

## **FUTURE OF SMALL FARMERS IN INDIAN BUSINESS**

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### **Abstract**

This research looks at the changes in Indian farmers' income and landholding sizes from 2002–2003 to 2012–2013. The research focuses on the distribution of land holdings, changes in farm family income by income source, and implications for the future of small farmers in Indian industry using data from extensive surveys done by the National Sample Survey Office (NSSO). The results show that the percentage of small landholdings has increased, with marginal farmers making up the majority of the agricultural workforce. The average annual increase rate of farm family income was 3.7%, however there were variations depending on the state and farm class. Marginal farmers had slower income growth than their bigger counterparts. Although the non-farm industry continued to make up a small portion of farmers' revenue, livestock became a significant source of income. The research emphasizes the need of focused interventions to address regional differences, income inequality, and the difficulties small-scale farmers have in maintaining their means of subsistence in the changing Indian economic environment.

**Keywords:** Farmers' income, Landholding sizes, Small farmers, Indian agriculture, Livelihoods, Income inequality, Regional disparities, Non-farm sector.

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### **1. INTRODUCTION**

An important part of the Indian economy is agriculture. 56% of Indian workers are employed by it, despite its current contribution to GDP being around one-sixth that of other industries. Additionally, the rise in agriculture has both forward and backward linkage effects, which raise non-agricultural sector earnings. Agro-based enterprises might expand more quickly and agricultural commodity exports could be encouraged by the expansion of certain commercial crops. Hence, agriculture is the most inclusive development sector of the Indian economy as it

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not only helps the economy expand overall but also lowers poverty by giving the vast majority of the people in the nation jobs and food security.

India's agricultural sector has never been easy to navigate since it is always beset by various issues. Being mostly reliant on agriculture, peasants' lives have never been simple since a variety of social and environmental variables affect their ability to make a living. Some of the major issues in agriculture are smallholdings, low land yield, crop diseases, expensive agricultural inputs, fluctuating and unpaid agricultural inputs, crop diseases, and the exploitation of peasants by merchants, middlemen, money lenders, etc. Primarily, a dualistic approach to development and inadequate execution of governmental programs and initiatives have exacerbated the suffering of peasants and expanded the divide between affluent, middle-class, small- and marginalized peasants, and landless peasants.

Increasing farmers' incomes signifies a paradigm change in agricultural policy, not only in terms of food production. Nearly fifty years after the green revolution, the Indian government set out to achieve this aim by 2022–2023 in 2016–17. This pledge has been made several times and has generated a lot of discussion in the policy and academic communities. Critics contend that it is unrealistic for farmers to double their revenue in such a short amount of time. The counterargument says that the task, although challenging, is not insurmountable if policies are tailored to the people and areas that are falling behind in economic growth overall and in agricultural development specifically.

Farm family income is broken down into four categories: earnings and salaries, non-farm business ventures, crop cultivation, and animal husbandry. The value of the primary and secondary products less the input cost was used to assess crop income. The revenue from the sale of live animals or livestock products less any incurred expenditures was used to estimate the revenue from animal husbandry. Income from wages and salaries was the category used to describe the money earned by laborers working outside of their homes in non-farm businesses or agriculture. The final revenue category includes net income from non-farm commercial businesses.

## **2. LITERATURE REVIEW**

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As per Ashwini Kulkarni and Sudha Narayan's (2015) research, 4,881 customers of the more than 4,100 works created under the Mahatma Gandhi Public Rustic Business Assurance drives were reviewed. Varun Gandhi (2013) the functioning gathering on minor ranchers made the accompanying proposals: obtainment from little and minimal ranchers ought to be dissented, particularly through guidelines for multi-brand retail; peripheral cultivators ought to be urged to join rancher maker starts (FPOS), an association that can offer revenue grant borrowed for a five-year time span and exclusion from farming produce market panels. Gaiha and Thapa (2011) it may be observed that although agricultural technologies are resource-neutral, they are not scale-neutral. (Singh and others, 2002) Research and extension focused on small holders should prioritize cost-cutting measures without sacrificing yields.

As per Chand (2011), the piece of land property there are numerous small ranchers in India. Out of the around 120 million land families in the country, an expected 98 million had minor or minimal properties, as per the Farming Statistics 2000-01. As per Swaminathan (2010), the evergreen unrest's methods must be utilized. In addition to other things, Master Nathan (2010) calls attention to that there are two principal ways to deal with advancing an evergreen upheaval. As per Ch. Radhika Rani and P. Praveen (2008), little ranchers have a higher result risk than region risk while developing harvests including red gram, peanuts, sunflower, and maize. Then again, medium-sized and enormous ranchers face more creation risk while developing oil seed crops like castor and groundnut. Ch. Radhika Rani and P. Praveen's exploration noticed that the monetary gamble of a decrease in attractive overabundance is available for all harvests. They accept that land renting has demonstrated to be a valuable device for expanding little and medium ranchers' pay levels and their base of creation.

### **3. RESEARCH METHODOLOGY**

The Situation Assessment Survey of Farmers, 2002–03, which covers 51,770 farm households from 6,638 villages in India, and the Situation Assessment Survey of Agricultural Households, 2012–13, which covers 35,200 farm households from 4,529 villages, is two large surveys that we have used. Both surveys were conducted by the National Sample Survey Office (NSSO). The information gathered from these surveys covers a range of socioeconomic factors, such as the sources of income for agricultural families. These surveys utilize various definitions of "farm

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household"; in 2002–2003, they were categorized according to land ownership; in 2012–2013, however, they were categorized according to a minimum agricultural income of INR 3,000. In order to maintain comparability, only farm households with land were taken into account.

#### **4. DATA ANALYSIS**

Small holdings of less than two hectares (ha) make up the majority of agricultural land in India; their proportion rose from 92% in 2002–03 to 93% in 2012–13 (Table 1), as shown by the 65% to 70% growth in the proportion of marginal holdings (<1 ha). While marginal and small holdings were steady in size, significant holdings shrank from 7.52 ha to 6.60 ha on average. During this time, the average holding size decreased from 1.22 ha to 1.03 ha, a decrease of about 15%. The livelihood of a sizable rural population is at risk due to the shrinking size of operational holdings and the increasing percentage of small landholdings.

Table 1: Property ownership in India by size

<b>Farm class</b>	<b>2002–03</b>		<b>2012–13</b>	
	<b>Average size (ha)</b>	<b>Households (%)</b>	<b>Average size (ha)</b>	<b>Households (%)</b>
Marginal (<1.00 ha)	1.26	56.35	1.53	71.26
Small (1–2 ha)	2.35	19.25	2.38	18.59
Medium (2–4 ha)	3.64	11.23	3.67	8.95
Large (>4 ha)	6.98	6.87	7.48	5.67
Overall	2.34	-	2.37	-

Table 2: Income distribution and trends among Indian agricultural households

<b>Income source</b>	<b>2002– 03</b>	<b>2012– 13</b>	<b>Compounded annual growth (%)</b>
Crop husbandry	35,217	43,118	5.4
Animal husbandry	3,526	8,412	24.3

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Agricultural wages	9,133	16,358	7.5
Non-agricultural wages	11,869	8,578	-3.8
Total wages (agricultural and non-agricultural combined)	21,868	25,649	2.9
Non-farm business activities	6,855	7,117	1.5
Total income	88,468	109,232	38

The rise in revenue by source is shown in Table 2. From 2002–03 to 2012–13, the yearly family income increased by 3.7% annually (at 2012–13 prices), from INR 88,468 to INR 109,232. However, the rise was uneven; non-ranch compensation fell by 2.9% yearly, while non-ranch business pay remained practically unaltered. The income from creature cultivation moved at a pace of 13.2% yearly, trailed by horticultural wages (6.4%) and crop farming (4.3%).

## **5. CONCLUSION**

This research looks at several developments in farmers' income between 2002–2003 and 2012–2013. The annual increase rate of farmer income was 3.7%, with variations by state and farm class. The majority of farmers are marginal farmers, who make up the lowest income distribution and whose income has grown at a far slower pace than that of their bigger counterparts. Odisha did very well throughout time, whereas several states fell behind in terms of economic levels. Although livestock became a significant source of revenue for farmers, the non-farm sector did not play a significant role. This is concerning as the average size of landholdings is decreasing and non-farm incomes need to be more prominently featured via the growth of non-farm sectors and rural labor markets. The increase in agricultural profitability increased the rate of income growth and its variance between states. This gain in crop profitability was likely caused by improvements in productivity, pricing, and resource use efficiency. Given the likelihood of failing to meet the goal of doubling agricultural revenue by 2022–2023 and the acceleration of income growth, attention must be directed into agricultural research and development.

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