Rising Fuel prices cripples farmers

Why in news?

The rising prices of petrol and diesel are set to increase the input cost of farming sector by 28 % compared to last year.

How will fuel price rise affect the input cost of agriculture?

- In Punjab, 11 lakh farm households own 5.20 lakh tractors, 17,000 combine harvesters which includes 6,000 Straw Management System (SMS).
- Apart from this, the state owns 75,000 stubble management machines, over one lakh other farm implements.
- They machines harvest around 36-37 million tonnes wheat and paddy in the state annually & they are diesel operated.
- Apart from this there are 1.50 lakh diesel operated tube wells too in the state.

How much diesel is consumed in Punjab in the agriculture?

- The consumption of diesel in the state is 2.5 times higher than the petrol.
- Out of total 3,400 pumps used in agriculture, 40% consume diesel and nearly 20 % consume petrol.
- The retail oil price has never got decreased when the rate of crude oil in international market fell down.
- This affects the farming sector even during Covid-19 lockdown.

What is the current fuel price in Punjab?

- In February 18, 2020, the petrol and diesel were Rs. 71. 83 per litre and Rs. 63.62 per litre, respectively.
- Currently, the price of petrol and diesel is Rs.90.51 per litre and Rs. 81.64 per litre respectively.
- So there is 28 % and 26 % rise in diesel and Petrol prices respectively in the state in one year.
- After the announced of double the farming income by 2022 in 2017, diesel price was around Rs 56 per litre including 28 % VAT + 10 % additional tax on VAT.
- Now it has gone up to Rs 81.64 per litre, an increase of Rs 25.64 per litre, which is an increase of 45.8 % in the past four years.

What will be the cost of running farm implements now?

- If one operation is taken for wheat harvesting, from coming April farmer has to spend Rs 816 per acre on diesel cost because a harvester consumes around 10 litre diesel on one acre.
- Last year, the cost was Rs 636 per acre and there is an increase of Rs 180 per acre in just one year.
- Now the field requires around 8-10 operations for sowing, harvesting, post harvesting and every operation will see an increase of 28.3 per % in diesel consumption.
- That is if the total cost of field preparation for one crop after normal combine-harvesting was Rs 3,000 per acre, now it will go up to Rs 3,800 to 3,900.
- This will add extra burden to farmers as there are 41 lakh hectares of area under cultivation for various crops in Punjab.

Source: The Indian Express

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