

Research Paper

Farmer's suicides in India: Issues and Concerns

Manjunatha N

Research Scholar
Post Graduate Department of Economics
Bangalore University, Bangalore -560056

Dr. S.R. Keshava

Faculty
Post Graduate Department of Economics
Bangalore University, Bangalore -560056

Abstract

Agriculture is the India's culture since time immemorial. Even today, Agriculture is a way of life and the principle source of livelihood for more than 52% of its population (Economic Survey 2009-10). Hence agriculture plays a key role in the overall economic and social well being of the country.

Farmers face floods, drought, pests, disease, and a plethora of other natural disasters. The weather is their greatest adversary, something that can never be controlled by man. Yet, farming has been in existence since the caveman turned his spear in for a hoe. Farming has come a long way since then; nevertheless; farmers are still at the mercy of the heavens. Crop insurance is a risk management tool that farmers can use in today's agricultural world.

Government of India as early as 1972 initiated the administered insurance schemes. But the lack of political and bureaucratic will failed one nobler scheme leaving the farmer to his fate.

“The tragic incidents of farmers' suicides in some of the States have been a matter of serious concern..... crop losses, consecutive failure of monsoon, recurrent droughts, mounting debts, mono cropping, land tenancy, etc., seem to be some of the main causes..... 76% of the victims were dependant on rain fed agriculture and 78% were small and marginal farmers..... 76% and 82% of the victim households had borrowed from non-institutional sources in 2000-01 and 2002-03 respectively. The interest rates charged on such debts ranged from 24 to 36%, as compared to 9-12% on institutional credit (Shri. Sharad Pawar, Union Minister of Agriculture).

The number of farmers who have committed suicide in India between 1997 and 2009 now stands at a staggering 2, 16,500. The Big Five states or 'Suicide Belt' of Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh and Chattisgarh account for just about a third of the country's population but two thirds of farmers' suicides. The rate at which farmers are killing themselves in these states is far higher than suicide rates among non-farmers. These states can be called as suicide SEZ or Special Elimination Zone for farmers. TISS report identified that the untenable cost of agricultural production and indebtedness as the key reason for suicides. The repeated crop failures, instability to meet the rising cost of cultivation and indebtedness seem to create a situation that forces farmers to commit suicide.

The government should evolve a comprehensive agricultural policy and provide agriculture its due. The agriculture infrastructure should be strengthened and the morale of farmer will definitely increase.

Key Words: Farmer, farmer Suicides, Suicide rate, indebtedness, Agriculture Exports, Growth rate 'Almost every sector failed the farmer – the government, the political class, intellectuals, planners, human right groups, a once-activist judiciary and the media'

- Sainath P, (2007)

“Something is terribly wrong in the countryside”

- M.S. Swaminathan, Former Chairmen, National Commission of Farmers, 2006

Introduction

Agriculture is the India's culture since time immemorial. Even today, Agriculture is a way of life and the principle source of livelihood for more than 52% of its population (Economic Survey 2009-10). Hence agriculture plays a key role in the overall economic and social well being of the country.

Farmers face floods, drought, pests, disease, and a plethora of other natural disasters. The weather is their greatest adversary, something that can never be controlled by man. Yet, farming has been in existence since the caveman turned his spear in for a hoe. Farming has come a long way since then; nevertheless; farmers are still at the mercy of the heavens. Crop insurance is a risk management tool that farmers can use in today's agricultural world. Government of India as early as 1972 initiated the administered insurance schemes. But the lack of political and bureaucratic will failed one nobler scheme leaving the farmer to his fate.

Over the years, Indian farmer has taken India from a state of food shortage to self sufficiency in food, from importer of food grains to exporter of a variety of food items. After the green revolution, our farmers have been using the varieties of improved seeds and various sources of irrigation, industrial inputs like fertilizers, pesticides etc. The average farm size is becoming smaller and smaller and the cost of cultivating is increasing. The rise in the prices of agricultural commodities is swallowed by middleman as marketing infrastructure is poor. But today Indian farmer is in cross roads. He is making news for altogether different reasons –

suicides. Suicide has become regular feature especially in Karnataka, Maharashtra, Andhra Pradesh, Uttar Pradesh, Punjab, Orissa, Bihar and Kerala.

Suicides in general, including farmers' suicides, are a sad and complex phenomenon. Suicides are the most dramatic and ghastly expression of the desperation among the cultivating community, these should not distract from the other manifestations of what has become a deep rural depression. (Jayathi Ghosh 2005).

According to the NCRB (National Crime Record Bureau) data 17368 Indian farmers killed themselves in the year 2009 it is the worst figure for farm suicides in six years. The number of farmers who have committed suicide in India between 1997 and 2009 now stands at a staggering 2, 16,500.

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"The tragic incidents of farmers' suicides in some of the States have been a matter of serious concern..... crop losses, consecutive failure of monsoon, recurrent droughts, mounting debts, mono cropping, land tenancy, etc., seem to be some of the main causes..... 76% of the victims were dependant on rain fed agriculture and 78% were small and marginal farmers..... 76% and 82% of the victim households had borrowed from non-institutional sources in 2000-01 and 2002-03 respectively. The interest rates charged on such debts ranged from 24 to 36%, as compared to 9-12% on institutional credit (Shri. Sharad Pawar, Union Minister of Agriculture).

Farmers' suicides in India

Farmers' suicides in India reflect the failure of basic support structures in socio – economic spheres in rural areas in India is reflected in the suicides of the farmers. Sainath rightly points out that 'Almost every sector failed the farmer – the government, the political class, intellectuals, planners, human right groups, a once-activist judiciary and the media'. Farmer who gives food for the rest of his co-citizen is resorting to suicide hence farmer suicide are not just poverty deaths but it the problem is complex and manifold which involves a concrete study.

The dominant official position on farmers' suicides in India has underplayed the problem by passing it off as a psychological phenomenon rather than treating the issue as a wakeup call for rethinking rural development. The state has at the most announced regular relief packages and development programmes to overcome the crisis. But the Government failed to view the problem as the 'downside risks' of the structural and procedural changes in agriculture that accompanied the green revolution, liberalization and globalization in the countryside. (Dr.Ritambhra Hebbar, 2003).

The true figure is Bigger

According to the official estimate during 1997-2009, two lakh Sixteen thousand Five Hundred farmers have committed suicides in India. But this data is grossly underestimated, firstly many go unreported, secondly the problem with the definition of suicides.

Suicide data in India are collected by the National Crime Records Bureau (NCRB), a wing of the Ministry of Home Affairs, government of India. The NCRB itself seems to do little harm to the data. But the states where these are gathered leave out thousands from the definition of "farmer" and, thus, manage to give lesser number. For instance, women farmers are not normally accepted as farmers (by custom, land is almost in men names). Women do the bulk of work in agriculture, but they are never treated as farmers, but as "farmers' wives." This classification enables governments to exclude countless women farmer suicides. They will be recorded as suicide deaths - but not as "farmers' suicides." Likewise, many other groups, too, have been excluded from that list.

Suicides in India

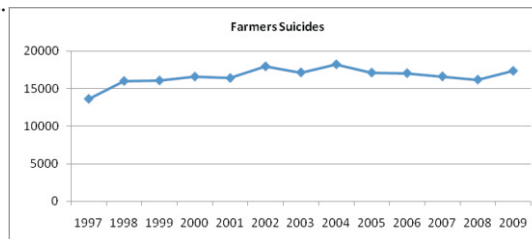
Year	Total suicides		Farmers Suicides		Pesticide suicides	
	Number	Suicide rate (per 100000 pop)	Number	As a % of total suicides	Number	As a % of total suicides
1997	95829	10.0	13622	14.2	18311	19.1
1998	104713	10.8	16015	15.3	19075	18.3
1999	110587	11.2	16082	14.5	20251	20.1
2000	108593	10.6	16603	15.3	21801	20.1
2001	108506	10.6	16415	15.1	21530	19.8
2002	110417	10.5	17971	16.3	21414	19.4
2003	110851	10.4	17164	15.5	23001	20.8
2004	113697	10.5	18241	16.0	23311	20.5
2005	113914	10.3	17131	15.0	22316	19.6
2006	118112	10.5	17060	14.4	-	-
2007	122637	10.8	16632	13.5	-	-
2008	125017	10.8	16196	12.9	-	-
2009	127151	10.9	17368	13.6	-	-
Total suicides 1997-2009	1470024	---	216500	---	191010	---
ACGR between 1997-2009	---	2.8	---	2.5	---	2.5

Source: various issues of Accidental deaths and suicides in India, National Crime Records Bureau, Ministry of Home Affairs, Government of India

Note: ACGR denotes Annual compound growth rate

From the above table one can clearly see that on an average 15% of the suicides in India are farmer suicides during 1997-2009. The general suicide rate per one lakh population is around 10.6 during the 1997 to 2009. The farmer suicides as a percentage of total suicides are 14.72% during 1997-2007. The pesticide suicides as a percentage of total suicides are around 19% during the 1997-2005.

The farmer suicides black chapter increased its prominence in the total suicides in India from the 1997. It was 14.2 % (13622) in 1997, which increased to 16 % (18241) by 2004. The suicides rates gradually decreased to 12.9% (16196) of the total suicides, which again marginally increased to 13.6% (17368) in 2009. On an average 16654 farmers died every year in between 1997 to 2009. The important reasons for such a rise in the farmer's suicides are discussed in detail. The following chart depicts the total number of farmer suicides in India.



Source: Derived from the above table

Reasons for Farmers Suicides

The study conducted by the Indira Gandhi Institute of Development Research (IGIDR), Mumbai at the behest of the state government reveals that the extreme decision to end life is a result of combination of factors that a farmer has to confront simultaneously. The major reasons cited in the report are

1. Indebtedness
2. Crop failure and low return
3. Illness of family members
4. Inability to arrange finance for marriage of daughter
5. Lack of income –earning opportunities from subsidiary occupations
6. Inadequate facility for value addition to agriculture produce

Jayati Gosh (2005) points out the reasons for farmer suicides and opines that while the issues are complex and require detailed investigation of each area, they generally reflect not only structural conditions but especially the collapse of public institutions that affects farmers and farming.

On the outlook, it appears that Farmer indebtedness, crop failure, lack for good prices to their crops

led to the suicide of farmers in India. But after the thorough study it was identified that the usage of more fertilizers, lack of sufficient institutional credit to farmers, decline in productivity, price for the crops, lack of minimum agriculture infrastructure are also responsible for farmer suicide. Crop failures resulting from drought, scant or no rainfall, and pest attacks, Poor power supply Increasing prices of chemical fertilizers and other essential inputs; Poor quality of seeds, fertilizers and pesticides, Failed bore-wells and all-around scarcity of water for agriculture and household use, inadequate crop insurance are also responsible factors for farmer suicide.

But one has to look the problem deeper and analyze the problems in agriculture itself to plug it so that the sad chapter of farmer suicides can be completely removed from the farmers life.

The major reasons for the farmer suicides are also discussed and so are the solutions. The government should initiate the schemes in the larger interest of farmers without comprising them on any issues. For the farmer suicides there are no immediate or short cut solutions, government, society and civil society should come together to lift the morale of the farmer along with the long term policies in the agriculture and in the farmer life, that has to be initiated with definite time frame.

Agriculture- the problems galore and the reasons for farmer Suicide

Deceleration in growth rate

The share of agriculture in GDP was 17.5 percent with 52 percent work force dependent on agriculture for employment.

Deceleration in growth rate (1999-00 prices)

year	Agriculture	Industry	Service	GDP at factor cost
1980-81 to 1990-91	3.08	5.79	6.54	5.15
1992-93 to 2002-03	2.61	5.82	7.65	5.85
2002-03 to 2006-07	2.30	8.0	9.5	7.6
2006-07 to 2010-11*	3.10	9.28	10.75	7.71
1950-51 to 2005-06	2.54	5.19	5.40	4.26

Source: CSO, National Accounts Statistics, Various years

Note: Growth is Compound Growth rate, NNP denotes Net National Product

From the above table it is clear that industry and services in India is growing at a very good pace, whereas the growth in Agriculture is shrinking decade after decade. During the year 1980-81 to 1990-91 the growth of agriculture was 3.08%, where industry and service grew at 5.79% and 6.54% respectively. But in the next decade that is in 1992-93 to 2002-03 the growth in Agriculture further declined to 2.61% where as the growth of industry and service grew at 5.82% and 7.65% respectively in the same period. During the 2006-11 the agriculture showed marginal growth over previous period. But it was negative in the year 2008-09 wherein agriculture recorded -0.1 and in 2009-10 it grew by 0.4. Thanks to the good monsoons, the agriculture sector grew to 5.4% in 2010-11.

Plan Outlay in Agriculture and Allied Sectors

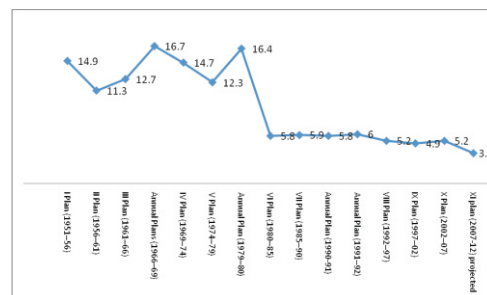
Plan Outlay in Agriculture and Allied Sectors (in Rs. Crores)

Plans	Total Plan Outlay	Agriculture & Allied Sectors	% of Agri. And Allied sectors to total
I Plan (1951-56)	2378	354	14.9
II Plan (1956-61)	4500	501	11.3
III Plan (1961-66)	8577	1089	12.7
Annual Plans (1966-69)	6625	1107	16.7
IV Plan (1969-74)	2320	2320	14.7
V Plan (1974-79)	4865	4865	12.3
Annual Plan (1979-80)	12177	1997	16.4
VI Plan (1980-85)	97500	5695	5.8
VII Plan (1985-90)	180000	10525	5.9
Annual Plan (1990-91)	58369	3405	5.8
Annual Plan (1991-92)	64751	3851	6.0
VIII Plan (1992-97)	434100	22467	5.2
IX Plan (1997-02)	859200	42462	4.9
X Plan (2002-07)	398890	20668	5.2
XI plan (2007-12) projected	3644718	136381	3.7

Source: compiled from, Planning Commission, relevant Plan Documents

Agriculture in India has never received the good allocation compared to the other sectors. Though majority of the population depended on agriculture. The allocation was never in tune with the amount of population dependent on the primary sector. But of the five year plan the first 5 five year plans received the fairly good amount. In the first five year plan agriculture received 354 Crores which was 14.9% of the total allocation. The second five year plan was dominated by industry, but still agriculture received 501 crore which was 11.3% of the total allocation. In third five year plan it marginally increased over previous plan to Rs.1089 crore which was 12.7% of the total plan allocation. Even during annual plans a good amount 1107 crore was allocated for agriculture which is 16.7% of the total allocation. In fourth plan the agriculture was allocated 2320 crore which was 14.7% of total allocation. In the fifth plan also Rs.4684 crore was allocated which was 12.3% of total allocation. Even in the annual plan of 1979-80 16.4% of total allocation was spent on agriculture.

But from the sixth plan onwards the reduction in the sectoral investments to agriculture is massive. This reduction can be pinned down to the year 1980-1985. That year forms the watershed in the history of investment in Indian agriculture. In sixth plan the plan allocation for agriculture was Rs.5695 crore which was just 5.8% of total plan allocation. Subtracting the inflation the increase in absolute terms does not make much of difference. The share of agriculture to total allocation kept on declining with passing each five year plan to finally reach 3.7% in XI plan. The following diagram depicts the declining share of agriculture to the total plan allocation.



Source: Derived from the above table

Investment in Agriculture

The Investments in the Agriculture both by the Govt. and the Private individuals has been increasing in Absolute terms except in 1997-98, 1998-99 and 2000-01. In both 1997-98 and 2000-01 the Public Sector Investment in Agriculture declined in absolute terms where as in 1998-99 there was marginal decline in Private Investment.

The following table represents the Investment in the Agricultural Sector.

Year	Investment in Agriculture (Rs Crores)		Share in Agricultural gross investment (per cent)		Investment in Agri as % of GDP at constant prices
	Total	Public	Private	Private	
Old Series at (1993-94 prices)					
1990-91	148361	4395	10441	29.6	70.4
1995-96	15690	4849	10841	30.9	69.1
1996-97	16176	4668	11508	28.9	71.1
1997-98	15942	3979	11963	25	75
1998-99	14895	3870	11025	26	74
1999-00	17301	4221	13083	24.4	75.6
Series at 1999-00 prices					
1999-00	45,473	7,716	35,757	18	82
2000-01	38,735	7,155	31,580	19	82
2001-02	47,043	8,746	38,297	18.6	81.4
2002-03	46,823	7,962	38,861	17	83
2003-04	45,132	9,376	35,756	20.8	79.2
2004-05	48,576	10,267	38,309	21.1	78.9
2005-06	54,539	13,210	41,329	24.2	75.8
New Series (at 2004-05 prices)					
2004-05	78848	16183	62665	20.5	79.5
2005-06	93121	19909	73211	21.4	78.6
2006-07	94400	22978	71422	24.3	75.7
2007-08	110006	23039	86967	20.9	79.1
2008-09	138597	24452	114145	17.6	82.4

Source: Compiled from various Indian Economic Surveys

The share of Private Investment in Agriculture varies between 69.1% (1995-96) to 76.8% (2000-01), where as the Public Investments is varying between 23.9% (2002-03) to 30.9% (1995-96). But the real cause of worry is that the decline in the share of Agriculture Sector's Capital Formation in GDP from 1.92% in the early 1990's to 1.28% in the early 2000's is the matter of great concern. The change in base year to 1999-00 prices and thereafter in 2004-05 helped the numbers to show the decent show in terms of the share of investment!

The total investment to the GDP ratio has also increased only due to change in the base year. One can observe the 1999-00 figure of investment in agriculture as percentage of GDP was just 1.37% in 1993-94 prices just rose to 2% once the base year is changed to 1999-00 prices. Similarly in the 2004-05 the investment in agriculture as percentage of GDP at 1999-00 prices was 1.9% which rose to 3.30% due to change in base year to 2004-05 prices. Despite agreeing to the changing base year, once in five years, the investment in agriculture as a percentage of GDP is just below 3.34% when the majority of the people in India are still dependent on agriculture.

Public and Private Investment as percentage of GDP

Year	Public investment in Agriculture as percentage of GDP	Private investment in Agriculture as percentage of GDP	Total investment in Agriculture as percentage of GDP
2004-05	0.68	2.62	3.30
2005-06	0.61	2.25	2.87
2006-07	0.64	2.00	2.65
2007-08	0.59	2.23	2.83
2008-09	0.59	2.75	3.34

Source: Compiled from various Indian Economic Surveys

The public investment in agriculture as percentage of GDP is declining; it has now come down to 0.59% by 2008-09. The private investment in agriculture as percentage of GDP is around 2.5%. It saw a steep decline in 2006-07, after which has recovered to reach 2.75% by 2008-09.

Agency Wise Ground Level Credit flow for Agriculture and Allied Activities

The Direct Institutional Credit though has been increasing in Absolute terms. The growth of DIC to Agriculture and Allied Activities which increased to 20% in 1994-95 when compared to 1993-94 started declining every year in the subsequent years.

The share of Co-operative credit on an average was 52% till 1996-97 decreased to 43.51% during 2001-02 which further decreased to 21.83% by 2005-06 and to 15% in 2010-11. The share of Scheduled Commercial Banks to the total agriculture credit, on the other hand is increasing from 35.96% in 1992-93 to 44.55% in 2001-02 and to 69.73 % by 2005-06 and it further increased to 78.29% in 2008-09, which slightly decreased to 75% in 2010-11. The share of RRBs was 5.1% in 1990-91, which increased to 10.86% to 2001-02 decreased to 8.43% by 2005-06 which slightly increased to 10% in 2010-11.

(Rs Crores)

Agency	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11*
Cooperative Banks	23,716	26,959	31,424	39,786	42,480	48,258	36,762	63,492	29,450
RRBs	6,070	7,581	12,404	15,223	20,435	25,312	26,724	35,218	19,141
Commercial Banks	39,774	52,441	81,481	125,477	166,486	181,088	228,951	285,799	145,801
Total	69,560	86,981	1,25,309	1,80,486	229,401	254,658	292,437	384,514	194,392

Source: Compiled from various Indian Economic Surveys

*up to September 30 , 2010

Advances to Agriculture by Public Sector Banks

The advance to agriculture by PSU has been increasing continuously since June 1969. It was 5.4% in 1969 which increased to 18.3% by 2008 and it slightly decreased to 17.6% in 2009. Out of the total finances to agriculture, the direct finance constitutes the majority. But

the mechanization of the agriculture and raising prices of inputs needed more credit from the public sector banks. But unfortunately the PSU advances almost stood stagnant around 17% in post liberalization of the total bank credit.

	Jun-69	Mar-03	Mar-04	Mar-05	Mar-2006	Mar-2007	Mar-2008	Mar-2009	Mar-2010*
Agriculture	5.4	14.5	15.1	15.3	15.3	15.4	18.3	17.6	17.9
Direct finance	1.3	10.6	11.1	11.6	11.1	11.0	13	12.7	12.7
Indirect finance (in %)	4	3.9	4	3.7	4.2	7.8	11.1	11.3	5.1

Source: Compiled from various Indian Economic Surveys

Agriculture Exports

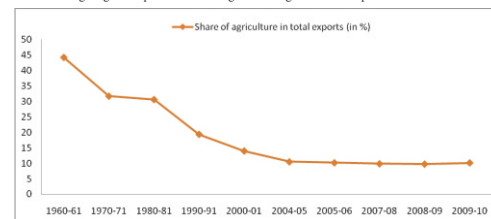
In absolute terms the Agriculture and allied products exports has increased from Rs. 284 Crores to Rs.6317 Crores by 1990-91 and by 2009-10 it increased to Rs.85211 Crores, but in terms of Share of agriculture exports to total exports has declined from 44.24% in 1960-61 to 19.41% by 1990-91 and further to 10% by 2009-10. India still being the agriculture nation should have led the agriculture exports in the country, but unfortunately it exports as a share of total exports is declining.

(Rupees in Crores)

	1960-61	1970-71	1980-81	1990-91	2000-01	2004-05	2005-06	2007-08	2008-09	2009-10
Agricultural & Allied products	284	487	2057	6317	28582	39579	46703	65230	81710	85211
Total Exports	642	1535	6711	32553	203571	375340	456418	655864	840755	845534
Share of agriculture in total exports (in %)	44.24	31.73	30.65	19.41	14.04	10.54	10.23	9.9	9.8	10.2

Source: compiled from various Indian Economic Surveys

The following diagram depicts the declining share of agriculture in exports.



Source: Derived from the above table

Conclusion

The Investment in Agriculture is declining, more so of public investment in agriculture. The problems of agriculture has increased with the MNCs entering into the seed sector, As globalization making its inroads into agriculture, farmers is resorting to suicide, the growth rates are swindling downwards The farmer in the India is in the dire straits. The condition of agriculture in general and Indian farmer in particular is still very pathetic. The Government of India should take proper initiative to improve the terms of trade of agriculture and farmers livelihood. The government should evolve a comprehensive agricultural policy and provide agriculture its due. The agriculture infrastructure should be strengthened and the morale of farmer will definitely increase.

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