

P R E F A C E

Pricing of agricultural produce has become a major socio-economic and political issue in recent times. In fact, State level organisations of farmers have been formed in a number of States namely - Maharashtra, Tamilnadu, Karnataka. In certain cases organised farmers expressed their demand by mass agitations, some resulting into violence and large scale loss of property and life. It seems that the major complaint of the farmers is that 'Agricultural produce is not paid prices according to the cost of cultivation'. Secondly, the terms of trade between industry and agriculture are becoming more and more unfavourable to the agricultural producer. The farmers want costing of agricultural produce exactly on the line of industrial produce. For this purpose they even demand a basic re-organisation of Agricultural Prices Commission and related agencies. Some of the organisations of farmers have submitted a detail costing pattern, particularly for the major cash crops i.e. sugarcane, cotton and tobacco.

It was in this context, that the present study of cost of sugarcane cultivation was undertaken to scientifically classify the cost items and to ascertain the facts regarding cost of cultivation vis-a-vis the price of sugarcane, determined by A.P.C., State Level Committees

and the price actually paid by the sugar factory covered in this study. More importantly an attempt was made to take into consideration some of the controversial cost items interest on land investment (value), supervision cost, imputed cost of family labour - in estimating per acre and per tonne cost of sugarcane cultivation.

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I alone am responsible for errors of omissions and commissions in the present work.

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