

Name - IDRIS HINA

ROLL NO - 01

CLASS - F YB AMMC

SUBJECT - FC

TOPICS - INCREASING

URBANIZATION & PROBLEMS
OF HOUSING

India is an agricultural country where around 70% of its people depend directly or indirectly upon agriculture. But farmers' condition in India is deplorable.

As the govt. had government's complete support through approval to subsidizing interest and credit security of farmers, crop yield, insurance, etc. in the agricultural sector every year. But still farmers' condition around 70% is deplorable of all states in India.

There is no denying that the income of farmers is low, and they are facing the opposition of sleeping partners of co-operatives, dividends. In this article we are examining the business issues in more and in-depth form the reason, and the way forward.

Farmers' Issues:-

What do we face, really?

• The list includes farmers' livelihoods and capital rural laborers.

• Even states account for 25% of total issues in the farming sector in the country. The states are Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, Bihar, West Bengal, and Tamil Nadu etc.

- Both marginal farmers and small farmers are committing suicide.
- Maharashtra is the worst affected state.
- Ironically, Punjab, which benefited most from the green Revolution, also presents a depressing picture of farmers' suicides in India.

Between 1995-2015, 4687 farmers' suicides have been reported from the state of Punjab of which 1334 from one monso district alone.

What are the reasons behind farmers' suicides in India?

Scholars have given various reasons such as monsoon failure, climate change, high debt burdens, government policies, mental health, personal issues and family suicides in India. Let's analyse.

- The surge in input costs: A major cause of the farmers' suicides in India has been the increasing burden on the farmers due to inflated prices of agricultural inputs. The culmination of these factors is seen in the overall increase in the cost of cultivation for wheat, the cost at present is three times than it was in 2005.

• Cost of chemicals and seeds: Be it the fertilisers, Crop Protection Chemicals or even the seeds for cultivation, farmers has become expensive for the already indebted farmers.

• Costs of Agricultural equipment: The input costs, moreover, aren't limited to the basic raw materials. Using agricultural equipment and machinery like tractors, submersible pump etc adds to the already surging costs. Besides these secondary inputs have themselves become less affordable for the small and marginal farmers.

• Labour costs: likewise, hiring labourers and animal is getting costlier too. While this may reflect an improvement in the socio-economic status of the labourers, driven primarily by MGNREGS and hike in minimum basic income, this has not gone too well with boosting the agriculture sector.

• Distressed due to loans:

• NCRB data points out that in 2474 suicides out of the studied 3000 farmers suicides in 2015 the victims had unpaid loans from local banks. This is clear enough an indication for drawing correlation between the two. Whether or not the bank had been harassing them, however is a long drawn debate and needs more specific empirical

Evidence.

• moreover, a shift away from the usual trend also revealed that of the loans taken by these farmers only 0.8% were loaned from money-lenders. Thus the Pressure on middle-Power of money-lenders could be far from being a major driving force, as is otherwise perceived.

• Another source of strong linkages between farmers suicides and indebtedness is reflected from the spread of the two. While Maharashtra had 1293 suicides for indebtedness, Karnataka had 946. Note that both these states saw one of the highest incidences of farmers suicides as well as indebtedness.

• Lack of direct integration with the market:

Although initiatives like the National agricultural market and contract farming are helping integrate the farmers' produce directly with the market cutting the role of intermediaries, the reality is still lagging behind.

• Lack of direct integration with market: Although initiatives like the national agricultural market.

• Lack of awareness: The digital divide, as well as the literacy gap, has made the marginal and small farmers, particularly vulnerable due to their inability to utilise the positive of government policies. This is reflected in the continued unsustainable cropping practices - like cultivating sugarcane in water deficit regions.

• Water Crisis: The concentration of these suicides in the water-deficit regions of state like Maharashtra, Karnataka is a manifestation of how the water crisis and thereby failure to meet production demands have intensified the menace. This is particularly true in the backdrop of continued failed monsoons.

• Interstate water disputes: What has added to the already prevalent crisis is the unwillingness to cater to other water needs amongst the states.

• A case in point is the recently resurfaced Kaveri dispute that saw Karnataka and Tamil Nadu battle out water shortage both in and outside the tribunal even to the extent of non-compliance with the tribunal award.

• climate change: has acted as the last nail in the coffin by resulting in furthering of the uncertainties associated with the already uncertain monsoon system and hence agricultural production. While incidents like flash floods have led to crop losses, deferred monsoons have seen production shortfalls year-in and year-out

• India urban consumer-driven economic policies - The political economy of India is driven more by urban consumers than rural producers. This is reflected in the urgency to impose price controls in case of price rise (imposing minimum import prices, bringing items under essential commodities etc.) and a lacklustre withdrawal once the price is under control. Contrast this with how they have been imposing a minimum import price to secure our steel sector. This differential treatment to primary sector also limits profit margin and thereby hinders farmer's chances of breaking free from the cycle of indebtedness.

• loan waivers instead of restructuring, de-investment measures: Our approach of handling farmer's indebtedness and hence farmer's suicides have been appeasement politics like the recent move by the up government to waive off RS 36000 crore worth of loans. Surprisingly this comes at a time when the agricultural yield is expected to be better in the wake of a good monsoon.

• In essence, the factors sum up to crop failure, unsustainable Production and subsequent farmer indebtedness leading to failure of strengthening the economic state of the farmers as the driving force behind these suicides.

Is Suicide a Matter of Economics?

The National Mental Health Association of the USA states that no matter the race or age of the person how rich or poor they are it is true that most people who commit suicide have a mental or emotional disorder. Suicide is not a matter of economics.

This is well supported by the data released by World Health Organisation in 2011. While the suicide rate in India, an agrarian economy, was 13 per 100,000 that of industrialised, rich countries were often higher or comparable - South Korea - 28.5, Japan - 20.1, Russia - 18.2, USA - 12.6, Australia - 12.5, and UK - 11.8. (Reference - Hindustan Times)

Responses to farmers's suicides

Some of the major relief packages and debt waiver schemes announced by the government are summarised below:

- 2006 relief package - Primarily aimed at 31 districts in the four states of Andhra Pradesh, Maharashtra, Karnataka, and Kerala with a high relative incidence of farmers suicides.
- Agricultural debt waiver and debt relief scheme, 2008 - Agricultural Debt Waiver and Debt Relief Scheme in 2008 benefited over 36 million farmers at a cost of 6500 crore rupees (US\$ 10 billion). This spending was aimed at the writing off part of loan principal as well as the interest owed by the farmers.
- 2013 diversify income sources package - In 2013, the government of India launched a special livestock and fisheries package for farmers suicides - prone region of Andhra Pradesh, Maharashtra, Karnataka and Kerala. The package was aimed to diversify income sources of farmers.

A part from these Central government initiative, there are many efforts from the State governments side like maharashtra bill to regulate farmer loan term, 2008 and kerala farmers' Debt Relief Commission (Amendment) Bill, 2012.

- policies of integrated pest management to prevent pest damage - An all-inclusive approach that integrates biological, chemical, mechanical and physical methodology should be used to prevent crop damage. In this case, seeking inspiration from Vietnam's no-spray early rule (predatory beetles are sustained for biological pest control, cutting pesticide requirements by 50%) can be a good way to start.
- lower fertilizer costs - Helping fertilizer industries cut down on costs, through internal funding rather than external borrowing should lower the input costs.
- leveraging advancements in science and technology by ensuring the state spend policies focus on new genotypes, contract farming and sensitization to address weather conditions.

• Precision farming techniques like SRI (Systematic Rice Intensification) must be encouraged.

• Farm equipment policy must focus on imported equipment to provide for cheaper local manufacture, some incentives like grant of duty credit scrips may be tried.

• Subsidies must be reoriented towards capital generation and entrepreneurial custom hiring lenders (CHCs) and the implementation must be ensured in a timely fashion.

• Corporate Social Responsibility (CSR) must be encouraged in the agricultural sector, particularly towards capacity-building, skill development and the establishment of CHCs.

• Institutional financing must also be ensured to be adequate and inclusive rather than catering to the elites within the farming community.

• Cooperative farming must be promoted amongst small and marginal farmers to ensure that they are not left sinking while the big farmers reap the benefit at their cost.

- Double the farmers income by 2022 is a healthy aim, but loan waivers can't be the answer. Instead, sustainable agriculture that thrives on re-investments and restructuring is the way ahead. The role that the state has been playing is one of emancipation, but what the Primary Sector and the farmer needs is empowerment.

- Dissect interventions :

- Early-warning signals for unsustainable loans to launch a 2-Pronged approach catering to both the burdened farmers as well as stressed banks.

- Options for restructuring loans must be used wherever possible.

- Insurance claim settlements must be speedy and just.

- District wise list of indebted farmers and efforts in distressing them through counselling and other alternative mechanisms should be tried.

- NABARD and local administration must take control of the situation and play a greater role in curbing farmer's suicides.

- Innovative efforts like Crowdfunding can you employed through the involvement of civil Society organizations (CSOs).
- Efforts like Agro-climatic zoning, education through DD Kisan, Soil health card scheme, various crop insurance and facilitative schemes like pm Krishi Sinchayi yojana will go a long way in helping out
- Community-led awareness must be taken employing a role of model approach highlighting Progress of farmers who have benefited from Sustainable & climate-tailored agricultural Practices.

Farmers' Suicides in India - Reasons, Initiatives, Challenges & Solutions

Recently farmers from various region of the Country marched to delhi to register their protest against the government neglect of their demands. Poor earnings of the farmers led to the never-ending distress in the agricultural Sector and this resulted in the increasing number of farmer suicides. These worrying realities call for an appropriate policy response and sustainable alternatives to the current agricultural methods.

When compared to other developing economies, Indian agriculture heavily depends on monsoons, 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 droughts and flood which further add to their woes. (click here to read the article - climate change VS Indian Agriculture.)

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 decade 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 like the resource 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 animal has become expensive and the fixed costs associated with agricultural equipments like tractors and submersible pumps has also been on the rise.

Also small farmers do not have enough profit to justify the costs 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 rising the rural wages are depressed resulting in rural distress causing migration towards cities.

Lack of Institutional Credit

The National Crime Records Bureau (NCRB) 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 money lenders 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 operation 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. Uncertainly harvest loss. Uncertainly will the price of the produce is a major concern. Many farmers continue to be at mercy of the trader.

Agricultural Produce Market Committee (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 payment etc.

Apmcs 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 governments. 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 exploited 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

Agriculture is the subsistence division of Indian economy. It has likewise been brought up what farming and allied areas contribute almost 14 per cent of Gross Domestic Product (GDP) of India, while around 65 to 70 per cent of the population is subject to agriculture for their occupation. On the cutting edge time frame, the agriculture has turned into an industry on one side and along the other. It is confronting issues because of the absence of financial and credit facilities. Shockingly because of the absence of financial and credit facilities. Shockingly because of the vulnerability of monsoon, non-availability of credit expanding costs of seeds, pesticides and composts, agribusiness has turned into a most critical industry and farmers are enduring because of financial pain and they are suffering suicide on a vast scale in various areas of the nation.

Indebtedness of farmers is one of the principle issues driving them to suicide. The issue begins off with the availability of contingent credit. Keeping money segment isn't prepared to give credit advance to agriculture for maintaining a strategic distance from the hazard. With the Breakdown of formal credit structure

Will make the farmers expanded depending on casual segments. agriculture dependably has requested from the very latest credit and a minute ago credit same a higher rates due to the greatest request hypothesis the more the request higher the monetary value. The banks take no role in this as it isn't conceivable to take credit bank the casual wellings of acknowledge come just from the more prominent premium weight driving the farmers to an interminable loop of private debt. Farmers need credit for buying seeds, pesticides, and other manager inputs and immense measure of credit is similarly required by them for introducing tube wells. Well, we can see credit is required by them in each angle they work in. There is a further absence of credit accessibility for small agricultural farmer. whatever accessible is of high intrigue? As indicated by new york times that entrance to formal credit has limits, the influence of moneylenders, who charge no less than 24% for each yearly premium has developed.

In 2012, the National Crime Records Bureau of India revealed 13,1754 farmers suicides. The most astonishing bit of farmer suicides was recorded in 2004 when 18,249 farmers committed suicide. The farmer suicide rate in India has extended between 1.4 to 1.8 for each 100,000 in the aggregate population, over a 10-years time span through 2005. From 1995 to 2013, the sums of 296,438 farmers have executed themselves in India a normal of 16,469 suicides for each year. Amid a similar period around 9.5 million individuals kicked the bucket every year in India from different causes, including hunger, sickness and suicides they were non-cultivating related or around 7.1 million passings from 1995 to 2013. The phenomenon of suicide by farmers is especially worrisome for India in light of the fact the most of the workforce is subject to farming for its livelihood.

The changes took place in India after the arrangement of the WTO in 1995 essentially debilitated the institutional helps structure in agriculture. The assurance offered to agriculture from ruthless imports was expelled, bringing about a fall in costs of numerous ware. As a feature of financial changes, major input subsidies were cut down. With respect to the span of the family

economy. The development of rural credit was ended, reversing the entry waves for the informal sector. public resources were looked to be directed far from subsistence crops and towards high-esteem export-oriented crops. Over the time of economic reforms and WTO Period, agriculture development rates backed off fundamentally. Above all, the rates of development of distance grain generation backed off and fell behind the population development rates out of the blue after independence. The per capita nourishment grain accessibility tumbled from around 175 kg in 1992 to 163 kg in 2004. The spate of farmer suicides detailed from specific Part of the nation mirrors the pain conditioning agriculture after 1995. In this background the Present Study in India. The study has been divided into two Parts the first Part deals with analysis of trend of farmer suicide in the country and second Part is the analysis of cause of farmer's suicide.

~~1993~~