POVERTY AND INDEBTEDNESS AMONG MARGINAL AND SMALL FARMERS IN RURAL PUNJAB

ABSTRACT

In the present study entitled "Poverty and Indebtedness among Marginal and Small Farmers in Rural Punjab" an attempt has been made to analyse income pattern, consumption pattern, extent of poverty and nature and determinants of indebtedness among the marginal and small farmers in the rural areas of Punjab. The present study relates to the year 2007-08. As many as 650 marginal and small farm households formed the sample of the study. The sample is taken from the three districts of the Punjab States. The study reveals a positive relationship between farm-size and income levels of the farming households. Farm business income is the most significant component of household income followed by income from milk and milk products, salaries and pensions. The per capita income of small farm-size category is 1.70 times the per capita income of marginal farm-size category. The study brought out that higher the farm-size, higher is the consumption expenditure and vice-verse. The consumption expenditure of the small farm-size category is found to be 1.49 times the consumption expenditure of the marginal farm-size category. The study has also revealed that more than three-fourths of the marginal and small farmers in rural Punjab live below the poverty line. The different criteria used to measure poverty also establish an inverse relationship between the percentage of the marginal and small farmers living below the poverty live and farm-size. Slightly more than 83 per cent of sampled farm households are under debt. It is pertinent to note that the amount of loan per indebted household and per sampled household increases as farm-size goes up.
The institutional agencies are playing a more significant role in providing loans to the marginal and small farm-size households as compared to the non-institutional agencies. Among the different purposes the highest share goes to the purchase of agricultural inputs. Educating the marginal and small farmers about the subsidiary occupations, providing interest free loans or at reasonable rates of interest, creating sufficient employment opportunities, land reforms in favour of marginal and small farmers, subsidising the agricultural inputs, providing crop insurance can help in minimising some of the existing problems of the marginal and small farmers.