



Problems and policy imperatives of small farmers in India

Dr. Naresh Kumar

Associate Professor of Economics, Government P. G. College, Ambala Cantt, Haryana, India

Abstract

The vast majority of farmers in India are tiny and marginal, with landholdings of less than one hectare or between one and two hectares. Small farmers in India have numerous challenges in obtaining technological, financial, and institutional assistance. Small-scale farmers need funding for both spending and investment. Growing levels of debt have contributed to the financial burdens faced by these farmers in recent times. Climate change is anticipated to worsen the living conditions of already vulnerable and food small farmers. Water will be a bigger issue for marginal and small farms in the future. As a result, water management will be critical for these farmers. The biggest issue occurs when middlemen begin to exploit the poor and needy farmers. By creating direct contact between manufacturers and consumers, middlemen may be avoided. Farmers may be able to conserve resources and stop the loss of soil productivity if the information and dose of fertilizers to be employed are provided following soil inspection by a specific professional. So, small farmers in India are dealing with a variety of problems that they cannot resolve without the government putting in place awareness-raising programmes to inform them of these serious issues.

Keywords: Small farmers, awareness, landholdings, hectares

Introduction

Agricultural techniques used in the past were environmentally friendly, but they did not produce as much crop as they do now. Anyway, because there were fewer individuals, that was sufficient for those people. Only governments respect farmers and only those who live in their state or area. Even if a farmer's family has a low income or their crop fails, they are not respected. Some parents discourage their children from pursuing agriculture as a professional path because they are disdainful of farmers, but they fail to recognize that without farmers, it is difficult to thrive in this world. Because of the influence of this society, even farmers do not want to see their son as a farmer. Many small farmers have abandoned farming to work in surrounding industry these days. Also, some people committed suicide since their crops failed owing to a lack of water supplies. Small and fragmented land holdings pose a specific challenge in densely populated and intensively cultivated states like Bihar, Kerala, West Bengal and the eastern part of Uttar Pradesh. Here, the average size of land holdings is less than one hectare, and in certain areas, it is even less than 0.5 hectare.

It should be mentioned that small farmers thrive in Indian agriculture. The majority of farmers in India operate on small or marginal landholdings, typically less than one hectare or between one to two hectares. Consequently, the performance of these small-scale farmers is crucial for India's agricultural growth and food security. Small and marginal farmers collectively own more than 80 percent of agricultural land in the country, highlighting significant land inequities. Small farms play a pivotal role in fostering development and alleviating poverty. Global experiences show that agricultural GDP growth is doubly effective in reducing poverty compared to growth originating from other sectors. Therefore, small landholdings are instrumental in driving agricultural growth and reducing poverty.

Methodology

The farmers with the land less than five hectares were visited and a comprehensive study was done to get basic information upon the conditions of the Indian small farmers and their problems. In addition to this various reports, surveys and magazines were studied to know the challenges of small farmers.

Objectives

The following objectives serve as the foundation for this chapter.

- To discuss the main problems of small farmers in India
- To recommend the essential policy implications in connection with it.

Problems

Small farmers in India have numerous challenges in obtaining technological, financial, and institutional assistance. These challenges include: restricted access to formal credit and insurance, a lack of capacity-building initiatives to train them in contemporary farm equipment and practices, insufficient irrigation water supply, little or no opportunity for crop diversification and a lack of marketing facilities. The following section outlines the primary challenges that India's small farmers confront.

Indebtedness and Credit

Small-scale farmers need financial support for both day-to-day expenses and investments. Rising levels of debt among these farmers have contributed significantly to their financial burdens in recent years. However, small farmers have less debt from official institutional sources than large farms, while the opposite is true for informal sources. Small farmers have the greatest reliance on money lenders. Even in areas like Punjab, Andhra Pradesh and Tamil Nadu diminutive and insignificant farmers rely heavily on informal sources. Small and marginal farmers in Andhra Pradesh, for example, must rely on informal sources for 70 per cent to 75 per cent of their

loans. This means that Andhra Pradesh has very low financial inclusion.

Effect of Climate Transform

Climate change poses a significant threat to agriculture, food security and rural livelihoods for millions of people in India, particularly those who are economically disadvantaged. Small-scale farmers are expected to bear the brunt of these impacts. Climate change is projected to exacerbate the challenges faced by vulnerable farmers, fishers and forest-dependent communities, leading to increased risks of crop failure, livestock losses and reduced availability of marine, aquaculture and forest resources. This will have a detrimental effect on food security and the livelihoods of small farmers in particular.

Vulnerability and Helplessness

There is ample evidence demonstrating that the poorest households are highly vulnerable to various threats that can severely impact their livelihoods and well-being, whether individually, within households or across entire communities. They face heightened risks related to health, such as illness, injury, accidents and disabilities. Apart from agricultural risks, they also contend with risks associated with life cycles, social factors and specific vulnerabilities among marginalized groups. Community-level hazards such as droughts, floods, cyclones, and policy changes further compound their vulnerability, leaving small and marginal farmers without adequate protection.

Water Challenges

Water is a crucial input in agriculture and the development of irrigation and water management infrastructure is vital for improving rural living standards. However, agriculture competes with urbanization, industrial usage, and domestic water supply for this resource. Smallholder agriculture, which relies more on groundwater compared to larger farms with access to canal water, faces significant challenges in regions where groundwater levels are declining. Managing water resources effectively will be critical for the sustainability of small-scale farming in the future.

Policy Implications

Many technological and institutional advances are available to help small farmers increase agricultural productivity and revenue through diversification and high-value agriculture. Some of them are as follows:

Middlemen Prowling

The biggest issue occurs when middlemen begin to exploit the poor and needy farmers. Farmers' lack of education allows intermediaries to take advantage of them and suck their profit and progress. By creating direct contact between manufacturers and consumers, middlemen may be avoided. This allows farmers to maximize their profits from their products. For example, in Maharashtra, farmers are given tokens before cultivating sugarcane to ensure that there is neither shortage nor surplus production.

Storage Facility

Warehousing has been a vital aspect of the supply chain where commodities are not only held for safekeeping but also for process implementation, reducing cost and wastage. For example, when a farmer harvests a wheat bulb, it must be

stored prior to threshing, which the farmers typically do at their own home, making it subject to pests and rain. As a result, warehousing should be made mandatory so that farmers may readily thresh their grain.

High Transport Cost

Because of reduced competition, transport companies' reluctance to provide services there, cartels and monopolies, etc., transit in rural areas is more expensive. To obtain a license or renew an existing one, the transportation agency may be required to provide a specified percentage of their services at a set price to rural residents. To encourage transport companies to offer their services in rural areas, tax breaks and other privileges should be provided. Government establishment of its own transport system or agency to offer services at a lower cost in regions where a few number of businesses dominate the market is another strategy that could boost competition.

Quality of Fertilizer

It was noticed that the fertilizer merchant, and not an authorized employee, typically provides the expertise regarding the proper usage of fertilizers. Farmers may be able to conserve resources and stop the loss of soil productivity if the information and dose of fertilizers to be employed are provided following soil inspection by a specific professional.

Awareness

Mechanization and agricultural modernization have the potential to significantly boost productivity. The small farmers, however, do not frequently use these approaches since they are not aware of their use or advantages. So, to raise awareness in small farmers setting up, managing or hosting conferences and workshops and arranging educational campaigns, training, and informational materials.

Minimum Support Price

The minimum support price is set so that farmers receive at least a 50 per cent margin over their production costs, which vary greatly from state to state. This might be brought on by variations in labor costs, water accessibility, soil quality, weather, etc. To determine the minimum support price, the manufacturing cost is often averaged across the country. Instead of using the national average, the minimum support price can be set based on the production costs experienced by a farmer in a particular region of the nation. The region of cultivation, not the location of sale, should be used to determine the minimum support price. This is to dishearten farmers from selling their yield in the adjoining area to get a higher price.

Information and Technology

Small farmers may now assess the amount of water and nutrients contained in the soil using a number of different technologies and applications. They are fairly simple to obtain, but the small farmers' ignorance of these technology creates a challenge. Farmers can adopt these technologies, which can be very advantageous to them and minimize the quantity of resources while increasing output.

Conclusion

Therefore, it can be concluded that farmers in India are dealing with a variety of problems that they cannot resolve

without the government putting in place awareness-raising programmes to inform them of these serious issues. The public private partnership model must be established in order to address problems of small farmers and guarantee a productive farming system across the nation. In order to enable farmers receive the highest possible profit for their produce, middlemen's exploitation must be completely eradicated. Modern technologies are widely accessible everywhere, but India has not yet taken the necessary steps to put them into practice. Every community needs storage facilities so that their harvests won't get ruined and they won't have to sell at the lowest price that's readily available, forcing farmers to lose money. Lack of transportation infrastructure hinders market connectivity, making it difficult for farmers to sell their goods. The growth of contemporary retailing in India has the potential to stimulate investments in processing and marketing that will benefit both consumers and producers. When small farmers have been able to join the supply chains, supermarkets have provided better security and far bigger margins than the usual customers, including wholesalers and groceries. However, if rules are not correctly set, there is room for abuse in contract farming and super markets.

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