

## A STUDY OF ECONOMIC STATUS OF SMALL FARMERS IN KOLHAPUR DISTRICT

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**Introduction:** India gifted with rich natural resources and biodiversity occupies 2.4 % geographical area of the globe. For centuries together, agriculture has been the main occupation of this country that evolved from Vedic period in the Indus-Gegantic basins. For centuries together agriculture has remained the way of life of the peasants rather than business in the Indian sub-continent. They worshiped the rivers which brought water to their fields, made prayers for rain, wind, sunshine to give them good crop-yields. These prayers or hymns are the 'richas' in Vedas. Cattle were significant assets of the farmers of Vedic period. The Indian agriculture evolved though many ups and downs, droughts, floods and natural calamities. Indian agriculture largely depended upon the monsoon rains and therefore the farmers became fatalist. The situation, even after centuries by and large remains the same. Today, about 9 crore farmers' families are in agro-business and 65% farmers are dependent on agriculture for livelihood. Out of 9 crore holders 87% are small and marginal. In 1951 only 10 crore people earned their livelihood farm agriculture and today about 82 crore population is dependent on agriculture. This has created tremendous pressure and stress on agriculture. There is widespread unrest among the farmers community.

**Statement of Research Problem:**The present research study is an attempt to study income, expenditure and indebtedness of farmer in Ajara, Chandgad and Gadhinglaj talukas in Kolhapur district. The transport facilities in these three tahasils are very poor. The marketing chain is not strong and the institutional credit facilities have not been streamlined. The effect all these factors is that the agricultural productivity is comparatively low and the farmers are not getting remunerative prices to their produce. As the productively is low and the remunerative prices are not obtained for the produce, the income of most of the farmers is less than the expenditure. To meet the needs, the farmers have to borrow the loans. Due to less income it becomes difficult for them to make the repayment of the loans and the indebtedness of farmers is rising. Low income and indebtedness of farmers have created socio-economic problems. In the present study, the problems of small farmers are dealt with specifically. Similar type of study is not under taken by any body in the Kolhapur District selecting southernmost tahasils viz. Gadhinglaj, Ajara and Chandgad. So this research work is undertaken the study of income and expenditure of small farmers, search out their economic problems and make valuable suggestions in the light of findings. The suggestions will be useful to the farmers and a policy makers and this is the aim of the present study.

### **Objectives of the Study:**

- 1.To study the socio-economic conditions of small farmers in study area;
- 2.To study the income pattern of small farmers in study area;
- 3.To study the expenditure pattern of small farmers in study area;
- 4.To study the impact of Government schemes and facilities available to small Farmers .
- 5.To find out the causes of small farmers' indebtedness; and
- 6.To study the economic problems of small farmers'.

### **Hypotheses of the Study:**

1. There is high gap between income and expenditure of small farmers.
2. Small farmers have been facing various socio-economic problems.
3. Government schemes play an important role in improvement of economic status of small farmers.

**Importance/Significance of the Study:**The study highlights the causes of farmers' indebtedness and it will also suggest the remedial measures to solve the problem. There are

number of cases of small farmers' suicides in Maharashtra including Western Maharashtra. The fieldwork data is analyzed to search out the causes of indebtedness. The level of income of farmers and the pattern of expenditure of small farmers have been brought out the extent and the causes of indebtedness. The various government schemes of helping the farmers have been analyzed. The defects in such scheme have also been studied.

This study has greater significance as it tries to make the search of the factors that decide the economic status of small farmers and the present real status. This study would also help shaping the policies of development of economic status of small farmers which is ultimately the natural issue. The results and suggestions from the study would be helpful in formulating new schemes for small farmers. There are many government schemes run for the benefit of small and marginal farmers from supply of farm inputs to power tillers etc. on subsidies. To achieve food security, food grains and other food items are distributed to the farmers on ration cards of different types. The benefits of these government schemes are analyzed in the present study.

**Definitions of a Small Farmer:** "A small farmer is a cultivator who owns land more than 2.5 acres and up to 5 acres and his major source of income is farm business income".

**Research Methodology:** In order to fulfill the objectives of the research study, following research design design has been adopted by the researcher.

**Sample Design:** In Kolhapur District there are 12 talukas out of that only 3 talukas are selected for this study which are Ajara, Chandgad and Gadhinglaj forming southern part of Kolhapur district. From each taluka 10 percent villages are selected. It means out of 351 villages, these 35 villages are randomly selected. Again from each village, 10 farmers are selected for this study, by using random sampling method. These 10 farmers are selected from different social and economic groups. It means total 350 farmers are selected as a sample.

**Table No. 1 Sample Design of Small Farmer**

Tahasils	Total Villages in Tahasil	Selection of 10% of Total Villages	10 Farmers from each Village
Ajara	100	10	100
Chandgad	157	16	160
Gadhinglaj	94	09	90
<b>Total</b>	<b>351</b>	<b>35</b>	<b>350</b>

**Source: Field Survey**

#### **Analysis of Data:**

As mentioned earlier, the data was collected from three tahasils viz. Gadhinglaj, Ajara and Chandgad using structural questioners. Efforts have been made of collect reliable data which is necessary to decide the economic status of the farmers.

The present study is an empirical analysis of poverty and indebtedness among the small farmers. It is a cross-section analysis taking into consideration the income pattern, consumption pattern, determinants of indebtedness of the small farmers in the rural areas of Kolhapur District.

**Selection of District:** The whole State on the basis of levels of agricultural productivity has been divided into three regions, viz. low, medium and high productivity regions. Keeping in view the different in agro-climatic conditions and to avoid the geographical contiguity of sampled district, it is deemed fit to select, Kolhapur District.

**II) Selection of Tahasils:** The southernmost three tahasils viz. Ajara, Chandgad and Gadhinglaj are selected in view of diverse climatic conditions, yet a single unit for irrigation, marketing etc.

**III) Selection of Villages:** On the basis of random sampling method one village from each development block of the selected tahasils has been selected. Thus, in all, total villages in tahasils of 351 and selected 10% of total villages are 35. Thus 10 farmers are selected from each village and total farmers selected are 350.

**IV) Selection of Small Farmers:** As many as 10 percent farm households consisting of small farmers formed the sample for the survey. Out of 35 villages, 350 households in all, 160 households from Chandgad taluka, 90 from Gadhinglaj taluka and 100 from Ajara taluka were selected. The total households 350 are from the small farm-size category.

**Table No. 2**  
**Taluka wise Distribution of Small Farmers**

Sr. No.	Name of Tahasil	No. of Small holders	No. of Villages	No. of Selected Villages	Total No. of Small farmers in Selected villages	10% small farmers from selected villages
1	Ajara	6994	100	10	1020	100
2	Chandgad	7734	157	16	1577	160
3	Gadhinglaj	9163	94	9	918	90
<b>4</b>	<b>Total</b>	<b>23891</b>	<b>351</b>	<b>35</b>	<b>3515</b>	<b>350</b>

**Source: Field Survey**

The study area of the present research work comprises of three tahasils of Kolhapur District viz. Ajara, Chandgad and Gadhinglaj in which there are 23891 small holders in 351 villages. From these 351 villages 10% villages were randomly selected as the sample and the number of such villages is 35. Furthermore, the total numbers of small farmers from the 35 villages were surveyed. The total small holders in 10 villages in Ajara tahasil were 1020, those in 16 villages of Chandgad tahasil were 1577 and those in 9 villages of Gadhinglaj tahasil were 918. From these farmers again 10% farmers were randomly selected as the sample for the present research work which contained 100 small farmers from 10 villages of Ajara tahasil, 160 farmers from 16 villages of Chandgad tahasil 90 farmers and from 9 villages of Gadhinglaj tahasil. Though the farmers were randomly selected, utmost care was taken to give coverage to their genders, education, caste, marital status and religion.

Thus the sample villages and small farmers therein would be a reliable data source required for this research work.

**Data Collection:** The primary data is central to the research. It is the authentic source of information vital for the study. Various means of collecting data like interview, discussions with the experts, questionnaire were used. For the purpose of collection of primary data, structured interview schedule was prepared and the data was collected from 350 sample farmers in Chandgad, Ajara and Gadhinglaj tahasils.

The secondary data necessary for this research study was collected from published resources such as Reference Books, Journals and Periodicals and unpublished sources such as Ph.D. Thesis, M.Phil Dissertations, Project Reports and Annual Accounts, various websites etc.

**Tools used for Data Analysis:** In order to analyze data collected and there by to test the hypotheses following tools and techniques were used.

1. Data was presented in the form of charts, graphs and tables etc.
2. Simple statistical techniques such as Percentage, Average and Growth Rate etc. were used.

In order to examine the income pattern, expenditure pattern, extent of poverty and determinants of indebtedness of small farmers' different methods were used. Farmers face the problem of less capital, marketing and a pilot survey was undertaken to test the questionnaires.

**Chapter Scheme:** The chapter scheme of the present research study is as follows:

#### **Chapter - I : Introduction and Research Methodology.**

This chapter includes the objectives, hypotheses, scope and significance and research design of this research study.

#### **Chapter - II : Review of Research Literature.**

The rural indebtedness in India is the subject of serious concern to the scholars, economists, government and planners. The small farmers are major victims of debt burdens.

Apparently, a small farmer is caught in the debt trap because of the gap between expenditure and income. The reasons for low income are many and an extensive study is made on the problem. The researcher has taken the review of the relevant literature concerning the economic status of small farmers, their socio-economic conditions and indebtedness.

### **Chapter - III : A profile of Kolhapur District.**

Kolhapur district in western Maharashtra is one of the 35 districts which is agriculturally advanced and progressed in agro and other industries. It is the study area selected for the present research work. Kolhapur has long history from Satvahanas to Rajarshi Chhatrapati Shahu Maharaj, the king of Kolhapur state, who devoted his life for socio-economic development of the region and for social revolution. Kolhapur City is a large commercial and financial centre. The present chapter deals with general description of the district indicating location of the district, agro climatic zones, soil types, forests, main rivers, irrigation sources, marketing centers, main and subsidiary occupations in the district.

### **Chapter - IV : Economic Status of Small Farmers in Ajara, Chandgad and Gadhinglaj Tahasils.**

This chapter which is the core of the thesis deals with analysis of data collected from small farmers through structural questionnaire from three tahasils of Kolhapur district viz. Gadhinglaj, Ajara and Chandgad. An extensive field work is done by the present researcher to collect the data which include individual information, economic information, details of agro-allied business, details of loans borrowed and repayment, benefits of government schemes, marketing of agricultural produce, details of income and expenditure, social status etc.

### **Chapter - V : Analysis of Governments Schemes to Support the Small Farmers**

The unequal distribution of land assets, vagaries of rains, unavailability of irrigation facilities, low productivity of soil, high cost of farm inputs, small size of holdings, unavailability of timely finance has made adverse effects on the income generated by the small farmers. The low income of the small farmers has created many socio-economic problems and the end product of these factors is poverty. About 55 percent of population in Maharashtra is below poverty line.

### **Chapter - VI : Economic Problems of Small Farmers.**

Agriculture plays a crucial role in the development of the Indian economy. However, the growth rate of agriculture is very low even minus sometimes. Agricultural development and enhanced growth rates are possible only when adequate capital investment and proper technology is used. Majority of the farmers are small holders and there is lack of assured irrigation and less capital investment. Previously the farmers cultivated for subsistence purpose and now they are turning towards commercial crops. It has been witnessed that the institutional finance, Govt. schemes, irrigation facilities helped to improve economic conditions of the small farmers in the study area. The area which is selected for the present research work is treated to be backward and required for further planning for to improve economic lot of small farmers. The various problems faced by the small farmers in study area are dealt with in this chapter.

### **Chapter - VII : Conclusions and Suggestions.**

The picture of 'Economic Status of Small Farmers in Kolhapur District' envisaged for the present research work by making hypotheses and intending objectives has been brought towards clarity with almost efforts by reviewing literature, collecting primary and secondary data and analyzing the same using different statically tools. Though apparently it seems that the ample water being stored in the reservoirs might have brought prosperity in the lives of small farmers in the region but it is a mirage and there are many problems and constraints in the economic growth of the region. The economic problems of small holders, Government schemes planned for their benefits and their income-expenditure pattern are studied and analyzed in preceding chapters.

**Conclusion:** Ajara, Chandgad and Gadhinglaj tahasils form the southern part of the Kolhapur district, touching the boundaries of Karnataka and Sindhudurg district of State of Maharashtra.

This region is a part of Western Ghat and gifted with beauty of nature and rich biodiversity. The flora and fauna of Chandgad and Ajara tahasils include mammals, reptiles, birds, butterflies, trees, medicinal plants etc. in the dense forests. Four major rivers flow in the region viz. Hiranyakeshi, Ghataprabha, Tamraparni and Tillari. Talliri flows towards west and Hydro-electric power project is run on its water. The remaining three rivers constitute the Krishna river basin with share of 7 T.M.C of water to be stored in the dams on the three rivers and their tributaries. Most of the irrigation projects have been completed and more and more land is being brought under irrigation.

The Chandgad and Ajara tahasils were considered as the backward areas and though the circumstances have Chandgad in perceptible direction since the beginning 21<sup>st</sup> century, much more is required to be done. The road network is poor, the market facilities for farm produce are not assured and the agro-processing units are not faithful Government schemes are not giving benefits because of inefficient and corrupt bureaucracy and agro-allied business is staged. Under such condition it has become difficult to raise the income of small farmers.

Low income and high expenditure has two pronged effects. The farmer lives in poverty and secondly, he becomes indebted. The poverty line, minimum wages, etc. are all relative things. The dignity and happiness of a person has prime importance and if assessment is made in the light of millennium goals, the peasants in India are far behind compared to those in developing countries.

The Economic Status of Small Farmers has also created many socio-economic problems in the peasants' community. The young generation doesn't wish to accept agro-business. The children can not be given the education of their choice. The living standard of the small farmers is not at par the big farmers or government servants and employees in organized sector. The addition, family strains, ill treatment by corrupt bureaucracy and big farmers, frequent visits for loan recovery squads of credit societies and money lenders have created tensions in the lives of small farmers. Their social status and regulation are harmed. The income alone decides the level of living standard and social status. The gap between higher expenditure and lower income compels the small farmers to borrow the loan and in most cases the repayment is defaulted, interest burden increases and the farmers are caught into debt-trap.

The crux of the whole study is that most of the socio-economic problems of the small farmers are due to the low income and high expenditure on the basic minimum needs and to redresses of these problems, the raisings the income above the expenditure is essential task which would be mitigated or eased if the suggestions made in the present research work are properly executed.

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