



AN ANALYSIS OF THE STATUS AND CHALLENGES OF SMALL AND MARGINAL FARMERS IN BELAGAVI DISTRICT, KARNATAKA

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ABSTRACT

Agriculture continues to serve as the backbone of India's rural economy, with small and marginal farmers playing a pivotal role in sustaining production and rural livelihoods. In Karnataka, and particularly in Belagavi district, these farmers represent the majority of cultivators, yet they remain highly vulnerable due to fragmented landholdings, limited irrigation, rising input costs, and unstable market conditions. This study provides a comprehensive analysis of the status and challenges of small and marginal farmers in Belagavi district using secondary data from government reports, census records, and institutional surveys. The findings highlight the predominance of smallholder agriculture in Athani and Chikkodi taluks, the rising trend of institutional agricultural credit flow through commercial banks and cooperatives, and the persisting challenges of credit accessibility, indebtedness, and exposure to climate and market risks. Despite the presence of central and state-level welfare schemes, the benefits are not equitably distributed, limiting their effectiveness in addressing ground-level issues. The study underscores the need for targeted policy interventions, improved access to institutional credit, and localized support mechanisms to strengthen the livelihood security of small and marginal farmers in Belagavi and ensure inclusive agricultural growth.

KEYWORDS: Small And Marginal Farmers, Belagavi District, Institutional Credit, Landholdings, Agricultural Challenges

INTRODUCTION

Agriculture remains the cornerstone of India's rural economy, employing nearly 45% of the workforce and contributing around 18% to national Gross Value Added (GVA) (Economic Survey of India, 2022–23). Within this sector, small and marginal farmers—defined as those cultivating less than two hectares of land—constitute the backbone of Indian agriculture, accounting for 86.2% of all operational holdings and operating about 47% of the total cropped area (Agricultural Census of India, 2015–16). In Karnataka, the share of small and marginal farmers is equally significant, with state estimates suggesting that nearly 70% of the farming households fall into this category (Government of Karnataka, Department of Agriculture, and Annual Report 2022–23).

Belagavi district, located in north-west Karnataka, is one of the state's largest agricultural districts, with a net sown area of about 8.2 lakh hectares and a gross cropped area exceeding 11 lakh hectares (District at a Glance – Belagavi, 2022–23). The district has a diverse cropping pattern, dominated by sugarcane, maize, paddy, pulses, and oilseeds, making it a vital contributor to the state's food and industrial crop production. According to the Census of India (2011), Belagavi had over 5.47 lakh agricultural households, of which more than 55% owned less than 2 hectares of land, placing them in the small and marginal category.

Despite their significance, small and marginal farmers in Belagavi face persistent challenges. Rising input costs, fragmented holdings, limited irrigation facilities, climate-induced risks, and fluctuating market prices continue to threaten their livelihood security (NABARD Financial Inclusion Survey, 2018). Access to institutional credit remains uneven, with many farmers relying on non-institutional sources, leading to indebtedness and financial distress. While government initiatives such as the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), and state-level schemes like the Raitha Siri and Gruhalaxmi Krishi Yojane have been introduced, the effective reach and impact of these schemes on smallholders remain areas of concern.

Against this backdrop, an in-depth analysis of the status and challenges of small and marginal farmers in Belagavi district is essential. Such a study not only highlights their socio-economic conditions but also provides insights into how institutional credit, state support, and policy measures can be strengthened to ensure inclusive agricultural growth and rural development in Karnataka.



REVIEW OF LITERATURE

A review of existing literature is essential to understand the current status, constraints, and opportunities of small and marginal farmers in India. Several scholars and institutions have examined the role of institutional finance, socio-economic vulnerabilities, and policy support in shaping the livelihood of this group. The following studies provide insights into national, state, and district-level perspectives that form the foundation for the present research.

Sharma (2012) emphasized that institutional credit is a crucial driver of agricultural productivity, particularly for small and marginal farmers who operate under severe resource constraints. His study revealed that procedural hurdles, collateral requirements, and a lack of financial awareness restrict these farmers' access to formal financial institutions. As a result, many continue to depend on moneylenders and other informal sources, leading to a cycle of indebtedness and economic vulnerability. In a similar context, Singh and Bhogal (2014) highlighted the broader socio-economic vulnerabilities of small and marginal farmers, who form the majority of India's agrarian population. They observed that fragmented landholdings, inadequate irrigation facilities, and volatile market prices significantly reduce farmers' ability to invest in modern agricultural practices. Their findings suggest that without strong policy support and institutional interventions, this group remains highly susceptible to agrarian distress and low income levels.

At the regional level, Chandrashekar and Ghosh (2019) examined the agrarian structure of Karnataka and reported that nearly 70 percent of farmers fall under the small and marginal category. Despite the existence of several welfare schemes, these farmers continue to face persistent issues such as declining farm incomes, rising input costs, and climate-related uncertainties. Their study also pointed out that institutional support programs often fail to reach the most vulnerable groups, leaving smallholders disproportionately exposed to risks. At the district level, Patil and Deshpande (2021) analyzed Belagavi and observed that although the district is agriculturally progressive, small and marginal farmers remain disadvantaged. They identified over-dependence on sugarcane, limited crop diversification, and the absence of assured market support as major challenges, and emphasized the need for localized interventions tailored to the cropping patterns and socio-economic realities of the district.

STATEMENT OF THE PROBLEM

Small and marginal farmers form the backbone of Karnataka's agrarian economy, yet they continue to face persistent challenges that hinder their socio-economic development. In Belagavi district, which is otherwise agriculturally progressive, a majority of farmers cultivate on less than two hectares of land, making them highly vulnerable to low productivity, unstable incomes, and indebtedness. Limited access to institutional credit, fragmented landholdings, rising input costs, and dependence on a few commercial crops such as sugarcane further aggravate their situation. Despite several government schemes and institutional initiatives, the benefits have not been equitably distributed, leaving small and marginal farmers exposed to risks associated with climate variability, market fluctuations, and financial exclusion. This gap between policy provisions and ground-level realities underscores the need for a focused analysis of their status and challenges in Belagavi district.

METHODOLOGY OF THE STUDY

The present study is based on secondary data collected from reliable published sources, including the Agricultural Census of India (2015–16), District at a Glance – Belagavi 2022–23, and the NABARD Potential Linked Credit Plan (PLP) – Belagavi 2025–26. Additional supporting information has been referred from the Census of India (2011), Karnataka State Department of Agriculture reports, the Economic Survey of India, and research articles published in reputed journals. Data from official websites such as the Directorate of Economics and Statistics (DES), Reserve Bank of India (RBI), and NABARD have also been utilized. Adopting a descriptive research design, the study analyzes the status and challenges of small and marginal farmers in Belagavi district using simple tabular presentation, percentages, and comparative analysis to interpret key trends and patterns.

OBJECTIVES OF THE STUDY

The study has following objectives

1. To analyze the distribution of agricultural landholdings across taluks in Belagavi district, with a special focus on small and marginal farmers.
2. To examine the agency-wise and sub-sector-wise flow of institutional credit to agriculture and allied activities in Belagavi district.
3. To identify the major challenges faced by small and marginal farmers in Belagavi district.

STATUS OF LAND HOLDINGS IN BELAGAVI DISTRICT

Belagavi district, one of the prominent agricultural regions of Karnataka, has a diverse pattern of landholdings ranging from marginal to large farms. The majority of cultivators in the district belong to the small

and marginal categories, reflecting fragmentation of land. This structure significantly influences crop choice, productivity, and access to institutional finance. Understanding the distribution of landholdings provides valuable insights into the socio-economic conditions of farmers and the challenges they face in sustaining agriculture.

Table-1.1 Taluk Wise Agricultural Land Holdings and Area in Belagavi District

Taluks	Marginal (Below1Ha)	Small (1-2Ha)	Semi Medium (2-4 Ha)	Medium(4-10Ha)	Large(More than 10 Ha)
Athani	33214	25318	15146	6863	774
Bailhongala	16769	12110	6696	2583	214
Belagavi	33657	11451	5968	2633	282
Chikkodi	34802	14227	7441	2843	296
Gokak	17809	10696	7202	2962	291
Hukkeri	31112	13306	7091	2399	217
Kagavada	11138	6374	4665	1834	203
Khanapura	16860	10736	6612	3523	422
Kitthuru	10001	5983	2785	896	77
Mudalagi	12778	7283	5557	2597	337
Nippani	23460	7612	3629	1003	75
Raibaga	22141	12930	8900	3510	420
Ramdurga	13213	14601	10109	5025	709
Savadatti	15098	13344	8279	4733	653
Yaragatti	2930	4582	3759	1587	226
Total	294982	170553	103839	44991	5196

Sources: Belagavi District at a Glance 2022-23 and Agricultural Census 2015-16

According to the *Agricultural Census 2015–16* and *Belagavi District at a Glance 2022–23*, **Athani** and **Chikkodi** are the top two taluks in Belagavi district with the highest number of small and marginal landholdings. **Athani** ranks first with a combined total of **58,532** holdings (33,214 marginal and 25,318 small), followed by **Chikkodi** with **49,029** holdings (34,802 marginal and 14,227 small). These figures indicate a high concentration of farmers owning less than 2 hectares of land, highlighting the dominance of smallholder agriculture in these regions. This pattern emphasizes the need for targeted agricultural policies, including better access to institutional credit, input subsidies, and irrigation facilities, to support the livelihoods of small and marginal farmers in these taluks.

Agriculture Credit Flow in Belagavi district

The agriculture credit flow in Belagavi district plays a vital role in supporting the farming community and strengthening rural livelihoods. With a strong network of commercial banks, cooperative institutions, and regional rural banks, the district ensures timely financial assistance for both crop production and allied activities. Over the years, there has been a consistent rise in institutional credit flow, reflecting increased demand for agricultural investment, adoption of modern practices, and alignment with policy initiatives aimed at enhancing farm productivity and income.

Table: 1.2 Sub sector-wise and Agency-wise credit flow under Agriculture and Allied Activities - for years 2021-22, 2022-23, 2023-24 and Target for current 2024-25(Crop and Term Loan in Lakh Rs)

Year	CBs	RCBs	SCARDB	RRBs	Others	Grand Total
2021-22	519389.62	258373.80	1430.71	139724.94	3866.78	922785.85
2022-23	5,80,638.58	2,93,314.15	1,933.42	1,71,788.61	9,078.30	10,56,753.06
2023-24	5,54,753.82	3,07,855.43	1,028.54	1,94,968.42	13,737.96	10,72,344.17
2024-25	633940.64	313908.59	1329.85	222437.33	14628.60	1186245.01

Source: PLP Belagavi 2025-26

The sub sector-wise and agency-wise credit flow in Belagavi district for agriculture and allied activities has shown a steady upward trend over the past four years, indicating growing institutional support for the rural economy. The total credit flow increased from ₹9,22,785.85 lakh in 2021–22 to ₹10,56,753.06 lakh in 2022–23 and ₹10,72,344.17 lakh in 2023–24. The target for 2024–25 is set at ₹11, 86,245.01 lakh, reflecting rising financial needs in the agricultural sector. Commercial Banks have consistently played a major role, contributing the highest share of credit every year, increasing from ₹5,19,389.62 lakh in 2021–22 to a projected ₹6,33,940.64 lakh in 2024–25. Regional Cooperative Banks and Regional Rural Banks have also gradually increased their share, highlighting their growing role in rural credit delivery.



The data also shows a gradual rise in credit flow from other agencies, including private lenders and NBFCs, which rose from ₹3,866.78 lakh in 2021–22 to ₹14,628.60 lakh in 2024–25, indicating diversification in credit sources. Though the State Cooperative Agricultural and Rural Development Bank (SCARDB) contribute a smaller portion, it continues to play a role in term lending. This overall growth in credit flow supports a range of agricultural activities, from crop loans to mechanization, irrigation, and allied sectors like dairy and fisheries. It also reflects the impact of policy measures and schemes aimed at strengthening financial inclusion, enhancing productivity, and supporting farmers in adapting to rising input costs and changing climate conditions.

Major challenges Faced by Small and Marginal Farmers in Belagavi District

Small and marginal farmers in Belagavi district face multiple structural and economic challenges that hinder their agricultural development. Fragmented and small-sized landholdings limit their capacity to adopt modern technologies, practice crop diversification, or achieve economies of scale. Inadequate access to irrigation facilities further makes them highly dependent on rainfall, leading to fluctuations in production. High input costs for seeds, fertilizers, and machinery, combined with limited bargaining power, often reduce their profitability.

In addition to production constraints, these farmers encounter institutional and financial difficulties. Access to timely and adequate institutional credit remains limited, pushing many towards informal sources with higher interest rates. Market fluctuations, lack of storage and processing infrastructure, and middlemen dominance affect their ability to secure fair prices for produce. Moreover, challenges such as crop losses due to pests, climate change, and insufficient government support mechanisms exacerbate their vulnerability, leaving them in a cycle of low income and indebtedness.

FINDINGS AND SUGGESTIONS

The analysis shows that small and marginal farmers form the majority in Belagavi district, with Athani and Chikkodi taluks recording the highest concentration of holdings below two hectares. Fragmented and scattered plots restrict mechanization, crop diversification, and economies of scale, thereby limiting farm efficiency. While institutional agricultural credit has shown steady growth, mainly driven by commercial banks, its accessibility remains uneven for smallholders, many of whom still depend on informal lenders. Rising input costs, inadequate irrigation in some areas, climate-related risks, and labor shortages continue to constrain production. In addition, reliance on middlemen, lack of storage and processing facilities, and volatile market prices undermine income stability. Despite several central and state welfare schemes, benefits are not equitably distributed, and policy gaps persist in reaching the most vulnerable farmers.

To address these challenges, it is essential to strengthen institutional credit delivery by simplifying loan procedures, reducing collateral requirements, and expanding cooperative and SHG-based financing to cover more smallholders. Promoting crop diversification beyond sugarcane through support for pulses, oilseeds, and horticulture, combined with assured markets, would reduce production risks. Expanding irrigation through minor projects, drip and sprinkler systems, and canal improvements can lessen dependence on rainfall. Likewise, establishing storage facilities, cold chains, and processing units at the taluk level, alongside stronger e-NAM integration, would improve marketing opportunities. Farmer training in climate-smart agriculture and financial literacy should be prioritized to build resilience, while proper monitoring and evaluation mechanisms are required to ensure that government schemes reach intended beneficiaries without leakages.

CONCLUSION

Small and marginal farmers form the backbone of agriculture in Belagavi district, but their socio-economic conditions remain fragile due to structural, financial, and institutional challenges. While the district has witnessed significant growth in agricultural credit and continues to play a vital role in Karnataka's food and industrial crop production, issues such as land fragmentation, rising input costs, limited irrigation, and reliance on informal credit persist. Addressing these challenges requires a combination of financial inclusion, infrastructure development, and localized interventions tailored to the district's cropping pattern and farmer profile. Strengthening institutional credit delivery, diversifying crop choices, and ensuring equitable implementation of welfare schemes will be crucial in enhancing the livelihoods of small and marginal farmers in Belagavi. A focused policy approach can transform their vulnerabilities into opportunities, contributing to sustainable and inclusive agricultural growth in Karnataka.

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