CHAPTER II

Agrarian Economy of Haryana:

In the colonial period, Indian agriculture lacked any kind of dynamism. The landlords and moneylender were skimming off the agricultural surplus and it was mainly being used for unproductive purposes. On the one hand there was a dismal and deteriorating economic situation and on the other there were increasing expectations of the people who had been mobilized during the freedom struggle with the promise of a better life.

At this juncture the role of state functionaries became crucial. The organized private sector was too weak to undertake large-scale investment for the development of the required infrastructure and large-scale industry. It also lacked the will to invest in areas where the gestation period was long. Even the private capital at the time appeared quite willing to let the state take the initiative at least in the initial stages of industrialization (Sen 1981: 91-92).

Developmental planning was introduced in India under these historic circumstances. The idea behind the concept of planning was that the economic processes could not be left to the whims of market forces. Change could be instrumental and economy could be developed in a desired direction. Introduced in the early fifties, planning became both a strategy for change and an ideology of the new regime. The proclaimed objectives of
planning in India are best articulated in the Second Five Year Plan document.

Under developmental planning, the government of India initiated various schemes to motivate the “peasants” to modernize agriculture. The major efforts in this direction in the initial years, after independence were community development programmes and land reforms legislations. The fate of C.D.P. was not different from what happened in other regions (Miller; 1975, Dak; 1982). The impact of land reforms legislations, however limited, has been a factor, which cannot be ignored for an understanding of agrarian change in Haryana.

Partition Impact on Haryana:

Partition of the country on communal lines led to large-scale migration from both sides of the border. The western Punjab, which went to Pakistan, had a considerable Hindu Sikh population. On the other hand, a large number of Muslims resided in Punjab and Haryana that remained in India. In the communally surcharged environment, people belonging to different religious communities prepared to migrate across the border. Except from the District of Gurgaon, most of the Muslims left Haryana and crossed the border. From the other side of the border, almost the entire Hindu Sikh population
migrated to the Indian side. A large proportion of refugee population was accommodated in the Haryana region of the erstwhile composite Punjab. This population exchange was not merely a demographic transition. Quality-wise, the land abandoned by the Hindus was more fertile and productive than the land left back by the Muslims. And their uprooting was so complete that they lost all contacts with their earlier dwellings. Compared to the suffering, their submission was remarkably little. They did not permit themselves to be overcome by feelings of frustration and resignation (Sexena 1961: 44).

Their specific backwardness, the sense of invulnerability (coupled with hardwork) and the official help they got from the Indian government, made them enterprising, ready to take risks and to do any kind of job. It helped them in attaining self-sufficiency in a very short period. Keller (1975: 82-86) found in his study that 13% of the refugees reached the level of self-sufficiency within a year, after having lost almost everything they possessed. Fifty eight percent of the sample was self-sufficient within a short period of ten years and another 20.3 percent took from five to fifteen years in attaining self-sufficiency after their uprooting. When the green-revolution technology was introduced, the most tangible results accrued in areas where the refugee population was substantial. It has been noticed that modern technology was
adopted more eagerly by the refugees and generally the use of tractors, tubewells, fertilizers and plant protection chemicals was wide-spread in areas where refugee population was numerous (IBID: VII-X).

The spate of organized struggle of the peasants during the period preceding Independence in different parts of the Haryana necessitated the passing of land-reforms legislations. These were viewed as necessary to release the productive forces. Legislations aimed at the abolition of intermediaries and absent-landlordism. Conferment of property titles and occupancy rights on the actually cultivating tenants, defacto control of land ceiling on land holdings and consolidation of holdings were passed in the early years of Independence. These legislations were basically some progressive measures like ceiling on permissible landholdings in the second phase. Such apparently progressive measures were taken within the framework of liberal democracy, without touching the basic structure of property relation or challenging the fundamental right to private property (Joshi 1976).

The entire programme of land ceiling and redistribution of surplus land turned out to be a total fiasco due to the lack of political will and the nature of power structure. There were loopholes in the legislations and only in a few States of India; the land reforms could make a visible impact on the agrarian structure (Thorner & Joshi 1976).
Haryana, till 1966, was a part of Punjab and hence had the same legislations. However, the impact of legislations was different in the Haryana region. The Punjab region experienced militant agrarian struggle prior to Independence and also in post independence period. But in the Haryana region, the peasant movement was almost nonexistent. Consequently the impact of land reform legislations was also lesser.

Out of total area of 3,82044 hectares declared surplus 2,277709 hectare came under court stays. The left out area available for allotment was only 136883 hectares. 36 percent of the total surplus area declared (Haryana Revenue Department Chandigarh 1976 P. 15). The National Commission on agriculture (1976 P. XV) observed that upto March 1973 evicting 78000 tenants in Haryana resumed about 1.44 thousand hectares of land for personal cultivation. Another 41000 tenants were evicted from 62000 hectares of land through the device of “voluntary surrender”; as many as 119000 tenants were evicted through the process of low involving 206000 hectares of land. The only successful course was land consolidation, which favored the dominant landed interests. It has been reported that in many cases the big landowners who had the power to influence the official machinery, got better quality land, while the smaller landholders had to be content with the poor quality land through consolidated plots (Gupta 1985).
Though community development programmes and land reform legislations could not bring about the changes as desired, they could effectively break the perpetual stagnation of rural economy and create environment conducive to the success of the green revolution in the State. The comutative effect was a spectacular increase in agricultural production during sixties and seventies. During the fifties, attempts were made to extend irrigational network to areas with poor irrigation facilities. During the decade 1951-61 the area irrigated in Hisar increased by 157.95 percent. In the case of Karnal and Gurgaon, it increased by 44.38 and 9.67 percent respectively. By 2000-01, the percentage of the gross irrigated area to the total cropped area was 85 for the State and in Districts of Kurukshetra and Panipat it was as high as 99.1 percent respectively. (Statistical abstract Haryana 2004 P.285)

There has also been a manifold increase in consumption of chemical fertilizers and in areas under high yielding variety seeds, consumption of chemical fertilizers went up from 13347 tonnes in 1966-67 to 637155 tonnes in 1990-91; by 2000-01 the total consumption of chemical fertilizers had gone up to 930000 tonnes. Similarly, the number of tractors in the State increased from 4803 in 1966-67 to 130246 in 1990-91 by 2000-01 the number of tractors had increased to 222401. (Statistical abstract Haryana 2003 P.274)
The proportion of the area under HYV seeds has been increasing in the State over the years. This is particularly significant in case of wheat and rice. As shown in the table, the area under high yielding varieties of wheat went up from 28.51 percent in 1968-69 to 9.1 percent in 1989-90; it slightly declined in 2000-01 by 97.6 percent. In the case of rice is a little more complex; it observed a steep rise in the area of HYV. By 1988-89 only 65.9 percent of the total rice-cultivating area, HYV seeds were being used, but declined by 7 percent in the year 1999-2000 to 57.2 percent. This however is not a reflection of any backward trend; on the contrary it reflects rational and profit maximizing tendency among the farmers of Haryana. Around the mid eighties, a traditional variety of rice, called Basmati, found an export market. Basmati rice was selling at the price more than 3 times the price of HYV rice. A large proportion of farmers, particularly from the agriculturally advanced districts like Kurukshetra, Karnal and Panipat, switched over to Basmati cultivation, which was more profitable than the HYV rice.
Table 2.1

Percentage of Area under HYV Seeds

<table>
<thead>
<tr>
<th>Year</th>
<th>% of area under rice</th>
<th>Area under HYV Maize</th>
<th>% area under HYV Bajra</th>
<th>% area under HYV Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968-69</td>
<td>5.8</td>
<td>9.09</td>
<td>5.8</td>
<td>28.5</td>
</tr>
<tr>
<td>1975-76</td>
<td>55.7</td>
<td>12.3</td>
<td>28.9</td>
<td>88.7</td>
</tr>
<tr>
<td>1981-82</td>
<td>87.4</td>
<td>35.7</td>
<td>56.9</td>
<td>92.0</td>
</tr>
<tr>
<td>1985-86</td>
<td>84.8</td>
<td>39.2</td>
<td>63.5</td>
<td>94.8</td>
</tr>
<tr>
<td>1989-90</td>
<td>67.8</td>
<td>39.0</td>
<td>66.2</td>
<td>99.1</td>
</tr>
<tr>
<td>1995-96</td>
<td>60.0</td>
<td>46.2</td>
<td>57.2</td>
<td>94.2</td>
</tr>
<tr>
<td>1999-2000</td>
<td>57.2</td>
<td>54.9</td>
<td>83.5</td>
<td>97.6</td>
</tr>
</tbody>
</table>


Development of irrigation facilities, mechanization, credit market network, increasing use of fertilizers, HYV seeds, insecticides and pesticides led to a remarkable increase in the productivity of the major crops. The cropping pattern also changed. The area under crops like wheat and rice increased many times, replacing crops like Jawar and Maize. This reflects a growing market orientation of the farmers in Haryana.
## Table 2.2

Area and Average Yield per Hectare of important crops in Haryana

(Area in 000 hectare, yield in kgs per hectares)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rice</th>
<th>Jawar</th>
<th>Bajra</th>
<th>Maize</th>
<th>Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>Y</td>
<td>A</td>
<td>Y</td>
<td>A</td>
</tr>
<tr>
<td>1966-67</td>
<td>192.0</td>
<td>1161</td>
<td>270.0</td>
<td>181.0</td>
<td>893.0</td>
</tr>
<tr>
<td>1970-71</td>
<td>269.2</td>
<td>1697</td>
<td>207.3</td>
<td>277.0</td>
<td>879.6</td>
</tr>
<tr>
<td>1975-76</td>
<td>303.5</td>
<td>2063</td>
<td>162.7</td>
<td>216.0</td>
<td>1005.6</td>
</tr>
<tr>
<td>1981-82</td>
<td>504.6</td>
<td>2475</td>
<td>118.0</td>
<td>264.0</td>
<td>851.9</td>
</tr>
<tr>
<td>1990-91</td>
<td>661.2</td>
<td>2775</td>
<td>129.4</td>
<td>497.0</td>
<td>608.6</td>
</tr>
<tr>
<td>2001-02</td>
<td>1052</td>
<td>2528</td>
<td>111.0</td>
<td>207.0</td>
<td>607.0</td>
</tr>
</tbody>
</table>

A - Area

Y - Average Yield


**Changing Agrarian relation in Haryana:**

The success of the green revolution did not mean only an increase in the quantity of agricultural produce; it also led to changes in the sphere of agrarian relations. For example the incidence of tenancy declined and its
forms increased and new forms of relations among labourers and their employers emerged.

A significant change noticed in the State was the process of marginalisation of holdings. The proportion of holding below two hectares increased from 6.22 percent in 1961 to 26.70 percent in 1971. The proportion of holdings below five acres was 45.38 percent in 1971 while 1961 their number was 16.14 percent (Bhalla 1977: A3). During the next decade of 1970-71 to 1980-81 this process continued. Table 2.3 shows that the proportion of holdings below two hectares increased from 46.30 percent in 1970-71 to 51.37 percent in 1980-81. The operated area in size of holdings less than two hectares and two to four hectare also increased during this period, while there was a corresponding decline in the proportion of holdings as well as in the operated areas in relatively bigger size landholdings of four to ten and ten to twenty hectares. However, interestingly the proportion of areas operated in the category of fifty plus hectares increased from 0.89 percent to 2.25 percent during the decade of 1971-81. This is not only an observation review but official government figures also show this process of concentration of land.
Table 2.3

Operation holdings and area in different size classes 1970-71 and 1980-81 in hectares

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>41.30</td>
<td>10.49</td>
<td>49.54</td>
<td>11.19</td>
</tr>
<tr>
<td>2-4</td>
<td>22.90</td>
<td>17.03</td>
<td>21.06</td>
<td>16.88</td>
</tr>
<tr>
<td>4-10</td>
<td>23.10</td>
<td>38-19</td>
<td>16.16</td>
<td>38.12</td>
</tr>
<tr>
<td>10-20</td>
<td>6.80</td>
<td>23.84</td>
<td>5.90</td>
<td>21.76</td>
</tr>
<tr>
<td>20-50</td>
<td>1.10</td>
<td>9.55</td>
<td>1.24</td>
<td>9.24</td>
</tr>
<tr>
<td>50+</td>
<td>0.05</td>
<td>0.89</td>
<td>0.10</td>
<td>2.61</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Hold. = Holdings, Op./a = Operated Area

Source: Agriculture census Haryana 1985-86 & 1995-96 (P. 236)

Shiella Bhalla points out that the green revolution acted as a stimulus to the sub division of joint family, households, which were accompanied by the sub division of their operational holdings. The adoption of new technology substantially raised income per acre, which removed the economic constraint previously binding the joint family system together (1977: P. A4-5).

In the colonial period there was an increase in the incidence of tenancy in the Punjab and Haryana region. This trend was reversed during the post
independence period and particularly after the green revolution tenancy declined considerably and its form changed. Productivity rose due to HYV and agricultural technology. Another factor responsible for the widespread resumption of leased-out land for self-cultivation in Haryana only, 7.97 percent of cultivated land was under tenancy in 1970-71, which declined by 2.7 percent in 1976-77 (Agriculture census 1977).

There has been a change in the form of tenancy. A new form of tenancy has emerged where the big formers leased land. The tenants who lost their land due to its resumption for self-cultivation, had no alternative except to join the ranks of labourers, green revolution instead of displacing of human labour increased the demand of agricultural labourers. At least in the initial phase the intensive cultivation and multiple cropping demanded additional labour. The tenants who shifted to agricultural labourers were not sufficient to meet the increased demand. Many landless persons who were formerly artisans, unskilled non-agricultural labourers attending to livestock, shifted from their traditional occupation to farm labour (Bhalla; S. 1977 P. A23-A30). Comparatively more lucrative wages rates in Haryana also attracted a large number of migratory labourers from Bihar and U.P. consequently. The proportion of labourers to the total working force in agriculture went up from 6.9 percent to 16.21 percent during the decade 1961-71. However, in
the next decade (1971-81) their proportion declined to 16 percent in the State. The proportion of agricultural labourers again went up to 19.38 percent in the next decade (1991). Along-with an increase in the demand for agricultural labourers production, relation between labourers and their employees also changed. Shiela Bhalla pointing out in her studies on the new production relations in Haryana agriculture found that more than half the total numbers of agricultural labourers were permanent labourers. She found the emergence of a new category of permanent labourers. The ‘Naukars’, who only a couple of decades ago were only an insignificant minority, were paid mainly in cash and they earned slightly more per year than the traditional category. The ‘sajhis’ were paid a share of crop, continued to be the dominant sub-category of the permanent labour class. A significant change in the relations between labourers and farmers was the institutionalization of a formalized contract system, where the mode, of payment, its periodicity, duration of contract and advances to be made were all entered in the landlords account books and the agreement was finalized in the presence of some witnesses, a practice of advance payment of wages was built into the system (Bhalla 1976: A25).
Changing Power Relations:

Prior to the introduction of adult franchise and the system of electing panchayats as in the post independence period, the power relation in these villages corresponded with the agrarian structure almost mechanically. The existing system was locally known as “tholledari system” (tholla mean Mohalla). The “tholledars” represent the village whenever required and within the village also they held power. A “tholledar” was not a democratically elected person. He always belonged to a land-owning dominant caste; “tholledari” must have continued in a family for generations. The landless menials had almost no place in the village power structure. Along-with “tholledari” the village “lambarders” who collected revenue from the villages and were usually big landowners also enjoyed a considerable influence within and outside the village.

The introduction of adult franchise and the “panchyati raj” did not alter the power relations in any radical manner; however it did make some difference. In the new system, power was vested in the office of the elected “surpanch and panchs”. The most significant change the new system brought about was in the political status of the landless villagers. The system of reservation of seats for them, helped in their empowerment. As one of the respondents
from scheduled caste mentioned, “The new system of electing sarpanches and panches has considerable improved our position in village politics. Now we can fight an election and we largely vote according to our choice, though some times weightage is given to what landowners wish. During elections in 2000 A.D., my daughter-in-law, “Foolpatti”, was elected as the village sarpanch, as the result of reservation.”

Due to reservation Mr. Kali Ram, a respondents from village Vth (Rewari Khera) of Region2, was elected Sarpanch. In other studied villages the sarpanch had been from amongst the landowning dominant castes. Because in IVth (Chhara) village a lower caste candidate was defeated by a dominant landowner. In the other two villages, ie, village I (Johasr) and village IIIrd (Dayalpur), the Sarpanch elected from the land-owning castes, i.e., “Rors”. The defeated candidates were also from “Rors”. Political power, which was the domain of the landowners in rural Haryana experienced major shift due to the reservation policy in the new Panchayati Raj. Now Harijans and other backward castes cast their vote without any fear, being assertive.

**Changing Agrarian Relation and Credit Structure in the State:**

The modern system of institutional credit was introduced in India by the British in 1904 with the promulgation of the Indian Cooperative Societies Act. India was the first non-western country to experiment with rural
cooperatives. In India the cooperative movement was introduced by the British to save peasantry from indebtedness to the moneylender and also because the resulting land alienation was creating discontent among the peasantry. As an alternative to the village moneylenders cum traders, the British officials who were seriously debating on the problem conceived the idea of cooperatives. In the beginning cooperatives confined their activities to providing cheap credit to the farmers till independence and the contribution of cooperative credit to the total rural credit remained marginal. In 1951-52 the rural credit survey found that the share of cooperatives was only 3.1 percent of the total borrowings of the cultivators. The cultivators and vulnerable sections largely depend on non-institutional sources of credit. The role of the commercial banks in financing agriculture has a different history like cooperative modern banking that was also introduced by the British. The share of commercial banks was particularly negligible in agricultural credit before nationalization of the major banks in 1969. After the nationalization of banks in 1969, there their was a significant change in the agriculture credit and a simultaneous break-through in agriculture came about with the success of the green revolution in some States that demonstrated the need for effective credit support to farmers in the form of short and long term loans. Several developmental programmes for the
alienation of poverty such as SFDA, DPAP, and IRDP were also launched with credit as the main component. New institutions like R.R.B., NABARD were created to facilitate increased supply of institutional credit to poor section of the rural community. Consequently the number of rural branches increased manifold and the advances to agricultural sector went up considerably. In 1969, the scheduled commercial banks had only 22 percent of their branches in the rural areas. This figure went up to 44 percent in 1977 and 59 percent in 1985. In 1992, the proportion of rural branches was 58.3 percent the proportion of advances to the agricultural sector went up from 5.4 percent of the total advances of the public sector banks to 18 percent during 1969 to 1990. The annual growth rate of agricultural advances during 1969-84 was 25.32 percent (Sharma 1986: 17).

Expansion and growth of institutional credit in rural India was particularly significant during the decade (1975-85). However, this substantial quantitative growth has deteriorated in the quality of lending (Gadgil 1992). Frequent political interventions manifested by the populist policies of waiving of loans by the various governments and the strains generated by the official programmes like IRDP on the banking institutions, have created a crisis like situation. Recovery rate of the direct agricultural advances by the public sector banks in 1990 was as low as 48.8 percent (RBI 1992: 27).
Consequently the proportion of public sector bank advances in the agricultural sector came down from 18 percent in June 1990 to 16.1 percent in June 1992 (RBI 1992: 26).

The government of India decided to critically review the system of institutional agricultural credit in India. This became particularly significant in the context of liberalization and the new economic policies. The RBI appointed a committee in 1986. The committee submitted its report in 1989. In August 1991 the RBI appointed another committee under the chairmanship of Narashiman. This committee was known as “The Committee of Financial System” and it submitted its report in November 1991. Both committees have been critical of the functioning of the institutional agencies in the rural credit market. The committees have been particularly critical of the political and administrative interference in the credit decision-making. The reports state that populism and political and administrative influence bordering on interference should have no place in the lexicon of banking and finance. But unfortunately, over the years competitive population has affected banking and credit operations. The intended socially oriented credit degenerated into irresponsible lending; loan waivers have added an additional element of politicization of banking, apart
from the grave damage to the concept of credit discipline by encouraging indebtedness.

Apart from other things, the committees have recommended modifications in the rural banking structure by a redefinition of the priority sector, withdrawal of subsidies, particularly those given to the big farmers, and the rationalization of interest rates. These recommendations, if accepted, may have important bearing on the future of institutional, agricultural credit system (Gadgil 1992).

**Agrarian Distress and change:**

Haryana agriculture has undergone some major structural changes in recent years and this has enhanced the market-induced vulnerability of a section of the rural population. Over a period of time, Haryana agriculture has been progressively acquiring the small farm character. By 1995-96, nearly 66.62 percent of the cultivated area was operated by small and marginal farmers as increase from 13.64 percent in 1985-86 (CMIE 2004). The tilt towards small farm could be observed practically in all parts of Haryana with a meagre assets base. A large part of our agriculture is unable to withstand even minor shocks.

There have been significant changes in the agricultural output of Haryana. These changes are reflected in a shift of area from food grains to non-
foodgrains and within foodgrains, from coarse cereals to finer cereals. During the last quarter century, the area under foodgrains has declined by 5.40 percent in Haryana (Vyas 2002). The decline in the area under coarse cereals is even steeper and is a ubiquitous phenomenon. The land vacated by cereals is occupied by oilseeds, cotton & sugarcane etc. By their very nature these crops are mainly for sale in the market. Whatever changes take place mainly for sale in the market, byway of in prices of these crops affect the farmers very profoundly.

A similar change—in fact a more far reaching change—has taken place in the input structure. It is mainly influenced by the spread of modern technology and the relative prices of different inputs, such as fertilizers, insecticides mechanical power and improved seeds occupy a prominent place in the input structure. The purchase of inputs claims a large share of farmer’s cash expenditure. Wherever more progressive agriculture is practised for as in G.M. cotton, the proportion of input costs and consequently the current outlay on inputs, goes up.

Another major change since the early 1990s has been the growing openness of the economy. At the domestic level, various steps have been taken to free the movement of agricultural commodities and ensure free trade. Licensing, requirements have been relaxed, movement restrictions have been lifted.
Selective credit control has been abolished and a model-marketing act is proposed to allow farmers to bypass the mandatory requirements of sale in regulatory markets. Several other measures in the direction of liberalizing the domestic markets have been proposed.

A similar trend in liberalizing external trade policies can be discerned especially from the beginning of the 1990s, with the signing of World Trade Organization agreements and import restrictions have been relaxed. These developments obviously expose Haryana Cultivators to the vagaries of not only the domestic markets but also to the price fluctuations at the international level.

These changes are taking place at a time when the rate of growth in agricultural production is decelerating. The productivity gains achieved during the 1970s and 80s could not be sustained in the last decade (Deshpande 2004). The process of deceleration in the growth of agriculture had started in early 1990s, when the agricultural growth rate came down to less than 2.4 percent from 3.8 percent per annum in the previous decade. Except from 2003-04, the downward slide has continued. The average agricultural G.D.P. growth in the first two years of the tenth plan was 1.8 percent. It is likely to be 1.5 percent in the IIIrd year. The declined trend in productivity, as signified by the yield per hectare, is more disturbing. The
deceleration in yield has been witnessed in practically all crops. In fact there was a virtual stagnation in the yield of commercial crops during the 1990s, sugarcane registering less than 1 percent growth in yield per year and cotton and tobacco witnessing negative growth (Vyas 2002). The serious drought years in the earlier part of this decade have had a part in accentuating the decline. But the factors causing distress to agriculture are more abiding. In this way, recent years have also witnessed much larger fluctuations in the output prices around a mildly declining trend. The net result has been that Indian and also Haryana’s agriculturists face lower returns and greater uncertainty. Haryana agriculture is facing many problems since last ten years such as flood, drought in southern districts, water logging in Rohtak, Jind, Sirsa, Panipat district. In this scenario, the problem of waterlogging has become major issue for our policy makers. Because, this problem has been the result of new farm equipment. The use of more and more fertilizers-insecticides pesticides has become unproductive. Salinity and alkalinity have increased and land has become barren. Water logging and salinity have degraded large chunks of fertile land. There has been a considerable decline in the size of cultivable area in the state. The four districts, which have been the worst effected by water-logging are Rohtak (22000 hectares) Sirsa (12500 hectares) Jind (11700 hectares) and Panipat (7700 hectares) which
have experienced considerable decline in the size of cultivable land holdings. The shrinkage of area under cultivation in these districts has made agriculture a losing proposition (Ahlawat SR 1997).

During this difficult period, policy intervention and institutional support to agriculture proved to be grossly inadequate. Policy failure was reflected in much larger scale on prices and subsidies than on non-price productivity augmenting factors such as research extension and investment in infrastructure. In the State and other parts of the country, all growers are not facing this similar situation and there were group of producers who benefited from state policies on pricing and subsidies. There were also some pockets where productivity growth could be sustained but some groups have suffered more than what is reflected in the average decline in prices and output.