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MACHINERY HIRING SERVICES EMERGING AS A BOON TO THE FARMERS

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Agriculture, with its allied sectors, is the basis of the Indian economy that serves as a primary source of livelihood for a significant proportion of its population. More than half of India's workforce receives their major source of employment in agriculture, which also makes a significant contribution to the country's GDP. But the labour-intensive nature of agriculture is one of its main issues. It frequently involves a variety of manual labour-intensive tasks like planting, weeding, harvesting, and caring for livestock. According to a report published by Federation of Indian Chambers of Commerce and Industry (FICCI) in the year 2015, the percentage of agricultural workers in India has been gradually declining from 59.1% in 1991 to 54.6% in 2011 which is expected to further decline to 25.7% by 2050 leading to severe farm labour shortage. The crucial strategy to address this labour shortage is reducing labour use and maximizing labour productivity which heavily relies on availability and prudent use of mechanized power by the farmers.

Farm mechanization is essential for boosting the income of the farmers and increasing the agricultural productivity. The adoption of mechanization by the farmers depends on various factors such as socioeconomic conditions, geographical conditions, crops grown, irrigation facilities etc. Thus farm mechanization is one of the obligatory steps for transforming Indian agriculture. But more than 80% of the farmers in India are small and marginal farmers and thus farm mechanization is beyond the reach of these farmers due to their poor economic condition which makes them unable to afford the costly farm machineries. This compels the Indian farmers to dependent heavily on traditional practices of farming.

In north-eastern states of India, the level of mechanization is extremely low. Apart from the socioeconomic conditions of the farmers, the reasons behind this are hilly topography, high transportation cost, lack of state financing and dearth of agricultural

machinery manufacturing industries. Thus there is a constant emphasis of the Government of India to promote mechanization for all section of the society with the aim of increasing the reach of farm mechanization to small and marginal farmers and to region where availability of farm power is low.

What is Custom Hiring Centre (CHC)?

Custom Hiring Centre (CHC) is a unit consisting of a set of farm machinery, implements, and equipment that is provided to the farmers at affordable prices on a hiring basis that are owned and managed by community based organizations like Farmer Producer Organizations (FPOs)/ Voluntary Organizations (VO) and Non Governmental Organizations (NGOs). The primary objective of Custom Hiring Centres is to encourage agricultural mechanization by offering access to modern machineries and equipments to the small and marginal farmers who might not be able to purchase their own equipment.

How CHCs are Beneficial to the Farmers?

In the context of agriculture, Custom Hiring Centres (CHCs) are a critical concept, especially in nations like India. CHCs are designed to give farmers, especially small and marginal farmers access to a range of rental agricultural machinery and equipment. Farmers who might not be able to purchase these items separately now have access to a large variety of modern agricultural machinery and equipment through CHCs, including tractors, ploughs, seeders, harvesters, and irrigation tools. Moreover, renting machinery from CHCs is less expensive than buying and maintaining the machinery; thereby farmers save money on both the major initial expenditure and continuing maintenance costs.

The utilization of mechanized equipment from CHCs may considerably boost the productivity of farming practices by minimizing the time and effort involved in various tasks like land preparation, planting, harvesting, etc. By increasing the time efficiency CHCs also potentially enabling them to diversify their income sources or engage in other activities. Generally, mechanized operations are more precise and crop outcomes are also improved when planting and harvesting methods are consistent, which results in higher yields and better crop quality. Some of the modern machinery that can be obtained by the farmers from CHCs may make better use of resources like fertilizer and water, thereby encouraging environmental friendly and sustainable farming methods. If the harvesting and post-harvest operations are mechanized, post-harvest losses can be reduced to larger extent which can

further ensure that a greater percentage of the harvest reaches the market in good condition. Thus the income of the small and marginal farmers can also be improved with the help of the machinery rental service provided by the CHCs.

How CHCs are Beneficial to Their Owners?

Apart from the farmers CHCs also provide economic viabilities to their owners by generating revenue through machinery rentals and services. Owners can earn income by providing equipment to farmers for various agricultural activities. CHC could be a profitable business venture, especially in rural locations where there is a need for mechanized agricultural services. For business owners, it may be a reliable stream of revenue. CHCs stimulate rural entrepreneurship by enabling individuals to establish and manage their own businesses which help to generate employment and enhance economic activity in rural communities.

Government organizations also promote the establishment and operation of CHCs in various nations, including India by offering various incentives, subsidies, or grants. These assistance schemes from the government benefit the owners in making the establishment and operation of the centre financially feasible. In India, under Sub – Mission on Agricultural Mechanization (SMAM) scheme, financial assistance of 40% to 50% of the project cost is provided to rural youth and farmer as an entrepreneur, Cooperative Societies of Farmers, Registered Farmers Societies, Farmer Producer Organizations (FPOs) and Panchayats for establishment of Custom Hiring Centres (CHCs) and hi-tech hubs of high value agricultural machineries.

CHCs also generate employment opportunities for individuals in the rural areas as it often requires qualified mechanics and operators for the maintenance and operation of the machinery. Thereby providing necessary agricultural services and opening up job opportunities, CHCs may contribute to the overall advancement of rural areas and enhance the local economy.

Conclusion

Custom Hiring Centres are a part of initiatives to modernize and increase the productivity of agriculture in addition to encouraging rural entrepreneurship. They ultimately contribute to higher agricultural productivity by enabling small-scale and resource-constrained farmers to take advantage of the benefits of technology and mechanization. For

farmers, especially those with limited resources, Custom Hiring Centres are an invaluable resource because they give them access to technology and equipment that can improve livelihoods, advance agricultural practices, and advance rural development as a whole. Apart from facilitating the adoption of mechanized agriculture and improving the livelihoods of farmers in the rural areas, CHCs also provide their owners a platform for entrepreneurship, income generation, and community development.

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