly destructive than the benefits since it corroded into the actual resources of the government. He also stated that increased food production over the last 10 years, if considered the different forms of subsidy given to the agricultural sector, it was not seen to be greatly cheering. Hence, it was concluded that the expansion of input subsidies must be assessed from both food grain production and its impact on economy.

Gulati and Sharma [1997] stated that electricity subsidy had the higher growth rate among all the agricultural input subsidies. The small farmers had appropriated a higher amount of subsidies, but it was not encouraging inter personal and regional equity. They mentioned that increasing subsidies on continuous basis were giving wrong signal to farmers which led to degradation of environmental resources.

Jain and Karam [2000] concluded that conventional paddy producing zone I was largely suffering where nearly two third of farmers had higher cost of production as compared to the Minimum Support Price [MSP] provided by the government and small farmers were highly affected due to high level of cost of production in comparison with MSP in 1981-82. The cost of production for marginal, small and medium farmer had higher level of cost of production as compared to MSP in 1990-91. This showed that Punjab state was costly for production of paddy in India and the price policy gave less benefit to the farmers over the periods as the beneficial area has reduced from 65 to 63 per cent during the study periods.

Deshpande and Naika [2002] found that rice and wheat received the best price through MSP but with out any intention, this discouraged the production of pulses and coarse cereals. Thus, the price policy was not favourabe to some crops that are grown in backward areas of the country by poor farmers. The process of implementation of the price policy, state intervention and lack of needed information at correct time were affecting the effectiveness of MSP. In addition, it was found that there was no coordination between institutions who engaged in procurement process that affected the very purpose o MSP. They recommended that MSP should be given for only selective crops in the areas based on competitiveness, pattern of growth and response to trade.

Sarris [2005] concluded that producers of rice continued to gain from higher government subsidies on irrigation and fertilizers in India, but also from MPS and these subsidies had led to the rise in rice production.

Deshpande [2008] recommended that Minimum Support Price [MSP] must be applied selectively for regions and crops, based on three parameters namely competitiveness, growth and trade. He recommended that price connected insurance, direct payment and future or forward markets were the alternative mechanism for MSP.

Sharma and Thaker [2009] concluded that the marginal and small farmers had a greater share in fertilizer subsidy as compared to their share in area under cultivation. The decrease in subsidy for fertilizer would have unpleasant effect on production and income of marginal and farmers small as they did not get any benefits from higher prices for outputs but benefited from lower prices for inputs.

Bardhan and Mookherjee [2011] found that minikits provided by local authorities had a huge effect on productivity in West Bengal, sharing 17% 16% and 8% respectively to the growth productivity in the study periods of 1982–1985, 1986–1990 and 1991–1995. The kits had no significant impact on cropping patterns or cropping areas, indicating that they were effectual by increasing yield of crops. These benefits were enjoyed by all size of farm holding and increasing agricultural incomes of hired workers but lesser than farm incomes.

Kumbhar [2011] indicated that area cultivated and productivity were most important forecasters and Minimum Support Price [MSP]/Statutory Minimum Prices [SMP] were not important forecaster of production of cotton, pulse, rice and sugarcane. But, area cultivated, productivity and MSP were only important factors in production of wheat in India.

Narayanamoorthy [2012] found that MSP for majority crops had not improved in connection with the increasing of costs of production. Hence, as suggested by the National Commission on Farmers and which was accepted by the working group on agriculture production set up by the India government, MSP must be provided at least 50% more than the cost of production. And MSP must also be related with Wholesale Price Index to guard the farmers from inflation pressure in the inputs market.

Pandey and Tripathi [2013] concluded that withdrawal of subsidies would make it unprofitable for farmers, especially for marginal and small farmers and in less developed regions or states. Thus, there was a justification for subsidizing fertilizers for marginal and small farmers and for less developed areas. Sharp rise in both imported and domestic fertilizer prices and as well as raw materials, increasing imports and decrease in subsidy on potassic and phosphatic fertilizers had created markets more unstable and, to the level that higher prices had directed to a reduction in consumption of potassic and phosphatic fertilizers and declining in the N:P:K ratio.

Bhargava [2015] concluded that Indian government had an important role in the growth and development of agriculture sector in the means of agricultural input subsidies such as seeds, fertilizers, electricity, irrigation and credit. The expenditure on agriculture was very low because of low production and low demand at the time of independence, but with over the periods, quantum of subsidy had swelled and put additional load on government.

Chatterjee and Kapur [2016] concluded that majority farmers were not aware of the MSP and there was substantial difference among the different states. But, majority of farmers in Haryana and Punjab were highly aware of MSP and few farmers were aware of the MSP in the states of Maharashtra, Gujarat and West Bengal.

## 3. RESEARCH GAP

From the above review of literature, it is clear that previous studies have been carried out on the benefits, utilization and effect of input subsidies on cropping pattern and production of agricultural crops and importance, need and impact of Minimum Support Prices on production and awareness of farmers about Minimum Support Prices. But, not much of research is done on awareness of farmers towards agricultural input subsidies, awareness of farmers towards minimum support prices and difference between awareness of farmers towards agricultural input subsidies and minimum support prices especially in South India. The study on this research gap would be useful to understand the existing level of awareness and need to increase the awareness level of farmers further towards agricultural input subsidies and minimum support prices. On the basis of this, the following objectives and hypotheses are framed for the present study.

## 4. OBJECTIVES

1.  To study the awareness of respondent farmers towards agricultural input subsidies.

2.  To examine the difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies.

3.  To study the awareness of respondent farmers towards minimum support prices.

4. To examine the difference between size of holdings and awareness of respondent farmers towards minimum support prices.

5. To analyze the difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices.

## 5. HYPOTHESIS

1. $H_{01}$: There is no significant difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies.

2. $H_{02}$: There is no significant difference between size of holdings and awareness of respondent farmers towards minimum support prices.

3. $H_{03}$: There is no significant difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices.

## 6. RESEARCH METHODOLOGY

The South Indian states namely Andhra Pradesh, Telengana, Karnataka and Tamil Nadu are chosen for the present study. The respondent farmers are selected for the present study by using multi stage random sampling method. The sample size for the present study is decided by with the help of the following formula.

$$n = [t^2 \times p \, [1 - p]]/m^2$$

$n$ = Required Sample Size

$t$ = Confidence Level at 95% [standard value of 1.96]

$p$ = Response from the Respondent Farmers in Pilot Study

$m$ = Margin of Error at 5% [standard value of 0.05]

**Step 1:**

$$n = [1.96]^2 \times 0.5 \, [1 - 0.5]/[0.05]^2 = 384$$

**Step 2:** The sample size is enhanced by 5% to account for contingencies namely recording error or non-response.

$$n + 5\% = 384 + [384 \times 0.05]$$

$$= 384 + 19 = 403.$$

Hence, it is rounded to 400.

Therefore, the sample size for the present study is 400 respondent farmers in South Indian states. The sample size is adequately enough and chosen by adopting random sampling method, hence, these samples are true representation of population. The data are gathered from 400 respondent farmers through pre-tested and structured questionnaire.

To understand the socio-economic status of respondent farmers, land holding of respondent farmers, awareness of respondent farmers towards agricultural input subsidies and awareness of respondent farmers towards minimum support prices, the frequency and percentage analysis are worked out. To examine difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies and difference between size of holdings and awareness of respondent farmers towards minimum support prices, the Analysis of Variance [ANOVA] test is applied. To study the difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices, the t-test is employed.

## 7. RESULTS AND DISCUSSION

### 7.1. Socio-Economic Status of Respondent Farmers

The socio-economic status of respondent farmers was analyzed and the results are presented in Table 1. The results indicate that 77.25 per cent of respondent farmers are males and the remaining 22.75 per cent of respondent farmers are females. It is observed that 42.50 per cent of respondent farmers are in the age group of 46 – 55 years followed by 36 – 45 years [26.00 per cent], 26 – 35 years [14.00 per cent], less than 25 years [10.25 per cent] and more than 55 years [7.25 per cent].

The results show that 29.50 per cent of respondent farmers have primary education followed by post-primary education [23.50 per cent], illiterate [17.00 per cent], higher secondary education [11.75 per cent], secondary education [7.75 per cent], graduation [6.25 per cent] and post graduation [4.25 per cent]. It is apparent that 41.00 per cent of respondent farmers have farming experience of 16 – 20 years followed by 11 – 15 years [25.50 per cent], 6 – 10 years [13.50 per cent], less than 5 years [11.50 per cent] and more than 20 years [8.50 per cent].

The results reveal that 34.50 per cent of respondent farmers are the in annual income of below ₹1,00,000 followed by ₹1,00,001 – ₹2,00,000 [31.00 per cent], ₹2,00,001 – ₹3,00,000 [13.75 per cent], ₹3,00,001 – ₹4,00,000 [11.50 per cent] and above ₹4,00,000 [9.25 per cent]. It is clear that 91.75 per cent of respondent farmers are married and the remaining 8.25 per cent of respondent farmers are unmarried.

### 7.2. Land Holding Particulars of Respondent Farmers

The land holding particulars of respondent farmers was analyzed and the results are presented in Table 2. According to Ministry of Agriculture and Farmers Welfare, Government of India, the size of land holdings are classified in to Marginal [Less than 1 hectare], Small [More than 1, Less than or Equal to 2 hectares], Medium [Greater than 2, Less than or Equal to 5 hectares] and Large [Greater than 5 hectares]. It is clear that 33.25 per cent of respondent farmers are small farmers followed by marginal farmers [30.00 per cent], medium farmers [22.00 per cent] and large farmers [14.75 per cent].

The results reveal that 75.50 per cent of land holdings of respondent farmers are irrigated followed by semi-irrigated [21.50 per cent] and unirrigated [3.00 per cent]. It is observed that tubewell is the source of irrigation for 40.50 per cent of respondent farmers followed by well [27.50 per cent], river [14.50 per cent], canal [12.00 per cent] and tank [5.50 per cent]. The results indicate that 61.00 per cent of land holdings of respondent farmers are partially mechanized followed by fully mechanized [23.50 per cent] and non-mechanized [15.50 per cent].

**Table 1**
**Socio-Economic Status of Respondent Farmers**

| Socio-Economic Status | Number of Respondent Farmers | Percentage |
|---|---|---|
| Gender | | |
| Male | 309 | 77.25 |
| Female | 91 | 22.75 |
| Age Group | | |
| Less than 25 years | 41 | 10.25 |
| 26 – 35 years | 56 | 14.00 |
| 36 – 45 years | 104 | 26.00 |
| 46 – 55 years | 170 | 42.50 |
| More than 55 years | 29 | 7.25 |
| Educational Qualification | | |
| Illiterate | 68 | 17.00 |
| Primary Education | 118 | 29.50 |
| Post-Primary Education | 94 | 23.50 |
| Secondary Education | 31 | 7.75 |
| Higher Secondary Education | 47 | 11.75 |
| Graduation | 25 | 6.25 |
| Post Graduation | 17 | 4.25 |
| Experience in Farming | | |
| Less than 5 years | 46 | 11.50 |
| 6 – 10 years | 54 | 13.50 |
| 11 – 15 years | 102 | 25.50 |
| 16 – 20 years | 164 | 41.00 |
| More than 20 years | 34 | 8.50 |
| Annual Income[₹] | | |
| Below ₹1,00,000 | 138 | 34.50 |
| ₹1,00,001 – ₹2,00,000 | 124 | 31.00 |
| ₹2,00,001 – ₹3,00,000 | 55 | 13.75 |
| ₹3,00,001 – ₹4,00,000 | 46 | 11.50 |
| Above ₹4,00,000 | 37 | 9.25 |
| Marital Status | | |
| Married | 367 | 91.75 |
| Unmarried | 33 | 8.25 |

**Table 2**
**Land Holding Particulars of Respondent Farmers**

| Land Holding Particulars | Number of Respondent Farmers | Percentage |
|---|---|---|
| Size of Holdings* | | |
| Marginal [Less than 1 hectare] | 120 | 30.00 |
| Small[More than 1, Less than or Equal to 2 hectares] | 133 | 33.25 |
| Medium [Greater than 2, Less than or Equal to 5 hectares] | 88 | 22.00 |
| Large[Greater than 5 hectares] | 59 | 14.75 |

| Land Holding Particulars | Number of Respondent Farmers | Percentage |
|---|---|---|
| Nature of Irrigation | | |
| Irrigated | 302 | 75.50 |
| Semi-Irrigated | 86 | 21.50 |
| Unirrigated | 12 | 3.00 |
| Source of Irrigation | | |
| Canal | 48 | 12.00 |
| Tank | 22 | 5.50 |
| Well | 110 | 27.50 |
| Tubewell | 162 | 40.50 |
| River | 58 | 14.50 |
| Degree of Mechanization | | |
| Fully Mechanized | 94 | 23.50 |
| Partially Mechanized | 244 | 61.00 |
| Non-Mechanized | 62 | 15.50 |

*Not Share Cropping/Tenant/Leased Farmers

## 7.3. Awareness of Respondent Farmers Towards Agricultural Input Subsidies

The awareness of respondent farmers towards agricultural input subsidies was analyzed and the results are presented in Table 3. The results show that 41.25 per cent of respondent farmers strongly agreed with subsidies as means to ensure cheap inputs to agriculture followed by agree [34.75 per cent], neutral [10.50 per cent], strongly disagree [7.25 per cent] and disagree [6.25 per cent]. It is clear that 40.25 per cent of respondent farmers agreed with subsidies stabilize the price of inputs followed by neutral [24.75 per cent], strongly agree [21.00 per cent], disagree [10.25 per cent] and strongly disagree [3.75 per cent].

**Table 3**
**Awareness of Respondent Farmers towards Agricultural Input Subsidies**

| Agricultural Input Subsidies | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|---|---|---|---|---|---|---|
| Subsidies ensure cheap inputs to agriculture | 165 [41.25] | 139 [34.75] | 42 [10.50] | 25 [6.25] | 29 [7.25] | 400 [100.00] |
| Subsidies stabilize the price of inputs | 84 [21.00] | 161 [40.25] | 99 [24.75] | 41 [10.25] | 15 [3.75] | 400 [100.00] |
| Subsidies ensure availability of inputs for agricultural operations | 121 [30.25] | 161 [40.25] | 59 [14.75] | 36 [9.00] | 23 [5.75] | 400 [100.00] |
| Subsidies reduce cost of production | 102 [25.50] | 131 [32.75] | 59 [14.75] | 94 [23.50] | 14 [3.50] | 400 [100.00] |
| Subsidies reduce need to borrow | 164 [41.00] | 145 [36.25] | 28 [7.00] | 44 [11.00] | 19 [4.75] | 400 [100.00] |
| Subsidies enhance consumption | 142 [35.50] | 132 [33.00] | 49 [12.25] | 52 [13.00] | 25 [6.25] | 400 [100.00] |
| Subsidies provide security to farmers | 121 [30.25] | 126 [31.50] | 45 [11.25] | 43 [10.75] | 65 [16.25] | 400 [100.00] |

The Figures in the parentheses are per cent to total

The results indicate that 40.25 per cent of respondent farmers agreed with subsidies ensure availability of inputs for agricultural operations followed by strongly agree [30.25 per cent], neutral [14.75 per cent], disagree [9.00 per cent] and strongly disagree [5.75 per cent]. It is observed that 32.75 per cent of respondent farmers agreed with subsidies reduce cost of production followed by strongly agree [25.50 per cent], disagree [23.50 per cent], neutral [14.75 per cent] and strongly disagree [3.50 per cent].

The results reveal that 41.00 per cent of respondent farmers strongly agreed with subsidies reduce need to borrow followed by agree [36.25 per cent], disagree [11.00 per cent], neutral [7.00 per cent] and strongly disagree [4.75 per cent]. It is apparent that 35.50 per cent of respondent farmers are strongly agreed with subsidies enhance consumption followed by agree [33.00 per cent], disagree [13.00 per cent], neutral [12.25 per cent] and strongly disagree [6.25 per cent].

The results imply that 31.50 per cent of respondent farmers agreed with subsidies provide security to farmers followed by strongly agree [30.25 per cent], strongly disagree [16.25 per cent], neutral [11.25 per cent] and disagree [10.75 per cent].

## 7.4. Level of Awareness of Respondent Farmers Towards Agricultural Input Subsidies

The level of awareness of respondent farmers towards agricultural input subsidies was analyzed and the results are presented in Table 4. It is classified in to low level, moderate level and high level based on "Mean ± SD" criterion. The mean is 26.20 and SD is 3.89. The number of respondent farmers above Mean + SD value [above 30] is high level, the number of respondent farmers below Mean - SD value [below 22] is low level and the number of respondent farmers between Mean - SD and Mean + SD value [above 22 and below 30] is moderate level.

**Table 4**
**Level of Awareness of Respondent Farmers towards Agricultural Input Subsidies**

| Level of Awareness towards Agricultural Input Subsidies | Number of Farmers | Percentage |
|---|---|---|
| Low | 77 | 19.25 |
| Moderate | 285 | 71.25 |
| High | 38 | 9.50 |
| Total | 400 | 100.00 |

The results indicate that 71.25 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [19.25 per cent] and high level [9.50 per cent].

## 7.5. Size of Holdings and Awareness of Respondent Farmers Towards Agricultural Input Subsidies

The relationship between size of holdings and awareness of respondent farmers towards agricultural input subsidies was analyzed by using Analysis of Variance [ANOVA] test and the results are presented in Table 5.

Out of 120 marginal respondent farmers, 80.00 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [11.67 per cent]

and high level [8.33 per cent]. Out of 133 small respondent farmers, 72.18 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [21.05 per cent] and high level [6.77 per cent].

**Table 5**
**Size of Holdings and Awareness of Respondent Farmers Towards Agricultural Input Subsidies**

| Size of Holdings | Level of Awareness towards Agricultural Input Subsidies | | | Total | F-Value | Sig. |
|---|---|---|---|---|---|---|
| | Low | Moderate | High | | | |
| Marginal | 14 | 96 | 10 | 120 | | |
| | [11.67] | [80.00] | [8.33] | [30.00] | | |
| Small | 28 | 96 | 9 | 133 | | |
| | [21.05] | [72.18] | [6.77] | [33.25] | | |
| Medium | 16 | 61 | 11 | 88 | 4.514 | .004 |
| | [18.18] | [69.32] | [12.50] | [22.00] | | |
| Large | 19 | 32 | 8 | 59 | | |
| | [32.20] | [54.24] | [13.56] | [14.75] | | |
| Total | 77 | 285 | 38 | 400 | - | - |
| | [19.25] | [71.25] | [9.50] | [100.00] | | |

The Figures in the parentheses are per cent to total

Out of 88 medium respondent farmers, 69.32 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [18.18 per cent] and high level [12.50 per cent]. Out of 59 large respondent farmers, 54.24 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [32.20 per cent] and high level [13.56 per cent].

The F- value of 4.514 is significant at one per cent level revealing that there is significant difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies. Thus, the null hypothesis of there is no significant difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies is rejected.

## 7.6. Awareness of Respondent Farmers Towards Minimum Support Prices [MSP]

The awareness of respondent farmers towards minimum support prices was analyzed and the results are presented in Table 6.

The results indicate that 34.75 per cent of respondent farmers are strongly agreed with MSP stabilizes the price of outputs followed by agree [33.25 per cent], disagree [11.75 per cent], neutral [10.25 per cent] and strongly disagree [10.00 per cent]. It is observed that 44.75 per cent of respondent farmers are agreed with MSP guarantees the price of output in the event of excess production followed by strongly agree [27.75 per cent], strongly disagree [11.50 per cent], neutral [8.25 per cent] and disagree [7.75 per cent].

The results reveal that 45.25 per cent of respondent farmers are agreed with MSP assures reasonable price to motivate adoption of improved technologies followed by strongly agree [35.00 per cent], neutral [9.25 per cent], disagree [6.25 per cent] and strongly disagree [4.25 per cent]. It is apparent that 36.50 per cent

of respondent farmers are agreed with MSP decides what type of crop is grown followed by strongly agree [25.25 per cent], neutral [24.25 per cent], disagree [7.75 per cent] and strongly disagree [6.25 per cent].

**Table 6**
**Awareness of Respondent Farmers towards Minimum Support Prices**

| Minimum Support Prices | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
|---|---|---|---|---|---|---|
| MSP stabilizes the price of outputs | 139 [34.75] | 133 [33.25] | 41 [10.25] | 47 [11.75] | 40 [10.00] | 400 [100.00] |
| MSP guarantees the price of output in the event of excess production | 111 [27.75] | 179 [44.75] | 33 [8.25] | 31 [7.75] | 46 [11.50] | 400 [100.00] |
| MSP assures reasonable price to motivate adoption of improved technologies | 140 [35.00] | 181 [45.25] | 37 [9.25] | 25 [6.25] | 17 [4.25] | 400 [100.00] |
| MSP decides what type of crop is grown | 101 [25.25] | 146 [36.50] | 97 [24.25] | 31 [7.75] | 25 [6.25] | 400 [100.00] |
| MSP decides how much area to be allocated to different crops | 105 [26.25] | 165 [41.25] | 37 [9.25] | 51 [12.75] | 42 [10.50] | 400 [100.00] |
| MSP provides safety net to the farmers | 179 [44.75] | 137 [34.25] | 30 [7.50] | 35 [8.75] | 19 [4.75] | 400 [100.00] |
| MSP is remunerative for the farmers | 129 [32.25] | 177 [44.25] | 31 [7.75] | 43 [10.75] | 20 [5.00] | 400 [100.00] |

The Figures in the parentheses are per cent to total

The results show that 41.25 per cent of respondent farmers are agreed with MSP decides how much area to be allocated to different crops followed by strongly agree [26.25 per cent], disagree [12.75 per cent], strongly disagree [10.50 per cent] and neutral [9.25 per cent]. It is clear that 44.75 per cent of respondent farmers are strongly agreed with MSP provides safety net to the farmers followed by agree [34.25 per cent], disagree [8.75 per cent], neutral [7.50 per cent] and strongly disagree [4.75 per cent].

The results imply that 44.25 per cent of respondent farmers are agreed with MSP is remunerative for the farmers followed by strongly agree [32.25 per cent], disagree [10.75 per cent], neutral [7.75 per cent] and strongly disagree [5.00 per cent].

### 7.7. Level of Awareness of Respondent Farmers Towards Minimum Support Prices

The level of awareness of respondent farmers towards minimum support prices was analyzed and the results are presented in Table 7. It is categorized in to low level, moderate level and high level based on " Mean ± SD" criterion. The mean is 26.61 and SD is 3.53. The number of respondent farmers above Mean + SD value [above 30] is high level, the number of respondent farmers below Mean - SD value [below 23] is low level and the number of respondent farmers between Mean - SD and Mean + SD value [above 23 and below 30] is moderate level.

The results show that 71.50 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by low level [16.25 per cent] and high level [12.25 per cent].

**Table 7**
**Level of Awareness of Respondent Farmers towards Minimum Support Prices**

| Level of Awareness towards Minimum Support Prices | Number of Farmers | Percentage |
|---|---|---|
| Low | 65 | 16.25 |
| Moderate | 286 | 71.50 |
| High | 49 | 12.25 |
| Total | 400 | 100.00 |

## 7.8. Size of Holdings and Awareness of Respondent Farmers Towards Minimum Support Prices

The relationship between size of holdings and awareness of respondent farmers towards minimum support prices was analyzed by using Analysis of Variance [ANOVA] test and the results are presented in Table 8.

**Table 8**
**Size of Holdings and Awareness of Respondent Farmers Towards Minimum Support Prices**

| Size of Holdings | Level of Awareness towards Minimum Support Prices | | | Total | F-Value | Sig. |
|---|---|---|---|---|---|---|
| | Low | Moderate | High | | | |
| Marginal | 13 | 89 | 18 | 120 | | |
| | [10.83] | [74.17] | [15.00] | [30.00] | | |
| Small | 16 | 101 | 16 | 133 | | |
| | [12.03] | [75.94] | [12.03] | [33.25] | 2.715 | .045 |
| Medium | 19 | 59 | 10 | 88 | | |
| | [21.59] | [67.05] | [11.36] | [22.00] | | |
| Large | 17 | 37 | 5 | 59 | | |
| | [28.81] | [62.71] | [8.48] | [14.75] | | |
| Total | 65 | 286 | 49 | 400 | - | - |
| | [16.25] | [71.50] | [12.25] | [100.00] | | |

The Figures in the parentheses are per cent to total

Out of 120 marginal respondent farmers, 74.17 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by high level [15.00 per cent] and low level [10.83 per cent]. Out of 133 small respondent farmers, 75.94 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by both low level and high level [12.03 per cent].

Out of 88 medium respondent farmers, 67.05 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by low level [21.59 per cent] and high level [11.36 per cent]. Out of 59 large respondent farmers, 62.71 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by low level [28.81 per cent] and high level [8.48 per cent].

The F- value of 2.715 is significant at five per cent level revealing that there is significant difference between size of holdings and awareness of respondent farmers towards minimum support prices. Thus, the

null hypothesis of there is no significant difference between size of holdings and awareness of respondent farmers towards minimum support prices is rejected.

## 7.9. Difference between Awareness of Respondent Farmers Towards Agricultural Input Subsidies and Minimum Support Prices

To analyze the difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices was analyzed by employing t-test and the results are presented in Table 9.

**Table 9**
**Difference between Awareness of Respondent Farmers Towards Agricultural Input Subsidies and Minimum Support Prices**

| *Particulars* | *t-Value* | *df* | *Sig* |
|---|---|---|---|
| Agricultural Input Subsidies and Minimum Support Prices | 1.588 | 798 | .113 |

The t- value of 1.588 is not statistically significant showing that there is no significant difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices. Thus, the null hypothesis of there is no significant difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices is accepted.

## 8. CONCLUSION

The foregoing analysis shows that majority of respondent farmers are males and most of them are in the age group of 46 – 55 years. Majority of respondent farmers have primary education and most of them have farming experience of 16 – 20 years. Majority of respondent farmers are the in annual income of below Rs. 1,00,000 and most of them are married. Majority of them are small farmers and most of land holdings of respondent farmers are irrigated and the tubewell is the source of irrigation for majority of respondent farmers and most of land holdings of respondent farmers are partially mechanized.

The results show that 71.25 per cent of respondent farmers view the level of awareness towards agricultural input subsidies at moderate level followed by low level [19.25 per cent] and high level [9.50 per cent]. There is significant difference between size of holdings and awareness of respondent farmers towards agricultural input subsidies. The results indicate that 71.50 per cent of respondent farmers view the level of awareness towards minimum support prices at moderate level followed by low level [16.25 per cent] and high level [12.25 per cent]. There is significant difference between size of holdings and awareness of respondent farmers towards minimum support prices. Besides, there is no significant difference between awareness of respondent farmers towards agricultural input subsidies and minimum support prices. By and large, agriculture is dominated by small and marginal farmers in Southern states of India, who are resource poor and low capacity to buy agricultural inputs, therefore, the Government should put more efforts to increase the awareness of marginal and small farmers towards agricultural input subsidies through effective awareness campaigns. The Government should distribute more agricultural input subsidies to targeted marginal and small farmers as compared to medium and large farmers. In addition, the Government should fix minimum support prices in such a way it covers cost of production and procure crops timely from targeted medium and large farmers.

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