

technological period. This appears to have happened in the case of India in respect of the important cereals and cash crops considered in this study.

Unfortunately, detailed estimates of cost of production of principal crops for the early nineties are not available for us to comment conclusively on the price-cost relationship in the current period, but, there is enough indirect evidence to suggest that stagnant and/or low productivity high cost led high domestic prices of principal agricultural commodities continue to dominate the scenario in the agricultural front in India.

A comparison of domestic prices with world prices of principal agricultural commodities (though strictly not comparable), reveals that during large part of eighties except for rice and cotton no clear evidence of domestic price being lower than the world price is noticed. Implication of high cost led high domestic prices during mid-late eighties is reflected in India's inability to take advantage of world trade in important agricultural commodities.

It may be argued that any disproportionate increase in cost of producing agricultural commodities in future would add fuel to the already inflationary situation in the country. This would firstly affect the domestic demand and price out of the bulk of the low income vulnerable section of the population, specially from the foodgrains sector, thereby increasing the burden of subsidy on the Central Government on account of public distribution system. Secondly, this would also adversely affect any price advantage, India might have enjoyed in the trade of agricultural commodities in the international market. To stamp out these disadvantages in future, efforts must be redoubled to boost productivity of the crops so as to make agricultural production cost effective and also make it globally competitive. There is, therefore, an urgent need for developing state-of-the-art production technology to take advantage of the opportunities opened up for the agricultural producers, both in domestic market and in international market, by the new economic policies.

Working of Milk Producers' Co-operatives in Maharashtra
by Deepak Shah, Mimeograph Series No.41, March 1996, pp. xvi+229.

An Abstract

The past trend of production of milk in Maharashtra State has been quite encouraging. The State started showing quantum leaps and bounds in milk production from 1987-88 onwards when its milk production was 2.66 million tons. Thereafter, within 6-7 years the State's milk production figures touched 4.2 million tons. Undoubtedly, the dairy co-operative movement in the State has contributed in no small measure towards this substantial increase in the milk production. However, it seems that this movement could gain momentum only in some specified regions of the State. It is a matter of great concern that only a couple of regions (Pune and Nashik) in the State