

Rising fuel cost adds to struggling farmers' woes

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Transportation and cultivation costs have shot up with diesel prices

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The rise in fuel costs ahead of the kharif planting season is seen adding to the woes of the country's beleaguered farmers, who are already battling low prices for their products across the country.

Tractor rentals have already risen by up to a fourth over last year as farming activities such as land preparation and sowing have picked up with the early onset of the monsoon.

With the increase in farm

mechanisation due to the rising usage of tractors and other equipment, farmers see their cultivation and transportation costs going up on account of the rise in diesel prices.

Diesel prices have risen by around 16 per cent in Delhi since the beginning of the year till date. Compared with the corresponding period last year, diesel prices are up 24 per cent. Experts estimate the share of fuel in the cost of cultivation per acre at between 10-25 per cent.

Realisations hit

"Rentals of all tractor-related farm operations have risen by about 20 per cent over last year," says Abhilash Thirupathy, co-founder, Gold

Farm, a start-up that offers on-demand tractor services to farmers in Kolar district of Karnataka. "Farmers using diesel pumps for irrigation will be incurring an additional cost of ₹1,500-2,000 per acre," Thirupathy adds.

While costs are rising, real-

isations for farmers are under pressure due to the bearish trend in prices across categories of commodities. The fuel-price hike has already triggered outrage among a section of farmers in Punjab, who staged a protest recently.

"The impact of the fuel hike

will be felt in the coming weeks, when farmers start planting operations. Apart from irrigating the fields, tractor-hire services will be expensive as charges are sure to rise. The cost of cultivation could go up by as much as 30 per cent for many farmers," said Sukhwinder Singh Sekhon, Kisan Sabha President, Punjab.

Abhijit Sen, former member of the Planning Commission, said the share of fuel in the cost of cultivation is about 10-15 per cent, but is coming down with increased electrification. Nothing prevents the Commission of Agricultural Costs and Prices from coming out with supplementary reports if fuel hikes are unusually high, he said.

Also read p17



The flip side The rising usage of tractors and diesel pumps has led to the increase in farmers' cultivation and transportation costs