

IMPACT OF MINOR IRRIGATION ON SMALL AND MARGINAL FARMERS

In Hazaribagh District (Bihar)

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F O R E W O R D

As part of project management, Bank of India has been undertaking ex-post evaluation studies of selected priority sector schemes on a systematic and regular basis with the primary objective of identifying the constraints/shortcomings in implementing schemes and assessing their impact on the economic well-being of the beneficiaries. Another objective of evaluation studies is to draw valuable lessons from the experience gained in implementing schemes for improving the project performance in the future. These studies have come out with many suggestions some of which have been put in operation by the Bank by incorporating suitable modifications in the design and modalities of implementation of schemes.

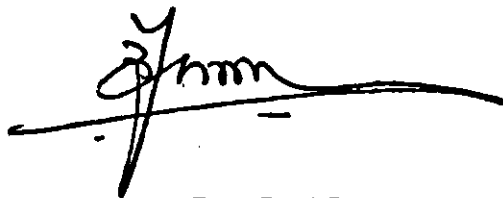
The present evaluation study relates to minor irrigation scheme implemented by the Bank in Hazaribagh district of Bihar during 1980-83. The principal objective of the scheme was to augment the income of the small and marginal farmers in the district so as to bring them above the poverty line by transforming their small holdings producing subsistence crops mainly for family consumption into viable economic units oriented to generate marketable surplus, through the provision of irrigation. Under the scheme the eligible farmers were given loans for construction of dug-wells and installation of pumpsets. When the scheme was closed in June 1983, the Bank had disbursed Rs. 61.77 lakhs covering 895 units as against Rs. 53 lakhs covering 600 units envisaged in the scheme. National Bank for Agriculture and Rural Development (NABARD) had provided refinance of Rs. 43.35 lakhs under the scheme.

The study is based on a field survey of 96 sample farmers - 80 borrower-farmers and 16 non-borrower-farmers - drawn randomly from 12 villages in Hazaribagh, Barkatha, Barkagaon and Chatra blocks of the district. The study revealed a significant increase

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in the intensity of land use, shift in the cropping pattern towards market oriented crops and improvement in the adoption of modern farm technology by the sample beneficiaries in the post-investment period. The study also revealed that the beneficiaries could earn an incremental income of Rs. 333 per acre in 1982-83. However, the net income realised by the beneficiaries showed wide variations mainly due to the differences in size of holdings and the area brought under irrigation. Although the impact of the scheme on individual beneficiaries has been uneven, the collective impact of the scheme was found to be significant as in some villages covered in the survey there was evidence of a break-through in the production of wheat and potato and the consequent spurt in marketable surplus clearly, triggered by the spread of irrigation.

The study has identified certain shortcomings in the implementation of the scheme and made suggestions to avoid their recurrence in future. I am sure, banks and financial institutions will find these suggestions useful.

A handwritten signature in black ink, appearing to read 'T. Tiwari', with a long horizontal flourish extending to the right.

T. TIWARI

CHAIRMAN & MANAGING DIRECTOR

Bombay

8.8.1985

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This study has been undertaken by Dr. S. A. Shetty, Chief, Monitoring & Evaluation Division, Management Information & Statistics Department, Head Office, with the field assistance of the staff of Hazaribagh Regional Office and Hazaribagh, Barkatha, Barkagaon and Chatra branches of the Bank.