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cularly for the rehabilitation of low-income groups (to which the sub-marginal farmers belong), it is, therefore imperative to inquire into the social disabilities of these classes and to provide for their removal. Only then we will have laid a truly secure foundation for the progress and betterment of our rural community.

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## PROBLEMS OF THE LOW INCOME OR SUB-MARGINAL FARMERS

by

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The problem of the low-income or sub-marginal farmer is to my mind the main problem of India's agriculture. On any showing, a vast majority of cultivators cultivate palpably uneconomic holdings. It is unnecessary for our present purpose to define the economic unit or the sub-marginal farmer, because whatever the criteria and their translation into quantitative terms, the broad conclusion that a substantial majority of cultivators cultivate sub-marginal units is irresistible.

It is necessary to put so much accent on this fact because inadequate appreciation of this is apt to misdirect our efforts at reconstruction of our agrarian economy. It may create a set of false—or sometimes dangerous—priorities. Nor is this a just hypothetical fear. In the past—and even the recent one—many agrarian reforms have been conceived without adequate attention to this basic fact, with the result that most of them have brought forth no substantial improvement. A case in point is that of agricultural credit. The Agricultural Finance Sub-Committee appointed by the Government of India devotes towards the very end of their report just one small chapter on what they call “insolvent peasantry”. And in this also the problem discussed is that of “special periods of distress and for permanently depressed areas or communities”. Now the insolvent farmer in India is not confined to any depressed area nor is he a probable victim of a “special period of distress”. He is ubiquitous, and pervades and dominates the entire economy. He is not a tail-end of the problem of agricultural finance; he sets the entire context to the problem. He should form a preamble and not a post-script.

The Agricultural Credit Organisation Committee appointed by the Government of Bombay went a step ahead and made a bold attempt at estimating the number of credit-worthy cultivators. This gross

under-estimate provides one more proof that the problem is not viewed in proper perspective. On page 13 of this Report, they say, "In 1942-43, there were 23,78,000 land-holders in the Province owning 2,69,50,000 acres of land. Of these 18,56,100 (owning 1,88,56,000 acres) were agriculturists, and 5,22,600 (owning 82,94,000 acres) were non-agriculturists. We can safely ignore the men in the latter category as they are not bona fide cultivators...." Apart from the defects of the aforesaid classification, it must be apparent that somebody cultivates this land belonging to the non-agriculturists and his financial needs will have to be provided for.

As a next step, the "agriculturist" land-holders (18,56,000) are divided according to the size of their holdings. From these the Committee exclude all those who own more than 25 acres (1,76,000) "as persons for whom special arrangement may not be necessary". Now a study of the rate of assessment in relation to size of holdings clearly indicates that a bigger size is often associated with inferior quality of land. It is, therefore, wrong to assume better economic status for cultivators who own better size holdings. Further the assumption of the Committee that "Their (bigger than 25 acre holder) debts may be small or none at all" is contrary to observed facts. The Committee further observe that "we should be justified in excluding a similar number from the remaining class (holders up to 25 acres) as men whose cases need not be considered at all as they are well situated and do not need finance from outside". Even from amongst those who own upto only 5 acres, the Committee consider half of them as near-creditworthy. No wonder as a result of this severe pruning process, they reduce the number of un-creditworthy agriculturist holders (ignoring cultivators of land owned by non-agriculturists) to 4,26,000. Even this axed figure constitutes 25 per cent of the total. If we adopt the criterion of unit of cultivated holding—(as distinct from that of owned-holding), 42 per cent of actual cultivators in Bombay Province cultivate less than acres of land—and all these by any token, are sub-marginal farmers. What makes the situation more serious is that the percentage of farmers in this category is continually rising.

In a field survey conducted by the Bombay School of Economics, we found that in three talukas of the Poona District 71 per cent of cultivators were cultivating land in uneconomic units—(less than 25 acres).

### **Problem of the Un-economic Farmers**

If the un-economic farmer predominates in Indian agriculture, the entire policy of agrarian reconstruction will need re-orientation. What is needed is not mere repairs but reconstruction. The State cannot con-

tent itself with oiling the wheels of the economy minimising the frictions, it will have to set the very rails on which it could run. But before any such thing is attempted, we must have a clear diagnosis of the malady.

### *Unit of Cultivation*

↓ By the very hypothesis the low-income farmers possess very small units of holdings. Unfortunately even these small units are not in a compact block. True, the number of fragments goes on increasing with the increase in the acreage of units and in the smaller acre-group the fragments are few. Even so consolidation of fragments will effect a considerable saving in costs.↓ Take a simple example of well-irrigation. A farmer with five fragments of one acre each gets a subsidy from the Government for digging wells. He will be at a loss to decide on which of the five fragments he should construct the well. I am aware of the arguments in favour of maintenance of fragments—the argument of not putting all your eggs in one basket—but looking to the waste and expense involved, the case for consolidation is unimpeachable. Cultivation of farm below a standard unit (fixed on regional basis) should be prohibited by law. This is the first step.

### *Ownership*

✓ The second point is: can such a tiny piece of land sustain the dual interest, that of the land-lord and of a tenant? Abolition of all intermediaries though it is the avowed policy of the Party in Power might take decades to accomplish. But the continuation of tenancy and landlordism on such tiny pieces of land is a ludicrous phenomenon, besides being a severe drain on the tenant.✓ There are of course cases when genuine cultivators take on lease adjacent land to increase their own small cultivated unit and lease out their own piece situated at a distance. Consolidation of fragments will, to a great extent obviate the necessity of such arrangements, but if there are a few innocuous cases provision can be made for them in law. In spite of all the tenancy laws, it is common knowledge that the landowners manage to appropriate nearly half the gross produce from the rented farm. How can a low-income farmer bear this extortionate toll from the income of his tiny farm? The State should give liberal loans to such of these farmers who are cultivating a leased holding to buy out the land-lord. Prevention of tenancy on palpably uneconomic farms must receive top priority in agrarian reforms.

### *Resources*

Lack of capital is a major handicap to efficiency of these farmers. In the survey mentioned above conducted by the Bombay School of Eco-

nomics, it was found that 72 per cent of the farmers belonging to this group (O-15) did not possess any major farm implements and 68 per cent had no bullocks of their own. Now, it is obvious that for some time the credit requirements of these farmers will be larger than can be extended with safety on the basis of their fixed assets. At present, they either do without these essentials of good husbandry or acquire them as usurious charges. For example, we are told that during the peak of the ploughing season, the hire for a pair of bullocks amounts to Rs. 12 per day. This is what makes a poor man poorer. He is outside the pale of any organised banking or credit agency. The State will have to approach this problem from an altogether new angle. The ordinary co-operative Society will not serve their purpose. The task will have to be entrusted to a multi-purpose Rehabilitation Co-operative working not on a year-to-year solvency basis but on one of long term rehabilitation. Membership of such a co-operative must be made compulsory in the interest of national economy. The policy of this Co-operative will be to provide resources according to the need of good husbandry and not the immediate solvency of the borrower. The details require to be worked up with great care, but the basic idea I hope, is clear enough. This, no doubt would almost amount to what one may call "managed" agriculture, which would attempt to avoid the bad features of both chaotic *laissez-faire* and soulless regimentation.

### *Employment*

The fear is, this rationalisation of agriculture will throw up all the concealed unemployment. Ten cultivators, each cultivating a three acre piece may give a census enumerator an illusion of gainful occupation. A co-operative farm of 30 acres will certainly not need 10 families to work it efficiently. The Bombay School of Economics Survey mentioned above revealed that for a large number of low-income group, agriculture is a subsidiary occupation. Hitherto we have always thought of some village occupation as subsidiary to agriculture. We did not often realise that for an artisan of a decaying industry, agriculture might offer a subsidiary source of income. Thus our survey in the Poona District revealed that out of the 80 low-income farmers, only 2 found full-time employment in agriculture because their's was a Bagayat land. For 54 out of them, the principal occupation was other than farming. From the point of view of these people even these tiny pieces of land are a boon, providing a much needed insurance against starvation (though one or two kept the land as a hobby), due to lack of enough employment in their own vocations. But the fact remains that, they constitute the most inefficient units in the agricultural economy.

*Occupational Readjustment*

The above analysis indicates a line of attack against this problem of too many low-income farmers. Evidently it is a case of excessive dependence on a single source of employment. The remedy, therefore, lies in enabling particularly the low-income farmers to seek non-farm employment. If the principal non-farm occupation, which to-day gives only partial employment to many persons, compelling them to take to agriculture as a subsidiary occupation, could be revived and made remunerative not only will the pressure on land diminish, it will diminish in a manner that will make the agricultural economy more efficient. There would be minimum of friction in such a process of transfer of occupation. In fact, there is no transfer at all. Instead of one person doing two jobs, both inefficiently, he will be helped to earn his entire living from the non-farm job, releasing the badly cultivated land for better use. The line of action suggested above, I submit, has the merit of probing at the root of the trouble, dealing with the case and not mere symptoms.

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 PROBLEMS OF THE LOW INCOME OR SUB-MARGINAL FARMERS

by

K. G. SIVASWAMY

*Low-income farmer is the main group in Indian agriculture*

The main problem of the low-income farmer is his income deficit. But yet he persists in holding on to his farm. The enquiry by the Madras Government in 1945 showed that the average family income for small holders owning 5 acres and less amounted to Rs. 681 or Rs. 108 per capita. According to the figures supplied by the ex-Premier of the Madras Government in his pamphlet on income parity, 51 per cent of agricultural families hold less than 2 acres, 31 per cent between 2 and 5 acres, 7 per cent between 5 and 10 acres, and 11 per cent above 10 acres. 82 per cent of the agricultural families are therefore submarginal farmers. This only means that agriculture is burdened with a large surplus population and is not a wholtime industry for millions. It hardly gives a living. The existence of the sub-marginal farmer and his family on this precarious source of livelihood eating full, and mainly grains just after the harvest, living on one meal on certain days, and on cheap substitute foods and yet surviving has been explained by Mr. H. H. Mitchell, Division of Animal Nutrition, University of Illinois, in the Journal of the American Dietetic Association (8th September 1944) that there is an energy called