

DIFFERENTIAL EFFECTS OF PRICE INCREASES ON SMALL AND BIG CULTIVATORS—A Case Study *

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IN the general rise of agricultural prices from the year 1955-56 to 1956-57, that in *jowar*, raw cotton, and oil seeds was particularly prominent. The benefit of this situation accrued to the farmers of Vidarbha in particular, as Vidarbha, with its rich black soil and suitable timely rainfall, is one of the best tracts in the country for growing cotton, *jowar* and groundnut. Cotton and *jowar* together account for about 75 per cent. of sown area in the districts of Akola and Amaravati belonging to this tract.

Fortunately, we are in a position to analyse the effects of this price-rise, in all its ramifications, on the economy of the cultivators, with the help of a detailed cost-accounting study of the farm management in these two districts of Vidarbha, sponsored by the Research Programme Committee of Planning Commission and conducted by the Department of Agriculture of Madhya Pradesh † for those two years, under the technical guidance of the Gokhale Institute of Politics and Economics, Poona I.¹

A study about the benefits reaped by the cultivators of Vidarbha from this price-rise has been done by the author for the cultivators as a whole.² The present article attempts to trace these effects separately for big and small cultivators to find out whether the constraints under which they work affect their capacity to take advantage of such favourable situations differently, and whether the big cultivator or the small one was able to take more advantage of the favourable price situation and why.

Different price indexes

For the purpose of making these comparisons, five index numbers of the changes in prices have been separately constructed for big and small cultivators, in accordance with various economic activities in which they participated as producers or consumers, but, of these, three indexes are

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† In the years 1955-56 and 1956-57, Vidarbha formed part of the State of Madhya Pradesh; now it forms part of the State of Maharashtra.

¹ The results of this survey have been published by the Directorate of Economics and Statistics, Ministry of Agriculture, Government of India, under the title, *Studies in Economics of Farm Management in Madhya Pradesh 1955-56 and 1956-57*.

² Mathur P. N., "Terms of Trade of Agriculturists in India with Special Reference to Vidarbha", *Studies in Indian Agricultural Economics*, The Indian Society of Agricultural Economics, Bombay, 1958.