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Effect of demonetisation on the farming and allied sectors vis-à-vis intended objectives behind the move: A Review

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Abstract

The present study reviews the effect of demonetisation on farmers including animal husbandry and its allied sectors. It is widely known that farming, dairy and fisheries industry is a labour intensive sector which involves cash transactions. The disruption of daily activities, loss of livelihood, disrupted supply chains, limited access to banking facilities, increased indebtedness and hindered farm investments were some of the significant challenges faced by farmers. Even though the farm and allied sector was not too receptive, the move, however, ushered the farming community from cash to cashless transaction. The study suggests that government must deliberate on the positive and negative impacts of its policies at the stage of policy drafts itself. As far as the veracity of intended objectives is concerned, contrasting opinions had the farm community divided vertically. While some supported the move describing it as a “revolutionary step”, others opposed it tooth and nail mentioning it a “failed experiment”.

Keywords: Demonetisation, farming community, animal husbandry, fish farming, digital economy, black money, policy decisions

1. Introduction

In November 2016, India implemented a historic move by imposing a ban on 500 and 1000 rupee notes and again in May 2023, Reserve Bank of India withdrew 2000 rupee currency notes. The initial decision was said to be aimed at curbing corruption, black money and terror funding while the later decision termed 2000 rupee currency as mere transitory notes to cover the value lost due to previous demonetisation (IE 2023) ^[1]. These decisions on demonetisation have far-reaching consequences on various sectors of the economy. Among those severely affected were the farmers, particularly in the agrarian state of Punjab. The policy of demonetisation threw significant challenges before the farming community. While the government promoted the use of digital payment methods, farmers in rural areas faced limited access to banking facilities. Majority of farmers had very little exposure to digital financial transactions and was heavily reliant on cash transactions. The lack of infrastructure, awareness and technological literacy impeded their ability to adapt to alternative payment systems effectively. This further marginalised their position and hindered their farming operations for the next crop.

Here, we review various studies, surveys and researches conducted on the impact of demonetisation on farm families, rural community, animal husbandry and its allied sectors in India. The farmers were not only made to undergo disruptions in their farm operations but had to undergo mental stress and fell prey to the unscrupulous middlemen and money lenders owing to delayed payments and lack of institutional credit options. This paper presents a review of the repercussions of the currency ban on the lives and farming operations of farmers in India, under the following heads:

Disruption in regular Agricultural operations and activities: The sudden currency ban brought about a severe disruption in the daily agricultural activities of farmers. Farmers, who predominantly rely on cash transactions, faced immense challenges in conducting their day-to-day operations.

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With limited access to valid currency, they encountered difficulties in purchasing seeds, fertilizers and other essential agricultural inputs. The lack of adequate cash flow hampered their ability to sustain regular farming activities, leading to a decline in productivity. With majority of post harvesting operations including marketing, sales, transport and distribution of crops being dependent on cash transactions, more than 260 million farmers in the country are majorly sustaining their livelihood on cash economy (Jadhao, 2017)^[2]. Hyderabad based National Institute of Rural Development and Panchayati Raj, in one of its reports noted that since the policy of demonetisation was implemented at a time when *Kharif* season crop was being harvested and *Rabi* crop sowing was about to begin, so the adverse impact of demonetisation was observed to a larger extent mainly on the agriculture sector (Kakumanu *et al.*, 2022)^[3]. Since the crops such as paddy, maize and wheat are mainly grown in the three sample states of UP, Maharashtra and Telangana, so the impact of currency ban was noted primarily on the distribution of the *Rabi* crops. As per the reports, while nearly 67 percent farmers in Maharashtra and 44 percent in Telangana could not cultivate any crop in *Rabi* season, not more than 8 per cent of the farmers in UP were deprived of the same. Evidently, the farmers require heavy amount of cash during the harvest season of *Kharif* crops and sowing of *Rabi* crops, therefore the demonetisation caused a worst effect on farming community (Bisen *et al.*, 2017)^[4]. Quoting Vijay Pargaokar, a farmer from Osmanabad taluka, in Aurangabad, the report mentioned that he did not have cash in hand to pay wages for the labour and hence was unable to carry out agricultural operations (TNN, 2016)^[5]. Demonetisation has hit the agricultural sector to the core (Sumathy and Savitha, 2016)^[6]. A farmer can defer his farm operations for a day to go to a bank and get the cash back but owing to lesser limit as ordered by government he could not manage cash by visiting banks every second day for the withdrawal. This affected harvest as well as sowing operations badly. The study noted that demonetisation time was indeed “toughest” time for farmers as they were unable to sell their produce in *Mandis* and those in *mandis*, in turn, were unable to pay in cash for their produce. It was noted that although the Indian economy might have benefited from the demonetisation but the move left a noticeable scar on the farm sector, which is largely unorganized in the country (Sunil, 2017)^[7]. The study recommended boosting the infrastructure such as installation of cashless transaction machines in government offices before implementing such moves. The rural areas having lesser or limited internet connectivity as well as banking access were badly affected. As far as the impact on sowing operations was undertaken for studies, it was found that small and marginal farmers faced the wrath far more than the large farmers. The farmers who produced the perishable crops were more affected than the ones who dealt with grains that could be stored (Kulkarni and Naikwade, 2018)^[8]. Demonetisation led to a tough time for the milk producers in Mysuru district in Bengaluru as almost all the cooperative milk producers’ societies in district were unable to pay dairy farmers any amount for a period of a week to 10 days. The main cause, the report cited, was the ceiling imposed on cash withdrawal which prevented the cooperatives from withdrawing the required cash from their respective bank accounts or making payments to farmers (The Hindu, 2016)^[9]. However, as per the Economic Survey of India (2016-17), the negative affect of currency ban on agriculture was exaggerated. The survey was cautiously optimistic in its conclusions and noted that in

contrast to the initial fears, the sowing pattern of both wheat and pulses (gram) crossed the previous year’s statistics by nearly 7.1 percent and 10.7 percent respectively on January 15, 2017 (Government of India, 2016a)^[10]. The survey mentioned that while domestic agricultural trade in regulated markets was displaced by 15% by end of the 90 days period, the trading in perishable agricultural goods was displaced by 23% in the week post demonetisation. It, however, recovered marginally in the next three months but remained lower (18%) than the usual. Since the government intervention is too negligible in case of *kharif* crops, the impact too was sharpest. On the contrary the impact was noted to be minimal in case of crops and those perishable commodities where farmers are well organised and have governments actively involved in procurement (Aggarwal and Narayanan, 2017)^[11]. Demonetisation move paralysed the aqua business in Krishna district where it was flourishing just before the announcement. The report mentioned that the export of freshwater fish to Odisha and Kolkata came to halt post demonetisation due to non-availability of cash and restrictions on withdrawal limit from banks. Quoting scientists at Central Institute of Freshwater Aquaculture, the report highlighted that the prices of *rohu* and *catla*, two important fish species, fell drastically in local market. This price fall even crossed the figure of 20 per cent thus negatively impacting the fish farming sector in region (Hindu, 2016)^[12].

Cash Flow Disruptions: The cash crunch caused serious hassles for people. The farmers, on the other hand, had a harrowing time and underwent toughest ever time as they struggled to get their old currency exchanged with new denominations. With the banks and ATMs turning cash less in wake of the limited currency flow in banks itself, the small business, agriculture and transportation faced a major setback (Shanbhogue *et al.*, 2016)^[13]. This kind of situation led to interrupted cash flow as required by farmers for their current as well as future operations. The fact that demonetisation led to disruptions in cash flow, making it difficult for farmers to access adequate funds for purchasing seeds, fertilisers and other agricultural inputs in public domain. It is widely believed that this, in turn, affected their ability to sustain regular farming operations and resulted in decreased productivity. The decision of demonetisation which is being referred to as a surgical strike against black money, however, caused serious liquidity crunch in the country with banks and ATMs across the nation also facing severe cash shortages (Kushwaha, Kumar and Abbas, 2018)^[14]. All this caused maximum detrimental effects on agriculture, small business and transportation besides causing chaos with people having old currency notes facing extreme difficulties in exchanging thus disrupting supply chains and their routine operations drastically. However, the study mentioned that the demonetisation was beneficial as it led to increased use of digital mode of payment primarily including payments Apps, internet banking, E-wallets and plastic money. Since farm economy had so far been majorly thriving on the cash mode, the farmers faced harrowing times owing to their saving habits (Sumathy and Savitha, 2016)^[6]. Since majority of farmers in our country are dependent on cash as they run their day-to-day farm operations, so they encountered serious inconvenience. As per rough estimates around 70% of the farmers sell their products through Farmers Market which was severely affected due to disturbances in cash flow pattern. The daily wage earners in agriculture sector, who were earning small amount per day, got delayed payments and many

labourers were rendered jobless for days or months. The demonetisation, observed the paper, rendered the farmers dependent on illegal moneylenders and black marketers to cater to their transaction needs. Agriculture sector is mainly dependent on unorganised labour, domestic helps etc. who prefer to receive their earning in cash and the cash flow disruptions caused major impact on them (Mohd., 2016) ^[15]. The study, however, concluded that the advantages of this move would be felt only in the long-term as demonetisation was “bold in its intent and massive in its measure”. The prices in consumer markets were higher, but in villages there were no buyers for the harvested crop (Reddy 2017) ^[16]. Demonetisation caused an adverse effect on spending provisions on milk and milk products in a family in the year 2017-18 and hence negatively impacted the milk producers’ income in country. As per report the average amount spent on milk and its derivatives registered a drop up to 10% with several households, hotels, and *halwai* shops reducing their spending on milk due to cash crunch. The report noted that average consumption expenditure of Rs. 6 trn in 2016-17 fell to Rs. 5.4 trn in 2017-18 primarily owing to demonetisation. Resultantly, this drop impacted the income of dairy farmers thus affecting their livelihood (BS, 2019) ^[17]. The ban on Rs. 500 and Rs. 1000 currency notes in India cast a severe negative impact on the fishing industry farmers in India. The study noted that since farmers engaged in fishing sector mainly deal with cash transactions so after the demonetisation the poor farmers were forced to get their Rs. 500 and Rs. 1000 notes through middlemen by paying Rs. 300 or Rs. 400 as commission. The demonetisation led to unavailability of cash to pay for freshly caught fish and its products, which further led to collapse of fish farming culture (Shirley, 2017) ^[18].

Disruption in supply chains and decline in Farm Income:

The currency ban caused significant disruptions in the agricultural supply chains, affecting farmers ability to sell their produce. Farmers were unable to transport their goods to markets, as truckers and transporters demanded payment in cash, which was in short supply. The lack of liquidity in the system also led to a decrease in demand for agricultural products, causing a drop in prices. Consequently, farmers incurred heavy losses due to their inability to sell their produce at reasonable rates, further exacerbating their financial distress. Demonetisation was not successful experiment in India, both theoretically and empirically (Deka, 2018) ^[19]. Cash withdrawal increased after demonetisation as reported by Reserve Bank of India. While the tax GDP ratio has been slightly increased, the GDP growth rate has declined post demonetisation. The agriculture and industry sectors growth rate too declined, whereas service sector growth registered a hike in the first quarter of 2017. Due to cash crunch, farmers faced difficulties in selling their produce at reasonable prices. The limited availability of valid currency notes and disruptions in the supply chains resulted in a decline in demand and lower returns for farmers. Demonetisation largely impacted the crop productivity as productivity levels recorded significant drop (Kakumanu *et al.*, 2022) ^[3]. The study observed that two consecutive years (2014 and 2015) faced severe drought thus leading to decline in the area under *Rabi* crops. The next year (2016), however, received good rainfall and resulted in sowing of *Rabi* crops in more area than previous years. However, the average market price of the crops kept on decreasing continuously in all the three sample states of UP, Maharashtra and Telangana. Also, the prices of perishable produces such as vegetables went down sharply i.e.

by 26 per cent, followed by cotton and soybean. The study further pointed out that more than 60 per cent of farmers in Maharashtra, Telangana and Uttar Pradesh compulsively remained away from their fields for about two weeks of demonetisation. Another study conducted by the state-run Central Marine Fisheries Research Institute (CMFRI) noted that demonetisation had hit fish consumption in India even though it did not cause much negative impact on fish farming operations and retail market (Financial Express, 2017) ^[20]. The study conducted in fish landing centres and markets in Ernakulam found that demonetisation caused a direct impact on retailers and consumers primarily owing to cashless transactions and non-availability of currency notes of smaller denominations. As a result, study found, the landing prices in fish markets saw 15-20% reduction hence leading to further fall in fish consumption by 30-40% during the study period.

Social Impact in agrarian sector: The impact of demonetisation in agrarian community was not merely limited to economic or productivity setback but it adversely impacted the mental health and well-being of farmers. Various studies have highlighted that the financial uncertainties and challenges posed by demonetisation contributed to increased stress levels and psychological distress among farmers, which in turn, affected their personal as well as social life. Another nationwide survey of people who had fixed marriage dates noted that as much as 65 percent of respondents underwent ‘serious financial problems’ and were forced to put off their scheduled wedding plans due to demonetization (Raza *et al.*, 2017) ^[21]. Several cases of suicides by farmers besides chronicling the cases wherein due to the financial constraints imposed by demonetisation, farmers resorted to informal credit sources, often at high-interest rates, leading to increased indebtedness. This, in turn, resulted in a rise in loan defaults and financial distress among farmers (TLI, 2017) ^[22]. The article stated that demonetisation left the private moneylenders enthused who pitched in to encash the situation. The results, said the article, turned appalling for farmers with moneylenders charging interest rates as per their whims and fancies. The interest charged by them ranged anywhere between 24% and 120% against the 10% being charged by local banks. Farmers in Odisha got distressed due to demonetisation (BS, 2016) ^[23]. The report detailed the distressed farmers’ first person accounts summing up that cash being the primary mode of transaction among the agrarian community. Since this sector provides employment and livelihood to more than 60 per cent of the state’s manpower, the lives of majority of people in state too was affected adversely.

Adoption of Digital Payments: Several surveys and studies conducted by various organisations and scholars highlighted the increased adoption of digital payment methods by farmers in post-demonetisation period. Farmers started using digital platforms for transactions related to input of procurement, crop sales and financial transactions, thereby gradually shifting towards a more cashless ecosystem. The study brought to fore the issues concerning digital marketing, online payments and cashless transaction with regard to rural sector (Kumudah and Lakshmi, 2016) ^[24]. It was noted that while the currency ban led to emergence of new trend of cashless transactions, need to study the growth pattern of digital payments in both the rural and the urban segments in the pre as well as post demonetisation period was emphasised. Majority of the consumers, largely from rural sector, were in

favour of demonetisation and digitalisation of economy as they were willing to “sacrifice now for a better future of next generations” (Rao, 2017) ^[25]. Furthermore, after demonetisation more and more people switched over to e-wallets such as Pay tm, Unified Payment Interface App (UPI) as rural community had a widespread opinion that “some difficulties” and “inconveniences” which might crop up after demonetisation shall not last long as they will be of temporary nature. A study among the people in Dagra village in Moga district of Punjab India maintained the switchover to electronic ways of transaction even in rural areas of Punjab which helped largely in reducing the long queues in banks in villages (Sebowa, 2018) ^[26]. Another study highlighted an increase in non-cash transactions in shopping locations of the village too (Unnisa and Kumari, 2017) ^[27]. Due to increase in internet driven web transactions and services, the black money circulation automatically got reduced. This study in Hyderabad sought to document the user’s habits and awareness levels about digital and cashless payments methods. The document mentioned demonetisation as “a right step in right direction” with regard to cashless method adoptions as it sought to link it with the growth in Indian economy. The study noted a decline in cash transactions from 89.6% to 78.1% in commodities of daily use. It also noted that while the transactions in cash for entertainment purposes went down from 62.5% to 30.2%, the purchase for utility items by paying cash came down from 57.3% to 39.6%. Similarly the cash spent on groceries payment declined by 20%. Similarly, the data on use of debit card, credit card, online banking App etc. registered a significant hike thus indicating that the consumers started preferring cashless payments after demonetisation.

Quoting the press release from Ministry of Agriculture, it is noted that as much as 1.6 crore milk producers enrolled with nearly 1.70 lakh Dairy Co-operative Societies (DCS) in villages had been producing 850 Lakh liters milk per day. Nearly half of the total production was being procured by private market from these dairy farmers. To make an assessment data of 70 days after the demonetisation was tabulated and compared with the available data that recorded the milk production and related aspect before the demonetisation was implemented. It was found that days within the currency ban was imposed both the banking inclusion and digital payments registered a significant rise. It was found that the percentage of dairy farmers opening bank accounts increased from 49.27% to 63.42% whereas the cashless transactions saw a jump from 23.82% to 72.25%. The study observed that less than one third (28%) of the dairy farmers were paid through cash, even though the sale of milk recorded a jump of 2.81% in December 2016 as against corresponding period in 2015. Therefore, it was concluded that the culture of cashless payment to the farmers improved considerably thus leaving not much negative impact on dairy sector (ME, 2017) ^[28].

Loss of Livelihood: India's agricultural sector primarily operates on a cash-based economy and the currency ban had a direct impact on the livelihoods of farmers. Many farmers in Punjab, who had stored their savings in high-value currency notes, found themselves with worthless stacks of paper overnight. The sudden devaluation of their savings left them vulnerable and struggling to meet their basic needs, *let alone* invest in agricultural activities. This loss of livelihood threatened the financial stability and well-being of farmers and their families. Employment sector in India is not that

encouraging which can confront any kind of extreme economic policies such as demonetisation (Kumar, 2017) ^[29]. Currency was posed a serious concern owing to the fact that in the country, 79 percent of non-agricultural daily wagers never entered into any written agreement and merely 25 percent were eligible for any social security. The study noted that since India has emerged a global power in terms of the development or diffusion of new technology in the form of Information and Communications Technology (ICT) but its indirect negative employment impact can-not be ignored. In wake of this, the author pointed out, demonetisation will further destabilise the already volatile labour market in India. Just like agriculture Fisheries industry is also dependent on daily wagers and involves larger chunk of payments in cash (India Today, 2016) ^[30]. Quoting a fish pond manager Rahul Shaw, the report highlighted as to how the business of fishery underwent heavy losses when the cash crunch in market led to decrease in prices of a fish from buying cost of Rs. 120 to distress selling at Rs. 60. This cash crunch also made them face lot of hassles in paying the labourers thus adding to their woes. Potato farmers too underwent almost similar situations as the fisheries sector did.

Impact on Farm Investments: The currency ban also hampered long-term farm investments and modernisation efforts. With limited access to cash, farmers found it challenging to invest in farm machinery, equipment and technology that could improve their productivity and reduce manual labour. Consequently, the farming operations remained largely traditional, limiting the potential for growth and efficiency in the sector for a longer period. Punjab’s farm machinery had landed in the grip of a severe downturn primarily owing to “regressive” policies of demonetisation and Goods and Services Tax (GST) regime (NewsClick, 2019) ^[31]. The study noted that post-demonetisation the sales of tractors are down by 19%. As per estimates, a total of Rs. 40,000 crore business is generated from the India’s farm equipment industry with tractor market’s contribution of Rs. 25,000 crore. Punjab’s tractor and farm machinery business generates business worth Rs. 5,000 crore-worth every year. However, post-demonetisation the fall in tractor sales was too steep. The small machinery-sector players observed that the slump was so severe that the rural economy emerged as a major sufferer.

Demonetisation vis-à-vis stated objectives and its acceptance among public: Contrasting and conflicting arguments can be heard or read on the frequently asked question as whether demonetisation move met its objectives and how did the general public respond to it in general. While there have been staunch supporters who make no minces in claiming that demonetisation achieved its targets, there have been a significant chunk of people who oppose the move tooth and nail thereby declaring it a completely failed experiment.

A comprehensive survey in Pune found that even though the general public had resented the poor implementation of demonetisation but despite all odds faced by them a majority of them supported the currency ban irrespective of their age, income and gender (Undale and Gaggad, 2016) ^[32]. Categorical in their rejection of any theory asserting that demonetisation left negative impact on economic growth of the country, the respondents observed that daily wage workers were the worst affected category as their wages got reduced

by one third due to shortage of currency in days that succeeded demonetisation.

The Prime Minister, in his speech, declared the extreme step of banning Rs. 500 and Rs. 1000 notes, linked its sole objective of phasing out the fake notes and use of black money in terror and anti-India activities. Demonetisation was indeed a deep psychological strike on Black Money and is touted as biggest cleanliness drive against the black money in the history of Indian Economy (Shanbhogue *et al.*, 2016) ^[13]. Another research mentioned that demonetisation was a bad and irrational decision but concluded that given the black money menace; the demonetisation helped in curbing black money to a greater extent and promoted digital payment culture in country (Sarika, 2017) ^[33]. In an e-book 'Black money and Demonetisation', mentioning demonetisation as "just one move of one piece in the chess board", another study observed that a single policy like demonetisation is inadequate to apply brakes to the menace of black money in India (Deodhar, 2016) ^[34]. Efforts have brought massive amounts of cash into the banking system. With the introduction of reforms in Income Tax department, the entire loopholes in system will be plugged. Similarly, an essay presented by Siddiqi (2016) ^[35] in Queen Mary University of London, sought to attribute the implementation of demonetisation to the corruption prevalent in India. The essay mentioned that currency ban was "a step required to be taken long before" as it sought to draw attention towards the tax evasions by big players engaged in committing tax frauds. Hopeful of the positive impacts, the author concluded that demonetisation will surely leave positive and desired results in years to come.

Talking about the public acceptance of demonetisation, an Empirical Study on Small Businesses at Cooch Behar District, West Bengal reported that demonetisation left drastic negative effect on marginal farmers, traders, daily wagers because of its poor planning and prior-preparation in terms of ensuring availability of cash flow in banks and recalibration of ATM machines (Bhaduri, 2018) ^[36]. The people of Bangaluru having family income in the range of Rs. 40000-60000 did not support demonetisation (Sindhoora *et al.*, 2018) ^[37]. The study found that educational levels too affected the understanding levels with respondents having attained Post graduation levels supported demonetisation "the most" whereas those studied till higher secondary level did not support the currency ban. It was also concluded that majority of people (61%) opined that online transactions were helpful during demonetisation as 53% found the online transaction methods "easy and comfortable". The study brought out an interesting fact to the fore that most of the respondents preferred use of all the three mediums of transactions i.e. cash, plastic money as well as online payment methods. The study recommended that radical steps like introduction of cashless economy should be brought in slowly and gradually and masses are required to be educated about benefits of cashless economy.

A survey on 200 families of 28 Slum Neighbourhoods in Mumbai (Krishnan and Siegel, 2017) ^[38] recorded a significant decline in earning of these families. Typically, a drop of nearly 10 percent was observed per family. The lower earning also led to fall in savings in November 2016.

An article 'The Big Picture-Impact of Demonetisation' (2016) ^[39] termed demonetisation as "historical step" and yearned for support from all sections of society. Dismissing the reports suggesting lack of planning and step wise implementation of the currency ban, the article mentioned that had the prior

information of implementing demonetisation was shared and made public, the step might not have been successful in addressing the core issues of black money and counterfeit currency in circulation coming from Pakistan. The articles explained that this step had led to failure of similar exercises of demonetisation undertaken by Indian government twice in the past. The article further emphasized that more the cash withdrawal limits more would have chances of recycling of black money.

Conclusion

The currency ban in 2016 and 2023 had a profound impact on the lives and farming operations of farmers in India, especially in Punjab. The disruption of daily agricultural activities, loss of livelihood, disrupted supply chains, limited access to banking facilities, increased indebtedness and hindered farm investments were some of the significant challenges faced by farmers. While the government aimed to curb corruption and black money, the unintended consequences on the agricultural sector were severe. It underscores the importance of considering the specific needs and vulnerabilities of farmers when implementing policy decisions that have far-reaching consequences for the economy as a whole. To cope with the sudden cash crunch, farmers were forced to rely on informal credit sources, often at exorbitant interest rates. The inability to repay loans due to financial constraints resulted in a rise in farmer indebtedness. Loan defaults increased, leading to a vicious cycle of poverty and dependence on unscrupulous moneylenders. The currency ban inadvertently amplified the agrarian distress and pushed farmers deeper into debt. The studies pointed out that demonetisation also compulsively made the farmers move from cash transactions to cashless mode of making and receiving payments. It has been noted that this compulsive need for digitalised payments that was triggered by currency ban led to sudden increase in opening of bank accounts by farming community across the country hence registering a jump of nearly 20 percent. As a result the cashless transactions too increased three folds as compared to previous year.

Based on the research findings, it is also recommended that the government and relevant authorities focus on strengthening digital infrastructure in rural areas. This includes improving internet connectivity and promoting the use of digital payment platforms to ensure smooth transitions during policy interventions. Additionally, policymakers should prioritise initiatives that improve farmers' access to formal credit sources, such as banks and cooperative societies. This can be achieved through the provision of collateral-free loans, streamlined loan procedures and financial literacy programs for farmers. Based on the various studies and findings one can conclude that although demonetisation left a drastic short term impact on rural sector which essentially comprises of the farm community but long term benefits were observed too. Further research is encouraged to understand the long lasting impacts and implications of demonetisation on the farming community in India. Learning from the researches done on 2016 demonetisation decision, the RBI, while announcing Rs. 2000/- currency note ban in 2023, directed the financial institutes including banks to ensure appropriate infrastructure at the branches such as shaded waiting space, drinking water facilities, etc., considering the summer season apart from providing enough time to exchange the currency.

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