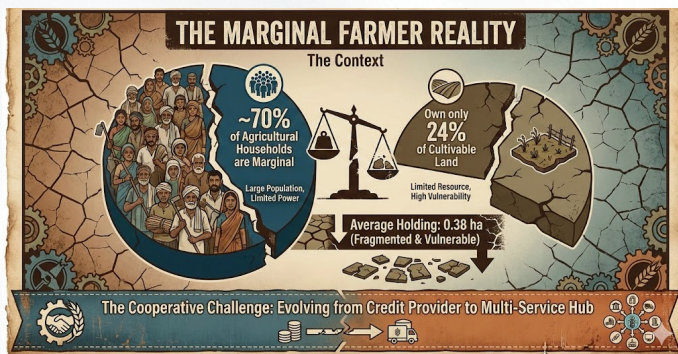


# The State of Marginal Farmers in India 2025

Marginal farmers, defined as cultivating less than one hectare, constitute nearly 70% of India's agricultural households yet own only 24% of the cultivable land. While they form the backbone of the agrarian economy, they remain structurally disadvantaged by fragmented holdings (average 0.38 ha) and limited access to formal credit and markets.

This report evaluates the efficacy of Primary Agricultural Credit Societies (PACS) and Farmer Producer Organisations (FPOs) in bridging this gap. Based on a study of 1,951 households across six states (Andhra Pradesh, Bihar, Himachal Pradesh, Maharashtra, Tripura, and Uttarakhand), the findings present a dichotomy: while cooperatives are the most proximate institutional interface for farmers, their impact is heavily largely dependent on their ability to evolve from "passive credit providers" to "active multi-service hubs".

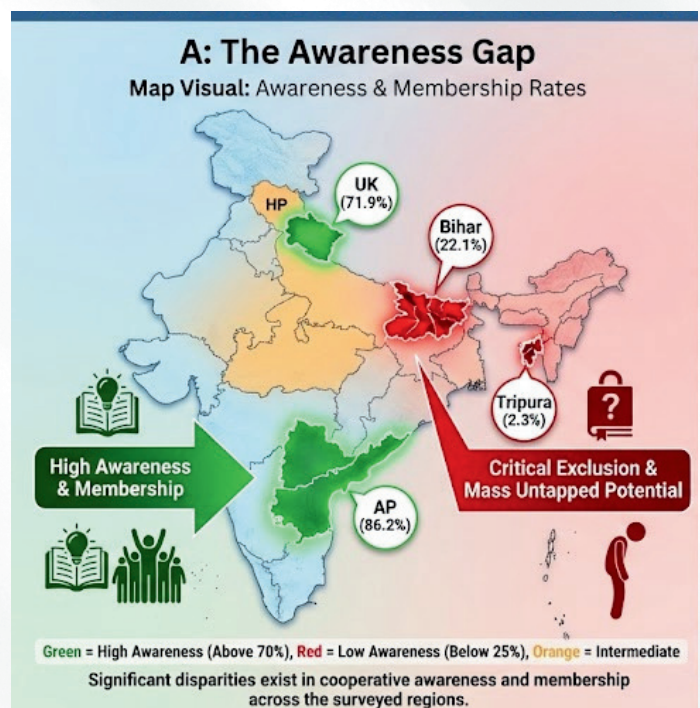


## I. The Regional Diagnostic: Participation, Access, and Outcomes

### 1. Awareness and Membership

The data reveals stark regional disparities in how farmers interact with cooperatives:

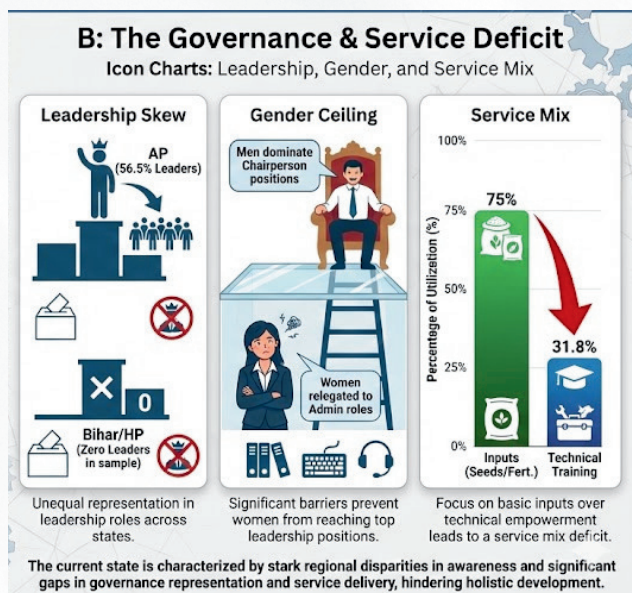
- **High Awareness:** Andhra Pradesh (86.2%) and Uttarakhand (71.9%) lead in awareness, driven by strong government-linked support programs like Rythu Bharosa Kendras.
- **The Awareness Gap:** In contrast, awareness is critically low in Tripura (2.3%) and Bihar (22.1%), leading to exclusion.
- **Information Channels:** Traditional media remains king; Radio/TV (32.5%) and Fellow Farmers (25.6%) are the primary sources of information, overshadowing government extension officers (13.3%).
- **Membership Conversion:** Awareness drives membership. Andhra Pradesh records 94.1% membership among respondents, whereas Bihar and Tripura hover below 5%, indicating a massive untapped potential for mobilization.



## 2. Governance and Gender: The Inclusion Deficit

While cooperatives are designed as democratic institutions, active participation is uneven:

- **Leadership Skew:** Andhra Pradesh stands out with 56.5% of respondents holding leadership roles. Conversely, respondents in Bihar and Himachal Pradesh reported **zero representation** in leadership structures within the sample.
- **Gender Dynamics:** While 40% of women felt their gender positively influenced leadership opportunities, structural barriers persist. Women are often relegated to roles like Secretary/Treasurer, while men dominate Chairperson positions.
- **Participation Frequency:** Regular engagement is highest in Andhra Pradesh (50% monthly attendance), while in Tripura and Maharashtra, the vast majority "Rarely" or "Never" attend meetings, suggesting a passive member base.



## 3. Service Delivery and Economic Impact

When farmers do engage, the benefits are tangible:

- **Yield & Income:** 42% of members reported increased crop yields, and 45% reported increased household income after joining a cooperative.
- **Service Mix:** Input supply (Seeds/Fertilizers) is the dominant service (received by 75% of members). However, access to technical training (31.8%) and market linkages remains low, limiting farmers' ability to move up the value chain.
- **The "AP Paradox":** Despite high membership and service delivery, Andhra Pradesh shows economic volatility, while 29.3% saw income rise, 34% saw a decline, highlighting that cooperative membership alone cannot fully buffer against market/climate shocks without value-addition.
- **Credit Access:** Cooperatives remain a vital financial lifeline, with 67% of members accessing credit, peaking at 89.5% in Maharashtra.

## 4. The Digital Divide

- **Adoption:** Digital uptake is highest in Uttarakhand (52% use online payments) and Andhra Pradesh. In contrast, 77.8% of cooperatives in Tripura use no digital tools.
- **Usage Patterns:** WhatsApp is the primary digital entry point (used by 63% of co-ops in AP), but specialized apps for procurement or payments remain underutilized in the North and East.

## II. The Evidence: Validated Models of Transformation

Bridging the gaps identified above, specific models have proven that structural interventions yield high returns:

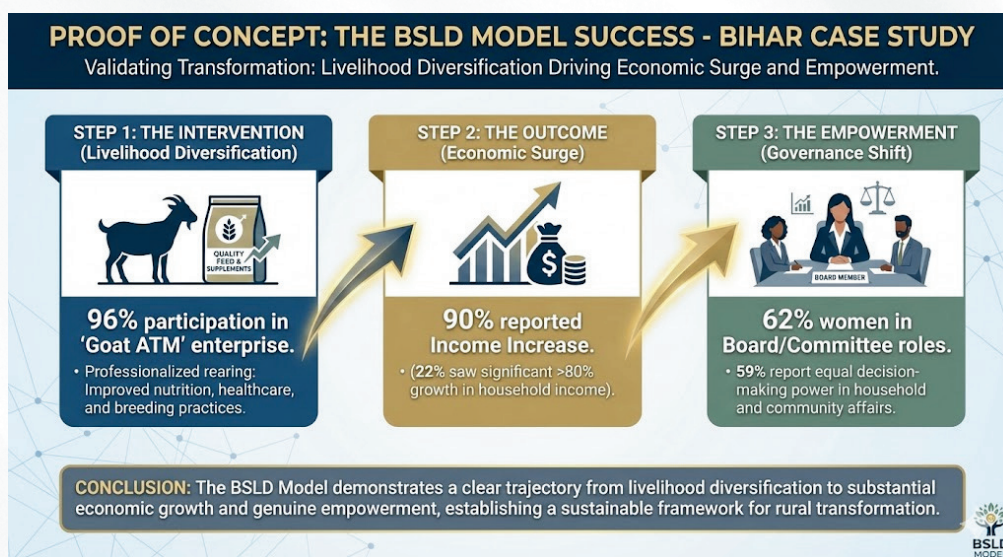
- **Livelihood Diversification (The "Goat ATM"):** The Bihar Sustainable Livelihood Development (BSLD) model demonstrates that professionalizing livestock rearing turns animals into liquid assets. **With 96% engagement and 62% of women assuming governance roles**, this model proves that asset-based livelihoods build resilience against shocks.
- **Market Disruption (Meghalaya):** The AGHMPCS model in Garo Hills proves the power of collective bargaining. By controlling procurement and processing, the cooperative increased commodity prices by **3x to 4x**, forcing private traders to improve standards.
- **Institutional Architecture (Haridwar & AP):** The transition of **1,866 PACS in Andhra Pradesh** into Common Service Centres (CSCs) offering banking, storage,

and citizen services has turned them into profitable rural hubs (e.g., Nunna PACS earning ₹2.14 Cr). Similarly, Haridwar's two-tier organic model generated ₹1.31 Cr in turnover by linking marginal farmers to premium markets.

## III. Strategic Outlook: The Roadmap to Scale

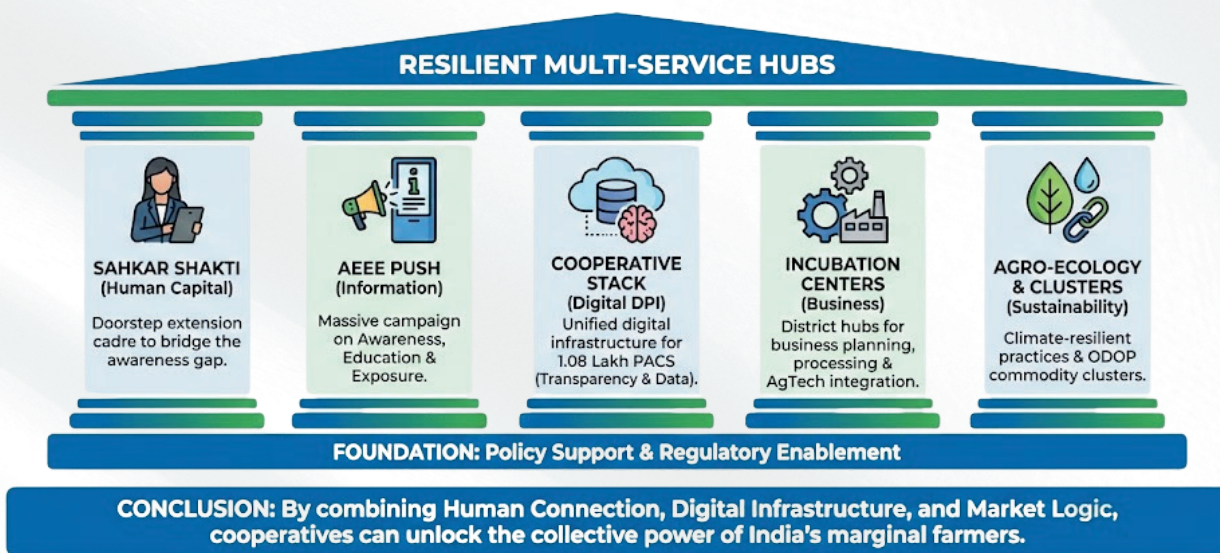
To replicate these success stories nationwide, the report recommends a six-pillar transformation framework:

- **The "Big Push" on AEEE:** A yearlong drive on **Awareness, Education, Extension, and Exposure**. Utilizing **"Sahkar Kiosk"** roadshows to address the "Lack of Information" barrier identified in the survey.
- **Human Capital (Sahkar Shakti):** addressing the "Service Gap" by deploying a dedicated **"Sakha/Sakhi"** cadre to act as the first-response unit at the village level, ensuring last-mile delivery.
- **District Incubation Centers:** Establishing facilitation hubs modeled on **District Industries Centres (DICs)** to provide them



# THE 5-PILLAR PATHWAY TO SCALE

## RESILIENT MULTI-SERVICE HUBS



with the professional business planning and AgTech integration, helping PACS move beyond basic credit.

- **The Cooperative Stack (DPI):** Building a **Digital Public Infrastructure** that unifies 1.08 lakh PACS. This addresses the "Digital Divide" by introducing AI-driven advisories and real-time transparency to ensure accountability.
- **Agro-Ecological Integration:** Positioning cooperatives as stewards of sustainability by linking them with **ICAR/KVKs** to promote climate-resilient practices, addressing the yield volatility seen in regions like AP.
- **Simplification & Cluster Development:** Directly addressing the member demand for "Simplified Procedures" (cited by 63% in UK) while organizing farmers into commodity clusters (ODOP) to unlock economies of scale.

## Conclusion

The data is clear: Accessibility does not equal Impact. While the cooperative network is vast, its efficacy relies on a pivot from "Passive Credit Societies" to "Active, Multi-Service Economic Hubs." By combining the Human Touch (Extension Cadres) with the Digital Stack (DPI) and Market Logic (Value Chains), the cooperative sector can secure the economic future of the Indian marginal farmer.

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