

FUNDAMENTAL PROBLEMS OF INDIAN FARMERS: AN ANALYSIS

¹ Ritika Anand & ² Dr. Upendra Sah

¹ Research Scholar, ² Associate Professor (Retd.)
Univ. Dept. of Economics, T.M. Bhagalpur University, Bhagalpur, Bihar.

Abstract: Agriculture is a major source of the country's economy, which is about 47 percent of the total geographical area and more than 70 percent of the country's rural population depends on agriculture. Many industries in the country get raw materials from agriculture itself. Therefore, development of agriculture is necessary for the progress of the national economy. India is the largest agricultural producer in the world as well as the major producer of spices, pulses and milk. India also has the largest area available for cultivating cotton, wheat, and rice. But the importance of agriculture in the Indian economy has declined. A few decades ago agriculture accounted for about 75% of India's GDP, which has gone down to about 14% today. However, agriculture remains the major source of livelihood for about 50 percent of the population, of which three-fourths live in rural areas of India. Thus it can be said that agriculture is a huge industry and it directly or indirectly affects every citizen of the country. But even after seven decades of independence, like in other fields, many important challenges exist in the agricultural sector. The article presented highlights some of the major problems in the agriculture sector.

Keywords : agriculture, economy, farmer, India, problem.

INTRODUCTION

India is an agricultural country. Agriculture is a major source of the country's economy, which is about 47% of the total geographical area. More than 70% of the rural households here depend on agriculture. With this, the major industries of the country get raw materials. Therefore, development of agriculture is necessary for the progress of the national economy. Because agricultural investments are meeting human need. But despite the country's economy recording high growth rate, Indian agriculture is not in a good position. Indian farmer is suffering from many problems. Here everyone talks about the prosperity of farmers and makes plans for them, but their basic problem remains the same even today. There are several issues of concern to those directly or indirectly related to the growth and development of Indian agriculture. Since the independence of India, agriculture has remained the backbone of the country's economy. Most of the population still depends on agriculture for their livelihood. Similarly, most of the people are living in villages and hence, people at large still believe that "rural India is the real India".

As it is a well-known fact that about 65 percent of India's agriculture is dependent on rainfall and more than half of the population depends on agriculture. Too little or too much rain always causes trouble. There is not much difference in the condition of Indian farmers even after independence and post independence. The good farmers who are talked about can be counted on their fingers. There is a steady decline in arable land area due to increasing population, industrialization and urbanization. In recent times there have been many agitations and protests led by farmers from various states. Therefore, in such agricultural conditions, it is important to know what are the major reasons which are causing serious problems in Indian agriculture. In the present article, the researcher has highlighted some of the major problems existing in the agricultural sector which are causing damage to the agricultural sector in India.

PROBLEMS OF INDIAN FARMERS

There are several problems in Indian agriculture sector. Some of the major problems existing in the agricultural sector which are causing damage to the agricultural sector in India are :

1. Rural-urban divide: Most of the farming in India is done in rural parts of the country. Although rural areas in India have improved, it is not enough to bridge India's rural-urban gap. While the monthly per capita expenditure of villagers increased at an average annual rate of 0.8% between 1993-94 and 2004-05, it grew at a much faster pace of 3.3% a year between 2004-05 and 2011-12 (at constant 1987-88 prices). However, the growth rate of urban income has been much faster than rural areas and the gap between rural and urban consumption has widened over this period. Thus, declining rural incomes and increasing rural poverty have led to disenchantment from rural areas towards agriculture. A Lokniti survey of 2014 showed that about 40 percent of the farmers were dissatisfied with their economic status. In eastern India, this figure was more than 60 percent. More than 70 percent of farmers think that city life is better than village life.

2. Inequality in Land Distribution: The distribution of agricultural land in India is not quite distributed. The disparity in land distribution is also due to the fact that there are frequent changes in the ownership of land in India. It is believed that large parcels of land in India are owned by a relatively small section of wealthy peasants, landlords and moneylenders, while most farmers have little, or none of the land. The majority of small farmers own very small and non-economic sized holdings, resulting in higher costs per unit and lower production per hectare. As a result farmers cannot generate sufficient marketable surplus. So they are not only poor, but often in debt. In addition, a large number of landless farmers are cultivating land owned by absentee landlords, due to which there is a lack of incentives from these tenants.

3. Land Tenure System: The land tenure system practiced in India is suffering from lot of defects. Insecurity of tenancy was a big problem for the tenants, particularly during the pre- independence period. Although the land tenure system has been improving during the post-independence period after the introduction of various land reforms measures but the problem of insecurity of tenancy and eviction still prevails to some extent due to the presence of absentee landlords and benami transfer of land in various states of the country.

4. Fragmented Land Holdings : The net area under cultivation in India is close to 141 million hectares but the average size of holdings is less than 1 hectare. Thus despite the availability of large land holdings, the size of agricultural holdings is quite uneven, small and fragmented. This is due to the increasing sub-division and fragmentation of agricultural land due to increasing pressure of population, breakdown of joint family system and compulsion of sale of land by farmers to fulfill debt repayment obligations. The division of land on the basis of inheritance has also given rise to this problem. Irrigation and mechanized farming are impossible on such fragmented fields. Which are responsible for the low productivity of Indian agriculture. Consolidation of grassroots fragmented agricultural land under government supervision is the best solution. Consolidation can be done through cooperative farming, corporate farming and collaborative farming. The use of sophisticated agricultural machinery and equipment will help marginal farmers to increase agricultural productivity.

5. Cropping Pattern: The cropping pattern which shows the proportion of area under different crops at certain times is an important indicator of the development and diversification of the area. Crops grown in India are divided into two broad classifications: food crops and non-food crops or cash crops. As the prices of cash crops are becoming more and more attractive, more and more land has been diverted from producing food crops to cash or commercial crops. This can cause a problem of food crisis in the country. Thus, after seven decades, the country has failed to develop a balanced cropping pattern, reducing the possibility of agricultural planning and its poor implementation.

6. Ignoring Crop Rotation: Proper rotation of crops is very essential for successful agricultural operations as it helps in regaining soil fertility. Continuous production of grains on the same plot reduces soil fertility. To maintain this fertility power, other crops like pulses, vegetables, etc. should be grown interchangeably. As farmers are mostly illiterate, they are not very aware of the benefits of rotation of the crop. Therefore, they repeatedly produce the same type of crop on the same land, causing the land to lose its fertility to a great extent.

7. Poverty and Indebtedness of Farmers: Agriculture is an important industry and like all other industries, it also requires capital. With the advancement of agricultural technology, the role of capital input is becoming important. Since the capital of the farmers is his land and he lacks sufficient capital for agriculture, he is obliged to borrow money to carry out agricultural work. Which is one of the biggest problems of Indian agriculture. Rural people are regularly taking huge amounts of loans to meet the requirements needed for production, consumption and to fulfill their social commitments. Thus the loan passes from generation to generation. Indian farmers get caught in the debt trap due to crop failure, poor income arising out of low crop prices, high rates of interest charged by moneylenders, manipulation of loan accounts by moneylenders and the use of various unproductive social purpose loans. Although they borrow every year, they are not in a position to repay their loans regularly as either the loans are large or their agricultural production is not sufficient to repay their previous debts. Thus, the credit of farmers gradually increases the problem of rural indebtedness in our country. Thus it is quite right to assume that “the Indian farmer is born in debt, lives in debt and dies in debt.”

The main suppliers of money to the farmer are money lenders, traders and commission agents who charge high interest rates and buy agricultural produce at very low prices. As a result, the money-lender is losing land, but still taking agricultural loans is his biggest helplessness. Unfortunately, more than 85 percent of all farming families are debt-ridden. It is due to the huge indebtedness that several thousand farmers have committed suicide in the last ten years in Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, Orissa, Gujarat, Punjab and Uttar Pradesh. Small and marginal farmers are still dependent on lenders who charge exorbitant interest on the loan (25 to 40% per year). In the event of non-payment, the money lender seizes their mortgage property, causing them to become bankrupt. There are four main reasons for rural indebtedness: (a) low income power of the borrower, (i) use of loan for unproductive purposes, (c) extremely high rate of interest charged by moneylenders, (a) manipulation of accounts by lenders etc. Various efforts have been made by the government to overcome the problem of indebtedness of farmers, including loan waiver for small and marginal farmers and debt relief for other farmers. In the recent times there has been a significant change in the rural credit scenario and such as Central Cooperative Bank, State Cooperative Bank, Commercial Bank, Cooperative Credit Agencies and some government agencies are giving loans to farmers on easy terms. There has been a steady increase in the flow of institutional credit to agriculture in the last few years.

8. Lack of Storage Facilities: Lack of proper storage facilities wastes a large part of the produce. This leads to loss of potential income and affects the volume of exports. Which also has an impact on the national economy. Estimates say that 9.3 percent of the produce is wasted due to improper storage and lack of maintenance. To address this problem, an ongoing effort has been initiated by the Food Corporation of India, State Warehousing Corporation and Central Warehousing Corporation to expand storage facilities and to set up a buffer stock for contingencies.

9. Inadequate Transportation: One of the main obstacles with Indian agriculture is the lack of cheap and efficient means of transport. Even today, there are lakhs of villages which are not well connected by main routes or market centers. Most of the roads in rural areas are rough and become useless during the rainy season. In these circumstances farmers cannot take their produce to the main market and are forced to sell it at a lower price in the local market. This causes heavy economic losses to the farmers and makes them unable to get out of the morass of poverty.

10. Lack of Organized Agricultural Marketing: Indian farmers are facing the problem of low income from their marketable surplus crops in the absence of properly organized markets. Scattered and subdivided holdings are also causing serious problems for marketing their products. Agricultural marketing in India is also facing the problem of marketing the product of farmers in the absence of adequate transport and communication facilities. In the absence of marketing, they are caught in the clutches of middlemen for quick disposal of their crops and are forced to sell the crop at a low price, causing economic losses.

11. Supply Channel Barrier: The Indian agricultural industry is plagued with obstacles at every step. The supply channel is inefficient due to the greedy middlemen involved in the marketing process. This forces the farmers to sell at a lower rate. They have to sell their produce at all prices that are offered to them, which ultimately reduces their income. The government has started regulating the market to address the issue of supply chain bottlenecks. Competitive procurement, eliminating malpractices, the use of standardized weights and measures are the essence of increased dispute settlement system strategy.

12. Lack of Effective Government Policies: Despite many efforts by governments to solve the problems related to agriculture in India, there is no coherent agricultural policy in India. There is a need for a coherent agricultural policy in the country that comprehensively addresses the issues of sustainability and productivity growth in Indian agriculture. There are both political and economic reasons for the widespread neglect of agro-based interventions by the Government of India and the State Government in the last decades. Due to which the agriculture sector is facing serious challenges. The industrial development has

not focused as much on the thought of agricultural development in India. In recent times, some attention is being given by the Central/State governments for the development of agriculture to raise the level of farmers.

13. Negligence of Natural Resources: India has not preserved and developed its natural resources for cultivation. Resources have been poorly preserved mainly for irrigation. The impact of which is visible as the severity of migration and severe water crisis situation in Maharashtra and elsewhere.

14. Impact of Demonetization: Due to demonetization, stress incidents in agriculture have started to appear. This financial year saw a decrease in agricultural products. Cash is the primary mode of transactions in the agricultural sector which contributes 15 percent to India's total production. Agriculture is affected through input-output channels as well as through price and output feedback effects. The sale, transportation, marketing and distribution of finished produce in wholesale centers or mandis are primarily dependent on cash. In addition, disruption led to other disruptions such as wastage of perishable, disruption of supply chains, lower revenues that appear as business arrears rather than cash in hand and when credited with a limited area in bank accounts goes.

15. Excessive Intervention on Prices: There are several restrictions on price control in India. Those restrictions are to be released from Indian agriculture. In addition, commercial risks due to volatile prices, restrictions on the movement of agricultural produce and lack of access to global markets require corrective measures. Many experts argue that the solution to the agrarian crisis lies in abolishing the state's system of control in the form of a heavy tax on farming.

16. Instability in Agricultural Prices: The fluctuations in the prices of agricultural products pose a major threat to Indian agriculture. For the benefit of the farmers, the government should announce a policy of fair agricultural price support to enable farmers' farmers to get a fair income from farming practices. Price stabilization is important not only for producers but also for consumers, exporters, agro-based industries, etc. In India, the movement of prices of agricultural products is neither smooth nor uniform. In the absence of fair price support and marketing support, the prices of agricultural products are volatile which ultimately affects the farmers. At the same time, unnecessary prices imposed on agricultural crops by middlemen have also posed a serious threat to consumers. Thus, price fluctuations can lead to disaster as both falling and rising prices of agricultural crops are having a detrimental effect on the society as well as the economy of the country.

17. Lack of Sufficient Irrigation Facilities % Indian agriculture still suffers from lack of controlled water supply by artificial irrigation facilities. As a result, Indian agriculture has to depend on rainfall which is neither regular nor sufficient. Over the years, government data shows hardly any increase in the total net irrigated area in India. Total irrigated area has been rotating around 63 million hectares and constitutes only 45 per cent of the total area sown in the country. Some improvement in irrigation facility has happened in Assam, Madhya Pradesh, Jammu and Kashmir and Rajasthan in recent years. But it seems to be insignificant in view of a massive increase in real public investment in major, medium and minor irrigation from Rs .235 billion in 2004-05 to Rs. 309 billion in 2013-14. India has increased its capital expenditure in major projects by 3.5 times, while the investment in minor irrigation increased by 2.5 times only. A virtually stagnancy in irrigated area puts questions about the efficiency of the ongoing investments and the quantum of investment that is also required to widen area under irrigation. The government data also reveals that the ratio of irrigation potential created from public expenditure is higher for minor irrigation projects than medium and large irrigation projects. Making it worse, minor irrigation projects have received only scant attention from policymakers over time. But, in reality, minor irrigation structures are very important for recharging of wells, flood control and drought mitigation.

18 Dependency on Monsoon : Most of the agricultural areas in India are irrigated. That is why a large part of farming activities still depend on the monsoon. While the monsoon is important for overall development in the agricultural sector. In such a situation, the dependence of the rural economy on the monsoon cannot be denied. Due to variation in monsoon season, the pattern in the area is completely guided as poor monsoon directly affects the cost of cultivation and makes sowing of large areas unprofitable for farmers. The irregularity of monsoon destroys crops and causes heavy losses to farmers. Similar issues are also linked to the production and yield of kharif crops, which are rainfed in most agricultural states. As a result, the production of food grains and other crops fluctuate widely, causing constant fluctuations in the prices of agricultural crops. This has created an element of instability in the country's agricultural operations. To tackle the problem of monsoon dependence, the government is expanding the implementation of irrigation facility through the Pradhan Mantri Krishi Siksha Yojana.

19. Excess Dependence on Traditional Crops: India produces rice and wheat in abundance. While some areas in India can easily be adapted to facilitate the growth of new crops that can yield higher amounts. But conservative farmers value traditional agriculture only. For this, supporting commodity-based farmers' unions and spreading awareness is a very effective way to remove dependence on traditional crops. Seed banks are playing an important role in switching farmers to other varieties of crops to facilitate a smooth transition.

20. Sluggish Fertilizer Industry: The last 2 decades have not seen any major investment in the fertilizer sector in India. In contrast, many fertilizer producing companies have closed down. Such a scenario arises when India has the largest increase in demand for fertilizers in the world. As a result, imports are increasing and production is largely stable. The reason for this is that the Indian fertilizer policy is flawed. Unpaid fertilizer subsidy bills for the industry are constantly increasing. The fertilizer subsidies that are being given are also not close to the reality on the ground - the arrears are increasing year after year. In addition, India today imports more than one-third of nitrogen for consumption, compared to less than 10% in 2000-01.

21. Lack of Improve Quality Seeds: Seed is a critical and basic input for attaining higher crop yields and sustained growth in agricultural production. Distribution of assured quality seed is as critical as the production of such seeds. Unfortunately, good quality seeds are out of reach of the majority of farmers, especially small and marginal farmers mainly because of exorbitant prices of better seeds. In order to solve this problem, the Government of India established the National Seeds Corporation (NSC) in 1963 and the State Farmers Corporation of India (SFCI) in 1969. Thirteen State Seed Corporations (SSCs) were also established to augment the supply of improved seeds to the farmers. High Yielding Variety Programme (HYVP) was launched in 1966-67 as a major thrust plan to increase the production of food grains in the country. The Indian seed industry had exhibited impressive growth in the past and is expected to provide further potential for growth in agricultural production: The role of seed industry is not only to produce adequate quantity of quality seeds but also to achieve varietal diversity to suit various agro-climatic zones of the country. The policy statements are designed towards making available to the Indian farmer, adequate quantities of seed of superior quality at the appropriate time and place and at an affordable price so as to meet the country's food and nutritional security goals.

22. Lack of Proper Use of Manure, Fertilizer and Organic Matter: Indian soil is used for thousands of years without much care to compensate for growing crops. This has led to soil erosion and reduced exhaustion. The average yield of almost all crops in the world is the lowest. This is a serious problem that can be solved by using more manure and fertilizers. There is an urgent need to mechanize agricultural operations so as to avoid wastage of labor force and to make farming convenient and efficient. Agricultural tools and machinery are an important input for efficient and timely agricultural operations, leading to multiple crops and thereby increasing production. After independence some progress has been made for mechanization agriculture in India. The need for mechanization was particularly felt with the advent of the Green Revolution in the 1960s. In order to enable farmers to own tractors, power tillers, harvesters and other machines, reforms have guided strategies and programs towards the replacement of traditional and inefficient equipment. A large industrial base has also been developed for the manufacture of agricultural machines. The availability of electricity to carry out various agricultural works was increased to reach a level of only 0.3 kWh per hectare in 1971.72 to 14 kWh per hectare in 2003-04. This increase was the result of increased use of tractors, power tillers and combine harvesters, irrigation pumps and other electric powered machines. The share of mechanical and electrical power has increased from 40 per cent in 1971 to 84 per cent in 2003-04. Rigorous efforts are being made to encourage farmers to adopt technologically advanced agricultural equipment to carry out agricultural operations on time and properly and to make the agricultural production process affordable.

23. Inadequate Agricultural Research and Education, Training, and Extension: Though enough progress has been made in the field of agricultural research, there is no coordination between the farm and research laboratories in the different agro-climatic regions of the country. Hence, gains of new agricultural researches are not reaching the common cultivators, especially the marginal and small farmers. Very little attention is being paid for educating and training farmers for the adoption of new agricultural innovations and techniques to increase their agricultural production.

CONCLUSIONS

The critical issues that plague Indian agriculture at present are the knowledge deficit and infrastructure deficit, especially in the rural areas. Problems related to irrigation infrastructure, market infrastructure and transport infrastructure add significant cost to farmers' operations. Another issue is lack of delivery mechanisms. There are a number of schemes aimed to bring development in agriculture. We do not have effective delivery mechanisms that can translate into effective facilitation in terms of increasing productivity or decreasing cost or increasing price realization at the ground level. Moreover, inadequate government support exacerbates these issues. Also the role of central government and state governments needs to be defined clearly as because of being a joint subject, it creates lot of confusion. Eminent experts should do research in this aspect and governments must take a proactive action. Indian agrarian sector in fact requires very innovative ideas for uplifting of this sector. Also, without mechanization, farming is hard and back-breaking work. This has resulted in most farmers' children quitting farming and going for other vocations. Farmers get more money in selling their land to builders, malls and factories. This has put more pressure on farmland, thereby requiring technologies to increase the productivity so that shrinking farmland can feed billion plus people of India in the future. India, though one of the biggest producers of agricultural products, has very low farm productivity. This needs to be increased so that farmers can get more remuneration from the same piece of land with less labour. The above mentioned are the biggest problems for Indian agriculture. If these problems are not met in their true perspective, Indian economy in general and rural economy in particular cannot sustain and farm prosperity remains a "distant dream" and the country cannot transform its economy into a modern economy or developed economy which is the need of the hour.

REFERENCES

- Annual Report (2013-14), Department of Agriculture, Government of India, Delhi. Available at: <http://dx.doi.org/10.1039/C3CC90220J>
- Iqbal, B.A. (2018). Indian Agriculture: Issues and Challenges, Vol. 2 No. 1:4, available at: <http://www.imedpub.com/journal-food-science-toxicology/>
- Division, B. (2007). Report of the Expert Group on Agricultural Indebtedness. *Ministry of Finance*. Available at: <http://www.igidr.ac.in/pdf/publication/PP-059.pdf>
- Dwivedy, N. (2011). Challenges faced by the Agriculture Sector in Developing Countries with special reference to India. *International Journal of Rural Studies*, 18(2):2-7. Available at: [http://www.vri-online.org.uk/ijrs/Oct2011/Challenges faced by the Agriculture Sector in India.pdf](http://www.vri-online.org.uk/ijrs/Oct2011/Challenges%20faced%20by%20the%20Agriculture%20Sector%20in%20India.pdf)
- Goyal, S.K.; Rai, J.P. and Kumar, S. (Jan. 2016). Indian Agriculture and Farmers. In: *Indian Agriculture and Farmers*, Poddar Publication, Tara Nagar, Chittupur, BHU, Varanasi, p.79-87.
- Patel, D.A. (n.d.). Infrastructure for Agriculture & Rural Development In India Need For A Comprehensive Program & Adequate Investment. Retrieved 01 13, 2014, from <http://www.microfinancegateway.org:> <http://www.microfinancegateway.org/gm/document-1.9.47445/Infrastructure%20For%20Agriculture.pdf>
- <https://www.opindia.com/2018/03/challenges-faced-by-farmers-in-india-insights-from-the-swaminathan-report/>
- <https://www.projectguru.in/top-5-agricultural-problems-in-india/>
- <https://www.quora.com/What-are-the-problems-in-the-Agriculture-Sector-in-India-and-how-can-we-solve-them-in-hindi-language>
- <http://www.yourarticlelibrary.com/agriculture/10-major-agricultural-problems-of-india-and-their-possible-solutions/20988/>
- <http://www.worldbank.org/en/news/feature/2012/05/17/india-agriculture-issues-priorities>