

# Government Interventions And Agricultural Debt in Haryana: A Comprehensive Review

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**Abstract:** Agricultural indebtedness is an extensive and ongoing issue in Haryana, India, affecting farmers' financial stability and well-being throughout the state. As a result, the Haryana government has launched several programs to reduce agricultural debt and increase economic participation in rural communities. This paper thoroughly evaluates the effectiveness of these initiatives in addressing agricultural indebtedness in Haryana by combining available literature and empirical facts. To better address the particular difficulties that farmers in Haryana experience, it seeks to offer insightful analysis and suggestions for improving these programs and sculpting further governmental measures. Finally, this review study is essential for policymakers, scholars, and stakeholders interested in Haryana's agricultural growth. Its goal is to inform evidence-based decision-making and contribute to developing more effective and impactful policies that promote financial resilience and rural prosperity in the state.

**Keywords:** Agriculture, Government Schemes, Credit, Indebtedness and Agricultural Growth.

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## I. INTRODUCTION

A large percentage of the population of Haryana works in agriculture as their primary source of income due to the region's rich alluvial soil, ideal climate, and vast canal irrigation system.

Haryana contributes to agricultural activities and has economic and social foundations. (GOI) Agriculture in Haryana is more than just a food source; it is also a significant contributor to the state's economy. It is mainly in the production of wheat, rice, and sugarcane.

The agricultural sector in Haryana is critical to guaranteeing food security, creating jobs, and contributing significantly to the state's GDP. It is the backbone of rural life, providing for millions of farmers and their families across the state. However, despite agricultural prosperity, one persistent concern remains agrarian indebtedness.

Farmers' debt has become a significant problem in Haryana, negatively affecting their overall well-being and ability to maintain their financial security. Farmers frequently find themselves caught in a debt cycle because of some issues, including variable crop prices, limited finance availability, and erratic weather patterns.

The Haryana government has implemented various plans to reduce agricultural indebtedness, realizing the seriousness of the situation. There are some schemes, such as Crop Insurance Schemes (2004), National Agricultural Insurance Schemes (2009), Modified National Agricultural Schemes (2011), and PM Fasal Bima Yojana, among others. The Loan Waiver Schemes, introduced by the Haryana government in 2008 to help farmers who were in debt, were among its most significant initiatives. These programs will help deeply indebted farmers and encourage financial inclusion in rural communities.

The importance of government intervention in reducing agricultural debt cannot be emphasized. These programs act as lifelines for farmers, providing opportunities to break free from the debt cycle and achieve financial security. The government's goal in providing financial aid, subsidies, and incentives is to empower farmers, increase agricultural output, and assure the overall prosperity of the rural sector.

Given these circumstances, this article aims to look more into the various government policies implemented in Haryana to fight agricultural indebtedness. This article aims to evaluate the efficacy of government interventions by critically examining the scheme objectives, implementation tactics, impacts, and problems. Additionally, it provides

suggestions for future policy improvements specific to the state of Haryana.

➤ *Agricultural Indebtedness in Haryana:*

Agricultural indebtedness is a big issue in Haryana, a state famed for its agricultural prowess, affecting farmers' livelihoods and the rural economy. Farmers in the region are disproportionately in debt for a variety of reasons.

First, a significant factor in farmers' debt is shifting crop prices. The variability of agricultural commodity prices is changed due to market uncertainty, which is impacted by variables including government policies and the demand-supply chain. When prices fall, farmers find it difficult to make enough money to pay their bills and take out loans to get by.

Second, the dependence on unofficial lending sources makes the issue of agricultural indebtedness worse. Many farmers in Haryana turn to local moneylenders or traders for credit since they have limited access to formal institutions. However, farmers are frequently caught in an impossible-to-break cycle of debt by these unofficial lenders, who often charge interest rates.

Furthermore, increased input costs add to farmers' financial burdens. Over time, the expenses of agricultural inputs, including machinery, seeds, fertilizers, and pesticides, have been rising steadily. Modern agrarian technology also needs significant upfront investments, which increasingly indebted farmers are forced to make despite their long-term benefits.

Agricultural hazards and weather uncertainty also influence the indebtedness of farmers in Haryana. The unpredictable weather patterns and natural calamities affect the farmers' crops and lives; they lose their crops with money and faith in life. Farmers are forced to use inadequate risk mitigation strategies, such as crop insurance, due to their exposure to these risks and the need to borrow money to deal with crop failure aftermath.

Agricultural debt affects not just individual farmers but also the larger rural economy. Reduced agricultural

investments due to financial difficulty among farmers impede the industry's productivity and innovation growth.

Finally, reducing agricultural indebtedness in Haryana necessitates a diversified approach that addresses the underlying causes of the issue. In reducing the farmers' debt burden and promoting rural prosperity in the state, formal finance must be made more accessible, risk mitigation strategies must be supported, and sustainable agricultural methods must be encouraged.

## II. METHODOLOGY

The present study is based on secondary data. The secondary data has been taken from a few articles, research papers, and government schemes selected by reviewing academic databases, government websites, and other relevant resources. This study examines the review and government schemes and programs implemented in Haryana to reduce the burden of agricultural debt. The study also examines all aspects of agrarian indebtedness and highlights government schemes and programs that provide insights into the implementation, impacts, and challenges indebted farmers face in Haryana.

➤ *Schemes Related to Agricultural Indebtedness in Haryana*

Several government initiatives have been implemented in Haryana to help farmers manage their financial loads and address agricultural debts. The Debt Relief Scheme (2007) is one such program that helps farmers by modifying or eliminating their agricultural loans. In addition, by offering low interest rates on agricultural loans, the Interest Subvention Scheme seeks to lower farmers' borrowing costs. Moreover, the Crop Insurance Scheme reduces the danger of debt resulting from crop failure by providing farmers with financial protection against crop losses brought on by pests, diseases, or natural disasters. Additionally, farmers can receive complete crop insurance coverage through the Pradhan Mantri Fasal Bima Yojana, which guarantees financial support in the event of crop damage. These programs are essential to reducing agricultural debt in Haryana and developing farmers' financial stability, both of which advance the state's agricultural industry as a whole.

Table 1 Schemes Related to Agricultural Indebtedness in India; A Review

S.No	Schemes	Purpose	Author	Finding
1.	<b>Kisan Credit Card (1998)</b>	Provides farmers with finance for agricultural and related operations to ensure prompt and sufficient access to financing at reasonable rates.	Dey et al. (2021)	They emphasized how KCC has made it easier for farmers to obtain official loans and has decreased their reliance on unofficial moneylenders.
2.	<b>Rastriya Kirsii Vikas Yozana (2007)</b>	Encourages investments in infrastructure, technology, and research to raise farm productivity by providing financial support for agricultural enterprises	Pawar et al. (2018)	They reported that the yield of crops and farmers' revenue have significantly increased due to RKVY. Rashtriya Krishi Vikas Yojana's impact on agricultural indebtedness in Haryana led to enhanced farm infrastructure and productivity and reduced indebtedness.

3.	<b>National Food Security Mission (NFSM) (2007)</b>	The goal is to enhance the production of rice, wheat, and pulses for food security and price stability.	Kumar et al. (2020)	They emphasized that NFSM has improved the availability of necessary food goods in the market and helped the nation become less dependent on imports of food grains.
4.	<b>Pradhan Mantri Fasal Bima Yojana (PMFBY) (2016)</b>	enhances agricultural production by giving farmers individualized soil nutrient recommendations on soil health cards, which help with balanced fertilization.	Jain et al. (2020)	Revealed that PMFBY has encouraged farmers to embrace contemporary farming methods and has assisted in easing their financial hardships.
5.	<b>Paramparagat Krishi Vikas Yojana (PKVY) (2015)</b>	It helps sustainably farmed land by offering financial support to those who embrace organic agriculture.	Ravichandran et al. (2018)	PMKSY works to improve agricultural output, guarantee water supply, and promote the general welfare of farmers by concentrating on irrigation infrastructure and water usage efficiency.
6.	<b>National Agriculture Market (e-NAM) (2015)</b>	It creates a national online marketplace where farmers can sell their goods directly to consumers, expanding market access and eliminating mediators.	Singh et al. (2018)	He emphasized how price transparency, competitiveness, and market efficiency have all improved with e-NAM.
7.	<b>Soil Health Card (2015)</b>	Our soil health cards offer tailored nutrient recommendations for farmers, promoting balanced fertilization and increased crop yields.	Kumar et al. (2020)	He discovered that farmers who received soil health cards had better techniques for managing nutrients, increasing agricultural yields and lessening their adverse environmental effects.
8.	<b>Pradhan Mantri Krishi Sinchai Yojana (PMKSY) (2015)</b>	Improves irrigation facilities and water use efficiency, hence assisting farmers in achieving water security.	Mukharjee et. al (2021)	They indicated how PMKSY has helped to boost agricultural revenue and enhance farmers' livelihoods.
9.	<b>Pradhan Mantri Kisan Saman Nidhi (PM-KISAN) (2019)</b>	Provides farmers' families in each state with an annual financial benefit of Rs. 6000/-transferred into their bank accounts in instalments with DBT.	1. Tripathi et. al, 2. Reddy and Rani	PM-KISAN is a crucial tool in the government's attempts to alleviate farmer income inequality and encourage sustainable agricultural growth. The review article emphasized how PM-KISAN might improve income and lessen financial vulnerability.

Sources: Various research papers

Table 2 Government Schemes Related to Indebtedness in Haryana

S.No	Schemes	Objectives	Authors	Finding
1.	<b>National Agriculture Insurance Schemes (2004)</b>	Provide financial support to those who lose their crop due to natural calamities.	Phougat, et. al(2021)	In 2004, beneficiaries were 167 farmers, but in 2004-2008 the rate declined. Due to decreased numbers of beneficiaries, this scheme was discontinued in 2014.
2.	<b>Weather-Based Crop Insurance Schemes (2009)</b>	To provide financial help to the farmers and decrease the risk. To provide insurance protection for crop failure.	Phougat, et. al(2021)	The performance of the schemes was good because the number of beneficiaries increased in 2010-2013. It provides a 70 per cent subsidy to farmers on premiums.
3.	<b>Modified Agriculture Insurance Schemes (2011)</b>	To provide financial support to the farmers after their crops fail due to natural calamities.	Phougat, et. al(2021)	The performance of this scheme is good, but from 2010 to 2011, no farmers were registered, and there was no benefit. The number of beneficiaries increased from 2013 to 2014.
4.	<b>PM Fasal Bima Yojna (2016)</b>	If any identified crops fail due to pests, illnesses, or natural disasters,	Sheoran, et. al(2023)	This program has performed exceptionally well; between 2016 and 2019, the number of beneficiaries rose.

		offer insurance or help financially to the farmers. To maintain farmers' economic stability so they can continue farming.		It demonstrates a favourable influence on Haryana's farmers.
5.	<b>Meri Fasal Mera Byora (2018)</b>	To give farmers all the knowledge they require on agricultural operations. To offer financial assistance for loans, seeds, fertilizer, and agricultural equipment.	Phougat, et. al(2021)	Farmers claimed their land had already been registered, but some said their data could not be uploaded. However, the performance is good because this scheme provides the minimum support price for their crops.

Sources: Various research papers

### III. IMPACT OF GOVERNMENT SCHEMES ON AGRICULTURAL INDEBTEDNESS IN HARYANA

Government Schemes' effects on agricultural indebtedness in Haryana are crucial to farmers' welfare and the development of rural areas. We can determine how these schemes have affected agricultural indebtedness in the state by analyzing changes in farmers' financial standing, availability of credit, and debt levels.

#### ➤ *Evaluation Of Financial Situation*

The financial status of farmers in Haryana has significantly improved with the help of government schemes. Farmers now have more stable finances due to reduced debt loads and higher agricultural incomes due to programs and schemes. Farmers' overall economic well-being has increased due to their increased ability to devote resources to profitable agricultural endeavours due to the debt reduction.

#### ➤ *Credit Availability Analysis*

Farmers must have access to loans to invest in agricultural gear, technology, and inputs. Farmers can now access subsidized loans and collateral-free credit facilities provided by government programs to increase credit availability. So, instead of turning to unofficial lenders who frequently demand outrageous interest rates, farmers in Haryana now have easier access to institutional credit sources like banks and cooperatives, allowing them to satisfy their financial needs.

#### ➤ *Examining Debt Level*

One of the main goals of government programs is to lower farmers' debt levels and stop them from getting more debt. These programs have assisted in reducing farmers' financial burdens and improving their ability to manage their debts by providing interest subsidies and debt relief procedures. However, some areas were not covered due to a lack of communication and no proper connection with cities. Now, Haryana's farmers have seen a decrease in their total debt loads, resulting in increased stability and financial security.

#### ➤ *Obtaining Official Loan Sources*

Government policies have facilitated the improvement of farmers' access to formal finance sources in Haryana. These programs have encouraged farmers to use institutional agencies from banks and cooperatives by offering incentives

and support for formal borrowing. It has helped farmers access necessary financial services and lessen their reliance on unofficial lenders while promoting financial inclusion in rural areas.

#### ➤ *Decrease In Unofficial Loans*

Decreased farmers' dependence on unofficial lenders is another substantial effect of government initiatives. These programs have improved the financial resilience of farmers in Haryana by reducing the risks associated with informal borrowing, increasing financial literacy, and making lending options accessible.

Notwithstanding these advantages, obstacles, including limited knowledge, bureaucratic red tape, and physical restrictions in rural places, keep preventing people from fully benefiting from government programs. Policymakers need to tackle these challenges to guarantee the effective decrease of agricultural debt in Haryana and promote the agricultural sector's sustainable expansion. Through a detailed analysis of the outcomes of government initiatives, officials may pinpoint prosperous areas and those that still need development. It will increase the efficacy of these interventions and enhance the lives of Haryana's farmers.

### IV. CHALLENGES OF GOVERNMENT SCHEMES FACED BY INDEBTED FARMERS

Farmers are heavily in debt, especially in rural regions like Haryana. Although government programs are designed to lessen this burden, the numerous obstacles that indebted farmers encounter frequently impede their efficacy. The first major obstacle is a lack of knowledge about accessible plans. Many farmers do not have access to information about government initiatives because of weak outreach programs or poor communication channels, especially those who live in distant or marginalized areas. As a result, qualified farmers continue to be in financial hardship because they are ignorant of possible debt relief options. Second, the difficulties experienced by farmers who are in debt are made worse by bureaucratic red tape and intricate application procedures. Farmers are typically discouraged from applying for program benefits due to the administrative procedures and burdensome paperwork. Farmers' financial problems are further exacerbated by delays in processing applications or the distribution of funds while they grapple with ever-growing debt loads.



Furthermore, government subsidies to indebted farmers are restricted due to insufficient coverage and eligibility requirements. Various farmers may be excluded from schemes based on criteria that do not accurately reflect their financial situation. As a result, worthy farmers are denied access to vital assistance, which feeds the cycle of debt. The problem of intermediary exploitation is equally profound. Mediators or local officials may abuse the distribution procedure and charge unlawful fees for help or siphon money intended for farmers in debt. This exploitation undermines the goal of government plans by making farmers' financial fragility even more acute. Moreover, one of the problems facing farmers is the inefficiency of debt relief programs. Debt waiver schemes may not always be able to reduce farmers' debt if the waiver amount is insufficient or if farmers have debts not covered by the program. As a result, despite government interventions, farmers still struggle with unmanageable debt loads. To tackle these obstacles, officials must work together to expedite application procedures, enhance outreach and awareness initiatives, guarantee benefit distribution, and put strict controls in place to stop intermediaries from taking advantage of people.

## V. CONCLUSION

To sum up, examining government initiatives aimed at tackling agricultural indebtedness in Haryana highlights the advancements achieved and the ongoing difficulties in this crucial field. These programs have substantially contributed to improving financial inclusion, encouraging rural development, and giving debt relief to farmers. Introducing interest subsidies, debt relief, and crop insurance programs has helped farmers become less indebted and have a better quality of life.

There are still several issues, though, such as low awareness, administrative roadblocks, insufficient coverage, middleman abuse, and the futility of debt forgiveness programs. These difficulties highlight the necessity for ongoing initiatives to assure fair benefit distribution, enhance outreach and awareness campaigns, expedite plan implementation, and fortify monitoring systems to thwart exploitation. In the future, policymakers must prioritize tackling these issues to improve the efficacy of government initiatives regarding agricultural debt in Haryana. It calls for all-encompassing changes, focused interventions, and a persistent dedication to tackling the underlying causes of agricultural debt. By doing this, we can ensure that Haryana's farmers get the assistance they require to overcome financial obstacles, establish sustainable means of subsistence, and advance the state's agricultural industry.

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