



FARMER SUICIDES IN INDIA: PROBLEMS AND SOLUTIONS.

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ABSTRACT:

Farmer sector is the main income for the rural people in India. It plays a significant role in their life. In India, small and marginal farmers account for 70%, according to the 2011 census of the Government of India. These small and marginal farmers took credit from banks and private money lenders. The non-repayment of credit led to a farmers' suicide. Farmer's suicide is a burning issue in India. Farmers are lifesavers then why they are killing themselves. Is there any nexus between farmers' suicide and government actions? In this way farmers suicide issues challenges and remedies has been discussed. Recently, farmers from various regions of the country marched to Delhi to register their protest against the government's neglect of their demands. Poor earnings of the farmers led to the never-ending distress in the farmer sector and this resulted in the increasing number of farmer suicides. These worrying realities call for an appropriate policy response.

Key-Notes: Farmer suicides in India, Review of literature, and Causes of farmer suicide in India and Solutions of farmer suicide in India

FARMER SUICIDES IN INDIA

India is a country that is going through a phase of agrarian transition. While agriculture provides for about 58 percent of India's population (IBEF, 2018) there is one farmer suicide every thirty minutes. It is also very interesting to note that for the past twenty years the output prices of farm products have remained the same while there has been a substantial increase in the input prices for the production of the same (Sharma, 2015). This means that, while there has been a rise in the inflation rate and subsequent rise in the cost of running a farm, the profits out of the same venture have not increased. It is, therefore, an inarguable conclusion that economic distress has led to farmers committing suicides. In fact, there is factual evidence to show that a large number of farmer suicides is indeed driven by economic distress (Kishore, 2018).

Manjunatha and Ramappa (2017) have categorically attributed the following reasons to the incidents of farmer suicides in India – (1) social causes, (2) farm-related causes and (3) debt related issues. While social causes include drug/alcoholic addiction, illness, fall in social reputation, family quarrel, daughter's marriage and extra-marital affair which are of little relevance to the study; in terms of the farming related causes lack of access to expected credit, non-realization of higher output and prices and crop failure were the major reasons for suicides. These are factors where the intervention of a collective that brings farmers together could intervene in building capacity to provide for a cushion for farmers to be able to handle the pressures of market forces and simultaneously create scope for the availability of credit for the respective farmers. Illustrated below is a figure that clarifies the various forward and backward linkages that a Farmer Producer company by virtue of being one provides. In providing these forward and backward linkages FPCs are able to address the issues of the lack of access to expected credit, non-realization of higher output and prices and crop failure.

REVIEW OF LITERATURE

Ambedkar, D.B. (1918): "In short, strange as it may seem, industrialization of India is the soundest remedy for the agricultural problems of India. The cumulative effects of industrialization, namely a lessening pressure (of surplus labour) and an increasing amount of capital and capital goods will forcibly create the economic necessity of enlarging the holding. Not only will this, but industrialization, by destroying the premium on land, give rise to few occasions for its sub-division and fragmentation. Industrialization is a natural and powerful remedy, in this paper Ambedkar strongly suggested the ideas of Arthur Lewis theory of Theory of economic development.

Posani, B. (2009): Desperate indebtedness was found to be the common thread that ran through most of the reported suicides. Deeper analyses, however, reveal that indebtedness is only a symptom. According to this report the major causes for Agrarian Distress in India are small land holding, less institutional support, declining irrigation facility, relying more on monsoon, price shocks, credit squeeze, trader money lender Nexus and pervasive indebtedness. Indian agriculture today is 'the economic residue' that accommodates 'non-achievers', and that the principal motivation of the peasant today is to stop being a peasant. Not an encouraging prospect, then, for the peasant movements, or the peasant.

Saritha, G. (2015): reviewed that between 1997-2007 21,174 farmer's suicide reported in India, the major reason is indebtedness. In their case study they figured out these following results, the outbreak of suicide in India is appalling and on average one Indian farmer committed suicide every 32 minutes during the past period 1997 to 2007 and as many as 48 farmers' suicide per day in India between 2002-2007. The farmer suicide in India as a clear indication of severe distress in the farming community. The causes for present agrarian distress vary from one to another state. But the genuine causes may be common in all states which include external trade liberalization and neo-liberal policy driven reforms in the economy have played havoc with the farm dependent population in the country. Indian state now acknowledges the fact that between 1993 and 2003, 1,00,248 farmers committed suicide in India. The most important factor is debt.

Vasavi, A. (2005): focused on the relationship between commercial crops and suicides. Since the key sources of non-institutional creditors have been agri-business agencies (who provide both inputs at deferred credit to

agriculturists and loans), and the new money lenders and creditors¹³, including relatives and friends who draw on their urban salaries, these debts pose a double burden on agriculturists. For one, interest rates are exorbitant (ranging from 24 to 45 percent per annum) and secondly they are linked to their personal and social networks. Inability to pay is often met with ridicule, ostracism or public humiliation. As several reports and case studies highlight, many of those who committed suicide did so after experiencing such humiliation or facing threats of dispossession of their assets.

DATA COLLECTION

The data for the study has been collected from multiple databases which include the National Crime Records Bureau's (NCRB) Accidental Deaths and Suicides in India and the website of the Ministry of Corporate Affairs. The NCRB data was essential for the compilation of data about farmer suicides and the Ministry of Corporate Affairs was helpful in collecting data pertaining to Farmer Producer Companies. The nature of the data is secondary.

CAUSES OF FARMER SUICIDE IN INDIA

When compared to other developing economies, Indian agriculture heavily depends on monsoon, limiting crop diversification to a great extent. Thus risks include weather, a weak monsoon or even a delayed monsoon, poor soil fertility, pests, and plant diseases, perishability of crops etc. are the major causes for the agrarian distress in India. Further, climate change and global warming cause frequent events of drought and flood which further add to their woes.

Land fragmentation

There is a huge pressure of population on land led to a low land-man ratio in rural areas. The landlessness and the existence of marginal farming households are the results of decades of land fragmentation initiated after independence. Fragmented land holdings result in low productivity and hinder infusion of technology and new farming techniques. The landless or marginal farmers lack the resources to either buy or lease more land or invest in farm infrastructure to compensate for the scarcity of land. And they also lack adequate access to institutional finance.

Rising agricultural costs

Despite subsidies on power, fertilizers etc. input costs have been rising faster than sale prices, squeezing the meager income of the small farmers and driving them into debt. In addition to this, hiring labourers and animals has become expensive and the fixed costs associated with agricultural equipment like tractors and submersible pumps have also been on the rise. Also, small farmers do not have enough profit to justify the cost of transporting the crop to government corporations in towns. Most farmers prefer cash crops such as cotton. However, they don't realize that the input costs of such crops are very high. If the crop fails, it causes a huge distress. Moreover, as agricultural prices rise, the rural wages are depressed resulting in rural distress causing migration towards cities.

Lack of institutional credit

The National Crime Records Bureau (NCCB) report clearly underlines that indebtedness is the single largest cause of farmers' suicide. As the farmers don't get access to institutional credit, they move towards

informal moneylenders who demand exorbitant interest rates and consequently the farmers end up with huge debt. Expenditure on costly social ceremonies and health expenses, which are not part of regular household expenditure, also force the farmers to borrow especially from informal sources.

Problem with MSP

Government procurement at the minimum support price (MSP) is supposed to protect the farmers but it mostly benefits the large traders. Over 70% of the farmers in India seldom receive MSPs for want of official market intervention. Moreover, the Public Distribution System (PDS) does not have the capacity to undertake procurement operations for 24 crops for which MSP is announced.

Agricultural marketing

Lack of enough cold chain and storage infrastructure and processing capacity result in a huge post-harvest loss. Uncertainty with the price of the produce is a major concern. Many farmers continue to be at the mercy of the trader. Agricultural Produce Market Committees (APMCs) is also unfavourable since the farmers have to sell their produce via auctions in regulated markets controlled by cartels of licensed traders. These cartels fix low purchase prices, extract large commissions, delay payments etc. APMC is a statutory market committee established by a state government with respect to trade in certain notified agricultural or horticultural or livestock products under the APMC Act of the respective state government. Though the purpose of APMC Act is to protect farmers from the exploitation of intermediaries and traders, however, the licensing of traders results in the monopoly and prevents farmers to participate in direct and free marketing. The value chain in the agricultural sector has been exploitative i.e., only about 1/3 of the retail prices paid by final consumers reach the farmers, unlike 2/3 in case of milk.

Ineffective government response

The government's response is focused on credit and loan, rather than income, productivity, and farmer prosperity. Loan waiver or the assistance in paying off outstanding principal and interest helps the money lenders, however, failed to create reliable and good sources of income for the farmer.

SOLUTIONS OF FARMER SUICIDE IN INDIA

The corporate and NGOs (Non-Governmental Organisations) had adopted the drought-affected villages to help them to rehabilitate. Debt waiver was not a solution for avoiding suicides. The government had to take proactive measures for avoiding farmers' suicides (Sangalad and Huddar, 2011). The Gram Panchayats will have to identify indebted farmers and give suggestions on overcoming the crisis. In addition, they must help farmers in avoiding commission agents, traders, and middlemen. Thereby, the government can change its policy from 'corporate first to farmers first' (Rao, 2015). Surbhi et al., (2017) analyzed the farmers' suicides and recommended some suggestion to the government such as cropped diversification, improved marketing facilities, proper irrigation facilities, assurance of sale of agricultural produces and price stability. Anneshi (2018) stated that the farmers' suicides could be avoided by taking short term measures like organic farming, avoiding the private institutional credit, and organizing farmers into Self-Help Groups (SHGs).

The government had to focus on long term measures for controlling of farmers' suicides. They could provide irrigation facilities, cold storages, weather forecast information, and crop insurance (Thakur, 2018).

Parvathamma (2016) stated that the adoption of new technologies would reduce pests and diseases from agricultural lands. The national commission had conducted a survey on farmers in 2004 constituted under the chairmanship of Professor M.S. Swami Nathan. The National Commission on Farmers (NCF) prepared four different reports. The final report was submitted in the year 2006. The report suggested for elder support through social security and health insurance in rural areas. It also suggested to ensure availability of quality seeds and other inputs on time and at right place, introduction of low-risk and low-cost technologies which can provide maximum income to farmers, to protect the farmers from price fluctuations by using price stabilization fund and to promote public awareness campaigns on suicides in villages (Swaminathan Committee on Farmers, 2006). These were the solutions that were suggested for mitigating farmers' suicides and agricultural crisis.

On vagaries of nature

Location-specific policy for irrigation with the identification of suitability of irrigation facilities required to protect farmers from the adverse impacts of climate change. It must be supplemented with timely completion of canal irrigation projects and timely advice on the weather. More investment is needed in agricultural R&D in order to develop more drought and pest-resistant crops, along with better irrigation technology. Technological interventions that update farmers about sowing and harvesting time and extension services can help prevent misfortunes. Sooner implementation of interlinking of rivers will help solve the water stress in agriculture. But it needs to be implemented carefully as it has ecological costs as well. Crop diversification should be implemented to reduce crop failure rates across the country. Zero Budget Natural Farming can be implemented which involves the applications of nature's principles in farming. It is the practice of no-till, no chemical use in farming. Read more about Zero Budget Natural Farming.

On land fragmentation

Long-term leasing of farmland without withdrawing the land ownership can be implemented. This is in line with Niti Aayog's Model Land Leasing Act i.e., no change in ownership, no tenancy rights, and the land revert back to the owner on the expiry of the lease. Long-term leasing can also facilitate the entry of the private sector into agriculture. The private sector can bring in crop diversification, the introduction of high-value crops, mechanization, new farming techniques and technologies, investment in post-harvest management and processing, and more employment opportunities.

On input costs

The government policies should encourage integrated pest management that combines, biological, chemical, mechanical and physical means to combat pests with a target to eliminate/considerably reduce the need for pesticides. The local fertilizer industry requires support and the timely delivery of subsidies would improve their capital needs, allowing them to manage costs through internal sources instead of external loans. State seed policies should encourage contract farming, identification of new genotypes for treating pest and disease syndromes, as well as adverse weather conditions. Precision farming techniques such as Systematic Rice Intensification (SRI) can help increase seed production in this respect. Click here to read more about precision farming in India. Our farm equipment policy needs to be revamped with a focus on improving manufacturing equipment in the country rather

than importing them which is costly. Introduce modern entrepreneurship to Indian agriculture under the start-up India scheme. This can help bring in modern technology and inputs to farmers. Cooperative farming on a national scale should be implemented to reduce input costs and improve agricultural productivity and production. The cooperation may range from collective action in accessing credit, acquiring inputs, marketing to production. It also includes land pooling, labour pooling, joint investment, joint water management, and joint production.

On institutional credit

Ensure that institutional financing is available and accessible. Village-wise lists of deeply indebted farmers must be prepared annually to identify farmers on the path to potential suicide. NABARD, along with local administration, should come up with local policy interventions and also devise timely loan restructuring initiatives, insurance claim settlements, and better counseling. Nationalized banks need to change their way of functioning in order to expand rural outreach.

On agricultural marketing

The long chain of intermediaries between the farm and the consumer should be reduced as they negatively impact farmers' income. Delisting fruits, vegetables and other perishables from the ambit of APMC can give farmers the freedom to sell directly to retailers and food processing companies. Grouping farmers into Farmer Producer Organizations (FPOs) could facilitate improved market access and better bargaining capacity. Create Agro clusters in important production zones to ensure aggregation of produce. Commodity options (rights to buy or sell) in agricultural products can protect the farmers from the vagaries of distress sale during the periods of bumper harvests. This will ensure farmers the post-harvest prices at the time of planting the crop itself. Public-Private Partnership (PPP) which worked successfully in other sectors can be implemented in agricultural marketing as well. The private sector must be allowed to procure, store and distribute grains even starting with the public distribution system = reduce storage cost for the government and result in the establishment of storage capacities. Increased storage and processing capacity can reduce post-harvest losses, ensure price stability and protect farmer interests.

Creating rural job opportunities

The focus has to be shifted from farm income to farmers' income i.e., boosting farmers' earnings through expansion of job opportunities in and around rural areas. Promoting the lucrative allied activities of agriculture such as horticulture and floriculture also helps boost farm incomes. Gobardhan Yojana should be implemented all over the country. It aims at keeping the villages clean and also generates energy while improving the income of farmers and cattleherders. (Click here to read more about Gobardhan Yojana) Thus a multi-featured income-generation plan, rather than MSP hikes and loan waivers, can help mitigate farmers' distress.

IMPROVING AREAS OF AGRICULTURE ARE

1. Extension of irrigation facility.
2. Extensive use of modern agricultural technology.
3. Increasing the both public and private investment on agriculture.
4. Effective implementation of land reforms.

5. More institutional credit support.
6. Getting farmers loans from the state owned banks at very low interest rates.
7. Marketing reforms.
8. The warding the further division of land.

CONCLUSION

The study focused on the agricultural crisis and farmers' suicides. Most of the farmer's suicide was due to the distress, crop failure, indebtedness, poverty, lack of institutional credit, poor irrigation, lack of awareness on new technologies, a high-interest rate of non-institutional agencies and lack of government policies. The review shed light on the fact that there was a lack of research done specifically on the plight of tenant farmers' suicides in India. Previous studies had also focused on the time period when suicide may occur. They also noted that reasons for suicide changed as per the gender of the farming community. Caste also played a role in the case of farmers' suicide. Thus, one can say that demographic factors played a major role with regard to farmers' suicide. The government was providing subsidies, short-term bank loans, and crop insurance benefits to the farmers. In India, many state governments had waived farmer's bank debt but even then, farmers were committing suicides. Such sort of short-term government measures was not enough to stop the farmer's suicides and agricultural crisis. Therefore, the government should provide irrigation facilities, minimum support price for their products and increase the long-term institutional credit. Such kind of long-term measures will reduce farmer's suicides.

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