CHAPTER-2
REVIEW OF LITERATURE

2.1 Review of Literature

Indian agriculture is passing through a difficult situation. It is widely acknowledged by major political parties, statutory bodies and underlined by the research studies. In the last five decades, majority of farmers have become poor and harried outcasts in their own country, with no respectful place in the public policies. Hence, farming community has been at the marginal in Indian economic, social and political life. Agriculture has become relatively an unrewarding activity due to the unfavorable price regime and low value addition. It causes
abandon of farming and increases migration from rural areas. According to the Commission on Farmers’ Welfare in Andhra Pradesh (2005), “agriculture in India has been in an advanced stage of crisis. The most extreme manifestation of the crisis is in the suicides by farmers in different parts of the country.”\(^1\) This brings out that something is terribly wrong in the countryside (Swaminathan-2006).

Half of the Indian farmers are indebted and much of the indebtedness is due to a sharp increase in agriculture expenses and declined returns during the late 1990s. Inequality in income between the rural and urban households and between the cultivators and non-cultivators has been growing very fast. The monthly per-capita consumer expenditure of three forth of the farmers was less than Rs.615 (NSSO-2003).\(^2\) As well as, the food consumption of the rural masses has been below the consumption level of the famine period of the 1939. In the last 15 years, the proportion of marginal and small holdings has been on the rise and the share of agriculture in GDP decelerated fast and has become 14.5 per cent. But the proportion of the population depending on agriculture for their livelihood has remained more or less stable (i.e. 58.5 per cent) (RBI-2009).\(^3\)

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\(^1\) Executive Summary, Report of the Commission on Farmers” Welfare, Government of Andhra Pradesh, pg i 2 NSSO (2003)- Situation Assessment Survey of Farmers in India

\(^2\) NSSO (2003)- Situation Assessment Survey of Farmers in India

\(^3\) RBI (2009) – Annual Report
Agrarian distress is not a new phenomenon for India; but the suicide by farmers is a surprising apathy. During the British and post British periods, farmers faced droughts, crop failures, and worst price falls, also the burden of debt and excess land revenue. But, it is never heard that they ended life through suicides. According to the official statistics, there were 8900 suicides by farmers between 2001 and 2006 in four states of Andhra Pradesh, Karnataka, Kerala and Maharashtra. Studies on farmers’ suicides at national and international level have pointed out that several structural and social factors are responsible for the situation. It includes the factors such as the changed pattern of land holdings, changed cropping pattern from food grains to cash crops, liberalization policies, etc. which prematurely pushed Indian agriculture in to the global market without a level playing field. Heavy dependence on high cost paid out inputs, market vagaries, lack of remunerative prices, indebtedness, neglect of agriculture on policy front, decline in public investment, break up of joint families, individualization of agricultural operations, etc. have also been equally responsible for the farm distress. The findings of the reports and many studies pointed out that the agrarian distress is the resultant outcome of the policies pursued by the government in last twenty years at the central and state level.1

The first incidence of farmers’ suicide was reported in 1986 in Kerala which was a Rubber growing farmer from the state. But the incidence was neglected by the state government as an accident. There after more number of farmers ended life through suicide in the state of Kerala. Further during the 1990s, the spate of farmers’ suicides spread from north to south Karnataka, Andhra Pradesh, Maharashtra and Punjab. The growing incidences of farmers’ suicides are found particularly after the introduction of the New Economic Policy in the country. Farmers have been at the back foot in the era of liberalized market economy. Indian farmers could not compete with the developed countries due to high price of indigenous product. However, agricultural products of the developed countries are cheaper because of the higher degree of subsidies to them by the government.\textsuperscript{1} Hence, the international prices are set at low level which is not affordable due to the situation of cost exceeding market prices. As a result, the gap between income and expenditure has widened over the years. The institutional credit mechanism is expected to play a vital role in agricultural development. But the share of the same, which was little over 7 per cent in 1951, increased manifold to over 66 percent in 1991 and further decelerated. The co-operatives are specially meant for the supply of credit to the small and marginal farmers. But the share of the sector was stagnated at 22 per cent in 2005-06

\textsuperscript{1} Gursharan Singh Kainth, 1996, Export Potential of Indian Agriculture, pg 31
which is less than half of what it was in 1992-93 (62%). The share of non institutional sources was 93 per cent in 1951 which declined sharply after the nationalization of the commercial banks. Again the same has been on the rise during the period of financial liberalization. This shot up to 30.9 per cent in 2000 and further around 36 per cent in 2006. It is a matter of concern. Because the root cause of the present distress is indebtedness and which is on account of the increasing share of the non institutional sources in agricultural credit disbursement and the heavy rates of interest. The structural changes which have taken place during the 1990s made a long term impact on Indian economy in general and that of agriculture in particular. At the initial stage of the WTO (AoA) amendment, the agriculture sector was performing well. But the East Asian Crisis of 1996 caused reduction in the prices of agricultural commodities which adversely affected the domestic farmers. After 1997, Indian government substantially reduced subsidy to the agriculture sector which was as per the guidelines of the WTO amendment.¹ On the other hand developed countries continuously safeguarded their farmers through increasing of subsidies under different names. Government also eliminated the quantitative restrictions on imports as well as import tariffs from 35 to 5 per cent in 2002. It boosted the imports of agricultural commodities in the late 1990s. This resulted in to the dismal of the

¹ The Hindu Survey of Indian Agriculture, Kasturi & Sons Limited, 2004, pg 75
agrarian community in India. Farmers don’t have any prospectus to continue with the cultivation. It is the sign of dark clouds of distress over the agriculture sector. Further it manifested in to a distress act of suicides by farmers in countryside of the various states.

Still 1995, farmers suicides only had the value of „Paper News“. Also the government did not have any separate record on farmers” suicides. After 1996, government started to register farmers” suicide cases separately in the National Crime Record Bureau (NCRB). And for Maharashtra, it is available from 1997. There is not even a single study available that was undertaken prior to 1995. First study was conducted in Karnataka by M Assadi in 1997 and then it ignited the national academic debate on suicides by farmers. The first study focused on the structural changes that have taken place after the period of 1991.¹ Which was the root cause of the agrarian distress and thereby farmers suicides in the state of Karnataka.

Another study was conducted by E Revathi (1999) which pointed that the stress on account of market imperfections and the deterioration of farmers in the state of Karnataka led to suicides by them.² In Maharashtra, the problem was first focused by a journalist, P Sainath in 1997. When he visited Yavatmal district

¹ Extracted from the official website of Government of India, www.planningcommission.nic.in
(suicide hit district in the country) and found that growing indebtedness is the root cause of the agrarian distress and farmers suicides in the Vidarbha region of the state of Maharashtra. Thenafter the state government appointed a commission under the chairmanship of the Agricultural Commissioner, Pune. But for a long time the report was not available for decision. After 1997 the incidences of farmers’ suicides increased consistently in the state as well as other parts of the country. In 2004, the suicide by farmers was given a priority in state planning of Kerala. The Kerala government carried a thorough survey and implemented the recommended policies by different study groups. As a result, there was a sharp decline in the incidences of the farmers’ suicides. The states like Kerala, Andhra Pradesh, Karnataka and Punjab implemented policy measures to eliminate the spate of suicides among the farming community. On the other hand, state government of Maharashtra who carried out the study on farmers suicides in 1998 kept silent till 2006.

In 2006, Indira Gandhi Institute for Development and Research (IGIDR) conducted a study in suicide affected Vidarbha region of the state of Maharashtra. However, the Mumbai High Court in the judgment against the writ petition by an NGO delivered a judgment ordering the state government to study the problem and submit report to court within a period of six months.

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1 Srijit Mishra, 2006, Report - Indira Gandhi Institute of Development Research, Mumbai
Hence, Tata Institute of Social Sciences conducted a survey in Vidarbha, Khandesh and Marathwada regions of the state. Both the studies found that indebtedness of farmers has been the root cause of the agrarian distress and thereby suicides of farmers. However, the lack of irrigation facilities, as well as, the weak institutional support is at the root of the unrewarding nature of the agricultural practices in the state. Thereafter the central government deployed a study team under the chairmanship of M S Swaminathan, entitled as a „Fact Finding Team“. The team not only studied farmers‘ suicides but also looked into the historical and contemporary phenomenon of the distress in Vidarbha region of the state. Study found that the wrong application of the new economic policy and neglecting of the agriculture sector during the post reforms period have been responsible for the agrarian crisis which manifested in to the suicides by the farmers in the state.

There are regional differences found in the causes of farmers suicides. Each of the state has a different characteristic of the phenomenon. Though, the indebtedness is a root causes of suicides, the reasons behind it are different in each state. In Maharashtra, lack of irrigation facilities, drying up of institutional credit and price volatility of Cotton were found responsible for suicides by farmers. The implementation of the trade liberalization after 1991 took the lives of farmers in the state of Kerala. The state farmers could not be able to survive in the uncertain nature of
international market and hence were trapped into an economic hardship. In Karnataka the incidences of farmers’ suicides are found concentrated in the Northern Region which is characterized as dry land farming. Farmers of the region have to face difficulties to cultivate new varieties of seeds. As a result, there is a decline in productivity and thereby production and income from agriculture.\textsuperscript{1} The cost of cultivation has been continuously on the rise and returns have been decelerated. Further it leads to the indebtedness and the distress act of suicide in the state of Karnataka. Increasing input prices by 400 per cent as well as a lack of irrigation facilities pushed farmers in suicidal behaviour in the state of Andhra Pradesh. And in Punjab, the increase in consumption or non agricultural expenditure has been at the root of the agrarian crisis. Also the crisis is saturated only among the cash crop growers i.e. Cotton, Chille, Groundnut, Rubber, etc. Farmers who cultivate the food grains relatively face less crisis as compare cash crops growers. Also, the conditions of wage labourers are found comparatively better than farmers. The labourers also face economic hardship due to the decrease in real wages. The major source of the literature for present study is based on the studies undertaken by research institutions and state governments in last few years. Studies are mostly carried out in Andhra Pradesh, Karnataka, Kerala, Punjab and very few in the

\textsuperscript{1} G.S. Bhalla N.S. Randhwaa. D. S. Tyagi, Implementation and Administration of Agricultural Price, 1989, pg 53
state of Maharashtra i.e. four. However, not even a single study attempted to cover the whole state for the purpose in Maharashtra. At the most they covered a district or a region.

In the year 2006, the state and the central government took steps towards solving the problem in the form of a Relief Package worth Rs.4820 crore for six suicides affected districts of western Vidarbha region in Maharashtra. It also failed to address the farmers directly because of inefficient implementation of the same by the government officials and corruption. The incidences of farmers’ suicides have increased even during the post package period. Nonetheless, till today the tragic act of suicides by the farmers is continuously on higher side in the Vidarbha region of the state of Maharashtra.

Muzaffar Assadi (1998)\(^1\) studied the causes of farmers’ suicides in Karnataka. Suicides of farmers in Karnataka were found concentrated in the northern dry region of the state. Heavy losses incurred due to crop failure and mounting debts of the private moneylenders seem to be the main reason of the agrarian distress in the state. Many of them who committed suicide were market oriented Arhar (Tur) growing farmers. Price crash in the market incurred heavy losses to the cultivators. It is a sign of the failure of the government agencies to procure bumper crop. Decline in the income and increase in the cost of cultivation forced

farmers to borrow from the private sources at higher rates of interest both for the consumption and production purpose whereas the supply of institutional credit was mere stagnant or sometimes declined. Majority of the farmers were not eligible for the institutional credit due to their defaulting accounts. Most of them cultivate on leased in land where 50 per cent of the produce goes in the form of rent of landowner. But in case of the losses farmer one who cultivates the land has only to bare it. Hence the situation of these cultivators is more vulnerable. Important to note is that these kinds of farmers are not eligible for the institutional loan because the land is not in their name. Therefore this category of farmers completely depended on the non institutional sources. Over all negligence by the government, market uncertainties, declining productivity and thereby increase in private debt burden are found the reasons for distressed behavior of the farming community in the state.

The study of A.R.Vasavi (1999)\textsuperscript{1} depicted that the spate of suicide in farming community is largely an ecological, economic and social crisis in the state of Karnataka. The study was conducted in Bidar district of the state. Agricultural policies that overlooked the ecological specificity of the region and the retention of iniquitous social structure from the bed rock are producing such distress. The subordination of cultivators to

\textsuperscript{1} A. R. Vasavi (1999)- “Agrarian Distress in Bidar, Market, State and Suicides” Economical and Political Weekly.
market and capital forces without any safety net do not support them in the time of crop loss which has been causing the devastation of rural community. After the green revolution agriculture became commercialized which needs more capital, but it is not easily available to majority of farmers. From 1987-1992, credit availability to agriculture sector by nationalized banks stagnated to 11.7 per cent. As a result, there is an increase in the share of non-institutional sources in agriculture credit disbursement and thereby growing indebtedness of the farmers. Though the inputs are available, farmers do not know how to use it due to lack the of extension services. And also the quality of inputs is poor. So, it increases the cost of cultivation by increase in the quantitative use of inputs. Declining productivity with minimum returns and increasing indebtedness create a high degree of stress. Further it has manifested in the distressful act of suicides by farmers in the state of Karnataka.

G K Grover, Sanjay Kumar and Kamal Vatta (2002) \(^1\) conducted a study on farmers’ suicides in Punjab. The incidences of farmers’ suicides in Punjab are attributed to the changing agrarian relations, frequent crop failures particularly that of Cotton during the period of the 1990s, increasing debt burden among the farming community, increasing unemployment in the

rural parts of the state and increasing spending on social functions such as marriages. The study was undertaken to unravel the socio-economic causes of distress faced by the farming community and to document the market conditions and infrastructure availability in product as well as factors markets. For the purpose of the study 30 victim families were approached to know the distressful conditions that led to suicide by farmers in the state. Study further found market imperfections as a root cause of the distress amongst cultivators. During the time of a bumper harvest there was a glut in the market and the government agencies were hesitant to procure large volumes of food grains because of already overwhelming stock. As a result of the glut of supply, market price of Rice and Wheat slashed below the cost of cultivation. Hence the expected returns turned in to negative which increased the debt burden of borrowing from village traders and pesticide dealers who have the important role in the marketing of Cotton, Rice and Wheat in Punjab. The farmers were forced to sell their produce through these dealers and they charged relatively more commission or unjustified deductions. Also the late entry of government agencies in the procurement contributed to the exploitation of farmers by the private traders through offering lower price for their produce. At the same time, farmers are also in hurry to make money to fulfill the previous commitments, vis-a-vis consumption. Victims were largely belonged to the age group
of 18-37 years. About 57 per cent of victim families were the joint families and there was a prevalence of high degree of illiteracy. Almost all the sample households were indebted, which was the prime reason for suicide among 86.58 per cent of the victims. The proportion of non-institutional credit in the total outstanding was around 65 per cent. Therefore such type of debt burden leads to the stress on individual life and the mental disorder leads to the ultimate act of suicide. The productivity of the Cotton has been declining with every passing year. Sometimes the Cotton cultivators have to forego the entire crop due to the severe attack of American bollworm. The underground water table during the recent years has been declining so sharply that also forced farmer to use submersible pump-sets for getting adequate water for irrigation. This has increased the financial burden on the farmers. Due to this entire list of problems, already indebted farmers found it difficult to repay their debts and consequently it led to mental stress for them and ultimately towards suicide.

R S Deshpande (2002)¹ studied agro-economic causes of agrarian crisis and farmers suicides in the state of Karnataka. Most of the farmers committing suicides belonged to northern Karnataka region which is a drought prone area of the state. For the purpose, personal interviews of 99 suicide affected families and village group discussions were undertaken. Study found that

¹ R. S. Deshpande (2002) - Suicide by Farmers” in Karnataka: Agrarian Distress and Possible Alleviatory Steps, Economical & Political Weekly
the change in cropping pattern from food grains to commercial crops and thereby increase in the cost of cultivation and marginal remuneration with the minimum support of an institutional credit mechanism was the root cause of agrarian distress in the region of the state. Most of the farmers committing suicides were small and marginal farmers and belonged to backward communities. Cost of cultivation increased because of higher use of fertilizers, pesticides and for the irrigation facilities at individual farm level. Failure of input-output markets and the dominance of the middlemen in price determination caused the declining profitability of the business. State government has withdrawn the support by declining public investment in agriculture. As well as, the ratio of farmers’ dependency on input dealer for the use of inputs has gone up. Because the state government extension services have been failed to aware the farmers about the applications of the new varieties. Increase in division and fragmentation of land causes for the disproportionate returns to the investment. The new varieties of seeds are more water intensive. And the inadequate irrigation facilities could not give expected returns from the cultivation. However, declined productivity and thereby production and the low prices at the market, agriculture is no more remunerative to the cultivators. On the other side household expenditure on consumption and other social functions increased substantially. As a result, farmers were not able to clear outstanding loan and
became defaulters. Hence, instead of repaying the previous loans farmers need new loan and for that they resort to the non-institutional sources. At the same time, moneylenders charge heavy rates of interest and the loan amount goes beyond the repaying capacity of farmers. Again the vicious circle of production, marketing and credit leads to incurring of huge losses from the agriculture. Sometimes moneylenders forcefully acquire the land to recover loan amount. The loss of assets has been the matter of humiliation particularly in the rural parts. Further it leads to psychological stress and thereby distress act of suicides by farmers in the state of Karnataka. Study stresses on the long term measures rather than short term to come out with the problem.

According to, G Satyanarayana, M.V. Raghavulu and A Ram Mohan (2003)¹ a new economic policy and opening of Indian agriculture at international level without any institutional support affected the domestic prices and thereby income of farmers. Free entry of Multinational Corporations in the seed market affected the state farmers of Andhra Pradesh badly as compare to other states in the country. Inadequate supply of institutional credit forced farmers to borrow from the private sources at higher rates of interest for meeting both cultivation and consumption expenditure. The irrigation facilities being scares in the state most

¹ G. Satyanarayana, M.V. Raghavulu and A. Ram Mohan (2003) - Causes for Farmers” Suicides - A Study of Anantpur district of Andhra Pradesh, pp 318-325s
of the farmers borrowed for the individual irrigation facilities i.e. digging and deepening of wells and tubewells. Unremunerative price pattern reduced the repaying capacity of farmers. Several social and psychological factors activated during the period which pushed them into a distressful act of suicides. But the root cause of the social and psychological stress led towards the deterioration of the rural economy of the state in recent past. Hence they feel that the policies which can enhance the economic conditions of farmers are needed rather to focusing on to counseling them.

B.B. Mohanty and S. Shroff (2003)¹ in a combine study of Maharashtra revealed that though crop losses, indebtedness and market imperfection causes economic hardship to farmers, social factors were also at work which led in most of the cases to their suicides. Farmer’s suicides in Vidharbha region was the result of a complex process of interaction of both historical and contemporary socio-economic forces. The study has covered 30 farmers suicide affected households from Amravati, Yavatmal and Wardha districts of the state. Almost, in all categories of farmers had taken loan from the formal agencies due to a heavy uses of high yielding variety of seeds, fertilizers and pesticides. Unlike the formal sources, the indebtedness to informal agencies was caused by non-agricultural purposes. The loss of agricultural income did cause an economic crisis for all the farmers. Frequent drought and thereby

¹ B.B. Mohanty and Sangeeta Shroff (2004)- Farmers” Suicides in Maharashtra Economical and Political Weekly, December 25, 2004
crop failure, vis-a-vis, withdrawal of the state support to agriculture steadily tighten the rope of distress around the neck of farmers. The study further found that the distribution of suicides on the basis of major reasons reveals that suicides were mainly attributed to social reasons such as family problems, older age, illness, alcoholism and gambling, love affairs and death of close relatives also play a dominant role in the suicidal behaviour. According to the size classes, the social reasons of the suicides were more prominent in the case of large and medium farmers. It was found that out of the 7 large farmers who committed suicides, the loss of agricultural income led to the suicide of only one farmer. A significant number of farmers from small and marginal groups committed suicides due to the loss of agricultural incomes and indebtedness. Though the loss of agricultural income and indebtedness appeared to have taken the lives of a number of small farmers, in many cases the roots of such deaths lay in the social issues as well.

E. Revathi (2004)\(^1\) conducted an inter districts analysis consisting four districts in Andhra Pradesh. For the purpose, the study used data available on farmers suicides from the commissioner office. The study focused on the impacts of the agrarian crisis on the small and marginal framers from the

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backward communities. The study found that, incidence of suicide is high among the first generation farmers belonging to the backward (dalit) communities. The backward communities became land owner during the tenancy reforms. The land distributed among these social groups has been less fertile and unviable for cultivation. At the initial stage, farmers invested heavily to make it cultivable and then for the actual cultivation. The cost of cultivation increased substantially during the post reforms period due to the increase in input prices. Also these categories of farmers are away from the public irrigation facilities. Hence, they depend more either on monsoon or underground water resources. Again farmers invested on the individual irrigation facilities i.e. wells and tubewells. Most of the suicides were concentrated in the areas having higher gross irrigated area through underground water sources. There is a positive correlation of high degree between the area under non-food crops and the concentration of farmers” suicides. The farmers who followed the cropping pattern of large farmers faced high risk. On account of already weak economic conditions, farmers cannot carry the hidden risk in cash crops. However, decline in income from the agriculture causes the high degree of economic burden. Indebtedness of the farming community due to increase in agricultural expenses and fall in income have been the main causes of committing suicides in the state in general and that of backward communities in particular.
C.P.Chandrashekhar and Jayati Ghosh (2004)\textsuperscript{1} in a combine study investigated some of the problems that affected agriculture and the wider background in which the problems occurred in the state of Andhra Pradesh. The dominant cause of such suicides is revealed as the inability of farmers to cope with the burden of debt, which farmers find themselves unable to repay. In most cases, the debt was contracted to private moneylenders due to the decline in agricultural credit from banks and cooperatives especially, to the small and marginal farmers. In last few years, input prices have skyrocketed in Andhra Pradesh and farmers have gone for cash crops with uncertain harvest and even more uncertain output market. The opening up of agricultural trade has forced farmers to cope with vagaries and volatility of international market prices and the protection which was offered earlier by the government has been removed. Public agricultural extension services have disappeared, leaving farmers in the mercy of private input dealers. The input dealer functioning without adequate regulation which resulted in to creating problems of wrong crop choices, excessively high input prices, spurious inputs and extortion. The crisis in water and irrigation sources was also be traced to these cultivation patterns. Other individual and social factors which have added to debt burden and the same became unbearable. Declining returns, increasing cost of cultivation and

\textsuperscript{1} C. P. Chandrashekhar and Jayati Ghosh (2004) - “The Burden of Farmers” Debt” Business line/Dated 30,08/2005
thereby indebtedness pushed farmers into a massive stress and they found that suicide is the only way to get freedom from this stress.

According to Jayati Ghosh (2005)\(^1\) crisis has been most intense in states where the State governments have most actively pursued neo-liberal economic agendas of the post 1990s. The economic reforms did not include any specifically designed package for agriculture. It has only focused on the industrial development. There are changes in patterns of government spending and financial measures which also necessarily affected the conditions of cultivation. Financial and trade liberalisation affected the cultivation, credit, trade and rural livelihoods. The main cause of this distress act is dominantly related to public policy in general and that of post reforms in particular. The new economic policy systematically reduced the protection offered to farmers and exposed them to market volatility and private profiteering without adequate regulation. It has been the significant cause of the deterioration of the rural economy during the post reforms period. Institutional credit supply merely dried up after financial liberalization. Public sector banks started shifting the rural deposits towards urban areas to make more profit from secure and conspicuous lending. Hence, farmers have to resort to the private sources for their credit needs. Farmers have the

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minimum income in their hand after the trade liberalization. In which, neither they sustain nor can they repay the loan amount. In all, reasons of agrarian crisis and thereby suicidal behaviour are accrued to the liberalized policies introduced during the 1990s.

K.C. Suri (2006)\(^1\) examined the interrelationship between the structural and economic changes after independence and the changing nature of political economy and policy priorities in the recent past which have extended agrarian distress in the country. Study further finds a paradoxical situation in the agrarian crisis. Large numbers of farmers’ suicides have been reported from the states which are; a) relatively agriculturally developed, b) which have seen strong peasant movements either during the colonial period or after independence, and c) where the leadership of political parties comes predominantly from farming community of the rural areas. Though the farmers consist one-fifth of the electorate, still they are neglected in the policy priorities of the government. The worst affected states are Karnataka, Kerala, Andhra Pradesh, Maharashtra and Punjab. The states share some or all of aforementioned characteristics. The agrarian transformation has taken place since the British rule in India. Peasant section benefited from it through increasing productivity and production. At the same time, the “extraction of surplus” from agriculture through land revenue and other accesses and

unfavorable price regime led to a great misery and indebtedness among the farming community. During the years of crop failure and price depression, all suffered badly. Peasant movement and campaigns during the period of pre-independence concentrated on the greater share for cultivators in the agrarian surplus. In the late 19th century, “Deccan Riots” and anti moneylenders” movement is the example of famous rebel of the peasants in Ahmednagar and Pune districts of the state of Maharashtra. It was against the private moneylenders and Zamindars. During the same time also, farmers were under debt burden but they did not resort to suicide. There seems to be three phases in the evolution of agrarian relations after independence such as; I) Reforms and consolidation of the agriculture during the 1950s and 1960s on the lines charted out during the freedom struggle, II) The green revolution and the growth of political populism during the 1970s and 1980s and III) That of liberalization and the deterioration of farmers conditions during the 1990s and after (also see R. S. Deshpande, 2008). The policies adopted by the government after the independence such as; land reforms and abolition of intermediaries made significant change in rural parts of the country. Under which landless became owner of the land and eligible for the institutional credit. But the land distributed to them was less fertile. Hence this new category of farmers had to spend more for the cultivation. After the green revolution of the 1970s the agriculture became commercial activity,
which needed more capital than before. At the same time inadequate supply of credit from the nationalized banks caused to increase dependence on private sources of credit for the farming community at higher rates of interest. The minimum support prices for several crops for several years have been below the actual cost of cultivation. Household expenditure on agricultural operations, education, health and consumption shot up sharply, whereas the returns from cultivation remained stagnant and sometimes the same has been even negative. The loss of socio-economic status, uncertainty of income, unbearable debts, unfulfilled needs and the inability to decipher are the responsible factors for the downslide of their economic condition. It suggests that it is not the poverty that kills them but the disjuncture between the actual and expected socio-economic standard of life. Poor are less inclined to commit suicide than who normally lead a better life or socially expected to live a certain standard of life but can’t afford due to poor status of individual household economy. It has thrown them in to a mental depression that resulted into suicide. The pauperization and immiserisation, a disjuncture between the expected and actual status, a punctured pride are found at the root of the suicidal behaviour of the farming community. In the last twenty years, businessmen and industrialists have the greater say in the government affairs and policy designing. Hence, the government has been drafting the
policies which are favorable to them. It means changing nature of politics more in favour of corporators and thereby changes in policies towards agriculture and rural sector have been responsible for the agrarian crisis and farmers suicides.

P. Narsimha Rao and K.C. Suri (2006) focused on the dimensions of the agrarian crisis in the state of Andhra Pradesh. For the purpose they visited 75 farm households of two villages in Guntur district, one of the suicide hit districts in Andhra Pradesh. Though agrarian crisis and indebtedness are the two important factors which force farmers to take an extreme step of suicide in the countrywide, the reasons behind it were different in different states/regions. Rising cost of cultivation was found as the main reason of indebtedness in the state of Andhra Pradesh. During the period of 1992-2002 seed prices increased by 400 per cent and similar trend in the prices of fertilizers and pesticides was found which was highest as compare to other states in the country. Whereas the output prices did not increase in proportionate of input prices. Due to the lack of extension services, farmers mostly depend on the seller for the knowledge and the information about the uses of chemical inputs. Seller or trader suggests them to use heavy doses of fertilizers so that they will get higher production and thereby income. Farmers use BT Cotton seeds but the variety

is not free from pests other than bollworms. Hence the number of spraying has increased substantially. The use of pesticides is highest in Andhra Pradesh as compare to other states in India. State alone consumes 45 per cent of total pest controlling pesticides in the country and most of the same is for the purpose of Cotton. It affects the fertility of soil, productivity, production and ecology of the state. High prices and heavy use of pesticides and fertilizers are responsible for the increase in the cost of cultivation. An imperfect structure of agriculture market with heavy influence of middlemen and commission agents keep no role for farmers in the price determination or very marginal hence they get low price for the produce which did not cover the cost of cultivation for a long time. It resulted into unrewarding nature of the agriculture. Due to poor economic conditions of farmers, they need money for consumption and agricultural cultivation. So, they are in hurry to sell their entire produce at the available price in the market. And traders are aware of their neediness and offer them lower price. Government announces MSP for different crops which cannot cover the cost of cultivation. Increasing cost of cultivation, decreasing returns and lack of institutional credit facilities forced farmers to borrow from the private moneylenders at high rates of interest ranging between 36 to 120 per cent per annum for consumption and production purposes. Important fact is that, farmers of the state use 62 per cent of total credit for the
production and 38 per cent for non agricultural purpose. And it is the second highest proportion of the use of borrowed money after Maharashtra for agricultural purposes among all states in the country. Due to the lack of irrigation facilities, the dependence of farmers on underground water has increased. It causes the decline in the underground water table at an alarming rate in the state. As well as, failure/drying of wells and loss of money also has increased in the last few years. Apart from these factors, urban based economic and developmental policy of the state government hunted farming community and rural economy of the country. The gap between urban and rural per capita income has increased in the state of Andhra Pradesh particularly during the post reforms period. The conditions of the wage labourers are far better than the cultivators. Farmers are ready to sell their land due to unrewarding state of the business but nobody is ready to purchase it. It projects the overall economic and psychological conditions of the rural people in the state. The rising cost of cultivation, imperfect market structure, negligence by the government are found the reasons for crisis and thereby farmers suicides. In conclusion, study suggests that to draft a policy in which rural economy should be at the center stage of entire economic development process.
P Jeromis' (2006)\textsuperscript{1} study of farmers' suicides of Kerala brought to the light that the trade liberalization adversely affected the agriculture sector because more than 80 per cent of the agricultural commodities produced in the state are dependent on changing domestic and international market situation. The fact is that general suicide rate in Kerala is highest in India. It is almost three times more than national average. For the purpose of the study, 316 suicide affected families were covered in Wayanand and Kannur districts of the state. Around 40 per cent of the surveyed families could not pinpoint the reason behind the suicide committed by their family member. This indicates how fragile is the family setup and communication among the members of the family. The rate of farmers suicide was more in those districts which concentrate more on cultivation of export oriented commercial crops. However, with the removal of the quantitative restrictions on imports and lowering of tariff levels, farmer’s hope for cultivating commercial crops have been affected by higher imports and stiff competition for exports in the international market. Also the productivity of agricultural sector has stagnated over the last decade and the cost of cultivation has gone up due to excess use of fertilizers and increasing input prices. Heavy use of fertilizers and pesticides has been one of the reasons of decline in

\textsuperscript{1} P. Jeromi – (2006)- “Farmers” Indebtedness and Suicides- Impact of Agricultural Trade liberalization in Kerala-Economical and Political Weekly-August4, 2007, pp 3241-3247
productivity of the sector which also resulted into environmental
degradation. Mono cropping pattern caused a decline in the
profitability of cultivators. An unfortunate manifestation of the
crisis faced by the sector is responsible for the rise in the incidences
of farmers” suicides. Study is concluded with the suggestion of
reduction in the rates of interest on all agricultural loans, protect
farmers from international price volatility through remunerative
price for their produce, strengthen agriculture extension through
state government support, counsel farmers and increase farmer-
banker communication to come out from the problem.

Anita Gill and Lakhwindar Singh (2006)\textsuperscript{1} studied farmers”
suicides in rural Punjab. The study was conducted in Amritsar and
Patiyala districts of the state. Stagnation of the green revolution
technology, rise in the cost of living, and lack of alternative
employment opportunities in the state and near freeze in the
minimum support prices generated the crisis in the state. In the
agriculture set up, borrowing is a necessity. It is neither
objectionable nor is the sign of weakness. It is the failure of the
institutional set up in supplying credit commensurate with
demand that is mainly responsible for the crisis and its
manifestation in the form of suicides. The causes of the suicides, of
which indebtedness figured prominently, were multiple. The other

\textsuperscript{1} Anita Gill and Lakhwinder Singh (2006)- “Crisis of Agrarian Capitalism,
Farmers” Suicides and Response of Public Policy: Evidence, Diagnosis and
factors included economic distress, crop failure, alcoholisms, marital and domestic discord, etc. All these causes, in one way or the other pointed towards the poor economic status of victims which manifested it in various ways. It attributes mainly because of rising cost along with declining returns, stagnant technology and near freeze in the minimum support price of Wheat and Paddy, which turned the already adverse terms of trade from bad to worse surely reduced returns on food grains production. During the bumper crop, the market price is low due to excess in supply and during bad harvest government enters into market to stabilize the food prices which keeps price at low. In both the situation, farmers are at the end and mute receiver. Indebtedness was more due to non-institutional sources of borrowing, in which commission agents figured prominently. The commission agents bridged the gap between availability of credit from institutional sources and total demand for credit in rural Punjab. Most of the loans (59 per cent) from both the sources of these victims were used for the purposes that are traditionally classified as unproductive. It has been the main reason of the indebtedness and thereby suicides by farmers in Punjab.

Tata Institute of Social Sciences (2006)\(^1\) conducted a study on farmers' suicides in Maharashtra. For the purpose of the study, 5

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\(^1\) Tata Institute of Social Sciences (2005)- “Causes of Farmer Suicides in Maharashtra Final Report Submitted to the Mumbai High Court- March 15, 2005
per cent (36 victims) of the total number of suicide cases that took places till December 2004 were selected from the state. The study was carried out in Vidharbha, Marathwada and Khandesh regions of the state of Maharashtra. Repeated crop failure, inability to meet rising cost of cultivation due to unremunerative prices and indebtedness were found creating a situation that forced farmers to commit suicide. According to the study the crop failure was not always associated with the uncertain monsoon but the increase in pest attack and the spurious seeds between 2001 and 2004. Farmers were spending more on fertilizers even while crop performance has shown declining trend. The heavy use of pesticides and fertilizers caused an increase in the cost of cultivation, as well as, polluted the ecosystem. Study also observed that the MSP declared by the government always falls short of the cost of cultivation. And it is found that the MSP has always remained below the recommended prices by the state government. The minimum support price has not been available to all farmers, particularly the small and marginal farmers and important is that most of the farmers who committed suicides belonged to the same category. It was true in case of the Cotton crop because majority of the farmers who committed suicides were the Cotton growers. Declining opportunities of non-farm employment has further aggravated the crisis. There is a noticeable absence of irrigation facilities in Vidarbh region of the state and the fiscal backlog still remains
unattained from 1984. The study revealed that there has been a sharp increase in the dependence on loans to enable cultivation during the 1990s. Firstly, farmers obtain loan from banks and when they are unable to repay it they get into the category of defaulter and hence ineligible for the next loan. Therefore, farmers have to turn towards the private sources for credit. Whereas the private moneylenders charge high rates of interest varied from 36 to 72 per cent per annum. In the absence of credit and other inputs like support price the dependence on cash crops has contributed to the agrarian crisis in the region. Those farmers who faced repeated crop failures accumulated loans beyond their capability which forced them to commit suicides.

According to the Planning Commission Report (FFC) (2006)\(^1\) the backlog of irrigation, lack of electricity, spurious seeds, high cost of inputs, low credit availability from the institutional sources mainly the nationalized banks and thereby increasing dependence on informal credit sources at exorbitant rates of interest and market failures are the causes of farm distress and suicide by farmers in the Vidharbha region of Maharashtra state. The Committee concluded that the situation occurred due to unfulfillment of the regional backlog of Vidarbha and Marathwada regions which was brought out by the Dandekar Committee in 1984. The financial backlog for irrigation increased up to 60 per

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cent in 2002 which was 38 per cent in the year 1984. On the one hand the productivity has declined due to dry land farming whereas on the other unregulated input market caused an increase in the cost of cultivation due to high and ever increasing prices. The dependence of farmers on informal sources of credit has increased due to the inability of formal credit agencies. Rates of interest charged by moneylenders varied from 36 to 72 per cent. Hence the debt amount goes beyond the repaying capacity of the borrower. Other infrastructural facilities are also poor in the region. The Committee recommended a long term and short term policy measures to overcome the problem where it stressed on the distribution of appropriate quality seeds, advisory and extension centers, waiver of institutional loans, water harvesting and conservation, removal of regional irrigation backlog, regional development plans, procurement and pricing, value addition in case of Cotton crop, self help groups and crop insurance, etc.

According to Gnyanmudra (2007) suicide has emerged as an increasing public health problem in India over the last two decades. It is highlighted especially by the rise of male youth suicide rates particularly in the rural areas. Internationally, higher suicide rates in rural parts as compare to urban areas for male have been noted in many countries. Higher rural male suicides have been attributed to the isolation and rigors of the rural life,

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fluctuating economic hardship from climate and commodity prices, greater access to poison, lack of employment opportunities, prevailing rural masculine culture and lack of mental health facilities. It means that the state of farming community is same at worldwide. An introduction of capital intensive techniques in agriculture and the opening of the seed industry to the Multinational Corporations (MNCs) affected Indian agriculture badly. A mixture of economic causes and poorly chosen modern plan and GM (Genetically Modified) varieties led to thousands of farmers committing suicides in India. Study concluded that the modern life is killing more and more young men by suicide but at the same time it is not affecting so much young women. It needs a counseling agency for depressed people in general and farmers in particular.

A study of B. Ratna Kumari (2007)¹ stressed on the impact of agrarian distress and farmers suicides on the remaining family members in general and wives of the deceased in particular through a gender perspective in Andhra Pradesh. Survey of 30 farmers suicide affected families was conducted from Guntur district of the state. Study finds that the reasons of agrarian crisis or the factors responsible for suicides by farmers are same as mentioned by other researchers. They are the free entry of MNCs

in the seeds and fertilisers market, indebtedness, monsoon failure and declining underground water table and several other social and psychological factors. But the study focused on the untouched issue of the problem which is related to the suicide affected family members. After the distressful death of the family head, the wives of the deceased not only have to face the economic burden but also social, psychological and occupational, which are closely interrelated. Further, it has a linkage of daughter's or sister's suicide due to the lack of money for their marriage. After the debt accumulated by the deceased farmers, the wives are responsible to repay it. Sometimes moneylenders grab their land and taken their children as a bonded labour. It resulted into the suicides of the women in the family. The victim’s family has to experience more distress than the head of the household. The victims face this situation because of the lack of an appropriate compensation policy of the state. The existing policy initiative gives relief just in terms of money. But neither center nor does the state government adopts such kind of policy for the up-gradation of the deceased family by creating non-farm employment opportunities in the rural parts. Study further suggests that it needs to provide employment, education, good infrastructural facilities, supply of quality seeds and fertilizers and remunerative prices for their produce to empower the suicide affected households.
According to Ajay Dandekar and Shahaji Narvade (2007)\(^1\), the agrarian crises had been rooted in the pre-liberalisation era has further aggravated during the post reforms period. It is an outcome of the failure of the state and central policies and the political economy. Widening gap between cost of cultivation and minimum support price has the outcome of the difference between recommended prices by state government and prices announced by the center (CACP). The average gap between cost and prices for all crops ranges between 38 to 50 per cent, (cost above the revenue) except Sugarcane which accounted a loss for 12 per cent for the year 2005-06. Under the guidance and insistence of the IMF and World Bank, Indian government slashed its fiscal provisions on rural development. Therefore it did not give an expected result on the ground of creation of non-farm employment opportunities and other infrastructural facilities in rural parts of the country. Also the government reduced subsidies and investment in agricultural sector. Hence, farmers have to invest on their own more on creation of the infrastructural facilities. The loss making cultivation, high cost paid inputs, increasing consumption expenditure and also expenditure for maintaining social status and unavailability of institutional credit are the responsible factors for the distress act of suicides by farmers in the state of Maharashtra.

Inadequate institutional credit supply forced farmers to borrow from non-institutional sources whereas the moneylenders charged rates of interest from 36 to 96 per cent per annum. As a result the borrowed amount becomes double within a span of one year and it goes beyond the repaying capacity of farmers. Because the returns from agriculture are unsatisfactory and cannot covers the cost of cultivation. Again farmers borrow from private sources for the cultivation with the hope that in the upcoming year they will get good harvest and can repay the loan amount. But they again have the negative returns from agriculture due to natural factors such as pests and untimely rains. Further it converted in to a vicious circle of indebtedness. And the end of the circle took the lives of thousands of farmers in the state of Maharashtra.

Akkineni Bhavani Prasad (2007) in a study of Andhra Pradesh found that farmers suicides in the state are closely related to the traditional policies adopted both by the Central and State Governments in general and that of the policies during the post reforms in particular. The wrong estimation of the cost of cultivation and thereby announcement of the MSP by CACP (Commission on Agriculture Cost and Prices) which is often below the recommended price by state government and failure of input output markets of agriculture produce are responsible for the loss

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making agricultural operations. Opening up of the agriculture sector at international level has been responsible for the deterioration of cultivators. Farmers have to face uncertain nature of the international prices without any safety net. The negligence of irrigation projects resulted into an increase in the heavy expenses on tubewells. Lack of institutional credit supply compels farmers to borrow from the private sources at higher rates of interest. And the debt burden becomes uncomfortable due to the unrewarding nature of the agriculture. Due to the lack of public health facilities, the expenditure on the same has increased. As well as, efficiency of the rural people is declining at an alarming rate, which affected the productivity and also the production of the sector. On the other hand farmers spent more on unproductive purposes i.e. to maintain the certain amount of social status. All these social, economical and policy matters are underlined as responsible for the distress act of suicides by farmers in the state of Andhra Pradesh.

In another study on the state of Karnataka by R S Deshpande (2008)\(^1\) depicted that, the spate of farmers suicides was naturally associated with the performance of the sector, along with the other factors that were prominent including advent of WTO, GM varieties of crops, price collapse and spurious seeds. Farmers, as

an occupational group is always under the burden of debt, but during nineties farmers’ debt burden increased substantially in the state of Karnataka. The situation became worse during the period of the 1990s which has been due to the changes in market situation, weather inflicted uncertainties at the end of the decade and systemic fall in the credit delivery system. As a result, the distress in farm sector got amplified culminating into a spate of farmers suicides in the state of Karnataka. Study further found that suicide is mainly attributable to social reasons such as family problems, older age and illness, drinking and gambling habits. In Karnataka the problem of indebtedness is acute specifically in the rain fed northern regions of the state and also in the areas that have some potential for growth. Shift in the cropping pattern from food grains to cash crops neither give them money income nor does it provide food for throughout the year. Therefore the income and expenditure become disproportionate. The technological changes and crop diversification are found as the root causes of agrarian crisis and social and psychological factors are there for worsening the situation which has been contributing to take the lives of the farmers in the state.

Dr. Vijay Kumbhar (2010)\textsuperscript{1} examined the impact and importance of MSP/SMP in determination of overall production of rice, wheat, pulses, cotton and sugarcane in India to recognize the impact of

\textsuperscript{1} Dr. Vijay Kumbhar (2010), Impact of MSP, AUC and Productivity on Overall Production of Selected Crops In India : A Study
area under cultivation (AUC) and productivity of rice, wheat, pulses, cotton and sugarcane on overall production of these crops and concluded that MSP, area under cultivation and productivity are good determinants of overall production of rice, wheat, pulses, cotton and sugarcane in India. According to Dr. Kumbhar, lack of an assured market price is one factor in the poor performance of pulses than foodgrains in India. Market price is always greater than the MSP announced by the government for pulses. Iqbal and Merwe (2010) mentioned that, production of wheat and rice were increased due to rise in MSP by the Government.