

THE CHALLENGES AND POLICY IMPERATIVES FACED BY SMALL-SCALE FARMERS IN INDIA

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ABSTRACT

The overwhelming majority of agricultural practitioners in India are characterised as small-scale and subsistence farmers, possessing land parcels that are less than one hectare or range between one and two hectares in size. Small-scale agricultural producers in India have a multitude of obstacles when it comes to accessing technological, financial, and institutional support. The acquisition of financial resources is necessary for both consumption and investment purposes in the context of small holdings. One of the contributing factors to the accumulation of loans among farmers in recent years is the growing level of indebtedness. It is expected that climate change will exacerbate the living conditions of farmers, who are already vulnerable and have limited access to food resources. The future poses a greater challenge for marginal and small farms in terms of water scarcity. Consequently, effective water management will be of utmost importance for these agricultural practitioners. One of the most significant challenges arises when intermediaries exploit farmers who are impoverished and in need. The elimination of intermediaries can be achieved by the establishment of direct communication channels between manufacturers and consumers. Farmers have the potential to effectively preserve resources and mitigate soil productivity decline through the use of appropriate knowledge and fertiliser application, contingent upon a comprehensive soil examination conducted by a qualified expert. Small-scale farmers in India are confronted with a range of challenges that necessitate the implementation of government-led awareness campaigns to apprise them of these pressing concerns.

Keywords: Small-scale farmers, Awareness, Landholdings.

INTRODUCTION

Historical agricultural practices were characterised by their environmentally conscious nature, albeit with limited crop yields compared to contemporary methods. Nevertheless, the limited number of individuals proved to be adequate for the needs of those individuals. Governments exclusively demonstrate reverence towards farmers, limited to individuals residing inside their respective state or region. Despite facing financial challenges or experiencing crop failure, farmers and their families often encounter a lack of societal recognition and respect. Certain parents dissuade their offspring from embarking on a career in agriculture due to their contemptuous attitude towards farmers. However, these parents overlook the crucial role that farmers play in fostering societal prosperity and fail to acknowledge the indispensable nature of their contributions. Due to the pervasive impact of societal norms, even individuals engaged in agricultural pursuits may exhibit a reluctance to envision their offspring following in their footsteps within the same occupation. In contemporary times,

a considerable number of small-scale farmers have opted to discontinue their agricultural activities in favour of employment opportunities within the neighbouring industrial sector. Moreover, it is worth noting that a number of individuals resorted to suicide as a consequence of their agricultural endeavours being thwarted due to an insufficiency in water resources. The issue of small and fragmented land holdings poses a significant challenge in densely populated and intensively cultivated states, namely Rajasthan, Punjab, Kerala, West Bengal, Bihar, and the eastern region of Uttar Pradesh. In these areas, the average size of land holdings is less than one hectare, and in certain regions, it is even less than 2 hectares. It is noteworthy to remark that small-scale farmers have success within the context of Indian agriculture. The overwhelming majority of agricultural practitioners in India are characterised as small-scale and subsistence farmers, possessing land parcels that are less than one hectare or range between one and two hectares in size. The future agricultural growth and food security of India are heavily reliant on the performance of small and

marginal farmers. Small and marginal farmers possess ownership of over 80 percent of agricultural areas. Consequently, India exhibits significant disparities in land distribution. Small-scale agricultural enterprises have a significant impact on the advancement of societies and the mitigation of poverty. The empirical evidence from global growth and poverty reduction indicates that agricultural-based GDP growth is at least twice as effective in reducing poverty compared to GDP growth originating from other sectors. Small-scale agricultural holdings have a crucial role in fostering agricultural growth and reducing poverty.

METHODOLOGY

A detailed study was conducted to gather fundamental information on the situations and challenges faced by small-scale Indian farmers, namely those who own less than five hectares of land. These farmers were visited, and their circumstances were thoroughly examined. Furthermore, a comprehensive analysis was conducted on a variety of studies, surveys, and publications in order to gain insights into the issues faced by small-scale farmers.

OBJECTIVES

The subsequent objectives establish the fundamental basis for this chapter.

- In order to examine the primary challenges faced by small-scale farmers in India, it is imperative to delve into the intricacies of their predicament.
- To propose the necessary policy implications associated with the subject matter.

PROBLEMS

Small-scale agricultural producers in India have a multitude of obstacles when it comes to accessing technological, financial, and institutional support. The constraints faced by farmers encompass several key issues, namely limited access to formal financing and insurance, a dearth of capacity-building programmes aimed at training them in modern agricultural equipment and practices, inadequate availability of irrigation water, limited prospects for crop diversification, and a lack of marketing infrastructure. The subsequent section delineates the principal obstacles encountered by small-scale farmers in India.

CONCEPTS OF INDEBTEDNESS AND CREDIT

The acquisition of financial resources is necessary for both consumption and investment purposes in the context of small-scale agricultural operations. One of the contributing factors to the accumulation of debt among farmers in recent years is the escalation of indebtedness. In contrast, it is seen that small-scale farmers exhibit lower levels of indebtedness from formal institutional channels compared to their larger counterparts, and the inverse holds true for informal sources of debt. Small-scale agricultural producers exhibit a significant dependence on financial intermediaries. Small and marginal farmers in regions such as Andhra Pradesh, Punjab, and Tamil Nadu mainly depend on informal sources. In the state of Andhra Pradesh, small and marginal farmers predominantly depend on informal sources to obtain approximately 70 to 75 percent of their loan requirements. This implies that the state of Andhra Pradesh has a significant lack of financial inclusion.

The Impact of Climate Change

The phenomenon of climate change presents a substantial threat to the agricultural sector, food security, and the livelihoods of rural populations in India, particularly those who are economically disadvantaged. The impacts will disproportionately impact small-scale producers. It is expected that climate change would exacerbate the living conditions of farmers, fishermen, and people reliant on forests who are already vulnerable and experiencing food scarcity. Rural populations, especially those residing in already susceptible areas, are confronted with an imminent and intensifying risk of agricultural decline, livestock depletion, and reduced accessibility to marine, aquaculture, and forest resources. The implementation of these measures might potentially exert an adverse influence on the state of food security, particularly with regards to the sustenance of small-scale farmers' livelihoods.

The Concept of Risk and Helplessness

There exists ample empirical evidence to support the assertion that families classified as poor or the most impoverished are rendered vulnerable and lacking agency when confronted with a multitude of hazards that pose a significant threat to the welfare and livelihoods of people, households, and even entire communities. Individuals and families are susceptible to many hazards, rendering them more vulnerable. Certain issues might be categorised as

health-related, encompassing conditions such as disease, injury, accidents, and disability. In addition to the potential dangers associated with the harvest process, there exist additional risks pertaining to the life cycle, social dynamics, and specific vulnerabilities of certain populations. In addition, they encounter many communal risks, including but not limited to droughts, floods, cyclones, and structural adjustment policies. These various risks render small and marginalised farmers vulnerable and lacking in means of protection.

The Challenges Associated with Water

Water is widely recognised as the primary and indispensable element in agricultural practises. The development of irrigation and water management plays a crucial role in enhancing the living conditions of rural areas. The agricultural sector faces competition for water resources from urbanisation, drinking water supply, and industrial activities. As previously mentioned, small-scale agricultural operations have a higher dependence on groundwater resources compared to larger-scale farmers, who enjoy better accessibility to canal water. Groundwater depletion is a prevalent issue in several regions of India. The future will witness an increased significance of water-related challenges for marginal and small-scale farms. Therefore, effective water management will be of utmost importance for these agricultural practitioners.

Storage Facility

Warehousing plays a crucial role in the supply chain by providing a secure environment for storing goods and facilitating other processes, such as cost reduction and waste management. In the context of wheat farming, it is common practise for farmers to store harvested wheat bulbs before proceeding with the threshing process. This storage is often carried out in the farmers' residences, so exposing the harvested wheat to potential risks such as pest infestation and exposure to rainwater. Consequently, the implementation of mandated storage is recommended in order to facilitate farmers in efficiently threshing their grain.

High Transport Cost

The higher cost of travel in rural areas can be attributed to several factors such as diminished competition, the hesitancy of transport firms to operate in these regions, the presence of cartels and monopolies, among others. In order to get or renew

a licence, the transportation provider may be obligated to offer a predetermined proportion of its services to rural people at a fixed rate. In order to incentivize transport businesses to extend their services to rural regions, it is recommended that tax exemptions and additional advantages be granted. One potential option to enhance competition is for the government to establish its own transport system or agency in places where a limited number of enterprises have significant market control, with the aim of providing services at a reduced cost.

The assessment of fertiliser quality

It has been observed that the individual responsible for dispensing fertilisers is often the fertiliser merchant themselves, rather than a trained and authorised employee who possesses the necessary expertise on the appropriate use of fertilisers. Farmers have the potential to effectively preserve resources and mitigate soil productivity decline by utilising soil inspection services conducted by qualified professionals, who can give accurate information and recommend appropriate fertiliser dosages.

Minimum Support Price

The minimum support price is established with the objective of ensuring that farmers obtain a minimum profit margin of 50 percent over their production costs, which exhibit significant variations across different states. This phenomenon may be attributed to factors like as fluctuations in labour prices, disparities in water availability, changes in soil quality, and fluctuations in meteorological conditions, among others. The determination of the minimum support price frequently involves the calculation of the average production cost throughout the whole country. Rather than relying on the national average, it is possible to establish the minimum support price by considering the production costs incurred by farmers in certain regions of the country. The determination of the minimum support price should be based on the region of cultivation rather than the place of sale. The purpose of this measure is to discourage agricultural producers from selling their crop inside the neighbouring vicinity in order to obtain a more favourable selling price.

CONCLUSION

Hence, it can be inferred that Indian farmers are confronted with a multitude of challenges that

necessitate the implementation of government-led awareness campaigns to apprise them of these pressing concerns. The establishment of the public-private partnership model is crucial for effectively addressing the challenges faced by small farmers and ensuring the establishment of a viable farming system nationwide. To optimise farmers' profitability for their agricultural products, it is imperative to eliminate the exploitation perpetrated by intermediaries. The ubiquity of modern technology notwithstanding, India has failed to undertake the requisite measures to effectively implement them. Storage facilities are essential for every community since they serve the purpose of safeguarding harvested produce from spoilage. By having access to such facilities, communities may avoid the need to sell their crops at the prevailing

lowest market price, which often results in financial losses for farmers. The absence of adequate transportation infrastructure is a significant obstacle to achieving market access, hence impeding the ability of farmers to effectively sell their agricultural products. The expansion of modern retailing in India possesses the capacity to foster investments in processing and marketing, hence yielding advantages for both consumers and producers. The inclusion of small farmers in supply chains has resulted in enhanced security and significantly increased profit margins compared to traditional clients such as wholesalers and grocery, as shown in the supermarket sector. Nevertheless, in the absence of properly established regulations, contract farming and super markets might potentially be susceptible to exploitative practises.

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