

**IMPACT OF ORGANIC FARMING ON INDEBTEDNESS
OF FARMERS IN JHAJJAR DISTRICT OF HARYANA**

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ABSTRACT:

Need of Work: The focus of the study is on accessing the impact of organic farming on indebtedness of farmers and also to look around for finding the measures to provide relief to the farmers from the debt.

Conclusion: Kissan Credit Card (KCC) loan scheme has been procured by most of the farmers against the land mortgaged by them. Above all the ratio of loan towards the mortgaged land is been fixed by the government itself.

INTRODUCTION:

When we talk of the agrarian economy, we find that the indebtedness of farmers is the root rotting problem. Majority of farmers undergo such problems just because of the fact that in today's modern era, agriculture is not a profession of profitability. If we talk of the input equipments or accessories to the agriculture, prices are very high and the cost of crop is too less. Because of this a gap is increasing between the cost of input and revenue generation out of output. So, for fulfilling the requirements of farming operation there arises the need of seeking loan/ credit. Availing the loan facility for fulfilling the farming operations cannot be treated as a negative activity but the consequences make it negative.

If we talk of various other developed nations, government provide various kinds of schemes for the farmers so that they can avail loan easily for fulfilling the monetary requirements for their agrarian tasks and to carry on their farming business operations. Such loans can be easily repaid through the income generated by the production of the farm.

In the state of Haryana, Various sizes of farm have already been driven out of the ownership of land holdings. Following is the division of land under various categories:

- (a) 48% are under the marginal farm-size category
- (b) 19% belong to the small farm-size category
- (c) 18% are under the semi-medium farm-size category
- (d) 12% are under the medium farm-size category
- (e) 3 per cent of farmers belong to the large farm size category

In Haryana, Farming is the main occupation and around fifty percent of the state population is employed under this category for earning their livelihood. Just because of this most of the times farmers remain unable to repay the loan as their crop growth is not satisfactory for repaying all debts. And if some surplus arises then the quantity remains too small to overcome all kinds of debt earned in this business. They need credit to make ends meet in a commercial world as compared to their earnings. For fulfilling the basic day to day needs they have to borrow money from various financial or non financial institutions of credit. A higher rate of interest is been charged by such institutes which works as an extra burden of

credit on the shoulders of farmers. Such kind of circumstances makes them breathless due to high interest rates of credit on their shoulders. As a result the burden of such kind of debt keeps on increasing year after year. There are various causes of farmer indebtedness as often their expenditure exceeds their income due to the small size of the land holdings and the low price of farm production. Higher cost of marriages, religious ceremonies, anniversaries, social ceremonies helps in exacerbating the extent of debt. These causes are also looked as the backbone to the indebtedness in India. Such expenditures are not at all paying any kind of contribution to the production cycle. Subsequently, farmers become fascinated in debt due to the non-productive usage of their credit. Most medium, semi-medium and large scale farmers are trapped in debt due to the non-productive usage of credit. Other reasons for indebtedness are low profits, farmer illiteracy, reluctance to use new technology, continued use of traditional tools, natural crises and fluctuations in the market prices of agricultural products.

Statement of the problem:

“Impact of organic farming on indebtedness of farmers in Jind district of Haryana”

REVIEW OF LITERATURE:

Panneerselvam P., Hermansen J.E. and Halberg N. (2013) in their study a comparison is been made between the food security of organic small type of holding of farmers and conventional farming practices in India. With the help of crop yield, farm production, income indicators, input cost authors analysed the food security of small kind of farms. The study took place in three states of India Uttarakhand, Madhya Pradesh and Tamil Nadu. Authors collected the data of around 240 farmers on the basis of random sampling technique out of which 40 conventional farmers and 40 organic farmers were been selected from each state. Interview was conducted for collecting the data through structured questionnaire. The study stated that the organic system farm yield found to be lower in comparison to the conventional system but on the same the input cost was also found to be lower in the organic yield. The study stated that the organic yield is seeking higher prices in comparison to the conventional yield as organic yield also helps in maintaining the level of fertility if the soil and plays a major role in reducing the soil pollution. Such benefit helps the farmer in reducing the burden of indebtedness and helps in making them secured of various economic shocks. With the help of intercropping system, 32 farmers would be increased their food availability for home consumption in each of the three states. These results showed that the organic farming has huge potential to improve the food security among the small farmers in India.

RESEARCH METHODOLOGY:

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically.

Objectives of the study:

1. To find out loan procured farmers in Jhajjar district of Haryana.
2. To find out the impact of organic farming on indebtedness of farmers in Jhajjar district of Haryana.

Hypothesis of the study:

H₀₁ There is no significant impact of organic farming on indebtedness of farmers in Jind district of Haryana.

Sample selection:

In the present study, purposive sampling has been used by researcher. On the basis of secondary data, the researcher selected Jind district of Haryana state Information regarding organic farmers was collected from HAFED, APEDA and review of literature. Researcher selected 50 organic Farmer from the Jind district based on availability. In this study researcher included only those farmers who have at least three years of experience in organic farming.

Data collection:

The proposed study intends to analyze the impact of indebtedness of organic farmers in Jind district. The present study is based on primary as well as secondary data. Secondary data was collected from different government websites like HAFED, Horticulture Department, APEDA, NPOP, and National Centre for Organic Farming (NCOF), IFOAM etc. The researcher has also collected the primary data with the help of scheduled questionnaire with the help of experts.

Statistical techniques used:

Chi-square test has been used for the data analysis.

DATA ANALYSIS AND ITERPRETATION:

Table – 1
Loan Procured Farmers in Jhajjar District of Haryana

Responses	Organic farmers (N=50)	
	No. of farmers	Percentage
Yes	26	52
No	24	48
Total	50	100

Interpretation:

Table no. 1 shows the number of farmers, who obtained loan for agricultural purpose in the Jind district. There were 26 (52%) farmers procured the loan and 24 (48%) farmers were not procured the loan from anywhere.

Table – 2

Classification of the Farmers on the Basis of Total Amount of Loan Procured

Groups of loan	Organic farmers (N=50)	
	No. of farmers	Percentage
Below 5 lac	12	46
5 to 10 lac	8	31
Above 10 lac	06	13
Total	26	100

Interpretation:

Table no. 2 shows the frequency distribution of organic farmers on the basis of amount of the loan. Table shows that maximum 12 (46%) farmers among the total farmers (26) obtained the loan below 5 lakh loan amount. 08 (31%) farmers were obtained 5 to 10 lakh amount of loan and only a few 06 (13%) farmers were obtained above 10 lakh amount of loan at present.

Table – 3

Impact of Organic Farming on indebtedness of farmers in Jind district in Haryana

	Value	Df	Asymp. Sig. (2 sided)
Pearson Chi-Square	5.725 ^a	1	0.17
Continuity Correction	4.762	1	0.23
Likelihood Ratio	5.553	1	0.16
Linear by Linear Association	5.385	1	0.17
N of valid cases	50		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 31.27.

Interpretation:

Chi square test Indicates that there were a significant (chi square= 5.725, p=.017) relationship between organic farming and indebtedness of farmers. The null hypothesis is rejected and the result suggested that organic farmer’s dependence on debt was less and there was a significant impact of organic farming on indebtedness of the farmers. Because the cost of production in organic farming was very low due to cheap inputs were used as reported by farmers. So, the organic farmers need not to procure the loan for the agricultural practices.

CONCLUSION:

The organic farmer likes to procure the KCC loan because the interest rates are very low and the concession would be given to repay it timely with easy installments and the process of the loan obtained is also very simple and fast. The study concludes that organic farmers have the advantages of high prices of their products and low production cost in organic farming. According to organic farmers they are also getting the advantages of good health, increase soil fertility and safe environment. This is also necessary for good and healthy life.

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