

Agrarian Distress in India: Challenges, Laws and Potential Solutions

Ujjawal Gaur

Student at Faculty of Law, Delhi University

ARTICLE ID: 05

Abstract:

India has long struggled with agrarian distress, which has posed serious problems for both the agricultural industry and the rural economy. The purpose of this article is to study the many elements causing agrarian distress in India, analyse the current laws and policies, and provide alternative remedies to resolve the situation. The first section of the article gives a general overview of the difficulties faced by Indian farmers, including their dependence on the monsoons, their fragmented land holdings, their lack of financing, and the instability of the market. It looks at the socioeconomic effects of agrarian distress, including rural migration, farmer suicides, and income inequality. The article also looks at the current legal system that governs agriculture in India, including rules governing land acquisition, agricultural subsidies, and minimum support prices. This article offers a variety of alternative solutions to alleviate the difficulties faced by farmers. Agrarian reforms to encourage the consolidation of land holdings, improved access to financing and insurance options, increased income diversification, investments in irrigation infrastructure, and the implementation of progressive land acquisition and compensation rules are a few of these. The article also emphasises the requirement for technology developments, such as precision farming and agri-tech breakthroughs, to enhance farmer productivity and market connections. The article presents a well-informed analysis of agrarian distress in India based on a thorough review of academic literature, official reports, and expert perspectives. It seeks to add to the continuing discussion on sustainable agricultural development and rural welfare in India by identifying the issues, assessing current regulations, and outlining viable remedies. It emphasises how urgent it is for stakeholders, agricultural experts, and policymakers to work together to solve the underlying causes of agrarian distress and pave the path for a more diverse and resilient agricultural economy.



Keywords: Agrarian distress in India, Challenges in Indian Agriculture, Laws affecting farmers in India, Potential solutions for agrarian distress, Indian agricultural sector issues

Introduction:

The agriculture industry in India has long been affected by agrarian distress. It includes the financial struggles experienced by farmers, especially small and marginalised ones, as a result of things like low productivity, increased input costs, restricted finance availability, market restrictions, and unpredictably bad weather. Low production is a result of outdated farming methods, poor irrigation, and slow acceptance of new technologies. The issue is made worse by rising input costs and a lack of institutional finance, which pushes farmers deeper into debt. The productivity of agriculture is also impacted by unstable weather patterns like droughts, floods, and unseasonal rainfall. Comprehensive reforms are required to address rural distress, including modern farming methods, sustainable irrigation, crop diversification research, and enhanced market access. The government, decision-makers, and stakeholders must work together to promote the welfare and prosperity of the farming community, which is the foundation of India's economy.

Causes of Agrarian Distress:

Decrease in Profitability:

- **Increasing Costs of Inputs:** Farmers must pay more for inputs including seeds, fertiliser, insecticides, and machinery. Farmers' profit margins have been squeezed as the cost of these inputs has increased more quickly than the cost of agricultural commodities.
- **Stagnant Crop Prices:** Farmers frequently experience low and stagnant crop prices as a result of poor market infrastructure, a dearth of price support measures, and their weak negotiating position with intermediaries and traders.
- **Fragmented and ineffective Supply Chain:** Farmers experience post-harvest losses and decreased profitability as a result of a fragmented and ineffective supply chain, which includes storage, transportation, and marketing.

Lack of credit:

- Limited collateral and insufficient financial inclusion make it difficult for small and marginal farmers, who make up a sizable section of the farming community, to acquire formal loans from financial institutions.

- **Reliance on informal credit:** Farmers frequently turn to moneylenders and other informal lenders who demand high interest rates, creating a vicious cycle of debt and stress.

Small Holdings and Land Fragmentation:

- **Inheritance Practises:** Small and dispersed landholdings are the outcome of the distribution of agricultural land among succeeding generations. Land subdivision renders contemporary farming techniques and economies of scale economically unviable for farmers.
- **Lack of Consolidation:** Attempts to establish larger and more productive farms are hampered by the absence of regulations encouraging land consolidation and land leasing.

A lack of irrigation infrastructure

- **Inadequate Irrigation Infrastructure:** Rain-fed agriculture accounts for a sizable amount of India's agricultural area, making farmers extremely susceptible to changes in the weather. Farmers' capacity to appropriately irrigate their farms is restricted by inadequate and badly maintained irrigation infrastructure.
- **Unequal Access to Irrigation:** There are sometimes inequities in the allocation of irrigation facilities, with some regions having easier access than others. In regions with scarce water resources, this imbalance exacerbates agrarian hardship.

Natural Disasters and Climate Change:

- **Erratic Weather Patterns:** As a result of climate change, there have been erratic rainfall distributions, protracted droughts, and surprise floods. Crop production and the stability of farmers' incomes are negatively impacted by these climate uncertainties.
- **Lack of Climate-robust Techniques:** Farmers are more vulnerable to the effects of climate change because they are less aware of and less likely to embrace climate-robust agricultural practises, such as crop diversification, water conservation techniques, and resilient seed types.

Agricultural extension services that are insufficient:

- **Lack of knowledge and information:** Farmers frequently struggle to get access to the most recent data on market trends, technical breakthroughs, and the best agricultural practises. This restricts their ability to use productive and creative farming techniques.



- **Insufficient Government Support:** The adoption of more effective farming methods is hampered by a lack of funding for agricultural research, extension services, and farmer training programmes.

Consequences of Agrarian Distress:

Farmer Suicides:

- Due to reasons including crop failures, low crop prices, and insufficient access to credit, agrarian misery frequently results in a cycle of mounting debt for farmers. Many farmers resort to extreme methods, including suicide, due to the crushing financial pressure and inability to pay off debts.
- A serious mental health crisis is occurring in rural communities as a result of the upsetting circumstances that farmers must deal with, including financial strain, crop losses, and social stigma. The high rate of farmer suicides has an effect on society as a whole and destroys families as well.

Rural-Urban Migration:

- Farmers and their families are forced to move from rural to urban regions in pursuit of alternative livelihoods as a result of agrarian distress. Due to the lack of chances for generating revenue in rural areas and the appeal of urban jobs, cities become overcrowded, placing a strain on their infrastructure and resources.
- When young, physically fit people go, the social fabric of rural communities is disrupted, leaving behind ageing populations and a shortage of qualified labour. The difficulties still faced by individuals who work in agriculture are increased by this.

Food Security Concerns:

- Declining agricultural production is a result of agrarian distress and its associated causes, such as fragmented landholdings, insufficient irrigation, and climate change effects. This puts the nation's food security at risk because lower crop yields may mean less food will be available and it will cost more money.
- Rural communities that depend on agriculture-related activities face challenges to their way of life due to decreased agricultural productivity and farmer stress. The general economic health of these areas is therefore impacted by this.

Socioeconomic Imbalances:



- Farmers at the bottom of the socioeconomic scale face the weight of the crisis as agrarian hardship exacerbates income disparity. As rural and urban income levels diverge more, social and economic inequities in society are exacerbated.
- Agrarian distress frequently results in farmer demonstrations and unrest as farmers call for better regulations, just pricing for their produce, and better living conditions. These demonstrations underscore the need for systemic reforms and the difficulties that the farming community is now facing.

Environmental Impact:

- Agrarian distress can lead to unsustainable agricultural practises, such as excessive water consumption, excessive chemical inputs, and deforestation. The environment is harmed by depletion of natural resources, which cause soil erosion, water pollution, and biodiversity loss.
- Farmers' susceptibility to the effects of climate change is exacerbated by agrarian distress. Extreme weather, a lack of water, and altered crop cycles are all effects of climate change that aggravate agrarian misery.

Laws relating to agrarian distress in India

- ✚ **The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020:** Contract farming is now legal in India thanks to this law. It enables farmers to enter into written contracts for the sale of agricultural products at predetermined prices with agribusiness companies, processors, wholesalers, exporters, or significant retailers. The act intends to lower the risk of agrarian distress by giving farmers more market access and price predictability.
- ✚ **The Essential Commodities Act, 1955:** This law gives the government the authority to control the production, distribution, and supply of basic goods, especially agricultural products. To maintain the accessibility and affordability of necessary commodities, the act calls for price control, the establishment of stock restrictions, and the regulation of business practises. These clauses guarantee that farmers' food reaches the market and shield them from price swings.
- ✚ **The Agricultural Produce Market Committee (APMC) Acts:** The APMC Act, which governs the marketing of agricultural products, is unique to each state in India. These laws create APMC mandis, or market yards, where farmers can sell their goods

under controlled conditions. To give farmers additional opportunities to get better prices and lessen their vulnerability to agrarian distress, certain states have implemented reforms that allow them to sell their produce outside APMC mandis and encourage other marketing channels.

- ✚ **The Minimum Support Price (MSP) System:** Through the MSP system, farmers are guaranteed a minimum price for their produce that will cover their costs and give them a respectable return on their investment. Based on variables like input costs, market conditions, and demand-supply dynamics, the Commission on Agricultural Costs and Prices (CACP) suggests MSPs for different crops. The MSP system attempts to give farmers income security and safeguard them from agrarian hardship.
- ✚ **The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005:** MGNREGA provides rural households with a 100-day salary employment guarantee despite not being specifically geared towards agriculture. It gives agricultural labourers an additional source of income during slow seasons and helps lessen agrarian suffering.
- ✚ **Crop Insurance Schemes:** The Pradhan Mantri Fasal Bima Yojana (PMFBY) is one of several crop insurance programmes that the Indian government has implemented. These programmes offer farmers insurance protection against crop loss or damage brought on by pests, illnesses, or natural catastrophes. Crop insurance lessens the effects of agrarian distress and aids farmers in recovering from financial losses.
- ✚ **Loan Waiver Schemes:** To relieve farmers' debt, several state governments have put in place loan waiver programmes. These programmes are designed to lessen financial burdens and enhance the economic circumstances of farmers who are experiencing agricultural distress. Loan forgiveness can assist farmers in starting over and help them avoid becoming trapped in a cycle of debt and hardship.

Potential Solutions of Agrarian Distress in India

Income Diversification:

- Encourage farmers to diversify their sources of income by developing related industries like animal husbandry, horticulture, beekeeping, and agro-processing. This offers additional sources of income and lessens reliance on agriculture alone.



- **Skill Development and Training:** Give farmers the information and skills they need to diversify their sources of income by offering training and skill development programmes.

Strengthening Agricultural Infrastructure:

- **Irrigation Development:** To provide dependable access to water for agriculture, invest in irrigation infrastructure, such as canals, dams, and water storage facilities. To reduce water usage, emphasise the use of effective irrigation methods like drip irrigation and sprinkler systems.
- **Rural Connectivity:** Enable farmers to efficiently access input and output markets through improving rural infrastructure, such as roads, transportation networks, and market links. This makes it easier to move agricultural products, lowers post-harvest losses, and gives farmers more market opportunities.

Access to Credit and Crop Insurance:

- **Simple Access to Formal financing:** Increase financial inclusion by reaching out to small and marginal farmers with institutional financing. To enable simple access to credit at reasonable interest rates, give loans without collateral, and promote farmer-friendly credit rules.
- **Promote the broad use of crop insurance programmes** to shield farmers against crop failures, natural disasters, and price volatility. Make sure that these programmes are successfully executed, economically feasible, and offer farmers prompt compensation in the event of losses.

Market Reforms:

- By using farmer producer organisations (FPOs), cooperatives, and contract farming arrangements, you may strengthen direct links between farmers and producers. This lessens the need for middlemen, guarantees fair prices for agricultural goods, and strengthens the market position of farmers.
- Establish market intelligence programmes to give farmers up-to-the-minute details on crop pricing, consumer demand, and market trends. As a result, farmers are better equipped to choose crops, time sales, and access markets.

Strengthening Research and Extension Services:

- **Research and Development:** Boost financial support for agricultural R&D to address regional issues, create climatically adaptable seed types, and advance sustainable farming methods. This covers studies on crop diversification, insect management, water management, and soil health.
- **Strengthen extension services** by creating efficient channels of communication between agricultural scientists, extension agents, and farmers. Spread information, offer technical support, and organise training programmes to encourage the use of best agricultural practises.

Policy Reforms and Governance:

- Implement policies that encourage land leasing and consolidation in order to build larger and more profitable landholdings. To encourage effective land use and draw investment to agriculture, support land leasing agreements.
- Establish efficient price support measures for agricultural commodities to ensure that farmers receive fair prices. Farmers may have financial security thanks to procurement systems, minimum support prices (MSP), and direct income support programmes.

Climate-Resilient Farming:

- Agroforestry, organic farming, conservation agriculture, and precision farming are only a few examples of climate-smart agriculture practises that should be promoted. These methods increase the effectiveness of resource usage, boost soil health, and increase climate change resistance.
- Enhancing weather forecasting systems and delivering timely weather information and advisory services

Conclusion:

India's complicated agrarian crisis necessitates immediate attention and all-encompassing remedies. India can revitalise its agricultural industry, increase farmer incomes, and guarantee long-term food security by tackling the underlying causes of distress, adopting legislative changes, and investing in rural infrastructure and farmer welfare. India can only overcome its agrarian misery and create a robust and profitable agricultural system for the future via concerted efforts and persistent dedication. India's agrarian distress is a serious problem with repercussions for farmers, the economy, and society at large. Farmers now confront formidable obstacles as a result of the many factors contributing to agrarian distress,



such as diminishing profitability, the effects of climate change, land fragmentation, and inadequate infrastructure. The crisis is further exacerbated by the effects of agrarian hardship, including farmer suicides, rural-urban migration, worries about food security, social disparities, and environmental degradation.

