
PREFACE

The prices of important agricultural inputs, including diesel fuel and fertilizers, increased sharply following the increase in petroleum prices in 1973. This severely affected farmers in the non-oil producing developing countries. These countries were, therefore, faced with the twin problem of how to expand their food production to displace imports and so contain the adverse effects of higher oil prices on their balance of payments and at the same time do this in the face of the higher input prices with which their farmers had to contend. For national and international planners it was important to know how farm production might be affected. While farmers' decisions must be considered within the framework of national farm policies (including, in this context, policies on input distribution and subsidisation and on product-pricing), it seemed very necessary to derive some awareness of their reactions to changes in input costs and the impact of these costs on production at the farm level. To assist in this exercise, the Commonwealth Secretariat commissioned a survey of farmers' responses to the higher prices of oil-based inputs in India, a large food deficit Commonwealth developing country.

Oil prices have now stabilised and prices of fertilizers have been significantly reduced. It is hoped, however, that the study will have continuing relevance for policy-makers and students in many countries as a close analysis of farmers' responses to changes in farm input and farm product prices in a specified area within a definite period of time.

The views expressed in the study are those of the author and are not necessarily those of the Commonwealth Secretariat.

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