Farmer's Suicide

The unremitting wave of farmer suicides has resurfaced, now haunting the farming heartlands of Tamil Nadu. Troubled by a severely deficit monsoon which triggered the worst drought in 140 years, over 100 farmers, mostly in the Cauvery delta, have reportedly committed suicide during a period of one month, and the number continues to rise unabated.

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What relief measures are announced?

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- Various farmers' associations have voiced their concerns before the State government and have demanded immediate relief measures to halt it.
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- Following the submission of a report on the extent of drought and farm deaths by an official team, the chief minister recently declared the entire State drought-hit and announced measures worth Rs 160 crore and Rs 350 crore to alleviate the water crisis in urban and rural local bodies respectively.
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- The chief minister has said about Rs 78 crore is to be spent on meeting the fodder needs of cattle, and has ordered the **rescheduling of farm loans, the cancellation of land tax and compensation for lost crop to drought-affected farmers.**
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Is drought the only factor that is driving the farmers to commit suicide?

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- No suicides were reported in 1972, 1982 and 1987 when the country experienced its worst droughts.
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- The National Crime Records Bureau (NCRB) in its 49th Annual Report on Accidental Death and Suicides in India (2015) provides evidence that the

number of farmers committing suicide rose more than 41 per cent in 2015 over 2014.
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- The report also clearly underlines that indebtedness is found to be the single largest underlying cause behind farmers' suicide.
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- Way back in 2007, the Radhakrishna Committee on Agricultural Indebtedness appointed by the ministry of finance had underlined in its report that **farm indebtedness is the main cause for such an extreme form of distress.**
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- There is an overwhelming feeling in policy circles that a loan waiver can solve farm suicides. If a one-time relief package can bail out the debt-ridden farmers, then the massive Rs 71,680 crore Agriculture Debt Waiver and Debt Relief Scheme announced in May 2008 should have produced the desired results by now.
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- Government data indicate that farm suicides increased after the loan waiver.
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- As the non-availability of farm credit is reportedly causing distress among farmers, a doubling of the agriculture credit scheme was introduced during 2004-05 to increase the flow of credit to farmers.
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- However, the Rangarajan Committee on Financial Inclusion (2008) noted that **about 66 per cent of marginal farmers are continuously resorting to informal sources of credit**.
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- The **Report of the Task Force on Credit-Related Issues of Farmers (2009)** too categorically stated that the hegemony of moneylenders has been continuing even after the introduction of doubling of farm credit policy.
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- The re-emergence of farm suicides since 2007 is a testimony to the committees' glaring findings. This means that something beyond farm indebtedness is prompting farmers to commit suicide.
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What is the real issue?

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- The fast increase in the cost of cultivation of various crops has been a major problem for farmers in the last two decades.

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- Data on the cost of cultivation of different crops published by the **Commission for Agriculture Costs and Prices (CACP)** shows that most of the foodgrain and non-foodgrain crops in the major growing regions of the country have incurred losses right from the early 1990s onwards.
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- The bottomline is that the crop losses that prevailed during the pre-nineties gathered momentum during the post-nineties.
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- It is evident from CACP data that during this period the gross cost required for crops cultivation moved in close tandem with the value of output (VOP) in almost all the major foodgrain and non-foodgrain crops across the major growing States, leaving no or very little profit for the cultivators.
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What are the urgent measures needed?

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- The prices of farm inputs have skyrocketed in recent years, reducing the profit margin realised by farmers.
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- Urgent steps need to be taken to bring down the cost of cultivation without affecting the productivity of crops.
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- A one-time loan waiver will not end the farm suicides.
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- So, as recommended by the National Commission on Farmers (2006) and the Working Group on Agriculture Production (2010), the minimum support price (MSP) for different crops that is fixed should be **at least 50 per cent** more than the actual cost of cultivation.
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- The serious physical limitation to the delivery of agriculture credit needs to be tackled. Efforts need to be undertaken to restructure MGNREGS by linking it with the farming work to reduce the cost of cultivation especially during peak seasons.
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