

# A STUDY ON FINANCIAL CRISIS IN AGRICULTURE BUSINESS IN INDIA

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**Abstract:** In Indian agriculture system was facing financial crisis mainly lack of resources problems lack of awareness to people about technology related I was observed that so many people are facing financial problems in agriculture due to poor financial background to families, lack of poor marketing resources, people are no awareness about crop insurance, some are migrating to urban places to get some employment with this resonates total agriculture production was decreasing in coming years even we did not feed to lives and quality of food is decreasing present days due to by using harmful chemicals to crops than our health also will collapse I was tried help to people (farmers) who are facing this kind of problems, I was discovered some points to help them awareness to poor needy people like applying technology in agriculture to using Traditional fertilizers to crops, increasing irrigation projects increasing money rotation basis things I was observed in the this project

**Keywords:** Irrigation projects, Agriculture technology.

## Introduction:

Agriculture is the science and art of growing plants and living stocks. Agriculture was the main development in the rise of human germ culture, where agriculture is used to produce food grain and transfer surplus people to urban areas. The history of agriculture began thousands of years ago. After collecting wild grain years ago, aspiring farmers began planting them many years ago. Pig's sheep and cats were domesticated many years ago. The plants were grown independently in at least 11 regions of the world; we still depend on agriculture to feed ourselves, Indiana pig culture early cultivation of plants, livestock and plants Wheat, barley and jujube have been domesticated on the Indian subcontinent the domestication of sheep and goats soon followed.

## Scope of the study:

Today, farmers face financial problems in the agricultural sector Because of some reasons as people were unaware of the lack of money Technology, lack of formal techniques for a better way to succeed in agriculture On the basis of this point, young people migrate to urban places to find some employment. Thus, the end of the day quality of production in agriculture will decrease, I would therefore like to use this project to explain what kind of precautions are being taken financial crisis in agriculture

## Objectives of the Study

- Investigation of the causes of the financial crisis in agriculture in India
- Investigation of the impact of farmers diversifying agriculture
- Understanding farmers' strategies to overcome the crisis

## Research Methodology:

In order to understand how the financial crisis in agriculture and I would like to make it clear how the previous financial crisis in agriculture overcomes and overcomes the foundations of data analysis, that farmers who are faced with the problems are also proposing solutions.

## Primary data:

Direct interaction with local exes and recorded experiences of the past (interview)

The primary data consists of the question stator; answers are given different types of groups

## Secondary data:

It consistsof data adopted by books, magazines, central and state government portals for the historical data of central government and state, article project resources.

## Review of literature:

**Justin Yifu Lin, William J Martin**

The financial crisis has occurred in developed countries, but has hit developing countries with higher interest rates, sharp changes in commodity prices, and reductions in investment, trade, migration, and remittances. Some also see the recent food price crisis as a very related phenomenon. In most low-income countries, shocks that affect food prices or wages for unskilled workers seem to have the greatest impact on poverty. Measures to address the crisis should include measures to address the problems of the financial sector; the resulting decline in aggregate demand and the particular weaknesses of poor people.

**The Frank Vanclay crisis** is also reflected in the declining political support for agriculture. The urban population has never really supported agriculture anyway. The reduction in state aid to agriculture, in line with economic rationalist policies in other sectors, has led to the reduction of the protection of Australian agricultural products, the abolition of subsidies, the reduction of public funds for agricultural research and expansion services and the abolition of monopoly marketing boards and guaranteed minimum price arrangements (ex. There is a lot of turbulence in the agricultural sector, which has led to great uncertainty and structural adjustments in Australian agriculture.

**Suryawansi (1978):** Many studies are carried out on the financing of agriculture in the country. In previous studies, the scholars have tried to uncover some kind of previously undisclosed aspects of the subject. Therefore, in this chapter, a deep debt was made to his predecessors in this sector in order to provide a summary of the various aspects and problems with this study by reviewing the existing literature. One of the leading studies selected for review is explained below: Suryawansi (1978) in his paper Credit Requirement's Availability and its gaps observed that large farmers received a much larger share of the loan carried over by various financial farms and thus the share of cooperatives was the largest. It was also noted that private lenders still played a crucial role in providing loans to rural areas, and therefore the proportion of loans from this source was higher, especially for small farmers.

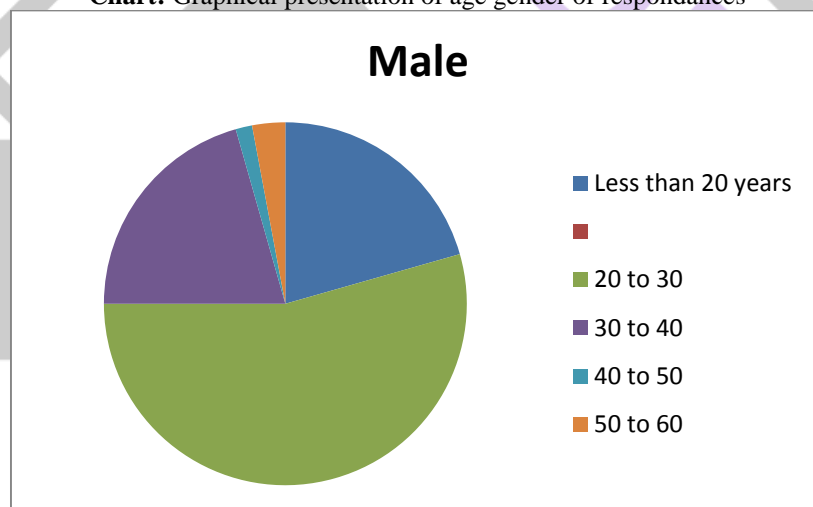
## Analysis and interpretation of the data

### 1. Reactions according to gender and age

Tab 1: Demographic details of respondents

Age	Male	Female	Total	Percentage
Less than 20 years	14	5	19	19.38%
20 to 30	37	12	49	49.98%
30 to 40	14	5	19	19%
40 to 50	1	0	1	12%
50 to 60	2	1	2	2%
Total	66	23	102	100%

Chart: Graphical presentation of age gender of respondents



### Interpretation:

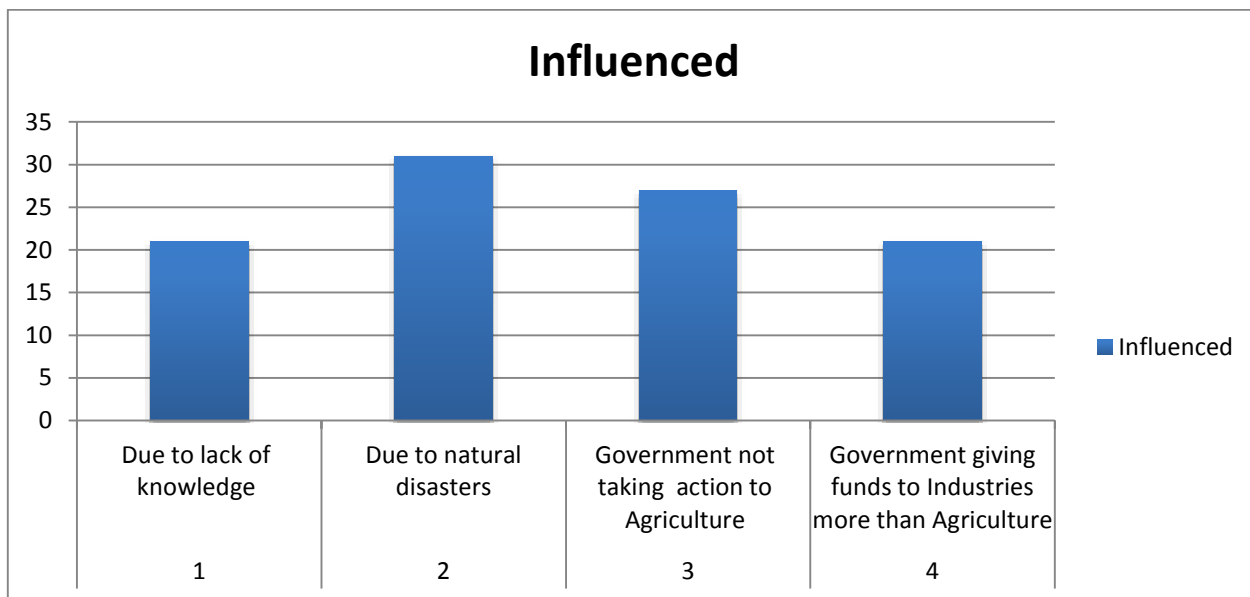
From the above data, it is observed that 49.98 % of the respondents are belonging to the age category of 20-30. So according to the data the majority of the respondents fall under this category

### 2. What are the reasons behind to facing financial crisis in Indian Agriculture?

Table 3:

Sl no:	Reason	Affected	Percentage
1	Lack of knowledge	22	22.96%
2	Due to Natural disasters	32	32.60%
3	The government does not taking any precautions	27	27%
4	Government providing more resources to industries than the Agriculture	21	21%
	Total	102	100%

Chart: Graphical presentation about India is a financial crisis in agriculture



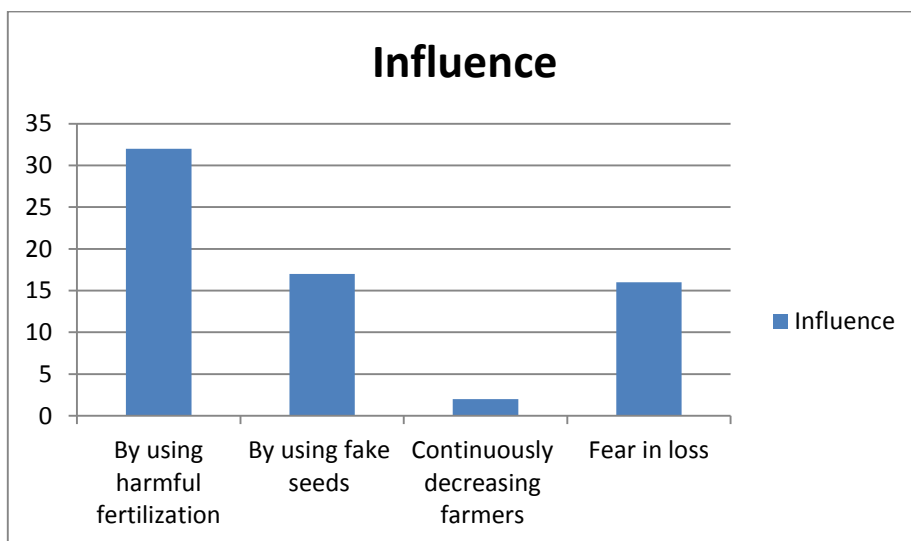
**Interpretation:**

The above given data most of the reason seasonal variation with 32.60% was responded. Second preference was given with 27% “lack of knowledge the government does not taking precautions response 22.96% Government gives more resources to Industries than Agriculture 21%.

**3. Why Indian Agriculture production was declining from day to day Table:**

Sl no	Reasons	Influence	Percentage
1	By using harmful fertilization	33	33.98%
2	By using fake seeds	18	18.38%
3	Constantly declining farmers	2	2%
4	Fear in loss	16	16%
	Total	102	100%

**Chart:** Graphical presentation of why Agriculture production was declining in day by day.



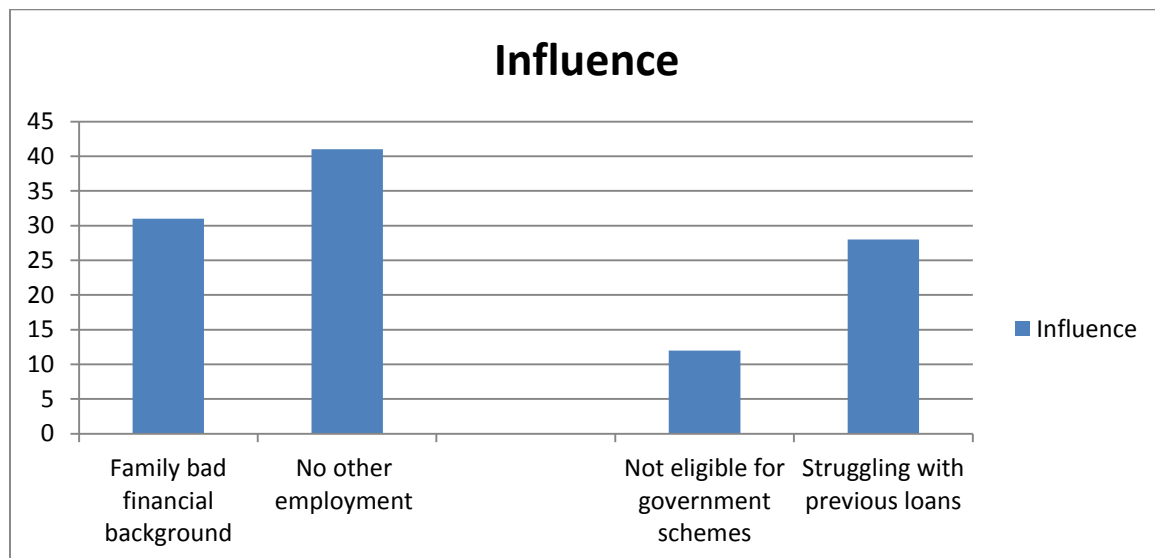
**Interpretation:**

- 33 candidates respondances have faced losses by using of harmful fertilization,
- 18 % of respondents of the farmer’s production growth have been decreased by using fake seeds.
- 16 respondents have felt there will be felt that there will be low returns in the Agricultural field.

#### 4. Why farmers are having a financial crisis in Agriculture Table:

Sl no	Reason	Influence	Percentage
1	Poor financial background	32	32.98
2	No Employments	42	42.98
3	Lack of low awareness in government schemes/programs	12	12
4	Struggling with previous loans	28	28
	Total	102	100

**Chart:** Graphical presentation of why farmers are having a financial crisis in Agriculture



#### Interpretation:

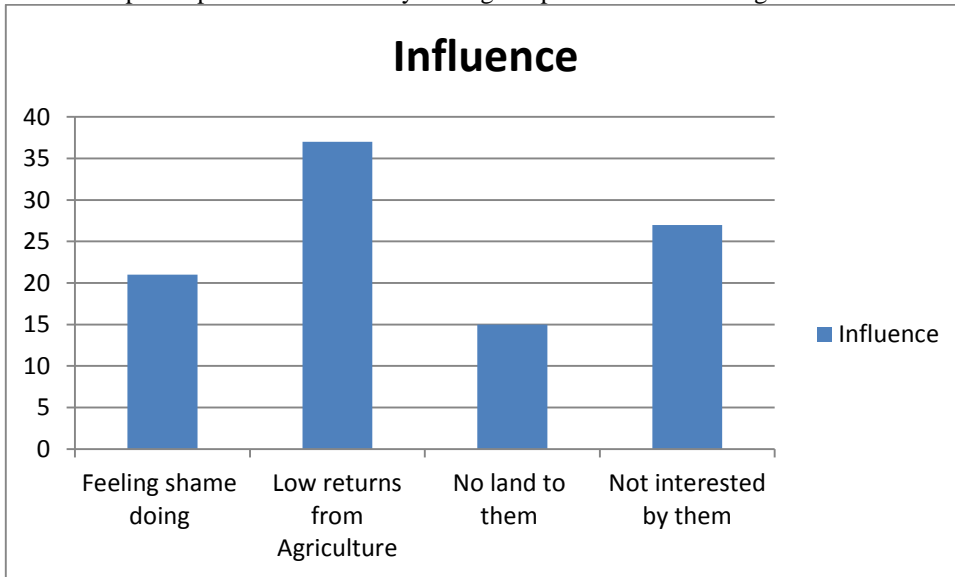
- 102 respondents, 30 members had a low-family financial background
- 29 Respondents do not receive any other
- 28 respondents who are struggling with previous loans are selected
- 12 respondents are not eligible for government programs

#### 5. What are the reasons behind youngsters not interested in Agriculture?

##### Table

Sl no	Reason	Influence	Percentage
1	Youngsters didn't like the Agriculture	21	21
2	Low agricultural yields	38	37
3	No Agriculture land	15	15
4	Not interested by them	28	27
	Total	102	100

**Chart:** Graphical presentation of Why Young People Not Interest In agriculture



**Interpretation**

- In 102 respondents, 37 members receive a low returns in Agriculture
- 27 respondents are not interested Agriculture
- 15 respondents they don't have any Agriculture lands

**6. Why youngsters are migrating rural to urban places**

**Table:**

Sl no	Reason	Influence	Percentage
1	For education	18	18
2	high wages/wages	31	30
3	For getting reputed employment	27	26
4	For want to lead a luxury life	26	26
	Total	102	100

**Chart:** Graphical presentation of why people are migrating rural to urban places



**Interpretation**

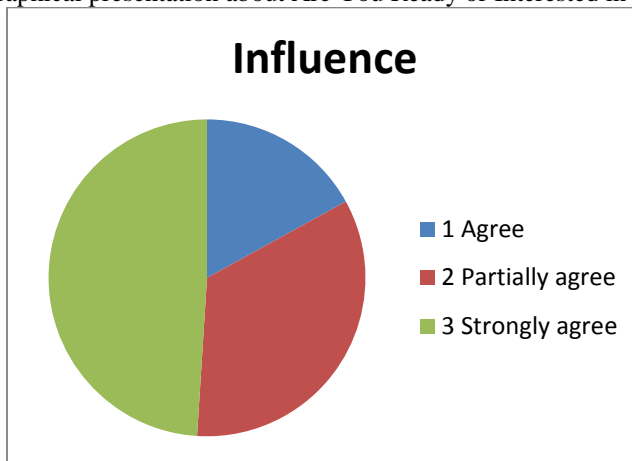
- Of the 100 respondents in which 31% of respondents are given that farmers are migrating to urban because of high wages of high salaries
- 26 respondents are in favour of the luxury life course
- 26 respondents are For want to lead a luxury life
- 18 respondents are in favour of higher education

**7. Are you now ready or interested in agriculture?**

**Table:**

Sl no	Reason	Influence	Percentage
1	Agree	17	17
2	Partial agreement	35	35.70
3	Strongly agreed	50	51
Total		102	100

**Chart:** Graphical presentation about Are You Ready or Interested in Agriculture



**Interpretation**

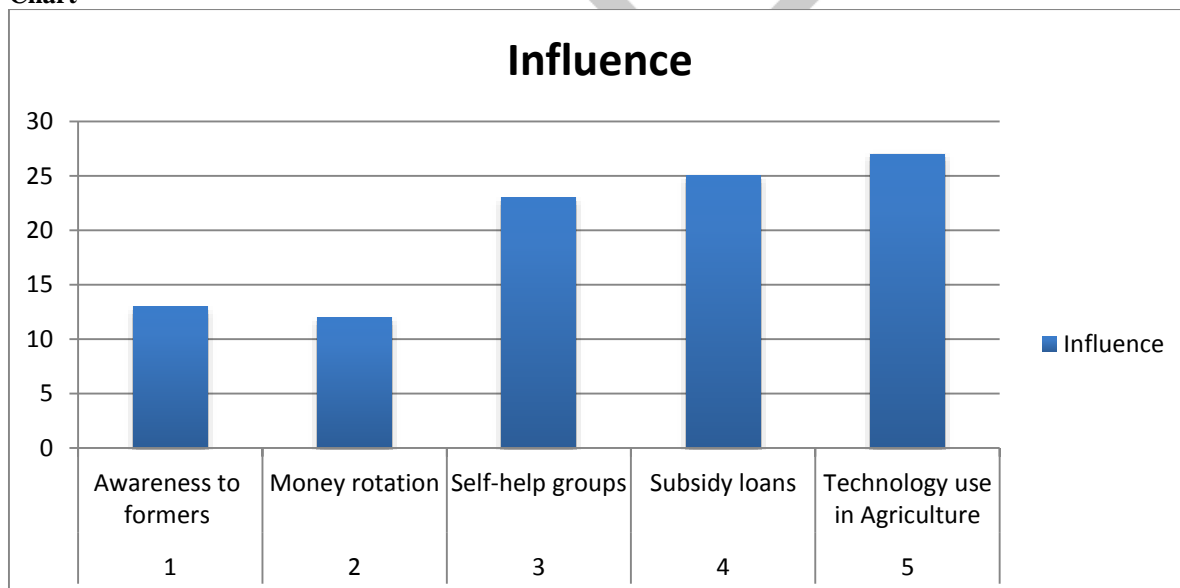
In the given data 51% of the people are saying strongly agreed about the topic, 35.70% of the people are partially agreed and 17% of the people are saying agreed

**8. Solutions to farmers for Financial Crisis**

**Table**

Sl no	Reason	Influence	Percentage
1	Awareness of the loans and schemes	13	13
2	Proper Money rotation	12	12
3	Self-help groups	23	23
4	Grant funds	26	26.60
5	Technology use in agriculture	28	28.80
	Total	102	100%

**Chart**



**Interpretation**

In the above given data all the respondents are reacted with minor differences  
Majorly 28 people are saying use of technology in agriculture is better way to success  
Second most topics was grant funds giving grants to state governments it's more helpful  
And self-help groups formation also profit

**Objectives:****Reasons for facing financial crisis**

- Agricultural policy to promote greenhouse crops instead of food or tradable, water-intensive foods instead of rain-like foods
- The food security of farmers is ensured by the purchase of food for themselves through income from the sale of their agricultural products on the market;
- Agricultural policy to promote greenhouse crops instead of food or tradable, water-intensive foods instead of rain-fed foods
- Neglect of water safety in rural areas by neglecting Local watershed management
- Soil erosion because of deforestation
- Loss of soil fertility due to continued use of fertilisers and pesticides;
- Lack of micro credit for farmers
- Industrial based technologies with high input costs in agriculture, including high-yielding water-producing seeds instead of sustainable biological methods, and
- Restrictions on cooperation between caste farmers
- People moving to urban centres need jobs (employment), which leads the government to create more jobs through further industrialization.

**Investigation of the Impact of Farmers Diversifying Agriculture**

Most of the farmers are migrating rural to another place because of loss in agriculture  
And not profitable sector

**Major Reasons Financial Crisis in Indian Agriculture**

- 1) **Inferior Seeds:** Some vendors are knowingly selling the fake (low quality) seeds to farmers than the people plant the seeds so the production will be decrease
- 2) **Small-scale construction:** people are cultivating the land in small scale of land so than the output of the production also will be low this kind of the problem was facing many people to get low production due to Small-scale construction
- 3) **Harmful fertilization and biocides:** many of the people are using harmful fertilizers pesticides, in the past years people are used just traditional fertilizers and keep it healthy crops if they used the harmful fertilizers than the production will be get poison
- 4) **Soil erosion:** we had so many varieties of lands we have in our country some are used it for Agriculture some are will not use for Agriculture some lands even not comfortable for production so that the reasons all kinds of the land are comfortable for Agriculture
- 5) **Low agricultural marketing:** farmers are they did not have the comfortable markets to sell their products with reasonable prices so it will help to get profits
- 6) **Capital shortage:** capital shortage means that low financial support many of the people borrow loans from local vendors with high range interest rates if they not repayment that loan than people will lose their lands also so it's difficult to manage the loans.
- 7) **Lack of mechanization:** most of the farmers are only use Traditional cultivation of the land so that it would take the time duration process so finally the crop duration also will increase the production time also be increase.
- 8) **Insufficient storage facilities:** some more reason is low space to manage the things and store the production different kind of places so farmer are sell the products in same day They did not get
- 9) **Low transport:** many of the farmers are suffering with low transportation also transportation cost also will be high than so the transportation cost raise In basis of this reason farmers are sell their products in the same day of harvest this also a reason to get financial crisis in Agriculture

**Understanding farmers' strategies to overcome from crisis****Precautions to avoid the financial crisis in agriculture:**

- Develop methods to manage price and production risks. In addition to insurance and immediate relief from crop losses, the government can "pay the price" if prices fall. Under such a system, farmers receive the difference between the market price and a predetermined price, which acts as a form of price insurance.
- Connect the laboratory with the field: Agriculture cannot grow without the help of modern scientific research.
- Pay attention to the effectiveness of the use of resources in water and fertilizers.
- Restructuring of the trade framework to allow the free movement of agricultural products. Follow the example of a very perishable raw material such as milk travelling the country.
- Creating alternative jobs for farmers when it is difficult to live on small areas.
- The government should pump funds into rural India to trigger demand.
- Increase irrigation investments in rainy areas as monsoon uncertainties persist.
- Establishing safeguard measures such as price stabilisation and concession credits and strengthening the minimum offer price.

- Farmers need to know more about better seeds, the proper use of fertilisers and access to better technologies. Learn more about some online websites or apps, ex. PLANTIX
- Notification of partial debt relief for farmers affected by non-seasonal rainfall, as the immediate exemption from failed crops is insufficient

### Findings:

- Most of the people between 20-30 year olds are almost 65%, 20% less than 20 years of the group and more than 15% 40-60 years age group people are having with 12%.
- In the gender category, 75% of the population are men and only 25% was female.
- In comments that people know about agriculture, 52% and 48% of agriculture are not yet known.
- In the questionnaire I was observed that "Why India is facing a financial crisis in India almost 55% people are told that the government is taking the measures and not supporting them properly (in the amount of grant loans)
- The project analysis says agricultural production is falling by the day, 35% of people say they use fake seeds, and 30% of people say they will lose out in agriculture.
- Farmers are facing a financial crisis such as credit problems with previous loans, poor financial background and no other employment.
- Youngsters are not showing interested in Agriculture because we get low returns.
- The study said on migration, some people migrate from the countryside to the city to get high wages/salaries.
- The study analysis that the main causes of the financial crisis the former have no other financial support
- I have been observed with a study of solutions to overcome the financial crisis that form self-help groups and use technology in agriculture, and then it becomes easy to deal with the financial crisis.

### 6.2 Suggestions

- Develop methods to manage price and production risks. In addition to insurance and immediate relief from crop losses, the government can "pay the price" if prices fall. Under such a system, farmers receive the difference between the market price and a predetermined price, which acts as a form of price insurance.
- Connect the laboratory with the field: Agriculture cannot grow without the help of modern scientific research.
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- Notification of partial debt relief for farmers affected by non-seasonal rainfall, as the immediate exemption from failed crops is insufficient
- The government must ensure fair prices for agricultural products. It would be
- Irrigation projects need to be improved in order to achieve a better water source for the Agriculture in improving better Production or rate of products
- Government must continue to help them to avoid a financial crisis in India
- The National banking system should provide microfinance credits to farmers with low interest rates which can affordable by farmers
- To increase in production in Agriculture the farmers should adopt new Technology and new techniques

### Conclusion:

- Agriculture is the most powerful for all people in recent years Agriculture is the only source of food and employment for people in agriculture in the 19th century.
- In the past, the former face financial problems, and the analysis of this study has shown me that large stones are in crisis in cities with these problems because they do not have the right financial background, that they do not continue to deal with these problems, so they must form themselves as a self-help group and, above all, use technology in agriculture. , it will be easy to enter agriculture, especially young people, which is most useful for agriculture. That's the way it is with our nation.
- The agricultural sector is crucial for the region. It is in the transition to a market economy with significant changes in social, legal, structural, productive and supply arrangements, as is the case for all other sectors of the economy. These changes were linked to a decline in agricultural production in most countries and also affected the region's national seed supply sectors. The region has food insecurity problems, and some countries need food aid for displaced people and refugees.
- Given the relatively low demographic pressure for the future, the presence of a number of favourable climate conditions and other positive factors, including a very broad formal seed supply sector, it should be possible to solve food insecurity



problems throughout the region and even to use this region to deliver food to other food shortage regions. Opportunities must therefore be created to achieve these results.

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