

## **Problems and Challenges Faced by Small Farmers during Demonetization: Empirical Evidence**

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**Abstract:** Indian population comprises of most of young citizens and more innovative force to use this force efficiently the Honorable PM Modi's vision set towards Indian economy by 2025 should beat US economy. To achieve this vision into reality our economy should match with developed economy's economic, financial, status. In this process, Honorable PM Sri.Modi has been launching many strategies and plans to make Indian economy strong such as make in India, special provisions and policies for MSMEs, and to make India free from black money, counterfeit cash, corruption and terrorism the present government has taken a bold step of banning Rs.500 and Rs.1000 recently. Demonetization is withdrawal of currency from circulation from economy with attainment of the certain objectives. Earlier demonetization has done two times, first in 1946 and second time in 1948. The third time demonetization has done on Nov 2016 by present Government to fulfill the vision. A sudden announcement has affected the economy in many ways. According to Societe General, India's quarterly GDP growth rates would drop below 7% for an entire year at a stretch for the first time since June 2011 because of demonetization. Demonetization has influenced many sectors including agricultural sector, which contributes to the GDP to the highest as this sector accounts for 50% of the workforce and farmers, who are the backbone of our national economy who were not digitalized for managing their finance though many chances were given by the present government. On one hand, the present demonetization was considered as a good move and on the other it was viewed as unplanned move. Hence, this study tries to analyse the impact of demonetization on small farmers with special reference to the Nanjangud Taluk, Hullahalli.

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### **I. Introduction**

Demonetization is important and necessary to bring change in the economy. Demonetization is withdrawal of currency by the Government with a purpose to avoid funding terrorism, control black money and to bring cashless economy. The old currency is taken back and replaced with new currency unit. Earlier in 1946 and 1978 India witnessed demonetization, this is the third time currency is demonetized by present Government. The only difference is that earlier high denomination currency like INR 1000, INR 5,000, INR 10,000 which was less in circulation was demonetized but present wide circulated currency INR 500 and INR 1,000 are demonetized. By this move Government is planning to shift from cash based economy to near cash less economy. The short term pains because of demonetization is that long queues before bank and ATM, pensioners waiting for long to draw pension, inconvenience to people who had to withdraw money for wedding and disruption of economic activity etc.

### **II. History**

The demonetization is not new to the Indian economy. In January 1946 higher demonetization notes like Rs 1000 and Rs10,000 demonetized and then in 1978. Before 1946 Rs 1,000 and Rs 10,000 were in circulation. Higher demonetization of Rs 1,000, Rs 5,000 and Rs10,000 were again introduced in 1954. In January 1978 all of them were demonetized. In 1978 the value of demonetization was very small (only 0.1% of GDP). However in the 2016 demonetization efforts covers 86% of the total currency in circulation (11% of GDP) The Rs 1000 note reintroduced in November 2,000 and in 1987 October 500note, again came in to circulation. However Rs2000 currency notes introduced first time in India. The banknotes issued during 1967-1979 contained the symbols representing science and technology, progress and orientation of Indian art forms. For the first time in the year 1980, the legend 'Satyameva Jayate' 'Truth alone shall prevail' was incorporated under the national emblem. Mahatma Gandhi portrait and Ashokapillar watermark was introduced for Rs 500 banknotes in the year 1987.

The Mahatma Gandhi series 2005 bank notes were issued in the denomination of Rs10, Rs20, Rs50, Rs100, Rs 500 and Rs 1000 with new security features as compared to the 1996 MG series. The Rs50 and Rs100 bank notes were issued in August 2005 followed by Rs500 and Rs1000 denomination in October 2005 and Rs 10 and Rs20 in April 2006 and August 2006 respectively.

On 28 October 2016 the total banknotes in circulation in India was Rs.17.77 trillion (US\$260 billion). In terms of value, the annual report of Reserve Bank of India (RBI) of 31 March 2016 stated that total bank notes in circulation valued to Rs.16.42 trillion (US\$240 billion) of which nearly 86% (around Rs.14.18 trillion (US\$210 billion)) were Rs.500 and Rs.1,000 banknotes. They were taken out of circulation from 2016.

### **Practical sufferings of farmers after demonetization in India**

**Farmers are angry:** Farmers in Chhattisgarh's Pathalgaon and Farsababar saw an incredible tomato produce this year. They didn't get much time to revere it though, as Modi's demonetization changed the equation. The 'anti-black money' drive hit them where it hurts the most, and did nothing to save them from the middlemen who added to their misery. That's when the angry farmers decided to dump their produce on the roads, to have it crushed by the same trucks that would have carried it to the market. Wholesale vegetable dealers in Bihar are going through similar hard times. According to a Scroll.in report, "Cauliflower was selling for Rs 12 a kilo just before the announcement on November 8. It is now selling for one or two rupees. Onion cultivation is a cash and labour intensive process, but with the sudden ban on most available currency, farmers have had no choice but to abandon their crops mid-way.

**No Sale:** In Noida 40% rice crop (kharif season) waiting to be sold. The whole sellers of the region largely located in the wholesale crop market of Dankur, have refused to pick up the crop as they do not have enough cash available in new banknotes.

**Price crash:** Demonetization has crashed wholesale vegetable prices down to the bottom levels. Farmers are waited for good returns after two successive drought years. In Mandhya Pradesh onion sold for just Rs 1 per Kilogram in wholesale market. In Andhra Pradesh and Chandigarh tomatoes cost less than Rs2 per kg. In Bihar cauliflower cost only Rs 3. In Uttar Pradesh potatoes cost Rs3-5 per kilogram in wholesale market. But in retail market price have not come down due to this consumers are not benefited.

**Transportation:** Truck drivers refused to ply on long routes as traders are unable to pay transportation cost in cash. Most of the drivers are semi-literate and cannot operate digitally.

### **Impact of demonetization**

1. **On economy:** The demonetization and replacement of INR 500, and INR 1000 by INR 500 and INR 2000 notes expected to remove black money from the economy as persons holding black money are blocked to deposit their unaccounted income in the banks. This temporarily stop the circulation of large volume of fake currency and it also control anti social activities like smuggling terrorism and espionage etc.
2. **On money supply:** In short run there will be shortage of money supply as unaccounted currency will not re-enter to the system for circulation. However gradually new notes get circulated in the money market and mismatch get corrected and money supply will pick up.
3. **On Banks:** After demonetization the public deposits amount to their account by this automatically more amount is deposited in SB account and current account of commercial banks. This will increase the liquidity position of the banks which can be utilised further for lending purposes but withdraws will be there in second stage.
4. **On demand:** In certain sectors cash transactions take place those sectors demand will fall to the certain extent from consumer side, those sectors are consumer goods, real estate and property, gold and luxury goods and automobiles (only to certain limit)
5. **On prices:** In case of consumer goods prices are expected to fall marginally as some consumer goods can be purchased through cheque or debit or credit cards. However in case of real estate prices will fall to large extent as major part of the transaction is cash based rather than bank based.
6. **On various economic entities:** In certain sectors nature, frequency and amounts of the commercial transactions involve in agriculture and related sector, small traders, SME, service sector, household, political parties, professionals like doctor, carpenter, utility service providers etc face short term disruption in facilitation of their transactions.
7. **On GDP:** The reduction in consumption demand affects the GDP. However this negative affect will not be for long period and once cash re-enter the stream the situation becomes normal.
8. **Online transactions and alternative mode of payment:** As the decrease in cash transaction alternative methods get importance like usage of plastic money like Debit and Credit cards online transactions using E-Banking, E-wallets and apps. This will strengthen the cashless economy and develop the required infrastructure.

### **Impact demonetization on agriculture**

**1.Cash sensitive:** According to CRISIL report 800 million or 65percent India's population depend largely on cash. Agriculture is largest share of the informal sector and is highly cash sensitive. It may be small farmers or bigger landlords face the problem of purchasing their agriculture inputs and payments of wages.

**2.Purchasing seeds:**The Indian **cropping** season is classified into two main seasons: (i) Kharif and (ii)**Rabi** based on the monsoon. The kharif **cropping** season is from July –October during the south-west monsoon and the **Rabi cropping** season is from October-March (winter). The **crops** grown between March and June are summer **crops**.Demonetization was announced when the Kharif crop reached the market and in the month Rabi sowing just begun. Farmers face the problem of purchasing seeds for Rabi crops.

**3.Delay in sowing:** Demonetization affected every sector. Agriculture sector is not far from this. Most of the farmers live under economy; delayed sowing may affect the crops.This may lead to problem in yield of crop and realization of cash.

**4.Quality seeds:** Due to lack of cash, farmers are unable to purchase certified HYV seeds from the market. Instead of purchasing quality seeds farmers use last year's harvested old seeds. This will adversely affect crop yield despite of good monsoon.

**5.Crash crunch:**In the wholesale market demand for the vegetable is decreased due to nationwide crash crunch.

**6.Vegetable and fruit farmers badly hit:** Farmers need cash to purchase seeds, fertilizer and payment of wages to laborers .Also the farmers faced the problem in transporting produce goods to the market. As labor is required for loading and unloading the produced crop and these laborers are cash sensitive.

**7.Fall in prices:**In many cases prices has fall down below the minimum support price in the country. Due to this reason farmers depend on moneylenders for finance these lead farmers over debated with burden of interest.

**8.Absence of storage:** The perishables like fruits and vegetables in market are affected due to absence of cool age and storage facilities.The demonetization has created cash crunch by this the produced crop lying with farmers without buyers

**9.Cooperative banks:**In many states of north India like Uttar Pradesh, Punjab, Maharashtra, Odisha and Gujarath formal finance is through cooperative banks which are restricted by RBI to deposit or exchange currency at demonetarized period.

**10.Sanction of loan:** Banks are targeted to give crop loan of 18,000 crore but at the demonetized period they sanctioned 1500 crore only.Many farmers depend on bank for cash credit but bank sanction loan only to those farmers who has paid old debt.

**11.PAN card:**Banks are made compulsory to use PAN card for transactions above Rs 25000. But only 20percent of population had PAN card and very less farmers in rural India use the PAN card. Farmers require more cash to purchase of asset like power tiller or to rig borewell

**12.Lack of ATM facility:** Farmers are depending illegal money lenders in market as most of APMC markets of rural India donot have banks and ATMs though there were some markets with ATM facilities they were not in working condition.

**13.Credit purchase:**During the demonetization period because of lack of cash in hand the farmers depend on the credit purchase of input materials from dealers and the dealers offer the products at 25 to 30 percent higher than normal market price. Many traders and commission agents have taken due advantage of the demonetization and lend the money to the farmers at higher rate of interest and at the same time their output was sold for lower prices in the market as the demand was low for their products due to less cash circulation in the market.

**14.Less inputs:**Fruits and vegetables market hit the hardest. Fruit and vegetable farmers require cash on regular basis to purchase fertilizer, pesticides, labour charges for loading and unloading and transportation charges. Farmers use less inputs due to the shortage of cash by this the yield of crop is less, reduced sales and lower price realization affect the farmer.Farmers in rural areas with no bank accounts would be largely affected. The crash crunch hit them hard.

In Indian economy many farmers are exploited by the intermediaries and agriculture sector lacks innovation and modern techniques in irrigation process. Some of presumption about the Demonetization would be: (i)the Government can invest the recovered black money in irrigation project so that farmers can grow two crops instead of one crop; (ii) the bank interest rates can be reduced so that the farmers can take loan with less interest rates and lessen their financial burden and invest it in farm mechanization (iii) government can build cold storage chain to avoid wastage of perishable agricultural products; (iv) farmers can deal with consumers directly by avoiding middlemen; (v) the government can complete the pending electricity projects so that farmers can adopt the drip irrigation to get high quality agricultural product; (vi) Government can improve the quality of fertilizer without adulteration by establishing more and more R&D department which will lead to high agricultural yield. If all these activities are attained though the present demonetization, then we can assume the reverse migration i.e. from cities to villages.

### III. Review Of Literature

- ❖ **Sandeep Kaur (2016)**, the study examined the impact of demonetization on Indian economy. It shows impact is on black money, corruption, elections, gold /silver markets and the sudden decrease in money supply and increase in bank deposits is going to adversely affect the demand in the economy. Study concluded that the decision of demonetization may affect adversely in short term but in longer run it gives positive results. **Sherline.T.I (2016)**, the study analysed the government measures for promoting financial inclusion through Pradhan Mantri Jan Dhan Yojana scheme and Aadhar. From last three decades it shows exclusion and poorer section not been accessed financial services but from demonetization Government got solution. It is expecting that demonetization improve and help in Government's financial inclusion. **Parag Wakins (2017)**, the study examined theoretical perspective of two models that is Money Multiplier Model and Segmented Market Model. According to Money Multiplier Model currency in circulation would go down and deposit would go up and banks will have more money to lend but this model lacks in describing creation of money by banks or contribution of banks to money supply. In India there are two types of consumers, some use cash and another use electronic payment. One who works in formal sector, settle payment and debts through electronic mode. One set of consumers, who work in informal sector do not connect to the electronic mode of payment or receipts and on the other hand, a set of consumers represents workers from formal sector and connected to formal financial markets which settle payment and debts through electronic transfers. The study concluded that to understand the impact of demonetization in India, the segmented market based model. **Nikita Gajjar (2016)** evaluated the India's future challenges regarding black money. This study revealed the Government policies and strategies for the control of black money and corruption. **Ambalika Sinha and Divya Rai (2016)** the study evaluated Indian economy paralyzed for short duration due to demonetization. It covered challenges faced by rural India and informal sector. According to the study rural population is 83% and urban population is 38% but bank share of deposit is 9% in rural and 91% in urban area. **K. Veerakumar (2017)**, the study provided an empirical evidence on the impact of demonetization on the public. Due to demonetization unaccounted income come in to front screen as people are depositing currency notes in excess of specified limits. Another positive effect is that in cities people are shifting towards cashless transaction. **Sharif Mohd (2016)**, the study examined the positive outcome like cashless economy and curb on black money. Negative outcome is short term decline in economic activity. It has been revealed that announcement of demonetization is earlier and rural areas are lack of formal banking suffer as they also deal largely in cash. It observes the advantage of demonetization will be felt only on long run. **Pratap Singh and Virender Singh (2016)**, the study revealed the impact of demonetization Indian stock market and Asia Stock market. The paper states that BSE Sensex is down 3.8% which is less than other Asia market rates. In the articles other Asian countries experiences are collected and shown that the move was one of the series that failed to fix a debt burdened and inflation ridden economy.

### IV. Need For The Study

The above review of literature reveals that studies have been conducted based on the secondary data to understand the impact of demonetization on public, on banking sector, on black economy, corruption, stock market, and so on. Many new paper sources TV shows spoke about the negative impact of demonetization on agriculture sector. Therefore the present study has been conducted to know the opinion of small farmers about the present demonetization and problems faced by them during the present demonetization period.

### V. Research Methodology

The present study has been conducted based on both primary and secondary data. The secondary data has been used to understand the concept of demonetization and to analyse the existing review of literature about demonetization. 117 small farmers have been selected from Hullahalli Hobli, Nanjangud Taluk for the present study based on convenient sampling technique. Small farmers have been selected based on the land holdings. The farmer who holds five acres or less than five acres of land is considered as small farmer. A structured has been served to collect the opinion about the present demonetization and the problems faced by them. Descriptive statistics have been used to analyse the opinion collected from the small farmers.

#### Objectives

1. To know the perception of small farmers about the present demonetization.
2. To know the problems faced by small farmers during demonetization period.

### VI. Discussion

The following tables has been classified into two categories viz., (1) Analysis of demographic characterizes of small farmers such as their age, educational qualification, size of land holding, nature of land, crop grow and so

on and (2) Analysis of general opinion of small farmers about present demonetization and opinion about the problems faced by them during demonetization.

**Table-1** Age of Small Farmers

Age Group	No. of Respondents	Percentage
25-35	19	16.2
35-45	38	32.5
45-55	46	39.3
Above 55	14	12.0
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-1 presents the age of the farmers. 46 farmers belong to the age group of 45 to 55 years comprising of 39 per cent. Further, 38 farmers belongs to the age group of 35 to 45 years representing 32.5 per cent. Only 19 and 14 farmers belong to 25 to 35 years and above 55 years constituting 16.2 per cent and 12 per cent respectively. In nut shell, most of the farmers belong to 45 to 55 years of age.

**Table-2** Educational Qualification of Farmers

Qualification	No. of Respondents	Percentage
Illiterate	53	45.3
Below SSLC	34	29.1
SSLC	12	10.3
PUC	7	6.0
Degree	11	9.4
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-2 revealed the educational qualification of farmers. 53 farmers are illiterate constituting 45.3 percent and 34 farmers are educated but their educational qualification is below SSLC and comprising 29.1 percent. 7 and 12 farmers educated with PUC and SSLC forming 6.00 and 10.30 per cent respectively. It is surprising that 11 farmers educated with degree constituting 9.40 per cent.

**Table-3** Size of land holding

Acres	No. of Respondents	Percentage
1-2 acres	42	35.9
2-3 acres	25	21.4
3-4 acres	27	23.1
4-5 acres	23	19.7
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-3 depicts the size of land holding by the farmers. The 23 farmers are holding land of 4 to 5 acres constitutes 19.7 percent. The major portion of holding is 1 to 2 acres belongs to 42 farmers constituting 35.9 percent. The average group holds 2-3 acres and 3-4 acres is hold by 21.4 percent and 23.1 percent respectively. Table clearly indicates that major portion of farmers are holding less than two acres means farmers are very poor and for them it becomes difficult to grow commercial crops.

**Table-4** Nature of Land

Nature of Land	No. of Respondents	Percentage
Irrigated Land	73	62.4
Dry Land	44	37.6
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-4 presents nature of land. The 73 farmer's constituting 62.4 percent possesses irrigated land and 44 small farmers constitute 37.6 percent holding dry land. Due to irrigation facility small land holding farmers can also grow well and maintain their livelihood

**Table -5** Grown Crop during demonetization period

Crop	No. of Respondents	Percentage
Vegetable	32	27.4
Not Grown	28	23.9

Paddy	13	11.1
Fruit	9	7.7
Cotton	24	20.5
Grains	7	6.0
Sugar cane	2	1.7
Corn	2	1.7
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-5 shows the crop grown during demonetization period. The major portion is 32 farmers grow vegetable that is 27.4 percent. As indicated earlier that farmers hold less than two acres this make them to grow vegetable, as land is not sufficient for growing commercial crops. In commercial crop only cotton is grown by 24 farmers constituting 20.5 percentages. Sugar cane is grown by only 2 farmer's constitutes 1.7 percent. Second largest portion is 28 farmers constituting 23.9 percent not grown any crop. As 37.6 percent land is not irrigated, lack of water facility has made the farmers not to grow any crop. The very small portion grow paddy, grains and corn.

**Table-6**

Holdings	Type of Bank Account									
	Saving bank		Janadhan Account		Crop Loan Account		Gold loan Account		Mortgage Loan A/C	
	F	%	F	%	F	%	F	%	F	%
<b>Yes</b>	113	96.9	9	7.7	13	11.1	12	10.3	6	5.1
<b>No</b>	4	3.4	108	92.3	104	88.9	105	89.7	111	94.9
<b>Total</b>	<b>117</b>	<b>100</b>	<b>117</b>	<b>100</b>	<b>117</b>	<b>100</b>	<b>117</b>	<b>100</b>	<b>117</b>	<b>100</b>

**Source: Field Survey.**

The table-6 represents type of bank account hold by farmers. The majority of group that is 113 farmers hold saving bank account constituting 96.9 percent. The Pradhan Mantri Janadhan Yojana is advertised and motivated public to open account but only 09 have influenced and 7.7 percent opened Janadhan account. As most of the farmers grow vegetables they are not entitled to get crop loan there for only 11.1 percentage taken crop loan. 12 farmers took Gold loan and 6 farmers took Mortgage loan constituting 10.3 and 5.1 percent respectively.

**Table-7** Distance of bank

Distance	No. of Respondents	Percentage
Near	45	38.5
Far	72	61.5
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey**

The table-7 represents distance of bank, 45 farmers constituting 38.5 per cent said bank is near to their place and 72 farmers constituting 61.5 per cent said bank is far from their places. In this Hobli consist of 61 villages only one nationalized bank is situated in Hobli place.

**Table-8** Frequency of visiting to bank

Frequency of Visit	No. of Respondents	Percentage
0-2 times	77	65.8
2-4 times	26	22.2
4-6 times	14	12.0
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-8 represents frequency of visit to bank. 77 farmers' visit less than two times .26 farmers constituting 22.2 per cent visit two to four times. In rural area it is interesting to know 12 per cent of farmers visit four to six times to banks. There is correlation with visit to bank and literacy rate.

**Table-9** Usage of ATM card

ATM Card Usage	No. of Respondents	Percentage
Yes	40	34
No	77	66
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

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The table-9 depicts number of farmers using ATM card. Only 40 farmer are having ATM card constituting 34percent and 77 farmers constituting 66percent does not possesses ATM Card. This indicates that farmers are hesitating to go towards cash less economy.

**Table-10** Mode of Selling thegrown Crop

Sale	No. of Respondents	Percentage
To Money lenders	9	7.7
To Middleman	54	46.2
Directly to APMC	54	46.1
<b>Total</b>	<b>117</b>	<b>100.0</b>

**Source: Field Survey.**

The table-10 presents the sale of crop by farmers. Only 9 farmers representing 7.7percentage sell to money lenders. Very small percentage is in the clutches of money lender. Equal number that is 54 farmers sell their crops to middle man and directly to APMC constituting 46.1percent. This shows market awareness of farmers.

**Table-11** General Opinion of Demonetization

Sl. No.	Statements	Strongly Agreed		Agreed		Neutral		Disagree		Strongly Disagree		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	The move of the government towards demonetization is appreciated	60	51.3	33	28.2	7	6	8	6.8	9	7.7	117	100
2	The step of demonetization eliminate corruption, black money and terrorism	57	48.7	39	33.3	12	10.3	7	6	2	1.7	117	100
3	Cashless economy will help in economic growth	38	32.5	28	23.9	21	17.9	25	21.4	5	4.3	117	100
4	Demonetization may bring cash crunch in short term but will help in long run	35	29.9	46	39.3	13	11	14	12	9	7.7	117	100
5	This step will bring in great change in agricultural sector	14	12	32	27.4	25	21.4	28	23.9	18	15.4	117	100

**Source: Field Survey**

Table-11 presents the general opinion of the famers about the present demonetization. Most of 60 farmer forming 51.30 per cent strongly appreciated the move of the government and as against to this only 9 farmers gave negative opinion of the same statement. 57 farmers constituting 48.70 percent strongly believed that the present demonetization eliminates the corruption, black money and terrorism but 7 farmers disagreed with the same. 38 and 35 farmers strongly agreed that cash less economy will help in economic growth and may bring the cash crunch in short term but will help in long run. It is pathetic to note that 25 farmers forming 21.4 per cent were neutral about the statement that the present demonetization will bring great change in the agricultural sector.28 and 18 farmers did not give the positive opinion the same statement.In nutshell, majority of the respondents were appreciated about the demonetization and its positive impact on the society but on the same time they were in non-agreement with the statement that the present demonetization will bring great positive changes in agricultural sector.

**Table-12** Problems faced during demonetization

Sl. No.	Statements	Strongly Agreed		Agreed		Neutral		Disagree		Strongly Disagree		Total	
		F	%	F	%	F	%	F	%	F	%	F	%
1	Exchange of currency disturbed the agricultural activities	23	19.7	23	19.7	20	17.1	23	19.7	23	19.7	117	100
2	The sudden announcement of	27	23.1	29	24.8	14	12	29	24.8	18	15.4	117	100

	demonetization led to problem in currency exchange												
3	Created problem in paying daily wages to the labours	24	20.5	27	23.1	9	7.7	40	30.2	17	14.5	117	100
4	Faced the problem in purchasing seeds and fertilizers	14	12	30	25.6	14	12	38	32.5	21	17.9	117	100
5	Faced the problem in transporting the crop to your selling point	13	11.1	27	23.1	17	14.5	27	23.1	13	11.1	117	100
6	Faced the problem of price crash	20	17.1	23	19.7	19	16.2	30	25.6	25	20.4	117	100
7	Lost the grown crop because of demonetization	14	12	11	9.4	7	6	30	25.6	55	47	117	100

Table 12 presents the problems faced by the farmers during demonetization. It is interesting to note that almost equal number of respondents gave scattered opinion about the statement that exchange of currency disturbed the agricultural activities during present demonetization and the number stood at 23 comprising 19.70 per cent at each level of opinion. An equal number of 29 farmers forming 24.80 per cent both agreed and disagreed on the statement that the sudden announcement of demonetization led to the problem in exchange of currency and as against this 14 farmers constituting 12.00 per cent were neutral on the same statement. 40 and 17 farmers comprising 30.20 and 14.50 respectively were not faced the problem in paying daily wages to the labour and against this 27 and 24 farmers constituting 23.10 per cent and 20.50 per cent faced the problem in paying daily wages to the labour. 14 and 30 farmers forming 12.00 per cent and 25.60 per cent faced the problem in purchasing seeds and fertilizers and 38 and 21 farmers constituting 32.50 per cent 17.90 per cent not faced the problem in purchasing seeds and fertilizers. It is interesting to note that an equal number of 27 farmers forming 23.10 per cent both agreed and disagreed on the problem faced by them about transportation of crops to selling point. 55 and 30 farmers representing 47.00 per cent and 25.60 per cent did not face the problem of losing their crops grown during the demonetization. Only 14 and 11 farmers forming 12.00 per cent and 9.40 per cent faced the problem of losing their crops grown during the demonetization. To conclude, there was a mixed opinion on various problems faced by the farmers during the demonetization.

## **VII. Conclusion**

Our father of the nation said that “if a village perishes India will perish too.” This statement still suits to our Indian economy after rejoicing the 69 year of independence. Though the past and present government has taken many steps to improve the status of Indian villages because of many factors and problems such as high illiterate rate, poverty, poor financial inclusion, corruption, grimy political games and so on we are unable to improve the status of our villages. The present study revealed that many farmers are illiterate and their land holdings were very less. Majority of the respondents were appreciated about the demonetization and its positive impact on the society but on the same time they were in non-agreement with the statement that the present demonetization will bring great positive changes in agricultural sector. The present study also revealed that there was a mixed opinion on various problems faced by the farmers during the demonetization such as losing their crops, exchange of currency disturbed the agricultural activities and sudden announcement of demonetization led to the problem in exchange of currency. The problem of exchanging the currency was the general problem for everyone and farmers were not exceptional to that and this has been faced by them because of less number of banks in the locale where the study was conducted. There was mixed opinion about many problems which might be dependent on the type of crop which they have grown. It is pathetic to note that most of the farmers did not agree that that the present move of demonetization will bring in great change in agricultural sector, this may be on one hand that they were very clear that no government bring any change in their lives and on the other as they are illiterate and do not possess knowledge to analyze the future changes because of the present demonetization. On the whole, the general opinion of majority of the farmers towards demonetization was appreciated and problems differed based on the crops they have grown.

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