

A STUDY ON RURAL INDEBTEDNESS AMONG INDIAN FARMERS

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ABSTRACT

The paper examines the credit flows and rural indebtedness among the Indian farmers which has to be taken after the implementation of economic reforms.

Farmers in India and Telangana borrow year after year but they are not a position to clear off the loans as their incomes are not sufficient and sometimes uncertain. Non-institutional agencies charge high rates of interest. Interest and principal go on increasing. The debt of the farmers goes on increasing year after year and this situation is called Rural Indebtedness. Rural Indebtedness depends on various factors which influence and reinforce others. Consequently, farmers remain in debt trap. The famous saying “Indian farmer is born in debt lives in debt and dies in debt” is true in letter and spirit. The main reason of the indebtedness of the farmers is their poverty. Their incomes are low and asset values are low. Past savings of the households are meager. Constant crop failures force them to borrow. Sometimes they taken loan to develop and purchase cattle and agricultural implements. This research study “Credit flows and Rural indebtedness” analyses the chronic melody that has been effecting the very vitals of the rural community, especially, the farming community. The weaker sections SC, ST and BC farmers suffer more as their land holdings are marginal and small. Non-farm employment opportunities and income generation activities are meager in the rural setup. In this context the present research study attempts to explore the daunting problems of rural indebtedness from close corners in its depth by taking two adjoining districts i.e., Khammam and Warangal of the Telangana State. Both the districts are included in the 31 districts identified for the Prime Ministers package of Rs. 100 crores. The study concentrates only on the weaker sections and analyses the inter-district and intra-district facets of the problem of the indebtedness. Khamman and Warangal districts of Telangana Region have been taken for the study. 6 mandals, 3 from each district and 2 villages from each mandal comprising 300 respondents are analysed.

KEYWORDS: *Indian Agriculture, Rural Indebtedness among Indian Farmers, Findings*

Article History

Received: 24 Dec 2019 | Revised: 06 Jan 2020 | Accepted: 21 Jan 2020
