**Abstract**

Agriculture sector is undoubtedly most important sector of Indian economy as it provides

employment to 60% of people and food security of India revolves around this sector. It employs more than 90 million people and contributes 15.4 percent gross value addition (GVA) to the Indian economy. Its importancecan be gauged by the fact that whenever there is fear of deficit monsoon, whole of the population ranging from farmers, workers, businessmen, policy makers and even foreign investors are caught into nervousness. Among the agriculture production incentives subsidies are considered to be the most powerful instruments for accelerating the growth of agricultural production. Subsidy is a policy adopted by government to support and encourage farmers to continue in the culture of agriculture. In India in last few years the rate of subsidy has evenly grown up to 55-60% on an average. Simple random sampling technique has been used to collect the data from 150 respondents. The result revealed that the cultivation of land plays a predominate role in effective utilization of government subsidies for the farmers and the respondents aged above 41 years are highly satisfied with government subsidies. Most of the subsidies provided are designed to compensate the high cost of production and to stimulate the use of modern input. The study has suggested that most of the farmers have not aware about the export subsidies, so that the government should take initiatives in creating awareness among the farmers. Further, the more procedure and formalities are to be reduced for availing the subsidies from the Government.