

IMPACT OF LAND LEASING RESTRICTIONS ON AGRICULTURAL EFFICIENCY AND EQUITY IN INDIA

By
Tajamul Haque
Director
Council for Social Development
&
Senior Advisor
Rural Development Institute

53 Lodi Estate, New Delhi, INDIA
E-mail: drt.haque@gmail.com

Abstract:

Leasing out of agricultural land is either legally banned or highly restricted in most parts of India for the past five to six decades. Unfortunately, however, restriction on land leasing has proved to be both counterproductive and anti-poor in effect. This study analyzes how legalization of leasing and development of active land lease market can help in improving agricultural efficiency as well as equity by way of (i) improvement in tenural security of the tenants and incentives for investment in land development, (ii) optimum utilization of land, labour and other sources, (iii) increased access to land on lease by the landless and semi-landless poor for livelihood and upward growth and (iv) occupational mobility of the rural people, thereby reducing the pressure of population on agriculture and paving the way for non-farm development. It points out how legalization of land leasing would accelerate the pace of diversified and inclusive rural growth.

Key Words

agricultural efficiency, equity, informal tenancy, investment, lease farming by SHGs, legalization of land leasing, occupational mobility, tenural security

INTRODUCTION

The system of agricultural tenancy in which a land owner does not cultivate his land himself and leases out to others for cultivation against payment of rent has been present in all open agrarian economies. At the same time, it has generally been portrayed as an inefficient and exploitative agrarian institution, notwithstanding the fact that empirical evidences vary widely under different situations (Deininger et al:2012; Haque:1996). At the time of independence, the overwhelming view of India's policy makers was in favour of elimination of all feudal or semi-feudal agrarian relations and consequently the system of farming by tenants or sub-tenants. The tenancy reform laws that have been adopted by various provincial governments since Independence, aimed at not only conferring ownership/occupancy right on tenants with respect to all tenanted lands, but also either prohibiting or restricting leasing and sub-leasing of land in future. However, the question remains whether the post-independence tenancy restrictions have actually helped achieve the much sought for objectives of agricultural efficiency and equity. This paper analyses the impact of post independence land leasing policy, mainly from the point of view of agricultural efficiency and equity.

OBJECTIVES:

The main objectives of this paper are as follows:

- i. to analyze whether the system of lease farming is less efficient than that of owner operated farms in terms of yields per acre and value of output per unit of input used;
- ii. to examine whether agricultural productivity varies under different terms of lease, such as fixed rent, share cropping etc.;
- iii. to analyze whether land leasing restrictions in various regions of India impact the rural poor's access to land and livelihood positively or negatively and
- iv. to analyze whether the recent initiatives of some state governments to encourage and support lease farming by self-help groups of women have helped in improving their socio-economic status.

METHODOLOGY:

The study was based on both secondary and primary data. A farm level survey was conducted in selected states namely Andhra Pradesh, Bihar, Uttar Pradesh and Kerala. About 2400 farmers comprising both owner cultivators and tenants and 60 self-help groups of women were interviewed with the help of duly structured questionnaire schedule.

EVOLUTION OF LAND LEASING POLICY

Prior to Independence, land leasing was considered to be a part of feudalistic albeit unproductive and exploitative agrarian system. Between the landlord and the tenant who actually cultivated the land, there were several layers of rent receiving intermediaries all of whom had to be supported by the backbreaking labour of the tenant. The system was also marked by rack renting and exploitation and consequently the actual cultivators lacked both incentive and ability to improve the productivity of land (Haque and Sirohi: 1986; Haque 2012). After Independence therefore, almost all state governments passed laws for abolition of intermediaries and also for either abolition or regulation of agricultural tenancy.

LEGAL STATUS OF LAND LEASING

Based on legal position of land leasing, various regions of India can be broadly grouped into five categories. First, the states of Kerala and Jammu & Kashmir have legally banned leasing out of agricultural land without any exception. Second, Telangana area of Andhra Pradesh, Bihar, Jharkhand, Karnataka, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh and Orissa allow leasing out of agricultural land only by certain categories of landowners like disabled, widows, minors, defence personnel etc. Third, the states of Punjab, Haryana, Gujarat, Maharashtra and Assam have not specifically banned leasing, but the tenant acquires the right to purchase the leased land from the owner within a specified period of creation of tenancy. Besides, once tenancy is created, it cannot be terminated in the case Gujarat and Maharashtra. In Punjab, a landowner having land within ceiling can eject a tenant, but the tenant has to be left with five standard acres of land. Fourth, in Andhra area of Andhra Pradesh, Rajasthan, Tamil Nadu and West Bengal, there is no legal ban on land leasing, although in West Bengal only sharecropping leases are legally permitted. In both Andhra area of Andhra Pradesh and Tamil Nadu, land owner can resume land for personal cultivation only one-half of the land

leased out. Fifth, in the scheduled tribe areas of Andhra Pradesh, Bihar, Jharkhand, Chhattisgarh, Orissa, Madhya Pradesh and Maharashtra, transfer of tribal land to non-tribal lands even on lease basis can be permitted only by a competent authority. The objective is to prevent alienation of tribal land to non-tribals. Besides, in many states, the sharecroppers are not explicitly recognized as tenants. This includes Andhra Pradesh, Bihar, Jharkhand, Karnataka, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Uttaranchal, Haryana, Punjab, Rajasthan and Tamil Nadu. The other restrictions on land leasing in most states include fixation of fair rent and also no legal permission to eject tenants except on certain specified grounds, in states where land leasing is otherwise allowed (Haque:2012; Haque:2001).

In practice, however, legal restrictions on land leasing could neither eliminate the system of lease cultivation nor provide security of tenure to the tenants-at-will. Due to legal restrictions, landowners now prefer to give land on lease more on informal basis, thereby making tenants more insecure and without incentive to make long term investment on leased lands.

According to official sources (NSSO, 8th and 59th Rounds) area under tenancy declined from about 35.7 per cent of the total area at the time of Independence to about 6.5 per cent in 2003 (Table - 1). Till September 2006, all the state governments taken together conferred either ownership or occupancy rights to about 12.6 million tenants on 16.7 million acres of land. But this measure also provoked the landlords to secure mass eviction of tenants, sub-tenants and share croppers. While the tenants could be given occupancy right over about four per cent of the total land, they were evicted from about 33 per cent of the total land.

Recognizing the adverse impact of land leasing restrictions on livelihood security and opportunities for the rural poor, the state governments of Andhra Pradesh and Kerala have permitted land leasing by self-help groups of poor women in the past few years and the government of Andhra Pradesh has permitted lease cultivation by individuals by passing a new law called 'Licensed Cultivator's Act', although some of the adverse clauses of the original tenancy law remains unamended. Besides, there has been a change in the thinking of India's policy makers in favour of legalization of land leasing in the past few years, as reflected in recent five year plans.

The report on Mid-Term Appraisal of the Tenth Five Year Plan (Govt. of India, 2005a) pointed out that "the country's tenancy laws are highly restrictive. They were enacted in the context of

exploitation of the peasantry. The current situation, however, is very different. The economic and political hold of large landowning classes has been considerably weakened..... research studies indicate that restrictive tenancy laws have prevented optimum allocation of land resources and denied the rural poor access to land. They have also led to concealed tenancy, which is widespread. In such cases, the tenant has no protection. The fear of reverse tenancy is also unfounded as small and marginal farmers account for over 80 per cent of the total leased in land in the country. In any case, the existing ceiling laws can be leveraged to prevent reverse tenancy by stipulating that operational holdings could not exceed those prescribed under the ceiling laws.”

The Eleventh Five Year Plan (Govt. of India, 2008) recommended that tenancy should be legalized in a limited manner. It should provide security of tenure to the tenant for the contractual period, which could be long enough to encourage long term investment by the tenant. It should also protect the rights of the land owners so that he has an incentive to lease out his land instead of keeping it fallow or underutilizing it. Instead of prescribed rentals, an upper and lower bound of rents may be prescribed at the state level. Land owners who would otherwise have to operate small uneconomic holdings should have the opportunity to legally lease out land to other farmers with the assurance of being able to resume possession at the end of the stated period of tenancy. The Approach Paper of the Twelfth Five Year Plan (Govt. of India, 2012) points out that small and marginal farmers may be better off leasing out their land to more viable farmers, while seeking paid employment themselves (Government of India, 2011). However, such positive thinking at the central policy making level has not yet resulted in necessary measures for legalization of leasing that could help in accelerated, diversified and inclusive rural development.

KEY ISSUES

While discussing the impact of land leasing restrictions on agricultural efficiency and equity, the issues which need to be considered are as follows:

- i. Does a tenant feel secure on tenanted land and make investment in land improvement measures for raising farm productivity?
- ii. Does a landowner feel constrained in leasing out land due to restrictive tenancy laws?

- iii. Does an informal tenant have to pay higher rent due to his unequal bargaining power vis-à-vis the landowner?
- iv. Is lease farming less efficient than own farming in terms of yields, returns and factor productivity?
- v. Is share tenancy more productive and preferred than fixed rent tenancy by land owners and tenants?
- vi. Is the land leasing pattern size neutral or tilted in favour of either landless and semi landless poor or large farmers?
- vii. Does the demand for leased land decline as access to non-farm wage employment or overall wage employment increase?
- viii. Does the supply of leased land increase with landowners' increased access to non-farm business or wage employment?
- ix. Does the pattern of land leasing vary with levels of irrigation, productivity, poverty etc.?
- x. Do women benefit equally or more by way of leasing in land?

In fact, the answers to these questions will throw light on whether removal of legal restrictions on land leasing will help improve agricultural efficiency and poverty reduction in rural India.

KEY FINDINGS

A. SECURITY OF TENURE, INVESTMENT AND FARM PRODUCTIVITY

According to 59th Round of National Sample Survey (NSSO:2006) nearly 77.2 per cent of lease contract in the kharif season and 75.1 per cent of lease contract in the rabi season was for a duration of less than 5 years. In fact, about 5 per cent of lease contract in the kharif season and 54 per cent in the rabi season were for less than 2 years. Thus there was no long term tenurial security for incentivizing the tenants to make long term investment for land improvement. In the case of tenants, belonging to marginal size class, short duration lease of less than 2 years' accounted for as much as 61 per cent of the total lease contracts. However, the results of our field survey showed that maximum contracts for all categories of tenants in Bihar and Andhra Pradesh were for a period ranging from 3 to 5 years duration, while it was for less than 2 years for marginal farmers and 1 year or less for large farmers in Uttar Pradesh. In the case of Kerala, all leases were on year to year basis. But short term investments in inputs per acre were not found to differ significantly between owner operated land and leased land. It would be seen from Table

2(a) that expenditure on inputs was comparatively lower on share cropped land than own land in most cases in all size group of farms, excepting in Bihar, where share cropped lands had higher amount of input cost per acre. Also farms of all size groups leasing in land under fixed costs and fixed produce terms spent less in inputs than owner operated farms in most cases. However, the output input ratio which is an indicator of production efficiency was not significantly different on lands under different tenurial systems. The highest output input ratio was observed in the case of marginal farms under fixed rent tenancy in Kerala (2.72), followed by marginal owner operated farms in Kerala (2.59), large farms under fixed rent tenancy in Uttar Pradesh (2.38), small farms under fixed rent tenancy in Uttar Pradesh (2.30), semi medium farms under fixed rent tenancy in Uttar Pradesh (2.18) and marginal farms under fixed rent tenancy in Bihar (2.00). The average yield of rice per acre on leased land was quite comparable with that of owner operated land in majority of the cases, while the yield was higher on leased in land in several cases (Table 2b). Of course, large operators irrespective of whether they were owners or tenants spent relatively more on inputs per acre in most cases. At the same time, it is also true that with greater tenurial security under any impact of legalized tenancy, tenants would invest more and raise farm productivity.

B. LAND LEASING AS A MEANS OF LIVELIHOOD FOR THE RURAL POOR

The rural poor's access to land is critical for livelihood and poverty reduction. There are three ways through which land is or can be accessed by people, namely

- i. land purchase from the market
- ii. redistribution of ceiling surplus land
- iii. distribution or leasing of government land and
- iv. open land leasing

Out of these, access to government land and land leasing hold better potentials for the poor, as they cannot afford to purchase land from the market and also the scope of redistributive land reform seems limited. But even for activating the land lease market and improving the rural poor's access to land through leasing, various state governments have to legalize and liberalize their land leasing policies. As per the latest available National Sample Survey data (Govt. of India; 2006), about 10.5 per cent operational holdings in the country are engaged in lease cultivation, covering about 6.5 per cent of the total operational area (Table- 1). Of course, these

figures could be under reported because of legal ban or restrictions on leasing and some independent studies (LBSNAA: 1992 Sharma 2005b) show the incidence of leasing to be much higher. The proportions of operational holdings and area leased in were comparatively higher in the category of marginal, small and large farmers, while semi-medium and medium farmers (5 – 10 acres group) had comparatively lower proportion of their total area under lease cultivation. Of the total rural households leasing in land, 86 percent were landless, marginal and small farmers (Table 2). In fact 35.8 percent of the tenants were pure landless workers. About 52.4 per cent of the total leased in land was operated by landless, marginal and small farms, while nearly 36.4 per cent was operated by semi-medium and medium farms, having 5 – 10 acres of land (Table - 2). In several states including Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Kerala, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal, 70 to 96 percent leased in land was cultivated by landless, marginal and small farmers (Table 3), thereby indicating the importance of land leasing as a means of livelihood for the rural poor in these states. While the landless workers and marginal and small farmers lease in land for improving their livelihoods and income, some medium and large farmers also lease in land for full utilization of their fixed resources such as tractor, irrigation pump sets etc. Majority of the medium and large farmers in all the selected study areas expressed a view that legalization of land leasing would increase the supply of land in the lease market which would help the marginal and small farmers to lease in more land and improve their livelihoods (Table- 4). Also quite a substantial proportion of farmers of all size groups expressed that they may lease out their entire land and take up non-farm employment if land leasing is made legal and if there is no risk of losing land due to leasing out (Table - 4).

C. EXPERIENCE OF LEASE FARMING BY SHG WOMEN

The state governments of Kerala and Andhra Pradesh have permitted and supported lease farming by self-help groups/neighbourhood groups (NHG) of poor rural women in the past few years, aiming at improvement in their livelihoods and socio-economic status. In Kerala, lease farming by neighborhood groups of women is a part of Kudumbashree Project for rural poverty eradication. Each group consists of Kudumbashree members ranging from 4 to 10 and receives bank loans at subsidized rates of interest. The results of our field survey in three districts of Kerala showed that on average, each group leased in about 3.3 acres of land and earned about Rs. 0.11 million per year which worked out as Rs. 21145 per member (Table - 5). Both government

and private land were leased in. The NHGs were engaged mainly in the cultivation of banana, pineapple and vegetables.

In Andhra Pradesh, lease farming by self help groups of women started as part of a project on 'Sustainable Dryland Agriculture by Mahila Sanghams', called 'Samatha Dharani', supported by UNDP. Nearly 13745 women farmers have so far participated in group lease farming, covering 3940 acres of land, of which 1650 acre was fallow land. Both government and private lands were leased in. Our field study in two districts of Andhra Pradesh show that on average, each group leased in about 7.06 acres of land and earned Rs. 17352, which worked out to Rs. 2450 per member per year. They were engaged in the cultivation of maize, paddy and soya. The difference in the net income earned between groups in Kerala and Andhra Pradesh could be largely attributed to difference in soil fertility and types of crops grown. In the case of Kerala, it was largely the high value crops, while in Andhra Pradesh it was largely subsistence crops grown in dry lands. Besides, in Kerala, each group consisted of only 3 to 4 members with homogenous socio-economic background, while in Andhra Pradesh it was 35 members in each group with not so homogenous socio-economic background. But even in Andhra Pradesh, lease farming has helped in regenerating fallow and degraded land for cultivation which provides supplementary income to poor women. It has also improved their socio-political status because of their heightened bargaining power as a group.

CONCLUSION

It becomes clear from the foregoing discussion that land leasing could be an important source of the rural poor's access to land and livelihoods, if land lease market is activated through a due process of legalization and liberalization. The traditional view that tenancy is an inefficient and exploitative institution does not hold good any more, as there is no significant difference in the production efficiency of self-cultivated and leased lands and land owner and tenant voluntarily contract each other for mutual benefit. Besides, legalization of leasing and consequently an active land lease market will result in increased production efficiency due to greater security of tenure, increased long term farm investment and also better utilization of land, labour and other resources. It will also improve the occupational mobility of the rural people and reduce the pressure of population on land and increase their income from diverse economic activities..

REFERENCES

- Deininger K, Songqing Jin and Hari K. Nagarajan (2012). Equity and Efficiency Impact of Land Leasing Restrictions: Evidence in India in Land Policies for Inclusive Growth edited by T. Haque, Concept publishing Company, New Delhi.
- Govt. of India (2012). Planning Commission, 'Faster Sustainable and More Inclusive Growth – An approach to the 12th Five Year Plan, New Delhi
- Govt. of India (2008). Planning Commission, 'Eleventh Five Year Plan', New Delhi.
- Govt. of India (2006). 'NSSO, 59th Round, Report on Operational Land Holdings.
- Govt. of India (2005a). 'Mid-Term Appraisal, Tenth Five Year Plan, Planning Commission, New Delhi.
- Govt. of India (1953). NSSO, 8th Round on Ownership and Operational land Holdings
- Haque, T. (2012). Agricultural Tenancy Reform in India, in Land Policies for Inclusive Growth, edited by T. Haque, Concept Publishing Co, New Delhi
- Haque, T. (2001). 'Impact of Tenancy Reforms on Productivity Improvement and Socio-Economic Status of Poor Tenants, NCAP, New Delhi.
- Haque, T (1996). Sustainability of Small Holder Agriculture, Concept Publishing Company, New Delhi.
- Haque, T. and A. S. Sirohi (1986). Agrarian Reforms and Institutional Changes in India, Concept Publishing Company, New Delhi.
- LBSNAA (1992). Land Reforms in India, Report of IAS Probationaries, Mussorie.
- Sharma, Alakh Narain (2005b). Agrarian Relations and Socio-economic Change in Bihar, Economic and Political Weekly, March, Mumbai.

ACKNOWLEDGEMENT:

This paper is based largely on the data generated through field survey carried out by Ms. Jaya Nair, Dr. Sonali Mukherjee and Mr. Gitesh Sinha as part of research projects undertaken jointly by the Council for Social Development and Rural Development Institute India, New Delhi. The author is also grateful to Mr. Gregory Rake, Director, RDI India for his help and encouragement.

Table 1: Incidence of Tenancy in Various States in 2003 (Rural)

States	Proportion of leased in holdings	Proportion of leased in area
Andhra Pradesh	14.66	8.95
Assam	8.13	5.31
Bihar & Jharkhand	13.27	8.87
Gujarat	5.34	5.12
Haryana	10.94	14.40
Himachal Pradesh	9.18	2.80
Jammu & Kashmir	2.02	0.32
Karnataka	5.41	3.54
Kerala	5.41	4.00
Madhya Pradesh & Chattisgarh	6.73	3.54
Maharashtra	7.19	4.66
Orissa	18.40	13.00
Punjab	12.18	16.83
Rajasthan	3.07	2.77
Tamil Nadu	10.06	6.04
Uttar Pradesh	13.10	9.44
West Bengal	14.05	9.27
All India	10.50	6.50

Source: Govt.of India (2006), NSSO, 59th Round

Table 2(a) Output-Input Ratio under various Land Tenure Systems

State	Land Class	Own Land			Share Cropped Land		
		Total Input Cost (Rs. Per acre)	Value of Output (Rs. Per acre)	Output - Input Ratio	Total Input Cost (Rs. Per acre)	Value of Output (Rs. Per acre)	Output - Input Ratio
Andhra Pradesh	Marginal Farmers	18900	24261	1.28	14652	23371	1.60
	Small Farmers	19234	25453	1.32	13399	24718	1.84
	Semi-medium Farmers	19342	25253	1.31	12844	25180	1.96
	Large Farmer	19956	27867	1.40	15304	27113	1.77
Bihar	Marginal Farmers	9698	18827	1.94	15317	27322	1.78
	Small Farmers	11640	21785	1.87	10125	17318	1.71
	Semi-medium Farmers	11001	21296	1.94	15300	27626	1.81
	Large Farmer	14285	26029	1.82	15082	21295	1.41
Uttar Pradesh	Marginal Farmers	17831	30756	1.72	13866	21854	1.58
	Small Farmers	18424	31284	1.70	14860	26563	1.79
	Semi-medium Farmers	18437	32770	1.78	15300	26440	1.73
	Large Farmer	19579	33377	1.70	14652	23371	1.60
Kerala	Marginal Farmers	39791	103157	2.59			

Source: Based on Field survey, 2011

Table 2(a)
Output-Input Ratio under various Land Tenure Systems (Contd.)

State	Land Class	Fixed Rent Tenancy			Fixed Produce		
		Total Input Cost (Rs. Per acre)	Value of Output (Rs. Per acre)	Output - Input Ratio	Total Input Cost (Rs. Per acre)	Value of Output (Rs. Per acre)	Output - Input Ratio
Andhra Pradesh	Landless	15229	21814	1.43	14652	23371	1.60
	Marginal Farmers	17672	24315	1.38	13399	24718	1.84
	Small Farmers	17499	24493	1.40	12844	25180	1.96
	Semi-medium Farmers	18672	25624	1.37	15304	27113	1.77
	Large Farmer	18100	27017	1.49	15317	27322	1.78
Bihar	Landless	10616	20613	1.94	10125	17318	1.71
	Marginal Farmers	10153	20302	2.00	15300	27626	1.81
	Small Farmers	10724	20876	1.95	15082	21295	1.41
	Semi-medium Farmers	11213	21927	1.96	13866	21854	1.58
Uttar Pradesh	Landless	11978	21146	1.77	14860	26563	1.79
	Marginal Farmers	17633	27086	1.54	15300	26440	1.73
	Small Farmers	12144	27964	2.30	14652	23371	1.60
	Semi-medium Farmers	12758	27779	2.18	13399	24718	1.84
	Large Farmer	13505	32200	2.38	12844	25180	1.96
Kerala	Marginal Farmers	41852	113776	2.72			

Source: Based on Field survey, 2011

Table 2 (b): Average Yield (Qtl. /acre) of Rice in Own and Leased-in Land

District	Land Type	Landless	Marginal	Small	Semi-medium	Large
Andhra Pradesh						
West Godavari	Own Land		13.55	17.55	14.53	16.27
	Leased-in Land	16.48	15.64	16.42	14	16.71
Vizianagaram	Own Land		12.4	15.7	11.67	8
	Leased-in Land	17.6	14.33	17.67	9	12
Mahbubnagar	Own Land		14.67	14	17.33	20.17
	Leased-in Land	17.8	9.67	13	15.78	17.4
Warangal	Own Land		21.93	12.17	17	18.11
	Leased-in Land	14	20.13	16.09	16.67	17
Anantapur	Own Land		7.33	9.2	12.33	10.5
	Leased-in Land	11.33	7.33	10.2	12.67	9.00
Kurnool	Own Land		14.33	14.25	15.17	17.17
	Leased-in Land	16	18.67	16	17	18
Bihar						
Siwan	Own Land		4.91	7.91	6.56	6.6
	Leased-in Land	3.85	3.12	5	5.5	5.4
W. Champaran	Own Land		7.95	6.95	7.73	9
	Leased-in Land	8.55	8.05	5	7.75	7
Khagaria	Own Land		10.67	10	9.67	10.85
	Leased-in Land		9.00	12	9	9
Kishanganj	Own Land		5.16	5.11	5.21	5.64
	Leased-in Land	4.71	5	5	4.50	5
Rohtas	Own Land		13.48	12.67	11.37	12
	Leased-in Land	10	11.36	12.73	12.27	12.3
Bhagalpur	Own Land		12.29	12.3	12.57	11.86
	Leased-in Land	10.27	10.08	10	13.5	12.55
Uttar Pradesh						
Muzaffarnagar	Own land		15.56	14.5	13.28	15.1
	Leased-in Land	12.33	15.57	16.18	16.67	20
J. Phule Nagar	Own land		11.18	10.62	9.8	10.71
	Leased-in Land	10.18	9.43	9.22	9.2	12.85
Unnao	Own land		8.4	8.5	7.2	9.6
	Leased-in Land	8.59	9.7	7.2	8.5	8.1
Fatehpur	Own land		8.68	8.5	8.5	9.6
	Leased-in Land	8.75	8.42	7.42	9	8.10
Mau	Own land		8.14	7.08	6.05	7.33
	Leased-in Land	8.29	7.71	8.5	7.2	7.12
Sonbhadra	Own land		5.62	5.67	5.2	5.23
	Leased-in Land	4.62	4.83	4	4.25	4.5
Kerala						
Thiruvananthapuram	Own land		13.21			
	Leased-in Land		13.63			
Allappuzha	Own land		23.18			
	Leased-in Land		21.67			
Ernakulam	Own land		14.71			
	Leased-in Land		19.50			

Source: Based on field survey, 2011

Table 3: Percentage shares in Total Leased Holdings (Those Reporting Leasing-in) and Total Leased –in Land by Different Groups of Operational Holdings in 2003 (Rural)

States	% share in total number of lessees by				% share in total leased-in land by			
	≤2.0 ha (Landless+ Mar+Small)	>2.0 but ≤4.0 ha (Sem-Med)	>4.0 but ≤ 10.0 ha (Med)	≥ 10.0 ha (Large)	≤ 2.0 ha (Landless+ Mar+Small)	>2.0 but ≤4.0 ha (Sem-Med)	>4.0 but ≤ 10.0 ha (Med)	≥ 10.0 ha (Large)
Andhra Pradesh	79.53	14.53	3.63	2.31	50.85	25.69	10.84	12.63
Assam	91.84	6.02	2.14	0.00	75.42	19.78	4.80	0.00
Bihar	96.70	3.15	0.15	0.00	86.87	12.71	0.42	0.00
Gujarat	75.69	9.47	5.41	9.43	14.29	11.60	10.04	64.08
Haryana	42.88	37.00	15.89	4.22	11.80	36.74	30.78	20.67
Himachal Pradesh	97.22	2.78	0.00	0.00	95.74	4.26	0.00	0.00
Jammu & Kashmir	98.48	1.52	0.00	0.00	80.65	19.35	0.00	0.00
Karnataka	75.28	16.34	4.62	3.76	37.19	26.66	15.39	20.77
Kerala	97.28	2.66	0.06	0.00	76.94	23.06	0.00	0.00
Madhya Pradesh	75.08	18.13	5.68	1.10	46.30	31.67	14.87	7.16
Maharashtra	60.24	26.01	13.23	0.51	24.45	34.29	38.84	2.42
Orissa	96.47	3.53	0.00	0.00	86.07	13.95	0.00	0.00
Punjab	37.69	32.78	24.54	4.99	9.63	29.48	46.51	14.38
Rajasthan	43.92	22.75	21.01	12.32	9.85	18.38	35.43	36.34
Tamil Nadu	90.55	8.58	0.83	0.04	76.09	17.39	2.64	3.89
Uttar Pradesh	91.79	6.66	1.26	0.28	72.57	17.40	4.77	5.26
West Bengal	97.99	1.86	0.15	0.00	89.21	8.86	1.93	0.00
All India	86.05	9.59	3.27	1.09	52.38	21.80	14.57	11.25

Source: NSSO, 59th Round, Govt. of India, quoted from S.K. Bhoumik, in *Land Policies for Inclusive Growth*, edited by T.Haque, Concept Publishing Company, New Delhi

Table 4 (a): Percentage distribution of respondents who expressed that they would lease out more land if land leasing is legalized

State	Size Class	% of Respondents	
		Yes	No
Andhra Pradesh	Landless	30.00	70.00
	Marginal	28.57	71.43
	Small	40.43	59.57
	Semi-medium	69.77	30.23
	Large	69.74	30.26
Bihar	Landless	2.63	97.37
	Marginal	2.04	97.96
	Small	34.43	65.57
	Semi-medium	63.64	36.36
	Large	48.19	51.81
Uttar Pradesh	Landless	17.07	82.93
	Marginal	11.83	88.17
	Small	25.25	74.75
	Semi-medium	52.63	47.37
	Large	47.83	52.17
Kerala	Marginal	12.77	87.22

Source: Field Survey, 2011

Table 4 (b): Percentage distribution of respondents who expressed that they would lease out entire land if land leasing is legalized

State	Size Class	% of Respondents	
		Yes	No
Andhra Pradesh	Landless	27.55	72.45
	Marginal	28.06	71.94
	Small	30.84	69.16
	Semi-medium	24.72	75.28
	Large	30.26	69.74
Bihar	Landless	0.00	100.00
	Marginal	0.85	99.15
	Small	0.00	100.00
	Semi-medium	1.09	98.91
	Large	6.19	93.81
Uttar Pradesh	Landless	11.83	88.17
	Marginal	16.00	84.00
	Small	22.55	77.45
	Semi-medium	24.73	75.27
	Large	16.90	83.10
Kerala	Marginal	8.07	91.93

Source: Field Survey, 2011

Table 5**Economics of Lease farming by SHG/NHG Women in Kerala & Andhra Pradesh**

State	District	Average Area Leased in (Acre)		Average Income (Rs./Year)	
		Per group	Per member	Per group	Per member
Kerala	Thiruvananthapuram	1.86	0.32	1,59171	27,335
	Allappuzha	3.58	0.42	48,319	8,746
	Ernakulam	4.38	0.96	12,4152	21,145
	State Average	3.27	0.57	11,0547	27355
Andhra Pradesh	Karimnagar	3.50	0.10	40,288	1.486
	Nizamabad	11.67	0.65	10,473	2598
	State Average	7.06	0.39	17,352	2,450

Source: Based in Field Survey, 2011