NATIONAL SEMINAR
ON
Agrarian Distress
and
Farmers suicides in India
at
Acharya Nagarjuna University
24th - 26th February - 2005

Submissions
by
VADDE SOBHANADREESWARA RAO
B.Sc., B.E.,
I congratulate all concerned at Acharya Nagarjuna University for holding a National Seminar on "Agrarian distress and farmers' suicides in India" during 24th - 26th Feb 2005. The topic selected has paramount importance as Agriculture and allied sectors are contributing nearly 26% to the GDP and 65% the work force is dependent on these sectors for their livelihood present crisis in Agriculture is a matter of great concern. It is painful to note number of farmers' suicides taking place every day in A.P, Karnataka, Punjab, Maharashtra and several other states. In this background I firmly believe this National Seminar on "Agrarian distress and farmers' suicides in India" will help in analysing various reasons for the distress and farmers' suicides and remedial measures to be taken at various levels.

I feel there are several reasons for the Agrarian distress and the farmers' suicides as detailed below.

1. The main reason is inadequate availability of Agricultural credit on time from C.B's, RRB's and coop societies and forcible collections by debtors.

2. Particularly Small, Marginal and Tenant farmers are compelled to approach private money lenders or few big farmers who charged 24 to 36% interest.
5. Dealers of seeds, fertilizers, pesticides also apart from selling the products on which they get higher margins, charged higher rate of interest.

4. Absence of adequate Mechanism as well as infrastructure to ensure remunerative / Minimum support price to the farmers'.

5. Successive droughts have brought misery to rural people, eroded their self confidence.

6. Unlike persons engaged in many other activities such as Industry, Business, the farmers in general possess higher self respect. When the debtor put pressure, abuse, make Tam-Tam in the village, the farmer feels ashamed and take unfortunate decision to end his life.

7. The financial Institutions are showing Luke worm attitude in sanction of crop loans as well as term loans. They feel agricultural credit is risky. The fact is NPA in Agri sector is quite less as compared to NPA in Non-Agri Sector.

8. While Govt. of India utilized several thousands of crores of rupees on re-capitalization has in the case of few Commercial Banks, Urban Banks which incurred due to frauds, the Central Govt has not shown similar concern towards the Coop Banks which are serving substantial segment of farmers.
9. CCIS as well as NAIS have not been able to rescue the farmer to great extent when he really suffered severe loss due to Natural Calamities, Pests due to inherent deficiencies in those Schemes.

10. In general due to several factors soil fertility has come down requiring higher investment.

11. In the absence of adequate infrastructure, substantial quantities of farmers produce particularly fruits and vegetables are lost.

12. The middlemen/Traders are exploiting ignorant farmers who do not have financial capability to withhold his produce when market prices are not to his satisfaction.

13. In spite of Governmental efforts, still substandard seeds, fertilizers, Bio-fertilizers, pesticides are being marketed in a small way sometimes causing great loss to farmers who have used them.  

Additional factors which contributed to the distress among farmers' resulting in large number of suicidal deaths in Andhra Pradesh

a) Cost of cultivation for several crops is very high in A.P. as compared with several other states.

b) Farmers in rainfed areas are cultivating Hybred Cotton which involve huge expenditure for effective plant protection.

c) During the last 10 years in 1996 and 2001 only near normal monsoon was received.
d) The number of suicidal deaths of farmers during the past 9 months for exceeded the number in the last 5 years.
e) Almost every day few farmers are committing suicides unable to repay the debt they have incurred.
f) Help line Mechanism is not able to restore confidence among the farmers who are in great distress.
g) The measures such as rescheduling of loans in some districts and Ex-gratia assistance could not stop the spate of suicidal deaths of farmers A.P.

Possible Action to redress the causes for distress among the farmers.

1. To stop the present spate of suicidal deaths, the present guidelines should be amended. To whatever area one may belong, when a farmer is having debt burden far exceeding his capacity to clear it the Helpline mechanism should insist the lender agency not to press for repayment till the farmer get normal crop.

2. All the farmers including small marginal and tenant farmers should be given adequate credit on time, short term as well as Term loans to enable them to carry on their activity in Agriculture/Horticulture or Agro related avenues such as poultry, Fishery, Animal Husbandry or Agro processing activity.

3. Effective steps should be taken to ensure interest and penal interest put together do not exceed the Principle amount.

4. Only simple interest not exceeding 6% to be charged from farmers, agri labour and rural artisans.
5. Since Agriculture and allied activities are contributing 26% to GDP, Banks and other Financial Institutions should be mandated to disburse 26% of their credit instead of 18% (which they are not following at present).

6. Government of India has to bring amendments to the Seed Act to effectively protect the interests of farmers. Appropriate compensation to be paid in case of germination or yield loss due to seed fault.

7. Government of India has to establish/authorise Standard PTL's as the central PTL at Faridabad has lost the credibility. Very large percentage of samples found to be sub-standard at State PTL's are found to be all right at Faridabad PTL.

8. Rythu Bandhu Scheme to be expanded to cover Major crops to help farmers to avoid distress sales.

9. Since land is the only source of living and means of income, apart from crop loans, Agri Term loans the loans taken for education of children, marriage purposes also should be postponed on par with the Agri loans.

10. It is learnt that abnormal delay is taking place in confirmation of suicidal death and ex-gratia payment to the bereaved family.

Some initiatives taken during the past few years towards overall Agricultural Development and higher productivity in the state.
1. 54 Soil Testing Labs were established in AMC’s to inform the farmers about the level of Nutrients in their fields as the earlier 27 STLs were unable to cater the demand and need.

2. Thematic soil maps for all the districts except Hyderabad, have been prepared to inform the farmers on various parameters of Soils and suitability of few major crops.

3. Separate “Rythu Mitra” Channel on Teja TV was introduced by the State Government to educate the farmers.

4. 97 “Rythu Bazars have been established to help farmers to sell vegetables and fruits directly to the consumers which benefited both.

5. “MOU” with Seed Companies was brought in to protect interests of farmers during such period till GOI has made amendments to “Seed Act”. Failure of germination, loss of yield due to poor quality of seed have been taken care of.

6. Due to consistent propaganda Chemical Pesticides consumption has drastically came down.

7. Weather forecasting equipment was positioned in all the districts.

8. To help farmers who have been suffering with successive droughts, very large quantities of seeds of several crops were made available with 50% subsidy, for diversification with 75% subsidy, to Cyclone effected farmers with 90% subsidy.
9. To improve the soil fertility large quantities of green manure crop seeds, Zinc Sulphate, Zypsum were given with subsidy.

10. To help Rainfed area farmers de-silting of Tanks, construction of Check dams were taken up on a large scale under "Neeru-Meeru" Programme.

11. A.P. Micro Irrigation Project has been grounded to expand Irrigated area with better usage of existing water resources.

12. WTO Cell was constituted which has prepared a report on post WTO scenario in general with particular reference to Andhra Pradesh.

13. 2 lakh Rythu Mitra SHG’s with small, marginal and tenant farmers have been formed to bring awareness among farmers.

14. 330 AO posts were filled. 5,290 MPEO’s services on contract basis were taken.

15. Services of crop experts and crop escort.s have been utilized to improve the productivity.

To overcome the Agrarian distress and to arrest the spate of suicidal deaths my suggestions are as under.

1. Higher Budgetary Support should be given to Agriculture, Horticulture, animal Husbandry, Dairy, Fisheries, Poultry Sectors on which nearly 66% of people are dependent.
2. Higher budgetary support to Irrigation should be given as Irrigation facility play very vital role in raising productivity and assured Income to farmers. Govt. of India should help State Govts to take up and complete Irrigation projects at the earliest.

3. C.B's, RRB's, Coop Banks all should be given New mandate that atleast 26% of their Bank Credit should go to above mentioned Sectors.

4. Central Seed Act to be amended to safe guard the interests of farmers. More Central PTL's to be established/ authorized.

5. Higher Budgetary support to ANGRAU and other Agricultural Universities, Veterinary Universities needed. Research in to Biodynamic farming, evolution of drought tolerant seeds, seeds with higher potential making use of Biotechnological tools, GMO's to intensify.

6. Large focus to be made on Organic Farming and traditional knowledge technics.

7. Subsidy on Bio-Fertilizers and Bio-pesticides to be introduced to encourage their usage. Quality parameters to be clearly specified and regulated through legal mechanism.

8. Governments at centre as well as state level should put in place adequate machinery including commodity boards to ensure fair price / Minimum support price to farmers. 75% of the value of produce kept in AMCS to be advanced to farmers to enable him to meet immediate requirements.
9. Cost of cultivation of several crops to be brought down by supply of green manure seeds, Zypsum in bigger way to improve the productivity and to withstand competition in International Markets.

10. Information from Thematic Soil maps to be effectively made use of, suitable crops to be cultivated.

11. Inter crops to be encouraged to improve soil fertility and additional income to farmers to be adopted in big way.

12. Market intelligence to be strengthened, the information to be passed on to farmers, appropriate planning to raise crops, diversify in needly areas e.g. in rainfed light chalka soils, diversification from hybrid cotton to variety cotton or pulse crops; from cotton to soyabean crop in black cotton soils etc.

13. Infrastructure at AMC's viz cleaners, driers, godown storage, cold storage etc facilities to be further strengthened to enable the farmer to realize better price.

14. Water use efficiency has to be enhanced through educating user farmers, adoption of drip and sprinklers, Micro Irrigation systems in much bigger way in coming years.

15. Government, Agri Universities and farmers have to agree that now along with the task of improving productivity and production, unless Agro-Processing reach reasonable level farmers economic level will not enhance.
16. To accelerate the pace of Agro-Processing, Food processing, Preparation of herbal products, Natural Colours, Aromatics, Cosmetics etc there is need to have backward linkages between entrepreneurs and farmers, forward linkage between entrepreneur–consumer-exporter.

17. To protect the interests of Indian farmers, Govt. of India has to maintain adequate levels of Import Tariffs.

18. Since the present level of AMS (Aggregate Measure of support) is much below 10% level in our country, GOI should try to extend much larger support to the farming community in the fields of production, marketing, processing and exports.

19. Premium rates in NAIS has to be lowered, particularly for commercial crops like cotton, chilies etc., Village has to be treated has unit from now on. Sunset clause has to be with drawn. State and Central Governments should bear the financial implication of NAIS in the ratio of 1:2 as was the case in CCIS.

20. Union Govt and the State Govts should waive/limit at very minimal level(to ensure effective regulation) excise duties, sales taxes to encourage accelerated growth of Agro-processing and Food processing products as otherwise products from Developed countries are going to capture our domestic market.

21. Union Government should establish commodity boards in respect of crops which have large potential for export, for better crop planning, quality, market intelligence and India Brand image.
22. As the developed countries are extending massive subsidies to their farm sector and their exports, to face that competition Central as well as State Govt’s should continue present subsidy schemes and introduce new support schemes.
   a. To lower cost of production.
   b. To improve soil fertility.
   c. To encourage mechanization and reduce human drudgery.
   d. To encourage organic farming, usage of Bio-fertilizers, Bio-Pesticides.
   e. To encourage usage of Drip, sprinklers, Plastics in much bigger way.
   f. To supply Agriculture electricity at low tariffs as farmers invest their own money in tubewells, Dugwells etc., as against farmers under public irrigation systems.
   g. Access market information, export opportunities, demand, quality parameters required through Embassies/Missions pass on the same through Kisan Channel to entrepreneurs and farmers.
   h. Help the exporters for establishing India Brand Image.

23. Terms of trade should be kept favourable to agriculture.

(VADDE SOBHANADREESWARA RAO)