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Review Paper

Issues and Challenges Faced by Farmers in India: A Comprehensive Analysis

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ABSTRACT

Agriculture is the backbone of the Indian economy, employing nearly half of the country's workforce. Despite its significance, farmers in India face multiple socio-economic, environmental, and institutional challenges that hinder agricultural productivity and threaten livelihoods. This paper examines the issues and challenges faced by farmers in India, including small and fragmented landholdings, indebtedness, price fluctuations, inadequate irrigation, climate change, and limited access to institutional credit and markets. The study uses a mixed-method research approach combining secondary data analysis and field insights from published surveys. The paper aims to highlight the structural constraints of Indian agriculture and propose policy interventions for improving farmers' socio-economic conditions.

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1. INTRODUCTION

Agriculture has traditionally been the backbone of the Indian economy, providing livelihood to nearly half of the country's population and contributing significantly to national income. It not only ensures food security but also supports allied sectors such as agro-industries, trade, and rural employment. Despite this central role, Indian agriculture is characterized by structural weaknesses and deep-rooted challenges that make farmers one of the most vulnerable groups in society. A major concern lies in the dominance of small and marginal farmers, who constitute more than 85% of all farming households and operate on less than two hectares of land. With such limited landholdings, their capacity to generate sustainable income remains severely constrained. Low and fluctuating productivity, coupled with rising input costs for seeds, fertilizers, pesticides, and

machinery, further intensifies their economic distress. As a result, farming often becomes a non-remunerative activity, pushing many households into cycles of poverty and indebtedness. Another persistent challenge is the overdependence on monsoons, as nearly half of India's cultivated land remains rain-fed. Inadequate irrigation facilities and frequent climatic variations such as droughts, floods, and erratic rainfall make agricultural output highly uncertain. The impact of climate change has further increased risks, leading to crop failures and loss of livelihoods. Additionally, soil degradation, groundwater depletion, and declining biodiversity pose long-term threats to sustainable agriculture.

Apart from environmental vulnerabilities, farmers also face institutional and market-related challenges. Price volatility in

agricultural commodities, lack of effective implementation of Minimum Support Price (MSP), and the exploitation by intermediaries in traditional markets reduce farmers' bargaining power. Limited access to modern technology, mechanization, and extension services widens the gap between potential and actual yields. Moreover, farmers often rely on informal sources of credit due to the inaccessibility of institutional loans, which leads to a debt trap and, in severe cases, distress-driven migration or suicides. Over the years, the Government of India has introduced several initiatives such as Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), soil health management schemes, irrigation development projects, and market reforms like e-NAM. While these policies aim to support farmers' income and resilience, their effectiveness is often undermined by gaps in implementation, lack of awareness, and limited reach, particularly among small and marginal farmers. In this context, addressing the multifaceted challenges of Indian farmers is not only an economic necessity but also a social and developmental imperative. Strengthening agriculture will have far-reaching implications for poverty alleviation, rural development, employment generation, and national food security. Therefore, it becomes essential to analyze the issues systematically and explore effective strategies to ensure sustainable agricultural growth and improve the socio-economic conditions of farmers in India.

2. REVIEW OF LITERATURE

Chand (2017) and Dev (2018) ^[4, 6] point out that farmers face challenges in accessing markets due to inadequate infrastructure and reliance on middlemen. The absence of effective price stabilization mechanisms results in income uncertainty, particularly for perishable commodities. The Agricultural Produce Market Committee (APMC) system, while designed to protect farmers, often limits their bargaining power (Singh, 2019) ^[15].

Birthal *et al.* (2019) ^[3] indicates that climate change, characterized by erratic monsoons, droughts, and floods, severely impacts crop yields. The IPCC (2021) reports a 10-15% decline in agricultural productivity in rain-fed areas due to rising temperatures. Farmers lack access to climate-resilient seeds and technologies, compounding their vulnerability.

Swaminathan (2016) and Rao (2021) ^[16] highlight that low literacy levels among farmers limit their ability to adopt modern farming techniques or access government schemes. This is particularly acute among women farmers, who face additional gender-based barriers.

The National Crime Records Bureau (NCRB, 2020) ^[12] reported over 10,000 farmer suicides annually, driven by economic distress, social stigma, and lack of mental health support. Basu *et al.* (2019) ^[2] emphasize the need for psychosocial interventions to address this crisis.

3. OBJECTIVES OF THE STUDY

1. To identify the major socio-economic and environmental challenges faced by Indian farmers.
2. To analyze the role of institutional and policy frameworks in shaping farmers' livelihoods.
3. To examine the impact of credit, market, and climatic conditions on agricultural sustainability.

4. RESEARCH METHODOLOGY

The study follows a descriptive and analytical research design, focusing on identifying key issues and analyzing their implications on farmers' livelihoods.

Issues and challenges

Indian farmers, who form the backbone of the country's economy, contribute significantly to the GDP and support nearly half of India's workforce. However, they face a complex web of economic, environmental, social, and policy-related challenges that undermine their livelihoods and the sustainability of agriculture. Below is an elaborated analysis of these issues, expanding on the concise overview, with insights drawn from available literature and structured to provide a comprehensive understanding.

Economic Challenges

Low Income and Indebtedness

Indian farmers, particularly small and marginal farmers (86% of the total, owning less than 2 hectares), struggle with low agricultural incomes due to high input costs (seeds, fertilizers, pesticides, and irrigation) and inadequate returns from crop sales. The National Sample Survey Office (NSSO, 2019) reports that over 50% of farming households are in debt, with many borrowing from informal moneylenders at exorbitant interest rates (often exceeding 20-30% annually). This creates a vicious cycle of debt, as farmers borrow to cover farming expenses or personal needs but cannot repay due to low yields or market price crashes.

The consequences are dire: Mishra (2018) ^[10] links economic distress to farmer suicides, particularly in states like Maharashtra, Karnataka, and Andhra Pradesh. The lack of affordable institutional credit, coupled with limited financial literacy, exacerbates this issue. For instance, many farmers are unaware of or unable to access government-subsidized loans, leaving them vulnerable to exploitative lending practices.

Market Access and Price Volatility

Farmers often lack direct access to markets, relying on intermediaries like middlemen who take a significant share of profits. The Agricultural Produce Market Committee (APMC) system, intended to regulate and protect farmers, has been criticized for inefficiencies, cartelization, and restricting farmers' ability to sell directly to buyers (Singh, 2019) ^[15]. Poor rural infrastructure, such as inadequate roads and cold storage, further limits market access, especially for perishable goods like fruits and vegetables. Price volatility is another major issue. Chand (2017) ^[4] notes that fluctuating prices, driven by supply-demand imbalances and lack of price stabilization mechanisms, lead to

income uncertainty. For instance, bumper harvests often result in price crashes, leaving farmers unable to recover costs. The absence of robust futures markets or contract farming in many regions compounds this problem.

Environmental Challenges

Climate Change and Weather Variability

Climate change poses a severe threat to Indian agriculture, with 60% of farmland dependent on rain-fed irrigation. Erratic monsoons, prolonged droughts, and frequent floods disrupt crop cycles and reduce yields. The Intergovernmental Panel on Climate Change (IPCC, 2021) ^[8] estimates a 10-15% decline in productivity in rain-fed areas due to rising temperatures and changing precipitation patterns. Smallholder farmers, with limited resources to invest in adaptive measures, are particularly vulnerable.

Access to climate-resilient seeds, drought-tolerant crops, or technologies like drip irrigation remains limited, especially in remote areas (Kattumuri *et al.*, 2017) ^[10]. Extreme weather events, such as cyclones in coastal states like Odisha and Andhra Pradesh, further exacerbate losses.

Land Degradation and Water Scarcity

Unsustainable farming practices, such as overuse of chemical fertilizers and monocropping, have degraded 37% of India's agricultural land, reducing soil fertility and productivity (ICAR, 2020) ^[12]. Soil erosion and salinity are particularly acute in states like Rajasthan and Gujarat.

Water scarcity is another critical challenge. Overexploitation of groundwater for irrigation, especially in Punjab and Haryana, has depleted water tables, with some areas reporting a decline of 1-2 meters annually (Jain *et al.*, 2018) ^[9]. The reliance on water-intensive crops like rice and sugarcane in water-scarce regions worsens the crisis. Farmers lack access to efficient irrigation systems or training in water conservation techniques, leading to long-term environmental and economic consequences.

Social Challenges

Lack of Education and Awareness

Low literacy levels among farmers, particularly in rural areas, limit their ability to adopt modern farming techniques, such as precision agriculture or organic farming. Swaminathan (2016) ^[16] emphasizes that education is critical for understanding market trends, government schemes, and new technologies. Women farmers, who play a significant role in agriculture, face additional barriers due to gender disparities in access to education, land ownership, and resources (Agarwal, 2018) ^[1].

Awareness of government programs, such as subsidies for solar pumps or crop insurance, is often low due to inadequate outreach and complex application processes. This knowledge gap perpetuates reliance on traditional, less efficient practices.

Mental Health and Farmer Suicides

The psychological toll of farming challenges is immense. The National Crime Records Bureau (NCRB, 2020) ^[12] reports over 10,000 farmer suicides annually, driven by economic distress, crop failures, and social pressures like the stigma of debt. The

lack of mental health infrastructure in rural areas means farmers have little access to counseling or support systems. Basu *et al.* (2019) ^[2] highlight the need for community-based interventions to address this crisis, as social isolation and financial stress exacerbate mental health issues.

Policy-Related Challenges

Inadequate Policy Implementation

While the government has introduced schemes like PM-KISAN (providing ₹6,000 annually to farmers) and the Pradhan Mantri Fasal Bima Yojana (crop insurance), implementation gaps limit their effectiveness. Gupta *et al.* (2020) ^[7] note that bureaucratic delays, corruption, and lack of awareness prevent benefits from reaching small and marginal farmers. The Minimum Support Price (MSP) system, designed to ensure fair prices, covers only a few crops (like rice and wheat) and is often inaccessible to farmers in remote areas due to logistical issues (Sharma, 2019) ^[14].

Land Fragmentation and Ownership Issues

Land fragmentation, driven by inheritance laws dividing land among heirs, has reduced average farm sizes to 1.08 hectares (NSSO, 2019). Small plots make mechanization and economies of scale challenging, reducing productivity. Tenant farmers, who lease land, face additional hurdles, as they often lack formal land titles, excluding them from subsidies, loans, or insurance schemes (Reddy, 2018) ^[13]. Deininger *et al.* (2017) ^[5] argue that land consolidation policies could improve efficiency but face resistance due to cultural and legal complexities.

5. CONCLUSION

The challenges faced by farmers in India are deeply rooted in socio-economic, environmental, and institutional factors, making their livelihoods precarious. Small and fragmented landholdings, erratic weather patterns due to climate change, inadequate irrigation, and price volatility significantly hinder agricultural productivity. Economic distress, fueled by low incomes and high indebtedness, exacerbates the vulnerability of farmers, particularly small and marginal ones. Additionally, poor access to credit, exploitation by intermediaries, and limited market access further entrench their difficulties. Social issues such as low literacy, lack of awareness about government schemes, and mental health crises compound these challenges, with women farmers facing additional barriers. Despite government initiatives like PM-KISAN and PMFBY, implementation inefficiencies and policy gaps continue to impede real progress. Addressing these challenges requires a holistic approach with better access to credit, market reforms, climate-resilient technologies, and targeted support for small-scale farmers to ensure agricultural sustainability and improve their socio-economic well-being.

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