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AN ANALYSIS OF RECENT AGRARIAN DISTRESS IN INDIA

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ABSTRACT

This paper examines the current agro-economic scenario in India. It covers the analysis of Swaminathan report and draws a parallel with the existing policies and institutional support provided for the growth and development of the agricultural sector so as to overcome the current challenges faced by the agricultural sector. It also quotes examples from other countries facing similar issues.

Keywords: Agriculture, Policy, Reforms, Crisis, Productivity, Farmer, Income

INTRODUCTION

According to the World Bank (2017), the agricultural sector contributes nearly 17.3% to the total GDP of the nation while providing employment to 43% of the population. But over time, the growth rate has dipped down to 2.1% in this sector. Low level and increasing disparity in the income of the farmers have led to agrarian distress and farmer suicide. The number of farmer suicides are on the rise, and have also affected agricultural productivity. The uncertainties of highly fluctuating low farm income have adversely affected the farm investments and forced more and more cultivators to leave farming. This can in turn cause some series of adverse effects on the future of agriculture in the country. The Indian agricultural sector is plagued with several problems such as small and fragmented land holdings, quality of seeds, manures, fertilizers and biocides, irrigation, lack of mechanization, soil erosion, agricultural marketing, inadequate storage facilities, inadequate transport, storage of capital, lack of infrastructural support, etc. All these issues have contributed to the problem of farm debt which is the cause for more than half of the farmers' suicides in India.

COMPARATIVE ANALYSIS OF SWAMINATHAN REPORT AND THE EXISTING GOVERNEMNT POLICIES

In order to overcome the issue of agrarian distress, the National Commission on Farmers (NCF) was set up under the chairmanship of M.S. Swaminathan. The key findings and policy recommendations have been prepared in the light of the persisting issues which involve land reforms, food security, credit and insurance, irrigation, the productivity of agriculture, employment, and farmer competitiveness.

LAND REFORMS

Land Reforms are important for accessibility of land for both crop and livestock. Land ownership reflects the inequality in land holdings. Recommendations by the NCF included the implementation of laws related to land reforms with particular reference to tenancy laws and land leasing, distribution of ceiling surplus and wasteland, ensure grazing rights, prevention of diversion of prime agricultural land and forest to corporate sector for non-agricultural purposes, and seasonal access for tribal and pastoralist and establish a National Land Use Advisory Service which would provide linkage between land use decisions with marketing and ecological meteorological factors, and set up a regulatory mechanism on the sale of agricultural land on the basis of quantum, nature of proposed use and buyer's category.

The current Land reform policy aims at distribution of land to all rural landless poor, restoration of land unjustly taken from vulnerable communities, liberalization of leasing laws and improvement of the land right of women in the country.

IRRIGATION

Under the report's recommendations, a comprehensive set of reforms are required to enable farmers to have sustained and equitable access to water. Mandatory rainwater harvesting to increase water supply and recharge of aquifers, programmes targeting private wells called, "Million Wells Recharge" should be launched. Significant increase in investment in irrigation sector under the 11th Five Year Plan apportioned between large surface water systems; minor irrigation and new schemes for groundwater recharge.

The current policy by Present Narendra Modi Government includes **Pradhan Mantri Krishi Sinchai Yojana** whose wider objective is to achieve convergence of investments in irrigation at the field level, extend the area under cultivation with assured irrigation, reduce water wastage by improving on-farm water use efficiency, enhance the adaptability of precision-irrigation and other similar technologies, enrich recharge of aquifers and introduce sustainable water conservation practices by investigating the feasibility of reusing treated municipal wastewater for peri-urban agriculture and encourage incremental private investment in precision irrigation system. One of the other strong initiatives includes interlinking of rivers as it has the potential to improve production and farm income.

PRODUCTIVITY OF AGRICULTURE

The income of the farmers largely depends upon the productivity of the landholding. However, compared to the major crop producing countries, the per unit area productivity of Indian agriculture is quite low. To achieve higher growth productivity in agriculture, the report suggests an increase in public investment in agriculture-related infrastructure such as drainage, water conservation, irrigation, research and development, land development, etc., soil testing laboratories which help detect micronutrient deficiencies, promotion of conservation farming which will aim at improving soil health, water quantity, biodiversity and quality.

The existing policy in lieu of this is Soil Health Card Scheme (2015). Under this scheme, farmers would be issued soil cards by the government which will carry nutritional recommendations of the crops and fertilizers needed by the individual farms to improve farm productivity through judicious use of inputs. Soil testing labs throughout the nation will be testing the soil samples. Subsequently, experts will perform a detailed analysis of the strength and weakness (micro-nutrients deficiency) of the soil and give suggestive measures to improve it. These results and suggestions would be shown on the card. The National Dairy Development Board (NDDB) has announced 42 dairy projects, under a budget of 221 crores. These projects predominantly focus on major milk-producing states like Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka and the likes for improving their milk productivity.

CREDIT AND INSURANCE

A timely and adequate supply of credit is a basic requirement of small farm families. It recommends expanding the reach of the formal credit system, reduction of the rate of interest for crop loans to 4% with government support, issue Kisan Credit Cards to women farmers, establish Agriculture Risk Fund to provide relief to farmers in the aftermath of natural calamities, expand crop insurance to cover all crops throughout the nation, with lesser premiums and create a Rural Insurance Fund to take up developmental work for spreading rural insurance, institutional developmental services strengthening producers' organizations such as self-help groups and water use associations.

Pradhan Mantri Fasal Bima Yojana has been initiated incorporating the best features of all previous schemes and removing all previous shortcomings and weaknesses at the same time. Its objective is to provide insurance coverage and financial support to the farmers in the event of failure of any notified crop due to natural disasters, pets or diseases and also to provide stability to the income of the farmers for continued farming. Under this scheme, only 2% uniform premium for all Kharif crops and 1.5% for all Rabi crops. There won't be any upper limit to the government's subsidy.

FOOD SECURITY

It suggests the implementation of a universal public distribution system, reorganize the delivery of nutrition support programmes on a life-cycle basis with the participation of Panchayats and local bodies, formulate a National Food Guarantee Act, promote the establishment of Community Food and Water Banks operated by Women Self-help Groups (SHG), based on the principle 'Store Grain and Water everywhere', Eliminate micronutrient deficiency-induced hidden hunger through an integrated food cum fortification approach.

The National Food Security Act (2013) is being enacted in this regard. Its objective is to provide nutritional and food security in human life cycle approach through ensured access to adequate quantity of quality food at affordable prices. It covers 75% of rural and up to 50% urban population for getting subsidized food grains under Targeted Public Distribution System (TPDS), hence catering nearly two-thirds of the population. It also focuses on nutritional support for women and children. The act also has provisions for setting up grievance redressal mechanisms at State and District level.

PREVENTION OF FARMERS' SUICIDE

Due to the alarming numbers of farmers' suicide, some measures have been suggested that include providing affordable health insurance and revitalizing primary healthcare centers. The National Rural Health Mission should be extended to suicide hotspot locations on a priority basis, set up State level Farmers' Commission with the representation of farmers for ensuring dynamic government response to farmers' problems, restructure microfinance policies to serve as Livelihood Finance, i.e. credit coupled with support services in the areas of technology, management and markets, set up Village Knowledge Centres (VKCs) or Gyan Chaupals in the farmers' distress hotspots need for focused Market Intervention Schemes (MIS) in case of life-saving crops such as cumin in arid areas and have a Price Stabilisation Fund in place to protect the farmers from price fluctuations, cover all crops by crop insurance with the village and not block as the unit for assessment, need for swift action on import duties to protect farmers from international price, provision for a Social Security net with provision for old age support and health insurance, promotion of aquifer recharge and rainwater conservation. Decentralised water use planning and every village should aim at Jal Swaraj with Gram Sabhas serving as Pani Panchayats.

Government of India has launched a campaign named as India emergence through village emergence in order to improve the means of livelihood amongst the rural population so as to proliferate rural development process to strengthen Panchayati Raj across the country to establish social equality to create awareness about the agricultural schemes The All India Agricultural Debt Waiver and Debt Relief Scheme was also launched in February 2008.

COMPETITIVENESS OF FARMERS

To raise the agricultural competitiveness of farmers with small landholdings, improvement in the productivity to increase the marketable surplus linked with assured and remunerative marketing opportunities, the report has suggested various measures. It involves improvement in the implementation of minimum support price (MSP), nutritional cereals such as millets should be permanently included in the PDS, State Agriculture Produce Marketing Committee Acts [APMC Acts] relating to marketing, storage and processing of agriculture produce need to shift to one that promotes grading, branding, packaging and development of domestic and international markets for local produce, and move towards a Single Indian Market, MSP should be at least 50% more than the weighted average cost of production, availability of data about the spot and future prices of commodities through the Multi Commodity Exchange (MCD) and the NCDEX and the APMC electronic networks covering 93 commodities through 6000 terminals and 430 towns and cities, promotion of commodity-based farmers' organisations such as Small Cotton Farmers' Estates to combine decentralized production with centralized services.

In this regard, the government has come up with Prampragat Krishi Vikas Yojana. Apart from risk coverage, this will encourage investment in farming. Supply of electricity to the agriculture sector along with quality seeds and optimum use of fertilizers shall be promoted for the incremental growth in output and farmer's income. Innovation and technological initiatives involve genome editing which is emerging as an alternative to transgenic technology, growth of agronomic technology. Support to public R&D institutions to develop the capacity for potentially cutting edge technologies. Farmers are to be informed about the opportunities offered by these technologies, improving access to credit and creating an enabling policy environment for their adoption. Krishi Kalyan Abhiyan launched by the Ministry of Agriculture and Farmers' welfare to aid, assist and advise farmers on the ways to improve their farming techniques and thereby raising their income. MSP currently covers 26 commodities to protect farmers against a sharp fall in their farm prices.

EMPLOYMENT

Agriculture tends to provide a bulk of employment to the rural population of India. Employment strategy in India must seek to create productive employment opportunities and improve the quality of employment in several sectors such that real wages rise through improved productivity. The measures include accelerating the growth of the economy, emphasizing on relatively more labour-intensive sectors and inducing a faster growth of these sectors; and improving the functioning of the labour markets through such modification as required without eroding the core labour standards, encouraging non-farm employment opportunities by developing particular sectors and sub-sectors where demand for the product or services is growing namely: (i) trade, (ii) restaurants and hotels, (iii) transport, (iv) construction, (v) repairs and (vi) certain services.

Current policies constitute agricultural marketing, land lease, forestry on private land, and price incentive for producers, promoting responsible agricultural investments, promoting value chains, promoting producers' alliances, linking production to processing, coordination and involvement of states. This stresses on the need for competitive markets or other mechanisms ensuring that the prices received by the farmers do not fall below the level of MSP. Institutional initiatives include the promotion of over 510 FPOs by SFAC some state governments and NABARD with a membership of 5.71 lakh farmers. National Agriculture Market (e-NAM), an all India electronic trading portal is set up which aims to form a unified national market for agricultural products. The aim is to move the agricultural product from one market to another in a smooth way, to save the producers from a number of market duties and to avail agricultural products to the consumers at a fair price.

RESOURCES

Nutrition and livelihood security of rural people in India depends on a wide range of bioresources. The recommendations of the reports include preservation of traditional rights of access to biodiversity, which includes access to non-timber forest products including medicinal plants, gums and resins, oil yielding plants and beneficial micro-organisms; conserving, enhancing and improving crops and farm animals as well as fish stocks through breeding; encouraging community-based breed conservation (i.e. conservation through use); allowing the export of indigenous breeds and import of suitable breeds to increase the productivity of nondescript animals. The National Bioresource Development Board has been set up under the Ministry of Science and Technology.

When closely delved into the matter, it has been prominent that apart from the external factors, various internal factors are also responsible for this condition of the agricultural sector. These reasons involve the non-reduction in the size by farm enterprises into a more manageable dimension. The large orientation of the farm operations is towards production, with no overriding emphasis on markets, consumers, and sales: farm managers are still production maximizers, not profit maximizers. These internal factors are also posing big obstacles to improving the cost efficiency of farms leading to sub-optimal profit and hence increasing farm debts across the globe.

The policy report formed by the Swaminathan Committee lays down the guidelines around which the policies should be formed. The current policies are in line with the report but lags on some issues which is clearly reflected in the growth rate dip of the agricultural sector. The government's commitment of doubling the farm income by 20222 in a big promise whose delivery seems quite difficult. Working solely on the external factors won't yield miraculous results in improving the highly distressed agrarian conditions. There is therefore a need to strategize on internal factors too.

Many of the existing policies formed on the grounds of the Swaminathan Committee report have failed. The failure of Pradhan Mantri Fasal Bima Yojana owing to the gaps in the assessment of the crop loss. Due to the small sample size, it became difficult to capture the scale and diversity of crop loss. The reliability of the samples also comes under scrutiny because of a lack of trained outsourced agencies, the scope of corruption during implementation and the non-utilization of technologies. Many insurance companies did not investigate losses due to localized calamity and hence didn't pay claims. No awareness programmes for the farmers have been initiated on PMFBY by the state government or the insurance companies.

The land reforms have shown slow progress because of the deficiency of reliable records, lack of financial support and an integrated approach, its improper implementation, pertaining to the legal barriers, and lack of political will and indifferent attitude of the administration2. Even in Pradhan Mantri Krishi Sinchai Yojana there has been a mismatch in funds allocated to Micro-irrigation plans.

OTHER NATIONS

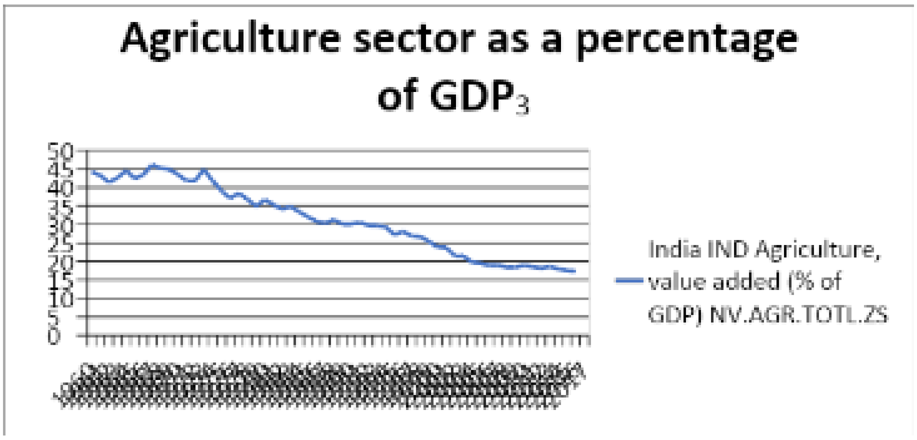
In the US economy, the farmers' suicide rate is 84.5 suicide deaths out of suicide deaths per 100,000. The farm income has hit its lowest point since 1935 in the past three years. From 2015 to 2015 the farm debt levels increased by 25% and the farm income dropped 95%. In Australia farmer dies by suicide every four days; in the UK, one farmer a week takes his or her own life; in France, one farmer dies by suicide every two days.

Countries like Tajikistan, Israel and CIS have been struggling with major farm debt issues. This debt crisis has been caused by a combination of two factors- the inability of farmers to make a profit under current conditions and (b) continued lending by the banks to these producers regardless of reduced payment capacity and lack of credit-worthiness.

Thus, agrarian distress is not just concerning India but is spread across the world irrespective of the development stage of the nation, the climate, demographics, soil or even the government policy initiatives. It is worrisome and needs more than just policy formulation and implementation.

CONCLUSION

There has been a fall in the suicide rate of farmers in India since the Swaminathan Committee report in 2006 from 16,632 to 11,370 per year in 2016 according to the National Crime Records Bureau. The farm income has seen a rise since 2006. Currently, it is growing at 2.1%. But the share of agriculture to the GDP of the nation has been on a constantly declining rate. Currently, it contributes only around 17.6% to the total GDP of India.



The data has been collected from World Bank data

The fall in the share of the agricultural sector to the country's GDP points towards the declining growth of agriculture, even after the allocation of large budgetary funds towards the agricultural sector. This fall in rate also points towards the sharp increase in the productivity and growth of the manufacturing and service sectors over the years. Large employment has been generated through these sectors.

Nations across the world are struggling with this issue. Though the policies have been able to revive the farm health by lowering the farmer suicide rate over the years, agrarian distress still looms over the nation. A lot of literature has been done on the farm policies and recommendations; work on both internal and external factors is required to get over the snare of crisis.

OBSERVATIONS

1. Title indicates 'Recent Agrarian Distress' however, the authors argue that one manifest feature of the distress, farmer suicide, is on the decline due to increase in farm income since 2006, so please define what is meant by 'Recent Agrarian Distress'.
2. The article need to strengthen itself by engaging with commentaries and discussions on agrarian distress, which is absent as of now.
3. Deliberations and discussions in the form of reports and working papers of NITI-AAYOG or Ministry of Agriculture and other allied ministries need to be included to get a comprehensive picture of the state of agriculture in India.

a. In terms of prognosis, if the challenge to Indian Agriculture and Indian Farmer in terms of climate change is included it will be interesting. Avoid using World Bank data when the data is available in Economic Survey/Budget Statement etc.

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