



IGS – CUTS International Collaborative Program

A Study on Access to Key Inputs and Services of Farmers in Bihar: Issues and Concerns

Introduction:

Blessed with adequate rainfall and fertile soil, the state of Bihar is rich in agricultural production. It is the third largest producer of vegetables and fourth largest producer of fruits in the country¹. However, the state still lags behind in achieving its full production potential mainly due to small size of farmland holdings and poor access to inputs and services. Frequent calamities in the form of flood and drought have worsened the situation. Lack of investment in this sector is another reason which has hindered the development of markets and food processing units.

Keeping this view, a study was conducted by IGS in lower and upper basin of Ganges to understand the key issues and problems faced by farmers in increasing their agricultural production. The key objectives of the study are:

- ✓ To assess the role played by various state and district level extension functionaries
- ✓ To assess agricultural commodity market infrastructure and systems
- ✓ To understand the scenario of credit services

This report captures the issues and concerns of the farmers in relation to access to services and market and the efficiency of state and district level government bodies in addressing them.

Methodology:

The study was conducted in 11 districts of Bihar located in the upper and lower end of river Ganges. The stakeholders surveyed included farmers, farm input providers, government officials, post-harvest handlers, financial institutions, research institutions rural hats, wholesale markets, cold store and warehouse operators, traders, wholesalers, aggregators, food

¹ <http://krishimis.in/WebPortal/AboutUs.aspx>

processors, retailers, and other stakeholders. A structured questionnaire, interview and FGD were the methodology used to conduct this study.

Issues and concerns:

I. Poor implementations of Government scheme; serious lapse in extension services

Some good examples of extension services and work in some of the villages have been observed and farmers have also been benefited out of the schemes and programme being carried out by Govt department (for example – nursery in poly house, organic farming etc.). But the reach of these schemes and programme is very limited if one looks at the number of villages and farmers/beneficiaries covered. As per farmers, there is need to maximize the reach of these programme/schemes through different activities such as awareness /trainings /exposures and involving more farmers and covering more villages through proper and continuous participation of extension workers at village/GP/block level. Having small land holdings and low socio-economic profile, the farmers do not have access to the Govt. schemes and extension services.

The interviews with farmers revealed that extension officers did not visit field regularly. Though some training activities were organized under different schemes they are not creating any impact because single farmer from each village is selected for the same. Very often he doesn't have the capacity to train other farmers in his village. The trainings are usually organized at in training centers which is far away from the village. Villagers demanded trainings are to be organized at village level benefiting many farmers in the village. Farmers have received only one training in three years on Mango farming.

Lack of knowledge has resulted in excessive use of fertilizers and pesticides. In the vegetable growing belt of Nalanda, farmers demanded training on vegetable production technologies. Crop loss due to weather aberrations has also become common. Crops are generally attacked by Blue Bulls in this locality. Government/Forest Department has not taken any steps for protecting the crop from Blue Bulls. However, as per the Government officials training is being conducted on regular basis, but no authentic documents are available to support this. Also, they are not willing to accept the accusations from villagers for not implementing schemes and trainings.

II. Rising input costs; increasing cost of cultivation

Cost of cultivation has been increasing owing to high cost of seeds, fertilizers , pesticides and irrigation. It's even observed that incase of potato , wheat and some other crops, the cost of production is higher than the selling prices.

Electricity by and large is available in most of the villages, but for the household use only. The supply is also not sufficient to meet the agriculture need and at the same time agriculture field need to be electrified for the irrigation purpose. In past the supply of electricity was also unreliable. Therefore farmers use diesel pumps for irrigation purpose which costs high. For crops like Paddy and vegetables irrigation is very much inevitable. On an average five to six irrigations are required per crop. In this system diesel consumption is exorbitantly high.

Shortage of labor at the time of sowing and harvesting is another problem being faced in South Bihar. The daily wages of labor are also high, which also has contributed to the hike in cost of production. Excess supply in the market or market glut is also a reason for the farmer to be on the back foot to realize proper price of their produce.

III. Poor market infrastructure, market information and market access

In general farmers do not have the knowledge of the market price neither they are interested to know that; therefore commodities are sold at the farm gate to the traders/middlemen. Due to lack of infrastructure in Mandis/haats and the distance factor, it's difficult to know the current price prevalent in the market; hence farmers are compelled to sell to traders. Poor transportation facility and higher transportation charges also lead farmers in depending on traders. Fruits are generally measured and sold without weighing. The price offered by the traders has to be accepted by the farmers else they refuse to take goods. Traders generally do not pay good price as they have to bear transportation charges.

Rural haats are generally run by people of 10-12 adjacent villages. Most of the rural haats have found beneficial to farmers or villagers. But these haats do not receive any support from the government and don't have minimum facilities like shed, tube wells, platforms etc. Most of them are set up in village school ground and that too by collecting fees of about Rs. 3 to 5/- per haat per sellers. The haat committees have approached Government authorities several times for the minimum facilities in the haat, but no positive response was received from the government. Regarding the cold storage facilities, cold storages are built only for Potato, and not for other crops like vegetables, fruits, and onion etc. A no. of cold storages with huge capacity was established availing the government subsidy but only for potato. Hence many of them are running in losses. Because of market glut and low prices many farmers have not lifted the potato stored in the cold storages.

IV. Poor access to credit/bank

It was observed that almost all farmers required a working capital for cultivation. Farmers who is having more than 2 acres of land and taken another 2 acres of land in lease, obtain KCC loan up to Rs. 100,000/-. This amount is not sufficient for a farmer who is engaged in multiple crop

cultivation. But most of the farmers are availing KCC loan up to 50000. Other than KCC there is no financial support for farmers. Crop Insurance which is provided through KCC is critical. Most of the farmers failed to avail the benefits of crop insurance because they were defaulters of agricultural loan and lost their premium. Most of the farmers are not aware of the premium amount, insurance schemes. There is lack of awareness among the farmers regarding crop insurance. As per farmers, Bank officials often ask for bribes for sanctioning loan.

Conclusion:

In general farmers are not satisfied with the functioning of govt. departments and financial institutions. There is a growing aggression against govt. functionaries and are politically motivated due to nonperformance of the government in providing services. Farmer groups and farmer clubs are mostly defunct are not working towards the rights of farmers. They depend on traders/ commission agents for inputs and blindly follow whatever is recommended by them.

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