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A study on factors responsible for constraints to agricultural diversification in Sitapur district of Uttar Pradesh

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Abstract
The Study focuses on the significance of institutional limitations in driving agricultural diversification in economically disadvantaged regions. Through primary data collected via personal interviews with selected farmers in Sitapur district of Uttar Pradesh, the study identifies key constraints affecting diversification efforts. These constraints include the absence of modern agricultural skills, limited access to financial services, and inadequate marketing facilities. The authors suggest that these factors play a pivotal role in hindering diversification. They propose that providing institutional support, such as facilitating access to formal financial sources and establishing farmer organizations, could be instrumental in promoting agricultural diversification. By addressing these constraints, the study indicates that diversification could be fostered, subsequently reducing risks to farmers' livelihoods.

Keywords: Agricultural diversification, marketing facilities, livelihood risks

1. Introduction
Agricultural diversification refers to either a change in the cropping pattern or by farmers opting for other non-agricultural options like poultry, animal husbandry etc. This practice allows farmers to expand production, helping generate higher levels of income. Changing cropping pattern refers to diversification between food and non-food crops, traditional crops and horticulture, high value and low value crops etc. After the emergence of the Golden Revolution (1991–2003), diversification began to flourish rapidly across the country.

Agricultural diversification is defined as the adjustment or reallocation of resources across commodities in the production portfolio based on comparative advantage created by technological changes and/or market opportunities. Initially, diversification means adding other crops and other enterprises to the farm household level. However, as the level of commercial orientation increases, one sees mixed farming systems giving way to specialized production units designed to respond rapidly to market prices and quality inputs. Diversification at the agricultural sector level is therefore consistent with specialization at the farm or unit of production level. However, diversification at household level is a desirable alternative since it has the potential to reduce the livelihood risk.

Diversification in cropping is possible and essential to saving the crumbling agriculture economy and environment, Crop diversification acquires special significance in this region because of the ecological and environmental problems and strain on natural resources associated with the green revolution technology, and difficulty in sustaining growth in output and income.

Ellis defines rural livelihood diversification as "the process by which rural households build up and the preceding concepts of diversification focused primarily on technology, market logic and risk reduction strategies for livelihood security. Institutional, economic and social barriers such as unfavorable policies, high marketing costs and limited access to credit and information also play a decisive role in the diversification process and are often underestimated and ignored. These barriers not only hinder the diversification process but also hamper the overall agricultural production. The present study was conducted in Sitapur district of Uttar Pradesh with the objective of identifying the institutional, social and economic constraints that hinder diversification of crops and enterprises in rural areas.

2. Materials and Methods

The study was conducted in the Sitapur district. The district has 19 blocks out of which two blocks namely Biswan and Sidhauli were selected randomly for the study. Two villages from each block were selected randomly and a total of 20 farmers were selected using random sampling procedure for detailed interview. Thus, a total of 80 farmers were interviewed for the study "between" 2021-22. Descriptive information, farm Characteristics and farmers' perception about constraints to diversification were examined with the help of open-ended questions. Constraints pertained to institutional, economic, information-related and social issues. The requisite secondary data were collected from various published records of government offices, block development offices, reports, and other related sources.

2.1 Analytical Tools: Crop Diversification was examined with the help of Herfindahl Index (HI) as given below:

HI = ∑P_1^2 Where P_1 proportionate area of the crop in the gross cropped area. The index approaches towards zero for higher level diversification and 1 for prefect specialization.

3. Results and Discussion

It was hypothesized that constraints hindering the development of agriculture may also hinder the development of diversification in rural areas. For the purpose of presentation, these constraints were classified into four groups. The groups were – Institutional and Informational Barriers, Communication and Marketing Barriers, Economic Barriers and Social Barriers. The results based on the survey of farmers are presented in Table 1 to Table 4.

Table 1: Credit and information constraints faced by the sample farmers in the study area

Sr. No.	Particulars	Percent of respondents (N=80)
1	Lack of educational and training facilities	62.20
2	Lack of informal and formal discussion groups	48.30
3	Lack of influential community leaders in the village	41.10
4	Absence of microfinance agencies and self-help groups	40.20
5	lack of technical knowledge	43.30
6	Scarcity of commercial and cooperative banks	31.90
7	Ineffective role of Gram Panchayat in agricultural diversification	35.20
8	High interest rates of private moneylenders	41.90
9	Procedural complications with commercial banks	28.50
10	Non-availability of credit on time	56.90

A perusal of Table 1 shows that lack of educational and training facilities was the biggest constraint faced by the farmers, followed by lack of technical knowledge. This reflects the lack of skill development in modern agriculture as well as inadequate extension services available to farmers. Access to financial services, especially institutional sources of finance, was another barrier. Lack of farmer groups, ineffective community leadership and lack of self-help groups were other major constraints, as reported by the farmers. It may be mentioned that social capital and source of information play a very important role in the transformation of the agricultural system.

Table 2: Communication and Marketing Constraints for sample farmers in the study area

Sr. No.	Particulars	Percent of respondents (N=80)
1	No facility for processing and value addition	47.80
2	Lack of input market facilities in the village	32.30
3	Absence of all-weather road to nearest market	35.50
4	high marketing cost	41.10
5	Non-availability/very low frequency of modes of transport like vehicles	41.20
6	Output market is far away	39.60
7	Cheating and malpractices by middlemen in the market	57.00
8	Lack of other facilities including toilets, drinking water in the market	28.50

Marketing is the most important decision to earn more income. The constraints related to marketing are presented in Table 2. Lack of facilities for processing and value addition was the most important factor hindering the diversification of vegetables and fruits. Other factors such as distance to market for inputs and outputs found a place in the priority list of farmers. Show that the proximity of villages to main roads and urban centers increases the likelihood of undertaking diversification activity. They argue that better access to the market makes marketing and customer engagement more efficient. High marketing costs and exploitation by middlemen still remain in the agricultural marketing system which needs to be addressed.

The economic barriers identified by the respondents are presented in Table 3. The most important barriers to diversification felt by farmers were inappropriate technology, including substandard seeds, and non-availability of trained personnel.

This reinforces the finding of inadequate skill development in the region with respect to high-value agriculture. Other important constraints were non-availability of labour, non-availability of inputs in time and fluctuating market prices. The exploitation of the farmers was also in the form of low prices offered to the farmers by the village traders. The low marketable surplus makes it unviable for farmers to go to the market in person to sell their produce.

Table 3: Economic constraints faced by the sample farms in the study area

S. No.	Particulars	Percent of respondents (N=80)
1	Non-availability of trained personnel	41.10
2	Non-availability of agricultural inputs in time	41.10
3	labor unavailability	54.72
4	low cost of goods in the village	36.70
5	Lack of information about price and market information	31.10
6	high cost of agricultural inputs	54.72
7	fluctuating market prices	52.00
8	lack of irrigation facilities	35.20
9	Inappropriate technology	56.90

Table 4: Social constraints faced by the sample farms in the study area

Sr. No.	Particulars	Percent of respondents (N=80)
1	Traditional farming	52.20
2	poverty	45.60
3	Resistance to adopt new technology for fear of failure	38.90
4	Lack of participation in the socio-cultural societies	44.40
5	Bribery and Subsidy Mistakes	24.40

Social barriers to diversification are presented in Table 4. It can be seen that poverty was the most important factor for trying alternative farming systems due to lack of risk appetite and investment resources. Such a situation was further aggravated by the high rate of interest charged by private moneylenders and lack of access to institutional sources of finance. Attachment to traditional farming and fear of failure also showed risk-averse behaviour. Removing leakages in extension activities and subsidy schemes can help in improving the adoption of new crops and cropping systems.

4. Conclusion

In this paper, we have examined the constraints of agricultural diversification in Sitapur district of Uttar Pradesh using primary level data for the period 2021-22. The various constraints were grouped into institutional, marketing, economic and social constraints and found that these constraints played a significant role in the development of agricultural diversification in the district. Due to lack of educational and training facilities, farmers are deprived of acquiring skills in modern agriculture. Non-availability of timely labour, credit and other inputs were found to be other constraints. Marketing problems and attachment of farmers to traditional farming systems were also found to influence the diversification process. It was suggested that institutional sources of finance and organized/group marketing by the farmers should be encouraged to overcome these problems.

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