

**REPORT ON EVALUATION STUDY OF SMALL
FARMERS, MARGINAL FARMERS & AGRICULTURAL
LABOURERS PROJECTS - (1974-75) - 1979**

1. **The Study**

The efforts made during the early plan period to step up agricultural production had generally benefited the progressive big farmers. This had an adverse effect on small and marginal farmers and further widened the disparities between those who had the resources to make use of the programmes and those who did not have them. The All-India Rural Credit Review Committee and a number of studies taken up at the instance of the Planning Commission focused squarely on the problem. In the light of the above studies and recommendations of the All India Rural Credit Review Committee, two Central Sector Schemes were included in the Fourth Plan - one for potentially viable small farmers and the other for marginal farmers and agricultural labourers. These Programmes provided for setting up of pilot projects called 'Small Farmers Development Agencies' (SFDAs) and Marginal Farmers and Agricultural Labourers Agencies (MFALs), in certain selected districts throughout the country. These schemes were formulated with the specific objectives of ameliorating the economic conditions of the concerned sections and bringing them to the mainstream of development. The SFDAs and MFALs were entrusted with such multifarious responsibilities as identifying the eligible farmers and agricultural labourers and their problems, devising economic programmes for gainful employment for them, augmenting the income of small farmers through other activities such as dairying and poultry farming etc., promoting rural industries, evolving adequate institutional, financial and administrative arrangements for implementing various programmes and creating common facilities for production processing, storage, transportation and marketing etc.

SFDA/MFAL Projects were sanctioned in 1970-71, but most of them started functioning only in 1971-72. At the behest of the Ministry of Agriculture, the Programme Evaluation Organisation (PEO) took up an evaluation study of these schemes in 1974.

2. Objectives

- i) To study the nature and contents of the programmes for small farmers, marginal farmers and agricultural labourers;
- ii) To study the organisational and operational aspects of the implementation of the Programmes; and
- iii) To assess the impact of these programmes on small farmers, marginal farmers and agricultural labourers with respect to increase in their incomes and the availability of more employment opportunities.

3. Sample Size/Criteria for Selection of Sample

The sampling design adopted for the study was a multi-stage one with projects as the first stage of sampling and village and beneficiaries/non-beneficiaries as the second and ultimate stages respectively. The study covered 17 out of 22 states in the country. Selection of projects was made from among those which had completed at least two years of existence. The projects which satisfied this criterion were divided into three categories (i.e. good, average and below average) on the basis of their overall performance. In all, 21 SFDA projects and 13 MFAL projects were selected for the study. Those villages which had benefited of either of these schemes were stratified according to the number of schemes operating therein. A total of 8 villages were selected from each project area. In the next stage, a sample of 12 beneficiary households was selected at random from each selected village. It was also decided to cover 12 non-beneficiaries i.e three households from each of the 1st, 3rd, 5th and 7th selected villages and 4 primary co-operatives in each project area. The shortfall in the size of the selected sample of 34 projects, 296 villages, 2,597 beneficiaries, 395 non-beneficiaries and 129 primary co-operative societies when compared with the envisaged sample size of 34 projects, 304 villages, 3648 beneficiaries, 408 non-beneficiaries and 136 primary co-operative societies was due to the non-availability of required number of different sampling units.

4. Reference Period

The study was conducted in 1974-75. The results contained in the Report referred to the period 1970-71 to 1974-75.

5. Main Findings

1. The size of the projects, in terms of both area and population, showed considerable variations which resulted in inequitable allocation of resources for the benefit of target groups in different areas. The total population of the target groups ranged from 0.41 lakh to 1.31 lakhs among SFDAs and from 0.33 lakh to 3.70 lakhs among MFALs. The total geographical area of projects ranged from 740 sq.kms to 17,400 sq.kms. This impeded efficient execution of the schemes.

2. The progress of identification of target groups was very slow. It was especially so in the case of agricultural labourers. In nearly one-fifth of the MFALs, not more than 5% of total agricultural labourers was identified. This situation was, generally, due to the lack of a clear picture of the task to be completed, apathy of the project staff, etc.

3. Imprecise definition of target groups and lack of proper instructions from above resulted in varying norms of identification and the inclusion of those not intended to be covered by the Schemes. The definition of family unit as "those normally living together as a household" was ambiguous. The definition of agricultural labourers as "cultivators without any land holding, but having a homestead and deriving more than 50% of their wage income from agriculture" excluded the non-cultivating agricultural labourers from the purview of schemes which was apparently not the intention.

4. There were many blemishes with the administrative set-up of the SFDAs and MFALs. Many governing bodies of these agencies did not play the role envisaged. Although considerable stress was laid on posting of efficient staff to these agencies and ensuring their continuity during the project period, it was reported that key staff members like Project Officers were frequently changed. Assistant Project Officers were often appointed belatedly and were frequently transferred. In nearly 71% of the project areas no action was taken to strengthen the extension staff.

5. The co-ordination, supervision and monitoring of the programme was considerably crippled by the inaction of the Co-ordination and Review Committees at the State level. This was caused mainly due to their large composition. State level cells which were often

under part-time officers, failed to perform their functions of co-ordination and supervision of the activities of various departments. There was no forum for project officials to ventilate their difficulties and to find out possible solutions.

6. Co-operative infrastructure was very weak in most of the project areas. In nearly 57% of SFDAs and 38% of MFALs, more than half of the identified persons were brought within the co-operative fold. However, this could hardly be ascribed to the efforts of the Agencies. The assistance extended by the Agencies to co-operatives for generating credit produced good results only in one-third of the Project areas. Heavy overdues and procedural difficulties in grant of loans impeded co-operative lending. Despite this, the co-operative loans to the concerned sections doubled since 1971-72. The share of commercial banks went up from 3% to 10% during the period. Their activities were significant only in 28% of the project areas. Lead Banks performed significant role only in 9 of the project areas covered.

7. Of the total loans advanced during 1970-74, 58% were short-term, 19% medium-term and 23% long-term. Whereas the medium-term loans increased by more than 27 times, the short-term loans went up by 9 times and the long-term loans only by 4 times. The slow growth of long-term loans was disconcerting. The performance of credit institutions was better in the case of SFDAs when compared to that in respect of MFALs. Agricultural labourers were completely neglected in the matter of credit, their share in total loans advanced till 1973-74 being only about 1%.

8. The target realization in respect of the programme for the supply of inputs ranged from 75% in the case of 42% of the SFDAs, to negligibly low in 28% of the SFDAs. Although 95% of the credit requirements for inputs was met by the co-operatives, the presence of private sources was also felt in some cases. Cases of misutilization of input loans were largely detected.

9. Nearly 62% of the projects covered had formulated programmes for promotion of horticulture activities. However, their progress was impeded by the reluctance of farmers to put their small land under fruit trees, the apathy of the officers of the horticulture department, delay in grant of loans and inadequate follow-up.

10. Programmes pertaining to minor irrigation induced the farmers for taking more than one crop and for adopting high yielding varieties. These programmes could not make much headway in those areas where the Project or Block level staff were insufficient. The low participation rate in these programmes could be attributed to such factors as absence of ground water surveys, difficulties in getting construction material, delays in clearance from Ground-water Department, fragmented and scattered holdings, etc. The fruits of the schemes were better enjoyed by the beneficiaries of the SFDAs than by their counterparts in the MFALs.

11. Rural Works Programmes were taken up by all the MFALs and 6 SFDAs. However, their spread in terms of persons benefited varied considerably. The average number of days of employment of participants in the programme was 10 per year in the MFALs and 18 in the SFDAs. Data collected from sampled households revealed that the maximum employment was generated from road works. However, earnings per household was the highest (Rs.344) from employment in sinking of wells. The employment generated might have spilled over to untargeted groups due to the fact that proper care was not exercised to ensure that only identified agricultural labourers and marginal farmers were to be employed in rural works programme.

12. Despite the overwhelming success in achieving the targets in laying demonstrations, they failed to yield good results because they were conducted in a routine manner without the badly required extension support and follow-up.

13. The MFALs and SFDAs initiated many other programmes. They included programmes relating to the supply of milch cattle, poultry, subsidiary occupations, sheep rearing, poultry and goat rearing. However, the failure of the agencies to observe the guidelines issued by the Central Government with regard to subsidiary occupations and the absence of adequate veterinary arrangements in case of goat rearing were the factors responsible for not achieving their end.

14. The awareness of the target groups about the project programmes was very limited due to the lack of publicity.

6. **Major Suggestions**

1. Utmost care must be exercised in fixing the size both in terms of population and project areas.

2. Definitions must be made unambiguous. A family unit may be defined as "persons related by blood or marriage who normally live together in the same dwelling place and take food from a common kitchen". Agricultural labourers may be defined as "those persons who do not own any land but have a homestead and derive major part of their income from wage-paid employment in agricultural operations."

3. Extension Services should be strengthened in all project areas.

4. To improve the co-ordination function, a Functional Sub-Committee to the Co-ordination Committee may be appointed to keep a constant watch on the progress of projects. The State Level Cells also need to be rejuvenated by appointing a full-time Senior Officer with adequate supporting staff. Annual Seminars of Project Officers may be arranged at the All-India level.

5. Co-operative movement must be revitalized to ensure adequate and timely flow of credit.