

Chapter 3: Land-related issues

I. Past land reforms

The early land reform measures in Andhra Pradesh combined and carried forward the legal measures brought from two different administrative histories, one from the Madras Presidency from which the Andhra region was brought in, and the other from the Nizam state of which Telangana was a part. As in the rest of the country, the reforms in the state can also be broadly classified into the abolition of intermediaries, tenancy reforms, ceilings legislation and other government initiatives.

In terms of abolition of intermediaries, the Madras Estates (Abolition and Conversion into Ryotwari) Act 1948 was the first legislation soon after Independence, that removed intermediaries and brought all land in Andhra area under Ryotwari. In the Telangana region, with the Abolition of Jagirdari Act of 1949, the Jagirdari tenurial system ended. With respect to tenancy legislation, the Hyderabad Tenancy and Agricultural Lands Act was enacted in 1950. It resulted in the conferment of protection to nearly 6 lakh tenants who held over 75 lakh acres of land, constituting 33 per cent of the total cultivated area. This was considered to be one of the more progressive pieces of legislation in the state. The AP (Andhra Area) Tenancy Act 1956 was enacted to ensure that tenant was not evicted from her/his holding except by law. The result of this legislation is mixed, often driving the tenancy underground.

Regarding land ceilings, as in most other states, the first round of legislation in 1961 was a miserable failure. Following the evolution of the National Guidelines, the AP (Ceiling on Agricultural Holdings) Act was passed in 1973. In spite of several fraudulent means to falsely retain land, against an estimated surplus land of 20 lakh acres, only 5.77 lakh acres were distributed among 4.79 lakh beneficiaries till the end of 2002. This amounted to just 1.25 per cent of the net sown area. Of the beneficiaries, 42 per cent were SCs who were assigned 39

per cent of land, while STs constituted 14 per cent of the beneficiaries accounting for 20 per cent of the land. A major step in land distribution in the state was the assignment of government land to the landless poor, which accounted for 12.5 per cent of the new sown area. Andhra Pradesh, along with West Bengal and Jammu and Kashmir, is one of the few states to have substantially redistributed government held land. By the end of 2002, 43.21 lakh acres were distributed among 23.98 lakh beneficiaries, of whom 24 per cent were SCs and 28 per cent were STs.

II. Current issues relating to land

Land relations in Andhra Pradesh are extremely complicated and this complexity has contributed significantly to the problems facing actual cultivators in the state. Because of the fact that in many areas (especially Telengana) the names of the current holders and actual cultivators are not recorded in the land registers, such cultivators are not eligible for institutional finance and a range of other public benefits such as compensation in the event of natural calamities, and so on. In addition, some regions (especially in more irrigated areas) have a high proportion of tenancy, which is typically unrecorded, and tenant farmers face similar difficulties in accessing bank loans and other benefits. They are therefore all driven to the informal credit market, which supplies loans at very high rates of interest, which in turn adds greatly to their cost of cultivation. In tribal areas there are even more difficult issues of land entitlement, especially as it is evident that Act 1/1970 is not being properly implemented in the agency areas and tribal people are being denied their land rights in such areas.

In large parts of the state, the existing land records do not accurately portray the actual position with respect to land holding and cultivation. Subdivision and fragmentation of holdings over generations, consequent upon household division, are not reflected in the land records, which sometimes continue to list the names of deceased holders, etc. This problem is especially acute in Telengana. The

settlement of revenue records is meant to take place every ten years because of such processes of changing ownership and cultivation holdings. However, in Andhra Pradesh, the resurvey and resettlement of revenue records have not taken place for more than fifty years. This has meant increased disputes related to land and insecurity of holding, especially for small farmers.

Additionally, women cultivators are rarely if ever listed as the owners of land, even when they are the actual cultivators. This is despite the fact that the Land Revenue Act of 1999 [in particular Section 98(1), 105(1) and (2E)] make it the responsibility of the state government to enter the name or names of the actual cultivators in the Record of Rights.

While there are no records and therefore no official statistics on the extent of tenancy, reliable estimates suggest that tenancy is quite high, amounting to around one-third of the cultivated land and often a larger proportion of farmers. Table 1 provides some estimates based on a recent survey. In the field visits it was found that, in addition to completely landless cultivators, many small farmers who own very small plots also tend to lease in additional land. There was no district without some amount of tenancy, and in some areas it is quite significant. The incidence of tenancy tends to be higher in irrigated tracts and in regions where rainfall is more plentiful, in other words, where there is more assured water supply. Tenancy is particularly widespread in coastal Andhra.

Table 3.1: Land holding structure in select villages from across Andhra Pradesh

Name of the Region	Name of the Village	Total No. of House holds	Total Owned Area (Acres)	Total Leasing Households		Total Leased in Area		Average Size of Owned Holding (Acres)
				No.	Per cent of Total House holds	Area (Acres)	Per cent of Total Owned Area	
South Coastal Andhra	Mentipudi	90	119	37	41.11	60	50	1.32
	Kothapalli	208	116	78	37.5	80	69	0.55
	Seethampet	170	375	28	16.47	64	17.07	2.21
South Telangana	Arepalli	339	1016	18	5.31	54	5.31	2.99
	Tadiparti	216	724	15	6.94	68	9.39	3.35
North Telangana	Chinnapur	216	297	23	10.65	43	19.91	1.37
	Nagaram	170	379	14	8.24	24	6.33	2.22
North Coastal Andhra	Jonanki	151	271	43	28.48	59	21.77	1.8
	B. Koduru	171	407	6	3.5	28	6.89	2.29
Rayalaseema	Cheldiganipalli	101	228	1	0.03	1	Negl	2.25
Total		1838	3931	263	14.3	641	16.31	2.14

Source: R. S. Rao and M. Bharati (2003)

The increasing extent of tenancy over the past few decades has been associated with a shift away from sharecropping to fixed rent tenancy. Earlier, sharecropping tenancy dominated, with the crop being shared on a 50:50 basis. However, most tenancy contracts are now fixed rent contracts. The fixed rent systems are of two kinds: those which involve an advance of working capital from the landlord, and those which involve no such advance. The latter type of tenancy contracts tend to be more common.

Tenant farmers face a range of problems, dominantly stemming from the lack of official recognition of tenancy and the fact that their status as actual cultivators is nowhere recorded. This continues despite the fact that Sections 105(1) and (2E) of the Land Revenue Act 1999 stipulate that the names of tenants should be recorded in the revenue records. This lack of recognition effectively denies tenant farmers all access to institutional finance such as bank credit and crop insurance. In addition, they cannot benefit from any of the government schemes directed to farmers, or get any assistance or compensation

at times of natural calamity, since such benefits go to the registered owner of the land. Nor do they receive any of the free or subsidised inputs which are distributed to owner cultivators from the state government, such as seeds, subsidised fertilisers and pesticides and implements.

The field visits suggested that cash rent rates are typically quite high, ranging from Rs. 3,000 per acre in unirrigated and less fertile areas (such as in parts of Anantapur district) to as much as Rs. 7,000-9,000 per acre in irrigated areas of higher soil fertility (such as in Guntur). In the fertile south coastal Andhra region, rents can go up to as much as Rs. 15,000 per acre. These rates are in direct contravention of the AP (Andhra area) Tenancy Act of 1956 and its 1974 amendment (Act 39 of 1974) under which land rents are controlled. In actual practice tenants are currently paying more than 3 or 4 times the rents stipulated in this Act.

As noted above, land ceiling laws have been relatively ineffective in Andhra Pradesh. Only 5.1 lakhs of surplus land have been acquired in total, which suggests that the laws have been counteracted on the ground by *benami* transactions and distribution of large ownership holdings among family members. In addition, in the recent past there appears to have been substantial corporate acquisition of land, although exact data on this could not be found.

Despite this, operational holdings have become much less concentrated. The available data presented below suggest that there has been a decline in the absolute number and area covered by large and medium holdings since 1971. There is therefore an increase in smaller holdings compared to large holdings, and it is evident that many of these must be held under tenancy contracts. The substantial increase in marginal holdings, which accounted for more than half of farmers in the early 1990s, is likely to have contributed to the difficulties of ensuring that cultivation provides a reasonable livelihood.

Table 3.2: Distribution of operational holdings 1970-71 to 1995-96

Year	Marginal (below 1 ha)	Small (1-2 ha)	Semi-medium (2-4 ha)	Medium (4-10 ha)	Large (above 10 ha)
Per cent of holdings					
1970-71	46.0	19.6	17.4	12.7	4.3
1995-96	59.4	21.3	13.2	5.3	0.8
Per cent of area					
1970-71	8.0	11.3	19.2	35.2	26.3
1995-96	20.2	22.5	26.0	22.5	8.9

Source: Mahendradev and Mahajan (2004).

There is also substantial landlessness in rural Andhra Pradesh. The NSS data show that AP has the second highest extent of landlessness among rural households, after Punjab. Some of this landlessness is itself the result of the growing difficulties of cultivation, as indebted small and marginal farmers have been forced to sell or give up their land because of the inability to repay their debts through the proceeds of farming. It is also the case that landlessness is heavily concentrated among the Dalit and tribal populations.

Table 3.3: Per cent of landless households in rural areas

	AP	India
1987-88	45.9	35.4
1993-94	49.5	38.7
1999-2000	52.3	40.9

Source: NSS Surveys on Employment and Unemployment

There are increasing problems of soil degradation and fallow land. The proportion of waste and fallow land has increased significantly since the early 1990s. This has actually meant a decline in cultivated area. While adverse weather and rainfall conditions have certainly been associated with this, it is also true that cultivation practices have eroded soil qualities over time. The problem is

especially acute in certain areas of Rayalaseema and northern Telengana, where cropping pattern shifts and greater use of chemical inputs have led to declining soil fertility and even forced fallows. In other areas, the increase in current fallows also reflects the lack of viability of cultivation, as small farmers migrate in search of other incomes rather than cultivating their fields at a loss.

III. Recommendations

Regarding land records:

1. A fresh settlement of revenue records is imperative. This requires a major administrative drive to record the actual cultivators. While this has to be undertaken by the Revenue Department, it will require the assistance of local governments and agencies.

2. It is necessary to record the changed land classification consequent upon provision of assured irrigation, which affects the division between wet and dry land. Revenue registers should be adjusted accordingly. This is also likely to release more land for redistribution.

3. It is necessary to ensure that all the provisions of the Land Revenue Act of 1999 are complied with.

4. At the gram panchayat level, the post of Revenue Secretary should be created.

4. Pattadar passbooks must be provided to all cultivators. A special drive should ensure that women cultivators also receive passbooks.

5. Land rights of women as joint holders should be recognised under the Transfer of Property Act.

6. Land rights of tribal populations should be clearly recognised and tribal farmers should also be issued pattadar passbooks.

7. Act 1 of 1970 should be implemented, with constant monitoring and prevention of infiltration into tribal areas.

8. Land cases where tribal interests have been adversely affected should be reopened.

9. The state government should computerise land settlement particulars and ownership and enjoyment details, patta and survey-number wise, after rigorous cross-checking of these details. These computerised particulars should be available to farmers at the mandal level on payment of a small fee, employing computerised touch-screens as is done in Tamil Nadu and Karnataka. Since mutations are a continuing process, the state government should monitor all kinds of transfers and changes closely and update the records accordingly.

Regarding tenancy:

1. It is the responsibility of the state government to record tenants as cultivators and issue passbooks to them. The names of tenant farmers (including also women) must be recorded in the revenue records, through a systematic official drive over three months. In such registration, the onus should not be on the tenant to prove his/her tenancy, but on the landlord to disprove it.

2. Tenant farmers should receive tenant passbooks and all financial institutions (banks, co-operative societies, insurance companies, etc.) should honour these passbooks for extending credit and other facilities.

3. Tenant farmers as actual cultivators should be entitled to the various benefits provided by government to other farmers, including subsidised inputs, compensation for losses during calamities, etc. This will require careful separation of owners from tenants and clearly establishing who is actually cultivating any piece of land, which means continuous monitoring by some local body.

4. The existing rules with respect to rent ceilings should be enforced. Once again, this will require monitoring by local bodies

Medium term proposal:

1. The existing tenancy legislation is widely considered to be too rigid, preventing the owners from entering into any recorded contract and responsible for driving tenancy underground. The legislation should be modified so as to ensure open tenancy with adequate security to the tenant. Both fixed rent tenants and sharecroppers should be protected.

Regarding land distribution:

1. The state government should take an inventory of all its land, especially around urban centres, and identify illegal occupation, including any which have been subsequently regularised, over the past 20 years. For currently illegal occupation, the land should be resumed by the state government of the current holders should be made to pay the current land value of the land. In cases of regularisation, the justification for this should be reviewed, and in cases where this is not found to be justified, the same procedure of resumption by the state or payment of current market prices should be followed.

2. There is considerable scope for further land redistribution, particularly when waste and cultivable lands are taken into account.

3. Public lands which have been given away on the basis of specific promises over the past 20 years should be reviewed, and in cases where the promises on the basis of which the land was allotted have not been kept, the land may be resumed or the current market value of the land may be charged to the holders.

4. The Act preventing alienation of redistributed land has not been enforced. The state government must examine all such cases, resume such land wherever it is identified and restored to original assignees.

5. In cases of displacement of farmers due to irrigation schemes and other such projects, similar land of the same size should be provided to the displaced farmers in the same command area.

6. The state government should undertake a drive to identify waste and long-term fallow lands. This can be done by Gram Panchayats/Gram Sabhas.

7. Agricultural land held by religious institutions should be given on long lease to the landless poor.

6. In terms of the mechanism for land distribution, the Assignment Committee should not be in the hands of political leaders. However, Gram Panchayats should be associated and Gram Sabhas should decide on the eligibility and priority of beneficiaries, with actual responsibility for assignment resting with by the officials of the Department of Revenue, monitored by Collectors associating with people's committees.

7. The future assignment of land to beneficiaries should be in favour of women as far as possible. In general there should be clear criteria for assignment of

land, noting features of the beneficiaries such as single :parent, widowed, SC/ST, etc.

8. Complementary inputs for cultivation (such as initial land development, input minikits, credit, etc.) should be provided to all assignees.

9. There is nearly 1 lakh acres of land under cultivation by tribal farmers in so-called forest areas and occupied before 1980. This should be regularised.

10. The right of the rural poor to access and use Common Property Resources (ranging from fruit trees on common land to minor forest produce) should be ensured.

11. The AP Homestead Act (date) should be revised by the date of applicability and must be enforced to provide homestead land to all rural households.

12. The Panchayats (Extension to Scheduled Areas) Act has been held up because the Gram Sabha has not been defined in rural areas. The rules should be notified and the Act must be implemented.

Proposals for the medium-term

13. Co-operative joint farming societies should be promoted in case of very small and marginal holdings.