

# Monsoon, Market and Middlemen as Key Ingredients to Agrarian Distress in Contemporary India: Prioritizing for Policy and Practice Based Interventions

Ravi Ranjan Kumar Ph.D<sup>1</sup>, V.K. Yadav Ph.D<sup>2</sup> Kirti Arya, Ph.D<sup>3</sup>

<sup>1</sup>Assistant Professor, Department of Social Work, Rajiv Gandhi (Central) University, Arunachal Pradesh,

<sup>2</sup>Assistant Professor, Department of Commerce, Rajiv Gandhi (Central) University, Arunachal Pradesh,

<sup>3</sup>MSSO, AIIMS, New Delhi,

<sup>1</sup>ravi.ranjan@rgu.ac.in, <sup>2</sup>vinod.yadav@rgu.ac.in, <sup>3</sup>kirti.arya1@gmail.com

## ABSTRACT

India has been an agrarian society since ages but fails to be an agriculture economy especially post globalization. Farmers who have rightly been termed as 'Anna-data' i.e. 'giver of food' have been facing an existential crisis unprecedented in India post-independence. One just needs to look at the rich literature on farmer suicides to understand the shades of distress that a farmer household has been going through off late. The National Crime Records Bureau (NCRB) has been publishing the statistics for suicide in India since the 1950s. The same body has also been collecting and publishing the statistics for farmer suicides since 1995. More than three lakh farmers have committed suicides in country as per government's own records only in past two decades. There has been varied responses by both government as well as non-government sector to the issue. However, there has been no substantial change to the existing situation. This paper dwells into the reasons of failing interventions to the issue.

## Results

The paper revisits major factors which have resulted in an unprecedented farm crisis in the country over recent decades. Analyzing secondary data by individual and institutional researchers, it draws conclusions towards farm crisis being an inherently environmental issue surrounding climate change, unsustainable practices of water management and genetically modified seeds -needs attention foremost from an environmental view point, whereas not to discount economic factors like market and middlemen being given due attention for a rights based approach and not just with politically sellable loan-waivers or ritualistic jargons of Minimum Support Prices (MSPs). Counseling and other support services too deserve their due but largely as complementary to environmental and economic factors and never at their cost.

## Keywords

Climate Change, Farm Crisis, Market, Middlemen, Monsoon, Psychology, Politics, Water etc.

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## Introduction: Agrarian Society versus Agriculture Economy

Farmer suicides have undoubtedly been one of the most devastating outcomes of the Indian peasant's struggle against odds like Monsoon, Market and Middlemen which have gradually turned agriculture as an occupation of last resort in the country. In a society where every festival and cultural practice like marriage season etc. is centered around crop season, agriculture has lost significance as source of livelihood. Despite the myth of Green Revolution in certain belts of the country which are also now realizing the harms of unsustainable practices in the form of unprecedented rise in cancer cases year after year, the tragedy of farm suicides first took the form of an "epidemic" in 1997, which mostly precipitated due to a sudden spike in indebtedness. Arrears are significant indicators of a negative economy and this manifested for the farmers in two primary ways, both of which have deep roots in trade liberalization and corporate globalization policies, as mentioned below:

- i) Incline in the production charges
- ii) Decline in the costs of farm commodities.

A glance back in history brings to attention the structural adjustment policies of the World Bank in 1998, which

compelled India to functionalize its seed sector to global corporations (Monsanto, Cargill, Syngenta) which replaced farm saved seeds by corporate seeds. These commercial seeds needed pesticides and fertilizers and could not be saved and hence, forced the poor Indian farmers to buy them for every planting season increasing their poverty and arrearage. To pay off the debts, the peasants had to resort to selling their kidneys or even take their own lives. Since 1997, more than 3 lakh farmer suicides have been reported with commercialization of seeds being a prominent factor.

Debt and crop failures are the reasons for 58 per cent of the suicides among cultivators, says the new report published by the Centre for Science and Environment and Down To Earth magazine. Looking at the level of debt of an Indian farmer, it is very clear that the income from farming would never enable him/her to be out of the debt trap. To be an agricultural household in India means more debt than a non-agricultural household.

"The incidence of indebtedness was about 31.4 per cent among the rural households and 22.4 per cent among the urban households. Indebtedness in cultivator households was higher (by about 9 percentage points) than non-cultivator households, whereas the difference among occupational categories of urban area was less (about 4 percentage points). It is also evident that debt levels of cultivator indebted households were much more than that for non-cultivator indebted households," according to

the [2013 National Sample Survey Office Report on Debt in India](#). As per this report, the average household debt of a cultivator household is Rs 103,457 when the average annual household income from farming is around Rs 73,000.

### Methodology

The article as a review paper attempts a purposive and systematic review of credible research studies both by individual as well as institutional researchers to gain insights into the issue. Identifying the gap, overlap and contradictions among findings on the issue, it goes on to highlight three contradictory approaches viz. Economic, Psychological (Behavioral) and Environmental factors acting as a confusing strategy for the common masses to identify the core factor of three M's i.e. 'Monsoon-Market- & Middlemen', in the same sequence where Monsoon i.e. Climate Change causing the first and most grievous assault. Analyzing the discourse from a critical and emancipatory perspective in the backdrop of secondary data analysis and synthesis of multiple perspectives the paper puts forth implications for both policy makers as well as practitioners.

### Statement of Problem: The Issue to its Core

In 2014, the number of suicides by farmers and farm hands was 5% higher than in 2013, which recorded 11,772 cases. Three states accounted for over half of these farm suicides in 2014—Maharashtra (4,004), Telangana (1,347) and Madhya Pradesh (1,198). Of the 12,360 who killed themselves, 5,650 were farmers and 6,710 were agricultural labourers, says the report titled Accidental Deaths and Suicides in India (ADSI), an annual publication of the National Crime Records Bureau (NCRB), under the ministry of home affairs. However, in its latest report, NCRB has split the category "self-employed in farming/agriculture" for the first time and published separately the number of suicides by farmers and agricultural labourers. The report also, for the first time, listed causes of farm suicides. Of the 5,650 farmer suicides reported in 2014, "bankruptcy and indebtedness" was the leading cause, accounting for 20.6% of the cases.

Family problems accounted for 20.1% of the suicides, while crop failure accounted for 16.8% of the cases. Other prominent causes of farm suicides, according to the report, were illness (13.2%), and drug abuse and alcohol addiction (4.9%). A third of the farm suicides in Maharashtra, and a little over a fifth in Telangana, were debt-related, the report said. Land-holding status of farmers who committed suicides shows that 72.4% were small and marginal farmers with less than two hectares of land. A quarter of the suicides were by medium farmers (land-holding between two and 10 hectares); large farmers accounted for only 2.3% of cases. Rajasthan, Jharkhand, West Bengal, Odisha and Bihar did not report any farmer suicides in 2014.

According to the NSSO assessment, 91 per cent of assets of a rural household are land and the home. The fear of losing these properties is huge as it would impact the future livelihood security of the family as well. A wide range of potential factors like failing markets, increasing debts, unproductive farming lands and resilient pests have encouraged farmer suicides in India and the issue today is

recognized more as a humanitarian and political predicament than an economic or environmental one.

The crisis primarily stems from the routinely low returns from agriculture even during years when the monsoon rains are adequate. In addition, there are further risks to obtaining even these low returns; while drought or pest attacks can decimate returns, so too can a bumper crop.

### Literature Review

A predominant theme regarding farmer suicides in the country has been indebtedness. Today, the state recognizes the incidence of more than one lakh cases of farmer suicides for the period between 1993 and 2003. A study (Saritha, 2015) reported 21,174 cases of farmer suicides in India due to being in arrears between the years 1997-2007. The review further highlighted the severity of the issue in the agricultural population with accounts of 1 farmer suicide case occurring every 32 minutes for the year 1997-2007 and 48 cases occurring per day for the year 2002-2007. Some of the underlying factors for this evident indication of agrarian distress may vary from place to place but the common leading cause across all regions includes withdrawal of tariff and non-tariff barriers in trade and reforms built on neo-liberal strategies which have undeniably dismantled the Indian farming community.

Study by D Narsimha and S. Mishra (N.D.) describes that the Indian agricultural reform in late twentieth century passes through the agrarian crisis. There was large percent of growth in production and productivity in agricultural sector, but it was not in the favour of the small marginalized farmers. Somehow it impacted and increased the stress among the farmers whose livelihood depends on the farming only. Crisis among these marginalized farmers prevailed because various factors such as economic reform, indebtedness and others. Debt ridden in them becomes a serious root in the problems. Small marginalized farmers totally depend on the informal system which provides high cost credit which leads into indebtedness in the course to time. Such scenario can drive the farmers to suicide. Infrastructural factors like power supply, proper irrigational facility, credit at low rate proper food processing and storage facilities are not reaching ground level due to various bottleneck. Indian agriculture is not able to adapt to modern realities. Land degradation, reduced water availability and commercial cultivation have further reduced the agricultural productivity. Most of the cultivation area in India is rain fed. The increasing use of fertilizer has led to soil degradation (Shiva, 2014).

Study conducted by Deshpande (2009) highlights that looking back into the past, there are three important indicators that emerge out to have played vital roles in the discourse of the agrarian distress in the country.

1. A multiplicity of small landholdings owned by marginal farmers (jump in the shares of small land holdings from 70 percent in 1970-1971 to 82 per cent in 2000-2001) in addition to the extensive rain-fed regions facing unpredictable monsoon.

2. Weak economic and social conditions of the farmers resulting in weak bargaining power, slow migration to other occupational fields and poor living standards.
3. Defective land market (tenancy and sale) working against the agricultural laborers.

## Discussion and Analysis: Uncovering the underlying Reasons

Markets are supposed to help in solving this – by finding a price that works for both the producers and the consumers. Economic theory presupposes that a producer will produce something only if he can make a profit by selling it in the market at the prevalent price. This does not seem to apply to the Indian farmer. Instead, year after year we see millions of people toiling away at something that is clearly not economically viable for them. The surplus food grain production in the 2016-2017-year period and the 50th year anniversary of the Green Revolution, marking the country's potential for self-sufficiency in the food sector, should have ideally called for a celebration. However, these glorious milestones in reality, were met with farmer protests, objecting against unreasonably low prices by dumping their produce on the roads.

### The struggle to Recover Cost

The Indian Express (Apr 15, 2018) reports that in Maharashtra with the exception of soyabean, all other commodities were trading below the Minimum Support Price (MSP) fixed by the government. Farmers sell their produce mainly in yards of designated agricultural markets. The government run 'agmarknet' portal provides price information from agricultural markets across the country on different agricultural commodities. The market price of food grains, oilseeds and pulses is routinely below MSP. Tracking the details of a specific commodity provides more insight. Tur (Arhar) dal is an important part of the diet in both South and North India. Production is insufficient to meet local demand, and India regularly imports Tur. Karnataka is a major producer, with Kalaburagi district accounting for most of the produce. The harvest is brought to the wholesale markets starting January. The MSP has been set at Rs 5450/quintal by the central government, while the state government has fixed a higher support price of Rs 6000/quintal, making good the difference from its resources. Increasing desertification of India's soil, is a fundamental threat to agriculture, according to the recently released '[State of India's Environment 2017: In Figures](#)' book published by the Centre for Science and Environment and 'Down To Earth' magazine.

### What does it mean to get a price below MSP?

The MSP declared by the government is based on the recommendations of the 'Commission on Agricultural Costs and Prices' (website: <https://cACP.dacnet.nic.in/>). The Commission is asked to recommend the MSP based on the total cost of production including input costs, labour and capital employed as well as other considerations such as demand and supply, inter-crop parity, etc. In the case of Tur dal, the production costs for 2017-18 work out to Rs

4612/quintal and the recommended MSP is Rs 5450/quintal, 18% above production costs. When farmers get paid significantly less than the MSP, they may not even be recovering the cost of inputs.

Statement Showing Minimum Support Prices - Fixed by Government (INR/Quintal)

Commodity			Grade			Price of 100 kg (in Rupee)			Price of 100 kg (in Rupee)			Price of 100 kg (in Rupee)			Price of 100 kg (in Rupee)			Price of 100 kg (in Rupee)		
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
REAPERS CROPS																				
PADDY	Common	1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
		1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
JOWAR	Common	800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
		800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
SORGHUM	Common	800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
		800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
BAJRA	Common	800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
		800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
MILLET	Common	800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
		800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
WHEAT	Common	1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
		1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
BARLEY	Common	800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
		800	800	1000	1000	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	
RICE	Common	1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
		1600	1600	1200	1200	1400	1400	1600	1600	1800	1800	1900	1900	1900	1900	1900	1900	1900	1900	
MILK																				
COW	Common	4000	4000	3200	3200	3600	3600	4000	4000	4400	4400	4800	4800	5200	5200	5200	5200	5200	5200	
		4000	4000	3200	3200	3600	3600	4000	4000	4400	4400	4800	4800	5200	5200	5200	5200	5200	5200	
GOAT	Common	2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
		2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
EGGS																				
HEN	Common	100	100	80	80	90	90	100	100	110	110	120	120	130	130	130	130	130	130	
		100	100	80	80	90	90	100	100	110	110	120	120	130	130	130	130	130	130	
DUCK	Common	200	200	160	160	180	180	200	200	220	220	240	240	260	260	260	260	260	260	
		200	200	160	160	180	180	200	200	220	220	240	240	260	260	260	260	260	260	
PULSES																				
MUNG	Common	1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
		1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
URAD	Common	2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
		2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
OILSEEDS																				
SOYABEAN	Common	4000	4000	3200	3200	3600	3600	4000	4000	4400	4400	4800	4800	5200	5200	5200	5200	5200	5200	
		4000	4000	3200	3200	3600	3600	4000	4000	4400	4400	4800	4800	5200	5200	5200	5200	5200	5200	
MUSTARD	Common	2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
		2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
FRUITS																				
APPLE	Common	1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
		1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
ORANGE	Common	2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
		2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
VEGETABLES																				
CABBAGE	Common	1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
		1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
BRINJAL	Common	2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
		2000	2000	1600	1600	1800	1800	2000	2000	2200	2200	2400	2400	2600	2600	2600	2600	2600	2600	
SPICES																				
TURMERIC	Common	1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	
		1000	1000	800	800	900	900	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	



**Table 1:** Share of crop on sale procured by government and co-operatives at MSP

	%age of crop	%age of farmer beneficiaries
Sugarcane	52	39
Wheat	19	3
Paddy	14	4
Maize	9	1
Cotton	7	5
Groundnut	3	2
Onion	3	1

(Source: NSS 70th round, 2014)

The table shows the relatively high procurement in sugarcane, wheat and paddy. The procurement in commodities not appearing in the table including Tur dal was 1% or less of the total produce on offer for sale. These numbers provide an idea of commodities with some price support and commodities where MSP is just a number. From the table, it can be seen that this is always lower than the percentage of produce procured indicating that larger farmers have better access to government procurement. The contrast between the percentage of farmers selling to government agencies and percentage of produce procured is particularly striking in the case of wheat, paddy, maize and onion. This is because procurement in these crops is concentrated in regions with large scale production where there are also large farmers specializing in the crop. Punjab and Haryana currently account for nearly 50% of the paddy and 70% of the wheat procured. This means that even for commodities with price support, the support may be available only in some regions. In February 2018, both paddy and wheat were selling below MSP in many markets of Karnataka.

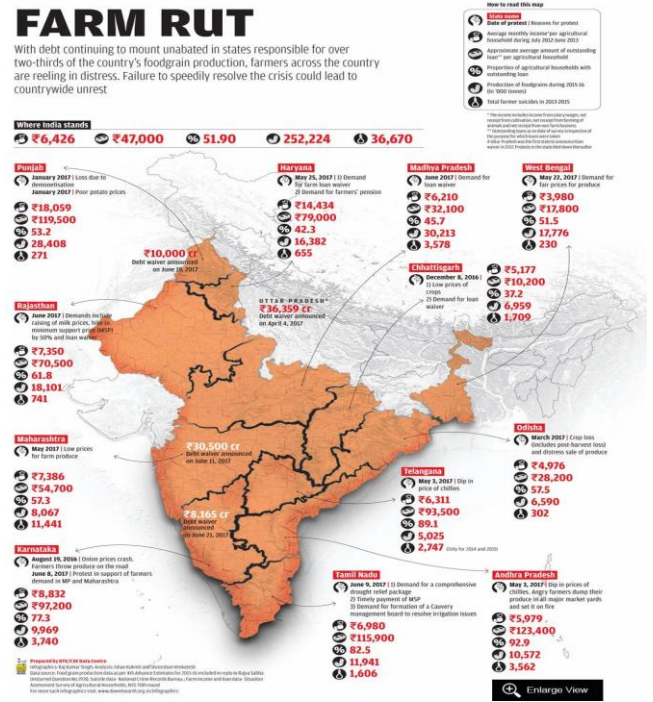
**The Unjustifiable Cost of Intermediation**

There is another revealing characteristic of India’s agricultural markets. This is the huge spread between the price realized by the farmers and the price paid by consumers. Returning to the example of Tur dal, in Jan 2018, while farmers were getting paid Rs 41/kg, consumers were paying almost double, Rs 79/kg in Bengaluru, according to the state civil supplies price monitoring cell. This spread is not warranted by the value added by the middlemen in the agricultural supply chain. It means that the middlemen – primarily commission agents, traders and wholesale merchants – are able to control prices paid to the farmers and prices charged from consumers to their advantage. Farmers’ incomes fall well short of potential because of the high cost of intermediation. Intermediaries corner the profits even when market prices are high because of supply shortages denying farmers most of the upside in prices. Returning to the Tur dal example, following severe rainfall deficit in 2015, in Jan 2016, the retail prices in Bengaluru climbed to 170/kg. However, the farmers with

reduced quantities to sell were getting only a price of between 90-98/kg in the Kalaburagi mandi.

The returns below MSP to the farmer, along with the high intermediation costs, point to a market failure. The debt of the Indian farmer is a consequence of this. NSS70 estimates that small and tiny farmers - with 1 hectare or less of land, constituting nearly 70% of agricultural households - on average earned an income less than their consumption expenditure. Unsurprisingly, 52% of agricultural households were indebted in 2013 with an average outstanding loan of Rs 47,000. Across farmers, 40% of the borrowing was from non-institutional sources such as money lenders, shop keepers etc, typically paying high interest. The debt incurred by farmers is for buying seeds and fertilizer and other inputs - the working capital if you please - and to meet consumption expenditure. The low returns on average means that the farmer is never able to repay his debt. It also means that there is very little investment in agriculture.

**Figure 1:** The Farm Rut across India



(Source:[https://cdn.downtoearth.org.in/library/0.10397300\\_1499165680\\_20170715-21-farm-cut.pdf](https://cdn.downtoearth.org.in/library/0.10397300_1499165680_20170715-21-farm-cut.pdf))

**Why the market does not work for the farmer?**

The basic hypothesis of the ‘market’ is that any producer will produce and sell only at a price where he makes profit. This unfortunately is not true for India’s farmers. Firstly, there is the issue that is common to agriculture everywhere in the world. Unlike in industry where producers get continuous price signals and can react by stepping up (or down) production, farmers have no control over production once they have sown the seeds. The production cycle once set in motion has to be carried through till harvest irrespective of what price their produce will eventually fetch. Decisions on what to produce have to be made based on expectation of future price. If the expectation proves wrong, the farmer is faced with losses. In Indian agriculture, there are even tighter constraints. India’s 90-odd million

agricultural households work tiny pieces of land - 85% work less than 2 hectares - mostly lacking irrigation and dependent on rainfall. They have limited choice on what they can grow under these conditions. Soil type, rainfall, climate are the determinants. There are of course exceptions to this rule such as the farmers who have irrigation in the Punjab or the sugarcane belt of UP.

Farmers also do not have the option to stop farming, as they are mostly already in debt, there are no other job options available and the income from farming is essential for survival. This means that farmers will continue to produce the crops they have done season after season and in particular, try to increase production as the only way known to them to maximise income. At best, they will choose to grow crops (if they have a choice), based on expectation of future prices. The lack of access of farmers to storage facilities means that on harvest, they have no other option but to sell even their non-perishable crops at whatever price they get.

Farmers as a whole have no pricing power, no ability to reduce production even if the sale of their produce is not profitable. They are also often beholden to the very traders with whom they trade for these traders would have helped them through the production cycle with short term loans, transport and storage. In the backdrop of the fundamental asymmetry in the economic standing of farmers and traders, regulations intended to protect farmers interests do not work. Traders effectively control the regulated mandis, cartelize with ease and set prices. The farmers are aware of this but have no option but to play along.

### Do farmers need out-of-the-box ideas?

How is this situation to be remedied? There are two diametrically opposite views. In the view of what one may call the "free marketers", what farmers need are alternate channels to the regulated mandis to sell their crops. With full freedom to sell to whomever they please, the claim is that farmers will be able to get the best prices. The hopes for establishing these alternate channels are pinned on big corporations.

The ruling establishment put together a 'model' regulation for allowing alternate channels in agricultural marketing in 2003 and the subsequent government(s) framed the rules to go with the regulation in 2006. Most states adopted these changes in the following years. 12 years after the wholesale agricultural market was opened up to corporate India, there is no appreciable change in the way the market functions or the returns that farmers get. The fact is that the basic lack of pricing power among farmers does not change when they deal with corporations instead of traders. Also, there is no reason to assume that the margins that corporations make because of bringing in greater efficiency in the supply chain will be shared with farmers. It is unreasonable to expect corporations to bail out farmers.

Agriculture is a state subject in India. The states therefore must intervene. It needs to weigh in on the side of farmers so that they have better pricing power. This requires the extension of MSP to all major produce and active government procurement to ensure these price floors hold. This is the safety net the farmers need. It requires small market yards and storage facilities that are easily accessible

to the farmers. It requires use of technology and better governance of agricultural markets to inhibit cartels and bring transparency. It requires supply chains in the public sector to compete with the private supply chains.

### Issues pertaining to Weather and Climate

There has been a rise in the trend of unpredictable and extreme weather conditions with irregular precipitation patterns especially in the agricultural heartland of India - Central India which has negatively affected agriculture. A huge chunk of the population in India (56%) derives its water supply from snow-fed rivers and even minuscule changes can prove to be disastrous. Furthermore, 85% of the precipitation received by the Indian subcontinent is in the form of rainfall. Against this backdrop, the uncertain scenario of extreme dry spells (especially during the initial phases of cultivation) and extreme wet weather conditions have further aggravated the problem. Owing to these factors, the experienced farmer today is in a state of incertitude with regard to the predictability of time period for seed plantation and harvest. The evolving resilience of pests, weeds, diseases and soil erosion further increases the farmer's plight. The persistence of these tormenting issues, if not corrected in time, can lead to colossal crop loss in the future.

**Figure 2: Reasons for Soil desertification in India**



(Source: <https://www.jatinverma.org/land-desertification-and-degradation>)

### Operation Scales

Amidst escalating real estate rates, the prospects of purchasing or owning farmlands for cultivation is an unrealistic aspiration for the average Indian. Most of the farmlands have been acquired through the process of inheritance, which necessitates the division of land into smaller parts (at the most a couple of acres) amongst the farmer's sons, which significantly reduces the scale of operation. Due to this, there is very less income to support mechanization and automation processes and small farmers resort to human labour which is highly irrelevant in the world of today. A consequent result of this is the trend of selling of the lands to realtors indicating a decline in the farming grounds, which ultimately affects the agriculture scenario of the whole country.

This is evident in states of Uttar Pradesh, Kerala, West Bengal and Bihar with high population where the peasants have less than a hectare of agricultural land. There also exists a huge gap between the small farmers, medium peasants and big landlords (or farmers) in the country. Another crucial factor adding to the issue, is the emphasis on division of

land by the inheritance laws in the country which highly reduces productivity of the land due to the hindrances faced in the cultivation of a small area. The demarcation of territory further consumes more fertile and usable space and reduces the overall output, leaving the farmer with very less viable options.

### Shortage of Farm Labour

The booming sectors of employment in the present day are the construction and industries departments. This has been the prime reason for urban migration in the last few decades drawing individuals away from the agricultural sector. Furthermore, Governmental policies introducing minimum support prices which causes inflation and a hike in wages and, schemes like MGNREGA demanding lesser productivity than agricultural work has led to a shortage in farm labour, especially for the small landholders.

### Inadequate Pricing

Marketing is undoubtedly one of the biggest challenges encountered by the farmers in the country. One of the prime reasons for this is the outdated nature of laws in India which compel the farmers to sell their produce in regulated markets via agents, who reap the maximum profits (upto 75%) while the actual producer is expected to be content with the bare minimum. This is especially evident in sugar factories where even the measurement scales used can prove to be dubious. Moreover, in some dire circumstances, the farmers are also made to give their produce to the money lenders free of cost. Small villages especially observe such distress selling practices commonly.

The Rural Credit Survey has reported no advantageous and beneficial conditions with regard to sales, timing and location for the peasants. Perhaps, the first corrective step in this situation can be the elimination of middlemen in the market system, so that the farmers actually make benefits.

**Figure 3:** Failure of Insurance Companies to cover farmers against their claims



(Source: [https://thewire.in/wp-content/uploads/2017/07/0.69551800\\_1496644697\\_insurance-2.jpg](https://thewire.in/wp-content/uploads/2017/07/0.69551800_1496644697_insurance-2.jpg))

### Improper Storage Facilities

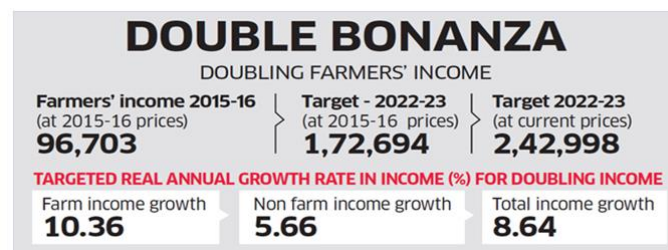
A report by ASSOCHAM states that in India 30-40 per cent of the total agricultural products amounting to INR 35,000

crore is ruined due to the lack of proper cold storage facilities every year. High demand foods like fruits and vegetables are damaged due to abnormal rainfall, forcing the farmers without cold storages to sell their produce at the earliest, sometimes even at a loss, to avoid rotting of crops. Owning and operating such cold storages becomes a mammoth task, especially for the small farmers.

### Quality of Seeds, Pesticides, and Fertilisers

A wide array of factors like high rates of good quality seeds, carelessness on behalf of the farmers, corrupt officials and ineffective laws and its inappropriate execution, contribute to the poor quality of seeds. These coupled with the use of poor-quality pesticides and fertilisers often cause massive loss of crops. Moreover, small farmers also face a shortage of cow dung, which is mostly utilised as manure, due to its usage as a fuel. Alternate options like chemical fertilizers and organic manure are also not viable for use due to their high prices and adverse effects on the fertility of the soil and crop quality.

**Figure 4:** Target(s) of doubling farmers' income in India till 2022



(Source: <https://lh3.googleusercontent.com/UKt14JOzUSziUV45dL0JsFkdj5iMV4mGCwTwjLLEkaFL6RiBZfjzuC06whB0O3Pnfbv5HuU=s170>)

The devastating effects of these issues have implications, bigger than what is usually discussed or imagined. The farmer on the verge of taking his life is occupied with the pressures to pay off his debts and support his family through crisis while others from the same fraternity, in slightly better circumstances, ponder over ways to dodge loans and retrieve investments. There lies a dire need to focus on the ailments of the "Anna- Datas" of our country and channel our respect, gratitude, attention and constructive efforts in their direction, which evidently, has long been overdue.

### Summing Up: TheWay Forward

Other than the ones discussed during preceding section in detail, some other problems faced by farmers in contemporary India include:

- Inefficiency in sustaining farm livestock due to high rates.
- Issues in acquiring loans under good conditions from commercial banks.
- Inefficient irrigation facilities.
- Lack of mechanization.
- Inadequate provision for good transportation.



The MSP does not include the majority (94%) of the farmers and also does not reap benefits for those it does include. As discussed, the markets are not pro-farmers and the recurring decisions to import large-scale agricultural goods despite the surplus harvest indeed does wrong by the peasants who are in dire need of opportunities to compensate for losses in the past. The farmers earn meagre amounts for their produce, especially in states like Maharashtra and Madhya Pradesh where a kilogram of wheat are sold on an average at INR 4/-, and a kilogram of onion cost INR 3/-, incurring a loss of 70% which further added to their debts. This perhaps explains the fact that most of the farmer suicides took place in locations with the best harvest. Some of the corrective measures to help the Indian farmers have been outlined below:

- Better education about farming and agriculture.
- Establishment of Centres of excellence to provide help and support.
- Emphasis and Promotion of sustainable practices and technologies by agricultural universities.
- Better access to loans and credits under efficacious conditions.
- Effective supervision of insurance companies.
- Consolidation of land ownership.
- Preference and promotion of organic farming as state policies over genetic modification of crops.
- Efficient market regulation.
- Allocation of finances directly to the peasants by the Government.
- Development of watershed.
- Promotion of consolidated, co-operative and contract farming.
- Eco-friendly initiatives to address global warming and climate change.
- Kisan help centres specialized for adjudication, counselling and market linkage in each village.

However, the situation is not all grim and there have been encouraging signs especially under the initiatives of ruling NDA regime in the country. Few significant of such initiatives are worth mentioning in this context in order to have a balanced view of the situation and encourage future researchers to analyse their impacts in deep vis-à-vis improving the prevailing situations for policy initiatives do require certain time frame to have any conclusive say about their efficacy. Few of the Measures and Policy goals acknowledged by the National Democratic Alliance (NDA) Government at Union Level under the leadership of PM Shri Narendra Modi to address the Agrarian Distress may be highlighted as below:

1. The goal of bringing in a two-fold increase in the farmer's emoluments by the year 2022-2023 is vital to equalize the incomes of both agricultural and non-agricultural occupations.
2. Initiatives like the PM Fasal Bima Yojana (PMFBY), PM Krishi Sinchai Yojana (PMKSY), electronic National Agricultural market (e-NAM), Soil health card, Neem-coated urea etc.
3. Introduction of "fertilizer subsidy" along with food subsidy under the Public Distribution System every year.
4. Proposal to launch "Operation Greens" in the agricultural field.

5. Inclusion of agriculture as a chief constituent of the Priority Sector Lending (PSL) and constant upward revision of the objectives for bank lending to farming and agriculture.

6. Budget initiatives:

6.1 Minimum Support Price established at 50% above the production price by the Union budget for farmers in 2018.

6.2 Introduction of the "PM-KISAN" - a farm support scheme for those peasants with landholdings up to 2 hectares in the 2019 budget.

Nonetheless, agriculture being a subject under Concurrent List lies in the jurisdiction of both state as well as union government and hence it is advisable to review both their policies for a more balance outlook. States level initiatives like introduction of more pro-farmer schemes by some states like the RythuBandhu Scheme (Telangana) and the Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme (Odisha).

### Concluding Remarks

Agriculture as the backbone of the Indian economy deserves utmost attention and dignity. The current agrarian distress is not only a predicament of the agricultural labourer but is a primary national concern which impartially affects the whole country. Therefore, a dynamic management of policies to monitor the ever-shifting agricultural scenario and reap optimal gains for all stakeholders is indispensable. The introduction of farmer support schemes and increase in the Minimum Support Prices are not the whole solution; the focus should chiefly be emphasised on the provision of profitable and worthy gains to the farmers. A sustainable resolve should include long term solutions like reforms for efficient price discovery mechanisms coupled with deep rooted and beneficial export policies. A structured and well-regulated value chain including cultivation, wholesaling, storage, logistics, processing and sale to take agriculture beyond farming should be established to ensure better pricing for the farmers. Direct Benefit Transfers could be another constructive alternative to ascertain support to farmers without manipulation. "Loan waivers" however, is not the silver bullet or the key resolve to agricultural problems of the country. Efforts should mainly be targeted at unearthing the genuine needs and demands of the farmers if one genuinely wishes to help the distressed farmers of India.

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