

### Agrarian Distress in India – A Review

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#### **Introduction:**

India is one of the biggest growing economies in the world. Agriculture is the primary occupation of nearly half the population of the country. Over the past few decades, the manufacturing and services sectors have increasingly contributed to the growth of the economy, while the agriculture sector's contribution has decreased. The unprecedented agrarian crisis in India has now been affecting farmers across the country for nearly a decade. Indian agriculture has made commendable progress after the green/white revolutions. Food grain production reached record level in 2017-18. India is self-sufficient in case of most of the farm products. At the height of farm output, farmers are alk disappointed lot. Despite spectacular rise in agricultural production Indian farmers continued to languish in poverty. Distress among farmers has been mounting in the recent past. Farmers' agitation has emerged as an intricate socio-economic and political problem in India with farmers in many states seeking farm-loan waiver as an easy solution.

**Reason Behind Agrarian Distress** 

The agricultural distress in India is multifaceted, with a myriad of factors contributing to the dire situation faced by farmers. One of the primary reasons is the unpredictable nature of the monsoon, which directly impacts crop yields. With a significant portion of Indian agriculture relying on rainfed farming, a deficient or erratic monsoon can spell disaster for farmers, leading to crop failures and mounting debt.

Moreover, the lack of access to credit and the prevalence of exploitative moneylenders further exacerbate the financial burden on farmers. Without proper financial support, farmers are forced to rely on informal lending sources that charge exorbitant interest rates, trapping them in a cycle of debt from which they struggle to escape. Additionally, the fragmented landholding pattern in India poses a significant challenge. Small and marginal farmers, who constitute a majority of the workforce, agricultural often lack the resources and technology necessary efficient farming. This further hampers their productivity and profitability, pushing them deeper into the quagmire of agrarian distress.

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- Two successive years of drought (2014, 2015) have taken a toll on the the farm sector.
- ➤ Collapsing farm prices.
- Insurance fail to serve the farmers.
- > Irrigation takes a hit.
- ➤ Marketing is ignored.
- ➤ Mordern tech missing.
- > Fragmented supply chain.
- ➤ Lack of processing clusters.
- Delayed FCI reforms.
- ➤ Low productivity of crops.

#### **Impact of Agricultural Distress**

The repercussions of agrarian distress are far-reaching and extend beyond the farming community. As farmers face mounting debt and dwindling incomes, they often resort to desperate measures, including taking their own lives. The alarming rise in farmer suicides is a tragic manifestation of the deep-rooted prices of including agriculture.

- ★ Adverse Effect on Farmers' Income: The above factors have resulted in low income for farmers which is evident from the incidence of poverty among farm households.
  - The low and highly fluctuating farm income is causing a detrimental effect on the interest in farming and farm investments and is also forcing more and more cultivators, particularly younger age group, to leave farming.

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- Cases of Suicides: The country also witnessed a sharp increase in the number of farmers suicides in the last decades.
  - ➤ This can cause an adverse effect on the future of food security and the state of agriculture in the country.

Furthermore, the distress in the farming sector has ripple effects on the overall economy. Agriculture forms the backbone of India's economy, employing a significant portion of the population. When farmers suffer, the entire rural economy suffers alongside them. Reduced agricultural productivity leads to an increase in food prices, thereby impacting the cost of living for millions of people. This, in turn, leads to a decline in purchasing power and a slowdown in economic growth.

### What Steps Can Be Taken

- **Development** Initiatives: Initiatives including infrastructure, technological interventions, farmer friendly policies and institutional mechanisms can increase agricultural growth and farmers income.
- Need for Technology can help to reduce 'yield gaps' and thus improve productivity.
  - The water-use efficiency can be improved significantly with better use of technologies that include drip irrigation.



- The quantitative framework for doubling farmers income has the following seven sources of growth:
  - > Increase in productivity of crops
  - > Increase in production of livestock
  - ➤ Improvement in the efficiency of input use (cost saving)
  - ➤ Increase in crop intensity
  - ➤ Diversification towards high-value crops
  - > Improved price realization by farmers
  - ➤ The shift of cultivators to non-farm jobs
- **Improvements in Allied Sectors: Many** small farmers cannot leave agriculture because of a lack of opportunities in the non-farm sector. Hence, allied sectors like horticulture, food processing, poultry etc needs to be pushed. For instance, government like the **Coordinated** programme on Horticulture Assessment and geoinformatics **MANagement** using (CHAMAN),\_ **AGRI-UDAAN** programme, Scheme for Agro-Marine Processing and Development of Agro-**Processing Clusters (SAMPADA)** etc.
- ◆ Cooperative Farming: In this context, consolidation of land holdings also becomes important to raise farmer incomes. Farmers can voluntarily come together and pool land to gain the benefits

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- of size. Through consolidation, farmers can reap economies of scale both in input procurement and output marketing.
- ▶ Policy Developments: There is a need to make a shift from rice and wheat-centric policies to millet, pulses, fruits, vegetables, livestock and fish.
- Need for Market Reforms: The creation of a competitive, stable and unified national market is needed for farmers to get better prices.

### What are the Government Initiatives taken in this Regard

- Sectors: Many

  Doubling Farmer's Income by 2022ve agriculture

  tunities in the
  ed sectors like
  g, poultry etc

  For instance,

  Of initiatives PF Mothers |

  Doubling Farmer's Income by 202223: The goal set to double farmers'
  income by 2022-23 is central to
  promote farmers welfare, reduce
  agrarian distress and bring parity
  between the income of farmers and
  initiatives PF Mothers |

  Working in non-agricultural
  professions.
  - ❖ Initiatives of Central Government: In recent years, the Central government has taken various measures like the PM Fasal Bima Yojana (PMFBY), PM Krishi Sinchai Yojana (PMKSY), electronic National Agricultural market (e-NAM), Soil health card, Neemcoated urea etc.
  - ❖ Agriculture is a major component of Priority Sector Lending (PSL),



and the target for bank lending to agriculture has been revised upwards every year.

- Fertilizer Subsidies: In addition to food subsidies under PDS, the government also provides fertilizer subsidy year after year.
- In the 2018-2019 budget for farmers, the Union budget has announced Minimum Support Prices (MSPs) at 50% above the production cost.
  - ➤ It also proposed to launch "Operation Greens" in the agriculture sector on the same lines of the milk sector's "Operation Flood".
- Budget Initiatives:In the 2022 budget, various steps were taken to support the farm sector.
  AGRICULTURE

RESILIENT GROWTH DESPITE
PANDEMIC

RESILIENT GROWTH DESPITE
PANDEMIC

RECORD FOODGRANDS

RESILIENT GROWTH DESPITE
PANDEMIC

RECORD FOODGRANDS

RESILIENT GROWTH DESPITE

ADDRESS TO STANDS

RECORD FOODGRANDS

RESILIENT GROWTH DESPITE

ROCCE FOODGRANDS

RESILIENT GROWTH DESPITE

ROCCE FOODGRANDS

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RECORD FOODGRANDS

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RE

**♦ Farm Support Schemes:** Some States have introduced farm support schemes,

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examples being the Rythu Bandhu
Scheme (Telangana) and the Krushak
Assistance for Livelihood and
Income Augmentation (KALIA)
scheme (Odisha).

#### **Other Initiatives**

- > Palm Oil Mission
- Pradhan Mantri Fasal Bima Yojana
- Pradhan Mantri Kisan Samman Nidhi Yojana
- ➤ AgriStack
- ➤ Unified Farmer Service Platform
- ➤ National e-Governance Plan in Agriculture
- ➤ Sub-Mission on Agricultural

  Mechanization

#### Conclusion

Unveiling the agony of Indian farmers is a necessary step towards understanding and addressing the deep-rooted issue of agrarian distress. By acknowledging the challenges faced by farmers, we can work towards finding sustainable solutions that not only uplift the farming community but also contribute to the overall growth and development of the nation. It is imperative that we prioritize the welfare of our farmers, for they are the backbone of our economy and the guardians of our food security.