

IMPACT OF CORPORATE FARMING AND AGRICULTURAL DEVELOPMENT IN UTTAR PRADESH

Abstract of Thesis

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India is an agriculture dependent economy. Agriculture is playing an important role in the process of economic development. It is providing food, employment opportunities, saving, materials or inputs to industrial sector and foreign exchange. At the time of Indian Independence, the share of agriculture in total GDP was more than 55 per cent and 70 per cent of population was depending on agriculture sector for their livelihood. Now, the share of agriculture in total GDP has declined to 15.4 per cent in 2015-16 (GOI, 2016) and employing as 52 per cent of the total workforce of India. Hence, there is a continuous steady decline in its contribution to the GDP and the agriculture sector is losing its shine and anchor position in the Indian economy. This sector has been facing various problems such as general, institutional and technological. The farmers are facing several general problems like indebtedness, absence of crop rotation and population pressure. There are some institutional problems like small size of holding, inadequate credit facilities and defective land tenure system. Indian agriculture has also been suffering from the technological problems like inadequate use of inputs, fertilizers & High Yield Variety (HYV) seeds. The state has experimented several farming system models like peasant farming, state farming, estate farming, cooperative farming to solve these problems. But all these farming systems have not benefitted to the small and marginal farmers. After that new agricultural policy 2000 has assigned a key role to private sector. Now private sector could enter into the agriculture sector through Contract Farming and Land-Leasing Arrangements (Corporate Farming).

The corporate farming describes the business of agriculture as the practices of mega-corporations involved in food production on a large scale. It is a modern food industry and encompasses not only the farm itself but also the entire chain of agriculture-related business including seed supply, agrichemicals, food processing, machinery, storage, transport, and distribution, marketing, advertising and retail sales. The ultimate goal of corporate farming is to vertically integrate the entire process of food production up to the point of the distribution and sale of food to consumers. The agribusiness firms are increasingly choosing leasing in land option to resort to corporate farming as a way out of this situation. The agriculture is a state subject and many state governments in India have attempted liberalization of land laws, especially land ceiling laws for allowing the corporations in agriculture.

Now corporate farming also has been started in the state of Uttar Pradesh. Due to initial stage of corporate farming in Uttar Pradesh very less literature is available.

Hence, the present study explores the impact of corporate farming on agricultural development in Uttar Pradesh by reviewing the earlier studies on agricultural development, farming system and land issues. Only a few studies have made an attempt to analyze the impact of corporate farming on small and marginal farmers. Therefore, the current study is intend to fill this crucial gap in understanding the impact of corporate farming on small and marginal farmers in the state of Uttar Pradesh.

Hence, there is a need to examine the feasibility of the corporate farming whether the corporate farming has improved the socio-economic conditions of small and marginal farmers in terms of agriculture production sustain the soil health and food security of the country. Further, this study will focus on the issue of land ownership and ownership rights. This is the main issue of the corporate farming. This study is conducted with the following main objectives. The main objectives of the study are:

1. To study the impact of corporate farming in Uttar Pradesh in terms of production, productivity, income and expenditure.
2. To examine the economic viability of corporate farming in terms of revenue and cost.
3. To study the economic conditions of small and marginal farmers in terms of income, employment, poverty, education and consumption.

Hypotheses of the study are:

1. Corporate farming is economically viable with positive impact.
2. The small and marginal farmers are working as labour in their own land and facing exploitation from the companies.

Present study is a micro level and field study. This study is based on primary information/data. The purpose of this study is to analyse the socio-economic conditions of leased out farmers in the corporate farming system. The samples of the study are leased out land owners involved with the corporate agricultural firms/companies (Sun Shine Agri Farms Pvt. Ltd. in Bulandshahr district and Hi-tech Agriculture & Consultation in Barabanki district) in the Uttar Pradesh. Two districts of the U.P., namely Bulandshahr and Barabanki are selected for the field survey in which two corporate agriculture firms are currently running the corporate farming. The corporate farming has been started since 2012-13 in both districts. The purposive

sampling method has been used to select the sample of the farmers. The size of sample is 225. We have taken 105 household farmers from Bulandshahr district and 120 household farmers from Barabanki district. In Bulandshahr district out of 105 household farmers, 22 belong to General category, 76 belong to OBC category and 7 belong to SC category respectively. Similarly, out of 120 household farmers, 49 belong to OBC category, 71 belong to SC category and there is no general category farmer in Barabanki district. Data is collected through field survey contacting households of the leased out land farmers in the villages of selected districts. For data collection structured questionnaire is used. The data was collected during 2016-17 period.

Further, to support the study secondary data is also used. The sources of secondary data are National Sample Survey Organization (NSSO), National Agricultural Bank for Rural Development (NABARD), U.P. at a Glance, Statistical Diary of U.P., Central Statistics Office (CSO), Bulandshahr District Sankhyakiya Patrika, Barabanki district Sankhyakiya Patrika and Statistical Abstract. The software like SPSS, STATA is used in the present study. A few basic statistical tools are used to analyse primary and secondary data. We used simple percentage and descriptive statistics for the analysis of primary data. For the analysis of primary data dummy regression model and logit model regression techniques are also used. The time periods are different at the different level of analysis. Few case studies are also used to supporting argument.

We have observed that no. of marginal and small farmers sharply increasing during 1950-51 to 2010-11. After that, we also observed that the area and production of cereal crops in the state also increased between the same period while the area and production of pulses goes down tremendously in the state. There is a diversification from traditional crops to commercial crops due to private participation through contract and corporate farming in the state. Agriculture cultivators have also been decreasing in the state during the study period and migrating to other sectors for the betterment of their welfare. Agriculture credit may be one of the reasons of migration in the state of Uttar Pradesh. Credit plays an important role in increasing agriculture productivity but the flow of credit by formal sources is still not sufficient for small and marginal farmers in the state. Therefore, the small and marginal farmers became agricultural workers from cultivators. Hence, farming system plays a crucial role in the agriculture development in the state.

Further we have found that the multinational companies, domestic farming organizations are investing in Indian agriculture. The agriculture is being treated by the companies as industrial sector. Commercialization of agriculture is the reasons for the industrialization of agriculture. The large scale operation of agriculture is giving economies of scale in Indian agriculture. The new agriculture policy has also encouraged the private parties to invest in agriculture by relaxing the land ceiling act in some states. Uttar Pradesh is one of the states going to corporate farming. Hence, there is need to analyse the pros and cons of corporate farming in India as well as in Uttar Pradesh

Bulandshahr and Barabanki districts are agriculture dominant economy. Around 90 per cent small and marginal farmers are engaged in agricultural activities. There is less participation of rural peoples in other sectors of the economy like manufacturing and service sector. As a result, agriculture is the main source of income for the rural area peoples. In both the districts rural literacy rate of female is less than the male literacy rate. In urban areas literacy rate is higher than the rural areas literacy rate. Cultivators constitute 28.3 per cent of total industrial workers in Bulandshahr district while in Barabanki cultivators constitute 46.20 per cent share of total workers in the district. This reveals that both of the districts have agriculture dominance. The proportion of cultivators among females is less than of males, but in case of agricultural labourers their proportion is distinctly higher in both the districts. Both the district has a good industrial base and also has various type of financial institution to provide credit in the development of the districts.

Further small and marginal land holdings are dominant in both the districts. Small and marginal land holdings hindered the farmers to achieve the required goal. These small and marginal holdings are in scattered form which leads to inefficiency in using new technology on the land. As a result, farmers facing various problems in agriculture sector like low level of production and productivity, lack of financial assistance, lack of market facility.

Now, entry of the companies in the agriculture sector in both the district provides a ray of hope to the small and marginal farmers. The companies taking the land on lease from the farmers and give them rent and work on the corporate farm as a labour. This type of farming is going on, in both the district. In Bulandshahr district, Sun Shine Agri Farms Pvt. Ltd Company produces carrot at large scale. Approximately, 1000 acres of land have been acquired by the company in the district.

Similarly, in Barabanki district Hi-tech Agriculture & Consultation Company is doing agriculture. This company produces banana and providing employment in the district. The entry of companies in agriculture sector can very beneficial to the small and marginal farmers in both the districts. Socio-economic conditions of the farmers could be improved. Hence, these two districts are selected for the study purposefully.

The impact of corporate farming is analysed and examined in terms of socio-economic development of leased out farmers. The social development is a process of transformation of the society with the change in social participation, social equality, social justice and social emancipation. On the other hand, the economic development includes the variables like production, income, employment, wages, savings, education and consumption of the leased out farmers. The impact of corporate farming is analysed by collecting 225 samples of lease-out land farmers from the two districts of Uttar Pradesh during 2016-17.

It is observed that Bulandshahr district farmers are living in better condition compared to Barabanki district farmers. Barabanki district is backward in terms of having sanitation facility in comparison to Bulandshahr district. Another important component of farmer's life is the drinking water. It is observed that the farmers of Bulandshahr district have better drinking water facility as compared to Barabanki district. Electricity is also important factor to remove the darkness of farmers and brings happiness in the life of farmers. Bulandshahr district farmers have the electric facility while in the Barabanki district, 15.49 per cent SC category farmers are not getting electric facility during the study. It is also found that the percentage of illiterate persons was maximum in OBC category and minimum in general category. SC category household have maximum post graduate among the social categories because sample size of SC category households was very minimum of 7 households corporate farming in Bulandshahr district. It is also evident that the percentage of graduate and post graduate member is very less in Barabanki district. Further, it is observed that Bulandshahr has better sources of cooking food facility compared to Barabanki district. We have also found widespread variation in terms of having vehicles facility among social groups of the farmers in both the district of Uttar Pradesh. The most useful vehicle for the lease out farmers is the motorcycle in both the districts of Uttar Pradesh.

The economic development is explained in the terms of income, land, employment, wage, production, consumption, expenditure, poverty, education, total

revenue, total cost, and profit of the small and marginal farmers. The empirical results are presented here with proper justification.

The pattern of land holdings of farmers is shown that the corporate farming companies involve small, marginal, semi-medium, medium and large farmers in the study area. In Bulandshahr district, company is not interested to lease-in land from small and marginal farmers; the company is biased in lease-in of land while in Barabanki district the company has taken only land from small and marginal farmers. This is happened because land size is varied in both the districts. It is also found that around 10.53 per cent of OBC farmers sold their land to the companies due to poor financial conditions and for business purposes in the Bulandshahr district. Similarly, 8.16 per cent of OBC farmers and 7.04 per cent of SC farmers have sold out some land to the company respectively in the Barabanki district of Uttar Pradesh. The main reason for selling their land is poor financial conditions in the district. It also evident from the study that the main reasons for participating in lease farming is business and services of landholders in Bulandshahr district and lack of credit and low productivity in the Barabanki district of Uttar Pradesh.

The rent on leased out land is being influenced by some socio-economic factors. The companies are paying rent in different way for the different farmers. It based on education level of farmers, caste and land size of the farmers. Here dummy regression model is used to estimate the effect of the three variables on rent. The model is statistically significant at a 1 per cent level of significance and the probability value is 0.000. The caste and land size are significant in this model but education is not significant and it is not affecting rent because companies fixed the amount (per bigha rent) for lease to all farmers which want to give their land to the company in both the districts. But the caste and land holding size of the sample farmers is affecting the rent on leased out land in both the districts of Uttar Pradesh. It is found that General and OBC farmers are getting more rent because they have more land in comparison to SC farmers. It is also found that SC category farmers are also getting employment opportunities in the villages itself and they don't need to migrate for work from village to other village and cities in one hand and they also become landless labour after giving their land to the company on the other hand. The value of R-square also fit in the model.

The impact of corporate farming is explained in terms of expenditure, production, productivity, and income. This analysis is comparative in two period of

time. They are (1) before leased out time, (2) after leased out time. In Bulandshahr district before lease the cost of wheat and rice of general category farmers were Rs. 14139 per hectare and Rs. 17529 per hectare respectively while for OBC category it was Rs. 14482 and Rs. 17773 per hectare respectively and in SC category it was Rs. 14557 and Rs. 17442 per hectare respectively. After lease out, the company is producing carrot crop and cost of carrot is Rs. 55942 per hectare in the same land. Similarly, in Barabanki district cost of wheat and rice per hectare for OBC farmers was Rs. 17684 and Rs. 20085 respectively and for SC farmers it was Rs. 18067 and Rs. 20432 respectively. After lease out land the company shifted from wheat and rice to banana, potato, tomato and mentha crops and the cost of banana, potato, tomato and mentha per hectare is Rs. 155720, Rs. 93490, Rs. 140359 and 21808 respectively. Hence, before corporate farming the cost of production per hectare is less in comparison to after corporate farming. This difference in the cost of production per hectare is due to diversification in crop production in both the districts of Uttar Pradesh.

The study shows the impact of corporate farming on agriculture production in both the districts. It is found that before lease out land the total production of wheat and rice was 3531 Qtl and 2971 Qtl respectively for the general category farmers during the study period. In case of OBC category farmers, the production of wheat and rice was 12669 Qtl and 10715 Qtl whereas the production of wheat and rice of SC farmers was 1136 Qtl and 943 Qtl respectively in Bulandshahr district during the same period. After lease out land to the farming company, it is found that the company produces only commercialised crops or profitable crops i.e. carrot. The corporate farming has positive impact on agricultural production in both the district. Farming companies have not only increased the production of the crops but also generating employment of the farmers and improving socio-economic conditions of farmers in both the districts of Uttar Pradesh. Further it is seen that before lease out, the expenditure of the farmers on agricultural inputs was not significant in both the districts. The majority of the farmers are suffering due to lack of inputs, lack of irrigation facilities, low investment and lack of improved technology. But the corporate companies are investing huge amount of capital at farm level to improve the production in both the districts.

Present study also highlights the improvement in productivity of the crops after lease out period. The productivity of wheat and rice before lease out period was

17 Qtl/hect and 15 Qtl/hect for general farmers, 18 Qtl/hect and 15 Qtl/hect for OBC farmers and 17 Qtl/hect and 14 Qtl/hect for SC farmers respectively in the Bulandshahr district. After the entry into firm/company in the district, the crop diversification has been taking place from traditional crops to commercial crop like carrot. The productivity of carrot is recorded at 255 Qtl/hect for every farmers of leased out land in Bulandshahr district. Similarly, in Barabanki district the productivity of wheat and rice of OBC and SC farmers was 19 Qtl/hect and 16 Qtl/hect respectively. After lease out land, the productivity of banana, potato, tomato and mentha shows a huge increment at 623 Qtl/hect, 436 Qtl/hect, 705 Qtl/hect and 93 Kg/hect respectively in the Barabanki district. The commercialization of crops is the main reason of increase in productivity in both the district of Uttar Pradesh.

Agriculture income is also affected by corporate farming in both districts. Before lease out land income from wheat and rice per hectare were Rs. 25750 and Rs. 20169 for general farmers, Rs. 26583 and Rs. 20855 for OBC farmers and Rs. 25729 and Rs. 19968 for SC farmers respectively in Bulandshahr district. But after lease out land, the company is generating Rs. 612855 per hectare income in the same land area in Bulandshahr district. Similarly, income per hectare from wheat and rice was recorded at Rs. 29040 and Rs. 22730 for OBC farmers and Rs. 29420 and Rs. 23071 for SC farmers respectively during the study period in Barabanki district. After lease out land, company is producing banana, potato, tomato and mentha and generating Rs. 778614, Rs. 156218, Rs. 783865 and Rs. 93506 income per hectare respectively. This difference indicates that after lease out land agricultural income has been increased sharply in both the districts of Uttar Pradesh.

Hence, it is evident from the above analysis that the corporate farming has positive impact on agricultural expenditure, production, productivity, and income. The corporate capital in the agriculture sector also helps in the crop diversification in the state. Both districts have experiencing the crop diversification from traditional crops to cash crops.

Economic viability of corporate farming can be defined as the chances of success that corporate farming is profitable. Economic viability totally depends on the farm management. Economic viability of corporate farming has been calculated by the difference of the agricultural expenditure and agricultural income before and after lease out period. It shows total expenditure and total income of the agricultural crops during before lease out land and after lease out land period in both the districts. It is

found that corporate farming has increased the expenditure at 76.64 per cent in case of general farmers land, 73.43 per cent in OBC farmers land and 74.82 per cent on SC category farmers land in Bulandshahr district. On the other hand, corporate farming also increased the expenditure on crops at 307 per cent in case of OBC farmers land and 300.76 per cent in SC farmers land in Barabanki during the study period. In case of agricultural income from crops, it is found that the corporate farming also increased the income from crops at 1327.71 per cent in case of general farmers land, 1337.3 per cent in OBC farmers land and 1330.99 per cent in SC category farmers land area in Bulandshahr district. Similarly, the income of OBC farmers becomes 1548.54 per cent and 1503.04 per cent to SC farmers land after lease out land in the district of Barabanki. It is evident from the analysis that percentage change of expenditure of crops in Bulandshahr district is less comparison to Barabanki district whereas the percentage change in income in Barabanki district is higher than Bulandshahr district during the study period. The reason for the change of income in Barabanki district is the production of four types of crops which is giving high income while in Bulandshahr district only one crop is being producing. A huge change has been found in agricultural expenditure and income after involving in corporate farming, which indicates that the corporate farming is economically viable in both the districts of Uttar Pradesh.

The impact of corporate farming on farmers is analysed in term of average income of the farmers during before lease out land and after lease out land in both the districts of Uttar Pradesh. Corporate farming has increased the income of farmers in both the districts of Uttar Pradesh. The percentage change of the average income of general farmers is 54.3 per cent, 42.63 per cent in OBC farmers and 32.1 per cent in SC farmers respectively in the district of Bulandshahr. Similarly, the percentage change in average income of OBC farmers is 28.32 per cent and 38.29 per cent of SC farmers in Barabanki district. It is evident from the analysis that corporate farming had positive impact on the income of all farmers because the farmers get the rent on leased out land and wages. The employment of farmers also helps to increase the income of farmers in both the district of Uttar Pradesh.

The Logistics Regression Model is used to analyse the factors influencing the increment in income after involved in corporate farming on various socio-economic factors. The model is statistically significant at 1 per cent level of significance. The constant value coefficient is positive and the odd ratio is also positive. Among the

factors, caste and rent are more likely to affect income from corporate farming. The coefficient for age and education variables of the farmers is not significant. This is mainly because of no significant differences in age and education profiles of the sample farmers. Regression results indicate that social category of the farmers is likely to play a significant role in the increment in income from corporate farming. The coefficient of caste is explaining the income perception. The income of OBC category farmers is increased because their land holding size is more than SC farmers land fix. Therefore, the economic condition of OBC farmers is better than SC farmers. The negative coefficient of regression for rent per hectare implies that the income after involved in corporate farming of SSR group are more likely high as compared to LRR group. This happens because the SSR group is getting the rent as well as wages. Therefore, the income perception of LRR group is weak as compared to SRR group. The results of the regression analysis clearly identify the cast and rent affecting on the income from corporate farming in the study area.

Further study explains category wise percentage change of average expenditure of sample households. After involving in corporate farming the average expenditure of general category farmers is at 28.32 per cent, 52.39 per cent for OBC farmers and 38.66 per cent for SC category farmers respectively in Bulandshahr district. On the other hand, the average expenditure of OBC category farmers is at 32.66 per cent and 37.97 per cent in SC farmers in the district of Barabanki after corporate farming. Hence, after involvement in corporate farming, there is a sharp increase in average expenditure of farmers in both the districts. It is clear that corporate farming have positive impact on average expenditure of all farmers in both the districts of Uttar Pradesh. The farmer's average income and expenditure have been increased after lease out land in both districts. After lease out land farmer's expenditure on food items, clothes, education, health and others have increased sharply in every category of farmers in both the districts.

The nature of employment in both the district of Uttar Pradesh is divided into three categories viz. permanent, self-employed, temporary, and pensioners. The permanent employment includes government and private job holders, while, self-employment includes employed like dairy, any type of shop and temporary employment includes agricultural labour. It is evident from the above analysis that most of the general category farmers are permanent and self-employed followed by OBC category farmers. On the other hand, in temporary type of employment SC

category farmers have maximum percentage i.e. they are engaged in agriculture labour in the Bulandshahr district. While in Barabanki majority of the SC category farmers are employed in temporary type of employment as agriculture labour. It is clear that due to the decrease in productivity of crops, farmers have only better option to give their land to company on lease. In case of Barabanki district, the farmers have very few opportunities in permanent employment, because majority of farmers are small and marginal farmer who are not generating any sufficient income for their families. So, the corporate farming has led to more employment opportunities for labour.

We have also found that the majority of sample households are engaged in non-farm activities in Bulandshahr district. On the other hand, in Barabanki district most of the sample households are engaged in agriculture activities. The Barabanki district has more small and marginal farmers in comparison to the Bulandshahr district during the study period. Further, Barabanki district low level of income, education, non-farm job opportunities due to backwardness of the district.

The employment is influenced by three factors like age, education and caste. Based on the variables used in the present study, the empirical model is specified and estimated to predict the likelihood or probability of the factors influencing the employment after involved in corporate farming. This model is significant at 1 per cent level. In this model all independent variables are statically significant but age is not affecting the employment in the study area. The coefficient of education¹ is negative which means illiterate persons have less opportunity in the employment in both the districts of Uttar Pradesh. Hence, most of the employed persons are educated at higher secondary level and above higher secondary level in both districts. Caste is also affecting the employment in the districts. Caste¹ coefficient is also negative which means other than caste¹ people, have more impacted on employment. In other words, majority of the SC category households are accepted that the employment increase due to corporate farming in both the districts. The companies are providing employment to the SC category farmers and they are working on the corporate farms as a labourer. They also said that after corporate farming they become landless labourers because they give their land to the company on lease.

The wages are also influenced by three factors like age, education and caste. Among the factors, age and social category are affecting the wages. The coefficient

for education of the farmers is not significant. But, the age and social category are significant in the present model. Age of the farmers play a significant role in the wage perception. The coefficient of age1 i.e. working group is positive. Working age group farmers are getting more wages in comparison to old age group in both the districts. Regression results also indicate that social category of the farmers is likely to play a significant role in the increment in wages from corporate farming. The negative coefficient of regression for category2 implies that the wages after involved in corporate farming belonging to GEN and OBC category farmers are more likely high as compared to SC category farmers. The wages of GEN and OBC category farmers are increased because they have more opportunities in management activities in comparison to SC category farmer's farms.

The study also depicts response of the farmers to the question of whether farmers have sufficient money for education of the children's. It is found that Bulandshahr district is in better position compared to Barabanki district in terms of having money sufficiency for educational purpose of their children's. The main reason of this sufficiency of money in Bulandshahr district is due to permanent jobs and better business opportunities. Farmers of Barabanki districts have no sufficient money for educational purpose. They arranged the money through giving land on lease to the company, credit from their friends and relatives and other sources in the state. Majority of the farmers has accepted that there is no impact of corporate farming on their educational level in both the districts of Uttar Pradesh.

For poverty estimation we have used Rangarajan criteria. It is found that around 6.6 per cent (5) of OBC farmers were living below poverty line before lease out land but after lease out land they become in APL category. On the other hand, the percentage of poverty was 28.6 per cent (14) of OBC before lease out land and it decreased to 2.0 per cent (1) after lease out land whereas 42.3 per cent (30) of SC farmers was below poverty and further decreased to 18.3 per cent (13) of SC farmers after lease out land in Barabanki district. It is observed that corporate farming had positive impact on poverty among all farmers in both the district of Uttar Pradesh.

It is also found that all the farmers are in the favour of the corporate farming in both the districts. However, lease farming is in the initial stage in the Uttar Pradesh but selected farmers have said that employment opportunities, income and expenditure condition have improved in both the districts. That's why they have been in the favour of corporate farming in U.P.

Corporate farming also has been positively impact on lease out land farmers in both the districts of Uttar Pradesh. Farmer's average income and average expenditure has been increased after lease out land in both districts. After lease out land farmer's expenditure on food items, clothes, education, health and others have increased sharply in all social categories of farmers in both the districts during the study period. On the other hand, majority of the sample farmers have no impact of lease farming on their educational status in both the districts of Uttar Pradesh. However, lease farming is in the initial stage in the Uttar Pradesh but selected farmers have said that employment opportunities, income and expenditure condition have improved in both the districts. Poverty is also decreased due to corporate farming in both the districts of the state. Hence, the sample households are found in the favour of corporate farming in both the districts during the study period. However the companies are paying very less rent for their leased land. The small and marginal land owners are working in their own land as labour after leased out land to the company. The wages are very low. It means the small and marginal farmers are being exploited to some extent in both the districts.

The study proves that corporate farming is economically viable and has positive impact on socio-economic conditions of the small and marginal farmers in the villages. The majority of the farmers are in favour of corporate farming because of surety, security and assurance of income from the companies. The companies are following the unwritten agreement of lease of land from the farmers. The corporate farming has no legal framework in India. It needs to be developed. The farmers are being exploited by paying very less rent for leased land and low wages for labours. The state has to develop a legal framework for corporate farming and guidelines, directions and laws/acts of leased land and laws for rights of ownership of small and marginal farmers for SC and OBC social group farmers. The corporate farming and contract farming are the future of Indian agriculture. Hence, there is an immediate need of a legal framework with strict rules/laws for agriculture in India. Alternative employment opportunities need to be created for farmers in rural areas.