



Prosperity



# Empowering Farming Communities



# Actionable Area

It is critical to optimise the usage of resources – land, water, agricultural machinery – and to negotiate better terms of trade, cooperation, and collectivisation among farmers, especially women.

## Issue

- The green, white and blue revolutions have achieved food security in terms of calorie sufficiency, but input-intensive farming practices have dealt a blow to ecological sustainability. About one-third of the land area is degraded, becoming acidic, alkaline, or saline. Water is under stress, yields are plateauing, and the costs of cultivation are rising. The climate crisis exacerbates these problems threatening farmers' livelihoods and the country's food and nutrition security.
- Despite achieving a surplus in food production, the farming community is not assured of remunerative returns and income. A very large proportion (23% - 45%) of farming households in most central and eastern states live below the poverty line (BPL). This is significantly higher than the national average of 22.5%. Even in some so-called agriculturally progressive states, such as Gujarat, Karnataka, Maharashtra, and Tamil Nadu, the proportion of BPL farming households is 17.5% – 22.5%, close to the national average.
- Access to institutional finance at reasonable interest rates is often a challenge for small and marginal farmers, especially in central and eastern states. While they operate almost half of the area under cultivation, they only account for about a 9% share of total credit.
- Over 42% of India's population is dependent on farming, out of which more than 50% do not own land but work as wage labourers. The average size of the Indian farm has shrunk by more than half to 1.08 hectares over the last 45 years, with significant impacts on farming potential, the scale of production, adoption of technology, marketable surplus, credit, and ultimately profitability.

## Monthly earning of agricultural households

State-wise comparison; Income in Rs

Punjab	23133
Haryana	18496
Kerala	16927
Gujarat	11899
Himachal Pradesh	11828
Uttarakhand	10855
Goa	10687
Karnataka	10603
Maharashtra	10268
Meghalaya	10039
Nagaland	9950
Mizoram	9931
Assam	9878
Manipur	9861
Tamil Nadu	9775
Jammu	9355
Arunachal Pradesh	9072
Rajasthan	9013
Telangana	8951
Sikkim	8603
Chhattisgarh	8580
Madhya Pradesh	7919
West Bengal	7756
Odisha	7731
Tripura	7592
Bihar	7175
Jharkhand	6991
Andhra Pradesh	6920
Uttar Pradesh	6668
India	8931

Source: NABARD All India Rural Financial Inclusion Survey (2016-17)

### Major issues in empowering farming communities are -

- a. Farmers do not benefit equally from government subsidy programs and employment guarantee schemes.
- b. Some negative outcomes of interest subsidies and loan waivers include impaired credit discipline; weakened state finances; avoidance of agricultural finance by banks; inequitable treatment of farmers without access to bank loans; and elimination of the incentive for farmers to gradually move away from crops and agricultural practices, that, at market interest rates, would be un-remunerative.
- c. 38% of farm households depend on non-formal sources, with 30% relying exclusively on informal sources.
- d. At least 60% of India's districts are facing water stress. There is a visible mismatch between existing water endowments and the water demanded by water-guzzling crops.
- e. There is no overt emphasis either in policy or in execution for encouraging participation of women in FPOs.

## Status

- India has showcased an impressive growth trajectory from a food-scarce to a food-sufficient and, finally, a food surplus country. This was made possible with the infusion of innovative technologies, supportive policies and institutions, and the adoption of high-yielding varieties of wheat and rice, with intensive water, fertilizers, and pesticides.

- However, not all farmers are profiting equally from government support and subsidies such as free electricity, cheap fertilisers, no income tax, and assured Minimum Support Prices (MSPs). The slew of subsidy programmes demands more funds than productivity-enhancing investments in irrigation, roads, electricity, research, and development. The composition of total investments in agriculture shows that farmers bear the brunt themselves (78.2% of investments are from households) while public investments constitute a 19.4% share. The private corporate sector accounts for less than 2.5% of investments in the agriculture sector.
- The agriculture sector employs 80% of all economically active women comprising 33% of the agricultural labour force and 48% of self-employed farmers in the country. The National Rural Livelihood Mission (NRLM) has mobilised women from rural areas into self-help groups and is taking up skilling of women farmers in sustainable agriculture. However, the huge government initiative to promote Farmer Producer Organisation (FPOs) is still largely gendered agnostic.

## Vision 2030

- **We need farmer-centric policies, institutions, systems, and processes to promote sustainable agriculture. Farmers, especially women, require financial security, access to information, and alternative solutions to manage risks and learn new skills.**

# Pathways

## IMPLEMENTATION



**Institutionalise farmers' collectives as crucial elements** of an efficient agricultural extension system and multipliers for innovative farming technologies.

**Develop water use protocols** (pumping, sequencing of water use, distance norms between wells and tube wells) through participatory water management systems.

**Facilitate convergence between FPOs and MGNREGA, e.g.,** for the creation of farm ponds.

**Facilitate financial services for small farmers through farmers' collectives.**

**Pay the highest attention to warehousing** (both cold and dry).

**Drastically increase insurance coverage** to encourage farmers to embrace new ways of farming while protecting them against weather extremes. Use funding allocated to subsidising interest rates and loan waivers for crop insurance schemes. Initiate and scale-up mutual insurance with re-insurance of covariant risks using the existing network of self-help group federations and farmers' collectives.

**Ensure women's asset ownership,** access to technical training for production and value addition, access to institutional credit, markets, and women-friendly equipment.

**Ensure joint ownership of land** and other agricultural assets.

**Ensure women membership in FPOs** to provide institutional space and improve access to different services. Enable women self-help group networks to play a larger role in negotiating spaces for women producers.

**Result-oriented convergence between NRLM** and other ministries dealing with food production and value addition to leveraging the strength of women self-help groups.

**Support interdisciplinary administrative units** at the district and local levels.

**Institute a single-window system** for promoting integrated farming systems.

# Pathways

## POLICY



**Develop State-specific and context-specific strategies** for the next decade on improving farmers' income and different levels of agriculture development, including plans for different agro-climatic regions.

**Systematically collect regional best practices** and promote their scale-up through well-designed policy and operational advocacy.

**Develop models for different climatic zones** with a focus on small and marginal farmers in rainfed areas with the participation of farmers. Focus policy and practices on maximising incomes beyond food production.

**Align and converge central and state government policies** and schemes for sustainable incomes and the welfare of farming communities.

**Assess policies, programmes, and budgets** to remove discrimination against women and ensure affirmative actions.

## KNOWLEDGE & RESEARCH



**Assess any new policy or policy change** for its impact on different actor groups in the larger food system.

**Written by:**

Ms. Girija Srinivasan, who is an expert in development finance and rural livelihoods with over 30 years' extensive experience.

**With inputs from:**

Mr. PVS Suryakumar (NABARD); Mr. Yogesh Sawant, Dr. Rajashree Joshi and Mr. Girish Sohani (BAIF); Mr. J. P. Tripathi (ACF); Dr. Kalpana Sankar (hand in hand); Malika Srivastava (CMF); Ganesh Neelam (Tatatrusts); Mr. Roopak Bhat; Dr. Janak Palta McGilligan (Jimmy McGilligan Centre For Sustainable Development); Mr. Govind Dash (Gram Utthan); Yogesh Bellani (Field fresh); Mr. Rajeev Ahal, Ms. Neha Khara and Mr. Ashirbad Das (GIZ); Mr. Kirti Mishra and Mr. Santosh Gupta (Ecociate).