

## The Political Economy of Farmers' Suicides

*“Underlying the reports and reactions of officials to the suicides of farmers is a Yuppie social Darwinism. The farmers are presented as failures, as those who did not make it into life’s supermarket. A sense of the defeated getting weeded out. Added to this is a feeling that suicide is pathology. Also, suicide is what individuals do for individual reasons. There is no social current or trend underlying it... So far the reports seem to exonerate the scientiests and even the government bureau-crats. It is described as a self-inflicted injury like alcoholism. But there is no examination of the larger grammar of forces within which suicide became the answer.... The media also creates a pornography of disasters where we sample disasters as spectacles without engaging with them. ‘Farmers swallow pesticide’ is news right out of Burnum. But there is a geology of disquiet beyond this.”*

- Sociologist Shiv Visvanathan

“It would be fair to recognize that the victims of agrarian distress are not only those who have committed suicide and their family members but also those who continue to live there, believing, as do most cultivators, that they have an obligation to the land, to the community, to the state and to the nation to continue to cultivate the land”.

-Dr. A.R. Vasavi who conducted research on farmers suicides in Bidar district of Karnataka

According to the Karnataka State Crime Record Bureau, the total number of suicides in Karnataka among farmers during the period of 1996 – 2000 was 10959--- 8728 male and 2231 female. The year wise figures were 2079 for 1996, 1832 for 1997, 2039 for 1998, 2379 for 1999 and 2630 for the year 2000.

-R S Deshpande, EPW, June 29, 2002

There is a farming crisis and it is arguably the most serious challenge facing India. The World Trade Organisation regime has started to make itself felt on the ground. Farmers and experts alike feel that India’s farm produce could be pushed out of the market place by heavily subsidised imports of agricultural produce. The suicide of a potato farmer of Navalgund in Dharwad district in late 2000, reportedly owing to the crash in the price of the crop, had Karnataka Chief Minister S.M. Krishna calling for “mid-course corrections” in the WTO regime and demanding a White Paper on the impact of the WTO on Indian agriculture. Although it might be difficult to establish the direct connections between the price of potatoes and the WTO, Krishna’s observations were clearly about a larger process unfolding in the countryside, one that has much to do with WTO –

dictated policy decisions that threaten a wide range of crops, agricultural growth and rural livelihoods. This was the first official acknowledgement in India of the crisis facing the agricultural sector.

(Menon, Parvathi, Feb.2, 2001, Frontline.)

In December 2000, Prakash Singh Badal, the then Chief Minister of Punjab warned that, "the implementation of the WTO agreement in the present form would lead to bloodshed in the country. The signing of the WTO amounts to signing the death warrant for the farm sector." Farming has indeed become a deathtrap for poor farmers of India. Thousands of farmers in the states of Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Maharashtra, Punjab and Rajasthan have been forced to commit suicide. Rising input costs, declining farm prices due to globalisation of agriculture and the increasing indebtedness of the farmers are the prime culprits behind these unnatural deaths.

(Shiva, Vandana, Nov. 2001, The Ecologist.)

Following a complaint by the US, the WTO decided in 2000 that India would have to remove trade barriers that previously protected its own, local producers. Ever since, Indian farmers have found it harder and harder to survive. Products that they once produced for the home market are now undercut by cheaper imported alternatives. The country now ships in Indonesian coconuts. The prices of coconuts in India have fallen by 80% as a result. Likewise coffee prices have collapsed by over 60 per cent, and the price of pepper has plummeted by 45%. But this is nothing in comparison with the market for edible oil. The Indian edible oil industry has effectively been wiped out. Low import duties have led to highly subsidized US Soya and Palm Oil from Malaysia flooding the market. Imports now account for 70% of India's domestic consumption of edible oil.

Prof. Utsa Panaik of JNU who has done extensive research and written many authoritative papers on WTO's impact on Indian agriculture writes, "there used to be controls earlier on the export and import of agricultural products, and these have gone now. The result is that our producers are now exposed to the volatility of global prices. Global commodity prices are always highly volatile. This has to do with supply conditions. In the space of a few months, it is not unusual to see a trebling of prices and then as sharp a drop. If we take the concrete example of rubber or cotton production in the last decade, what actually happened was that when global prices were high, lakhs of small producers took loans, they even leased in land when they did not own enough, in the hope of making a profit. What then happened was that if, as in cotton, yields were not upto expectations, or as in rubber, there was a crash in prices, expectations of profit were not realized, and the producers were ruined. The extent of the volatility our farmers have been subjected to, combined with the cutback in institutional credit, has been such that even well to do farmers are facing a problem. That is very clear if

we look at farmers in Punjab for instance, where evidence points to increasing levels of indebtedness even in well to do strata. And this is mostly in the informal credit market, since there has been a very substantial crunch in institutional credit. There has been this well-publicized wave of suicides among farmers, of which there have been more than 800 over the last two years in Andhra Pradesh alone, mainly among cotton farmers. That of course is only the tip of the iceberg because there are several lakhs of farmers who are really mired in debt and are not taking this extreme step. But their position has definitely worsened to the extent that there has been a loss of land and other assets, and family members are forced to do daily wage labour.”

Justice P. A. Chowdary who headed the Farmers’ Commission of Experts on agricultural crisis in Andhra Pradesh says, “so far climate has been considered as the most unpredictable variable affecting the agricultural sector. But, the influence of global market forces, whose behavior is always not amenable to prediction and control, has become another factor affecting the progress and well being of farmers.”

Explaining the various processes behind the farming crisis in India Prof Abhijit Sen of JNU who also chairs the National Commission for Agricultural Costs and Prices says, in the background of higher cost increases and lower risk-bearing capacity consequent to reduced public non-price support to agriculture, the opening up of the sector to international trade further increased the sources of uncertainty. Much hope was reposed in the outcome of the WTO agreement, which was expected to increase world prices further and also lead to greater price stability. The developments since the signing of this agreement have belied all earlier expectations, mainly because the developed countries managed to preserve almost all the distortions in international agricultural trade that suited them. World agricultural prices did increase for two years after the agreement was signed in 1994, but have spiraled downwards after 1996. In large part, it is these wild swings in international prices, which are the source of the present distress of Indian farmers. Unaccustomed to the vagaries of world commodity markets, and with reduced ability to cope with such risks, many farmers have been unable to meet obligations which were optimistically built up during years when prices were high.

Most damagingly, policy-makers too were unable to cope effectively with the consequences of international price volatility. Import duties which had been reduced when world prices were high were increased only after considerable lag after these fell, and, in some cases, for example in the case of edible oils, the increased duties have been unable to neutralize the fall in world prices. In a closed economy prices and output tend to move in opposite directions, with higher prices mitigating incomes at times of output decline. But such automatic mitigation is much less in an open economy since world price movements can

depress domestic prices even at times of low production. In the 25 years before 1995-96, there were only three years when the terms of trade had declined simultaneously with a drop in the index of agricultural production. But since 1995-96, the indices of terms of trade and of agricultural production have moved in the same direction every year. This is a direct effect of the implementation of the WTO agreements.

According to a report of National Task Force on Agriculture headed by Sharad Joshi, "Indian farmers are not pampered with free electricity and water as is the common perception. Instead, because of negative subsidies on domestic prices, their net income is much less when compared to their counterparts elsewhere in the World. "The task force has recommended a complete waiver of all loans taken by farmers. The report points out the implications of negative aggregate measurement of support (AMS) and India being one of the few countries in the World to have it. AMS is calculated as the difference between the prices assured by the government in the domestic market and the corresponding prices in a hypothetical free market. According to the figures submitted by the government to the WTO, the AMS is minus 17% in the country worth Rs 300,000 crore. The report says that "the whole question of indebtedness of the Indian farmers need to be reviewed from an entirely new perspective of negative AMS. Though its one arm was working facilitating credit to the farmers, the other was working to ensure that he would not be able to repay his loans. It is, therefore, necessary that all forcible recovery of debts and sundry dues be suspended and moratorium declared on coercive recovery including electricity dues and arrears of loans."

(Sonu Jain, Indian Express, September 4, 2002)

The former Finance Minister P. Chidambaram says, "the share of agriculture in India's GDP is declining, but population dependent on agriculture is not declining at the same rate. Too many people with too little income, and simple arithmetic will tell you that these people are doomed to be poor... The low levels of agricultural income are directly attributable to low prices. It is fashionable to say that prices of food and food products are high and hurt the common man. The truth is that prices of agricultural products in India are much below World prices... So far as India is concerned, the AMS is negative. That means, notwithstanding input subsidies and minimum support prices, India's farmers bear the burden of a negative subsidy. India's agricultural producers are subsidizing the consumers... We pay our farmers ridiculously low prices for their produce... A remunerative price must cover the costs of the farmer- producer and have a little surplus in his hands, if he has to come out of the morass of grinding poverty. In that sense, most agricultural products do not get remunerative prices... At the end of a normal year, the farmer finds himself, economically, in the same position as he was at the beginning – poor and struggling. In a bad year, when the monsoon fails or the crop is affected, he slips further down the ladder. The farming community gets impoverished. Many sink deeper into debt, some commit

suicide... The key to removal of rural poverty is agricultural prices. A mature and civilized nation must cherish its agriculture and protect its farmers. If the price for a robust agricultural sector is to pay one rupee more for a Kg of food products, we must be prepared to pay that price.”

(P. Chidambaram, Indian Express, Aug. 9, 2002)

At a Farmers’ rally in Dindori, Nashik district in Maharashtra in February 2001, farmers said that, “their livelihoods are being destroyed by the new economic policies. Trade liberalization, cuts in fertilizer subsidies, reduced infrastructure investment and privatisation of the power sector have adversely affected the profitability of agriculture. While costs of inputs like fertilizer and electricity have risen steadily due to cuts in subsidies and privatization, the prices at which farmers sell their produce have declined due to the glut of imported products in the market.”... Agriculture has borne the brunt of liberalization on many fronts. Cuts in government spending have resulted in reduced public investment in agriculture as well as smaller subsidies. Dismantling of procurement agencies, greater imports and falling world commodity prices have also reduced profitability”. Dr. Madhura Swamithan says that “trade liberalization has resulted in bizarre situations where India is exporting wheat at a price cheaper than what most Indians are paying. Wheat from Food Corporation of India godowns can now be exported at the same price at which it is sold to people classified as living ‘below poverty line’. Millions of under- nourished and vulnerable people, who are still classified as being ‘above the poverty line’ have been told to pay a higher price for wheat than the price at which the government is willing to sell the same wheat to foreign countries.”

(Dionne Bunsha, Hindu, Feb. 11, 2001)

## **Case Studies**

### **Farmers’ Suicides in Andhra Pradesh**

In Andhra Pradesh, farmers who switched to commercial crops on the government’s advice face an uncertain future because of falling prices. Going by the Centre’s official figures, out of the 495 farmers who ended their lives during the last two years, 385 were from Andhra Pradesh. This means three of every four farmers who committed suicide in India are from Andhra Pradesh. The state government’s own estimate of the suicides in the last five years is 1000. “So far climate has been considered as the most unpredictable variable affecting the agricultural sector. But, the influence of global market forces, whose behaviour is always not amenable to prediction and control, has become another factor affecting the progress and well-being of farmers”, says Justice P. A. Chowdhary who headed the farmers’ commission of experts on Agriculture in Andhra Pradesh.

Echoing the similar view, Communist Party of India (Marxist) State Secretary B.V. Raghavulu says, "The recurring drought in the state was a minor factor behind the distress of people dependent of agriculture compared with the havoc wrought by market forces. The government encouraged farmers to shift from food crops to commercial crops such as tobacco, cotton, chillies and castor seed. Small farmers who did so found themselves ill-equipped to cope with the market, which was governed by the WTO regime. The huge investments made on commercial crops went down the drain, while the dept burden went up. As the old debt is not repaid, the farmer can not get a new loan. Left with no money, food or sympathy from his fellow villagers, he ends his life. Had he grown a food crop, he would at least have been left with something to eat," says Raghavulu.

Contrary to popular belief, banks harass farmers no less than private lenders by issuing notices for seizure of assets and sometimes even using the police. The A.P. Rythu Sangham Joint Secretary B.Tulasidas says that in drought- prone districts such as Anantapur and Mahabubnagar farmers went in for irrigated-dry crops such as groundnut and cotton on the government's advice, without any guarantee of returns on investment. They realised their mistake when the prices crashed in the market. A crying need, therefore, was the creation of a market stabilization fund. It had not materialized in spite of the government's promise in 2000 to deposit Rs. 100 crores. The farmers' commission has recommended the setting up of a "farmers' distress fund" on the model of the national calamity fund.

(S Nagesh Kumar, Frontline, Jan. 3, 2003)

Agriculture in Anantapur(A P ) faces a huge crisis. The crash in groundnut prices has shattered thousands of households. And debt has broken the spirit of many. According to noted journalist P Sainath, "Between 1997 and the end of 2000, 1826 people, mainly farmers, committed suicide in this district. Hundreds did so by swallowing poison. Mainly pesticide. But the data was fudged. As many as 1061-over 58.1% of these were recorded as having taken their lives because of 'sickness'. Indeed, hundreds of these deaths went into the records as people killing themselves due to 'unbearable stomach-ache'. This helped conceal the fact that the suicides were mostly of small farmers, pushed over the brink by economic distress. As many as 45% of those committing suicide across this whole period were women. (There are a lot of women- headed households in this high-migration area)."

"Large number of farmers took their lives after a good crop last season. Now there is a drought. And its impact could worsen rapidly after this month. But it was preceded by far more crucial processes that spurred the suicides. All of them policy-driven. One of these is debt and its working is quite visible right in Anantapur town. Eenadu is A.P.'s largest daily newspaper. And the advertisements in its local edition tell a story. On many days, the most prominent

ads are the same. Banks announcing the auctioning of tiny amounts of gold or jewellery owned by small farmers in the district. Often this happens to recover dues ranging from Rs. 2500 to Rs. 12000. In one case, the sum owned is as low as Rs. 316. These farmers took loans from the banks using the only bits of gold or jewellery they owned as collateral. Many have paid back the principal and more. But they have been crushed by the interest. Most are groundnut farmers owning between two and five acres. The crisis brought on by crashing groundnut prices saw no rescheduling of the debt,” says Sainath.

The relentlessness of the auctions can be seen in the daily profusion of such ads in Eenadu. On just the first two days of March, 132 villagers had their names listed as those whose meager assets were up for auction. On March 2 alone, seven such ads appeared in Eenadu. They continue to appear with monotonous regularity. The sense of humiliation is a factor in pushing human beings to the brink. So strong is the shame of losing your wife’s only gold and jewellery, that auctions are a tough subject to broach.

In Ipperu village alone, over 100 cases of people facing or about to face auctions had been admitted to in that one village. Ipperu has 350 families. Its debt burden is calculated as being in excess of Rs. 1.2 crores. “That is only the loans from formal sources. Loans from private lenders with far higher interest rates, would be much, much greater”. Says Sailadrimurthy, an ex-official of the B C Corporation .The collapse of rural credit in the 1990s hit farmers every where very hard. So, like elsewhere, those here have turned more to money lenders, who charge interest ranging from 60 percent to 120 percent per annum. Now, large numbers of people have incurred debt for medical reasons too— “health loans”. The collapse of the public health system in the 1990s has ensured that. Health, though, is only one element of growing debt. Like elsewhere, soaring input costs have pushed people further down that road.

Today people are selling their crops at far less than what it cost to produce it. Higher output has not helped. Many of those farmers who committed suicide did so after a decent crop.” We were encouraged to produce more, and we did. Then they import this palm oil and it finishes us” says Reddy a farmer in Ipperu. Some of the practices adopted have taken their own toll. An unshakable faith in borewells is one of these. Often, farmers with just five acres of land have invested in as many as 12 to 14 borewells. Apart from the debt burden this brings, the practice has had a predictable impact on the water- table. All this comes atop decades of neglect of traditional water harvesting systems. So the damage has been severe. Anantapur has always been a low rainfall area. But the region has survived for centuries on thousands of old tanks, many built in the era of Krishnadeva Raya and earlier. One of those great tanks lies stone dry in the Kuderu Mandal”. All sorts of private water structures were allowed to come up on its periphery. You can see the result. If this tank worked at half its capacity,

five villages here would have all they need. They would be prosperous. Of course, this reservoir, too, needs repairs. That, though, is not happening,” says Mallikarjun, a farmer in Ipperu.

“As the role of the tanks diminished, our reliance on borewells grew,” says Durganna. He is one of those who feels too many bores have damaged the village.” Now there is no water in Ipperu and nearby villages at 300 feet. Most of the bores have failed. For drinking water, the 350 families here depend on a single borewell that still works.”

Despite these conditions, good rains helped turn out a decent crop last season... “Drought”? asked Venkat Reddy in Mallayagaripalli village of Kadri Mandal. “Some of us here had a terrific crop. The groundnut yield was very good.” So what happened? “ We heard there was a lot of palm oil import. That hit us badly. Look at the way our prices have crashed. The season before that too, we had a decent harvest--but all our profits went in paying off interest on our loans... The area under groundnut went up last year to 7.87 lakh hectares. That was 65000 hectares more than in 1999. The rains were good and so was the yield...The collapse of rural credit. Soaring input costs. Mindless misuse of water resources. The neglect of traditional irrigation systems. Imports that devastated successful farmers. Huge hikes in rates for power that they never got. The breakdown of the public health system. Insensitivity to the fate of the small farmer. The harshness of the banks and creditors. These policy issues created the climate where people took their lives,” Says P. Madhu, General Secretary of the Andhra Pradesh Agricultural Workers Union. So, Anantpur’s drought is policy-driven. So are its suicides.

(P. Sainath, The Hindu ,April 29, May 6, 2001)

### **Punjab ryots embracing death to escape debts**

Even as the increasingly debt-ridden farmers in Punjab are being forced to commit suicide, the state government has also candidly admitted now that the economic condition of farmers in Punjab was getting worse. According to the Punjab Agriculture minister Rajinder Kaur Bhattal, farmers are in financial doldrums and the debt liability of farmers in the state is to the tune of Rs. 7000 crores.

The movement against state Repression (MASR), a human rights group has done extensive research on the issue of farmers’ suicide in Punjab. MASR conveyor Inderjit Singh Jaijee, who was the first one to explore the phenomenon of suicide by farmers in Punjab four years back, says that 450 suicides had

occurred in just two blocks( Andana and Lehra in Sangarur district) of Punjab since 1990.

(Rajesh Deol, Deccan Harald, Aug. 21-2001)

Debt-related suicides by farmers continued unabated in Punjab's Andana and Lehra blocks of Sangarur district during the precious financial year. These suicides have reportedly been investigated by a human rights body, certified by village Panchayats and verified by the magistracy. According to human rights group -- the Movement against State Repression (MASR), that initially highlighted these cases a couple of years ago, the number of suicides in the two blocks could even be higher as many cases go unreported due to social stigma. The MASR has quoted that last year as many as 56 suicides were reported in the two blocks. The figure could easily range between 70 and 80. As cases have been reported in the adjoining blocks in Mansa and Bhatinda districts, the state figure could be in a few thousands considering that there are 138 blocks in the state.

The MASR has quoted an instance where a farmer of Alampur village had taken his life. Though he took a loan of Rs. 3 lakhs from a moneylender, his heirs face an outstanding debt of Rs. 11 lakhs. The MASR has listed incidents where a heavily indebted youth Jagmel Singh of a village in Andana block ended his life on may 4 this year (2002). The same day about 100 kms away, in Chathe Wallah village of Bhatinda district, another farmer, Jagroop Singh also killed himself. Both complained of harassment by money lenders. While Jagmel Singh complained 'verbally', Jagroop Singh left a suicide note, in which he is said to have written, "I do not know what will become of my children now. Please save them from the money lenders, who killed me." The MASR has sought that a debt conciliation board be set up immediately in Punjab. It has also sought strict implementation of the principle of 'Dam-Dupat' which was established in 1934, and ensured that no recovery is made for sum larger than twice the amount advanced.

The organisation has also drawn attention towards growing social tensions due to heavy debts on farmers, a fact which it claims to have been warning about since the mid-1990s. It again warns that indications were available where the suicide-"violence turned inwards"-is most likely to turn outwards, especially when the government, despite major announcements, has failed to solve the crisis in the farm sector, which faces acute economic stagnation.

(The Hindu, 13, June, 2002)

The congress claims that the number of suicides in Punjab has reached 3,500. (Baljinder Pal Singh, Indian Express, 22 March 2001)

In an interview to Indian express Punjab C M Captain Amarinder Singh said, "There is a misconception that Punjab is a state with rich farmers. The fact is that 52% of the farmers have less than two-and-a-half acres and 84% has less than seven acres. There is just a handful which has large holdings. The world regimen is such that these small farmers can not survive. For example, if the MSP is Rs. 760 for a particular product, the world prices are Rs. 500 right now. Hence the crops are not remunerative, threatening the very existence of farmers in the state... Six hundred farmers have killed themselves in the last one year in my state. In such a situation, one can not think of withdrawing these subsidies. But once their incomes go up, the subsidies can be phased out. According to a survey conducted by Punjab University, the cost of cultivation of paddy was estimated to be RS. 720 per quintal. The support price that was fixed by the government was Rs. 610."

(Sonu Jain, Indian Express-March 10, 2002)

### **Farmers' Suicides in Karnataka**

Reporting on farmers' suicides in Karnataka Supriya wrote, "During 1999-2001, 110 farmers committed suicide in Karnataka. A great deal of attention was drawn to these events in the initial phases, primarily through the media. More recently, however, it appears that suicides of farmers have become part of regular news, generating neither public outrage nor governmental response. In September, 2001 alone, 30 farmers committed suicide in different areas of rural Karnataka. The suicides began in some districts of northern Karnataka, and rapidly spread to the southern parts. While poverty is endemic in rural Indian households, the desperate self-expression of poor farmers in these fairly widespread self-killings perhaps marks the onset of intensified deprivations. Most of the suicides have happened in areas where the primary crop is toor dal (a local pulse). These are areas of dryland farming where the cost of cultivation is high. While the price of toor dal earlier ranged from Rs. 1800 to Rs. 2600 a quintal, imports of pulses in recent years have pushed prices down to as low as Rs. 1200 a quintal. A number of other produce-maize, pulse, oilseeds, coconut and arecanut-are now imported at subsidized rates under the OGL. Prices of all of these have fallen, causing great hardship to rural households already at the edge of poverty."

The drop in prices has caused farmers to borrow heavily for production and consumption purposes. A widely noted factor in the current rural distress appears to be the kind of credit that is available to poor farmers. In large parts of Karnataka, cultivation is carried out in a context of high concentration of land, not reflected in land records. Land is leased out to tenant farmers under unprotected and casual forms of tenancy. Lacking any kind of formal title to land, poor peasants are typically perceived as credit -unworthy by commercial banks. Under these circumstances, the marginal peasant is forced to seek loans from non-

institutional sources, highly extractive and extortionist in nature, and where interest rates are as high as 60 percent per annum.

There are other ways in which the new market orientation has worked against the interests of poor rural households. For example, in the new context of economic liberalisation, the history of low levels of loan recovery from rural households became a major reason for the declining emphasis on social banking in rural areas. Thus there has been a fall in total bank lending to the priority sectors, from 35 percent in 1980-81 to 22 percent in 1997-98. Within this overall decline, agricultural lending fell from 15 percent in 1980-81 to 10 percent in 1996-97. Thus the numerical weight of the poor obviously has not prevented shifts in policies in directions which are obviously not pro-poor.

(Supriya Roy Chowdhary, The Hindu, Oct-21, 2001)

### **Cotton farmers' Suicides in Maharashtra**

Faced with mounting debt, a failed crop for the second year and declining price, cotton farmers in the Vidharbha region of Maharashtra are resorting to suicide as a way out of misery. More than 80 suicides have been reported since May 2001 in 12 districts, primarily in the Vidharbha region of eastern Maharashtra. A larger number of deaths were reported during 2002 than the previous year after a second crop failure and dipping cotton prices left farmers with no chance to repay their loans. Even a hand-to-mouth existence was rendered difficult by the state government's irregular payments for the cotton it procured last year. In 1997, the Vidharbha region faced a similar crisis when approximately 80 suicide cases were registered officially. Untimely rain had destroyed the kharif crop that year, leaving small farmers with little money and less hope to clear their debts. While the suicides both times may have been triggered by the vagaries of the weather, it is becoming increasingly clear that the root of the problem lies in the economic and other policies adopted by the government.

Prof. Utsa Patnaik of JNU says, "such a crisis of mounting indebtedness and despair is unprecedented in independent India and it is the direct result of trade liberalization, exposure to global volatility and resulting price crashes.

Utsa Patnaik, in a paper titled "Deflation and Déjà vu: Indian agriculture in the World economy", says the majority of cotton growers are small farmers. They are highly price-responsive and have been so since colonial times. She says that as world cotton prices improved in the early 1990s and unregulated exports were permitted, hundreds of thousands of farmers expanded the area under cotton. They took large cash advances from traders and loans from banks to meet the extra seed and input costs on vast tracts of rain-fed land. One and a half million

hectares of land was diverted from food grains to cotton between 1991 to 1996. Unfortunately the cotton crop is susceptible to a large variety of pests and the unholy trinity of commission agents, fly-by-night pesticide dealers and seed suppliers. Cotton prices started declining in 1995-96 from 75 cents to an all time low of 35 cents in October 2001.

Adding to the farmers' problems is the increase in cotton imports, particularly from the United States. With the government lifting quantitative restrictions under the WTO treaties, cotton imports from the US increased from 21,221 tons in 1999 to 48,805 tons in 2000. "By permitting imports of cotton at 5 per cent duty, the central government has destroyed the domestic market. Prices have fallen drastically and the only people who have gained are those in the textile industry", says Vijay Javandhia, Leader of the Kisan Sanghatana based in Wardha. There is a glut of cotton in the world market at present. With more than one million tons of stock remaining from last year, cotton prices during the current marketing season are at their lowest since 1973, says the Washington-based International Cotton Advisory Committee (ICAC), an association comprising 42 countries growing and consuming cotton. "These prices, along with a failed monsoon, have been crippling the Indian small farmers," says the ICAC, which assists members in framing policy and providing technical advice.

### **Farmers' suicides in Rajasthan**

On an average, each day last year, at least one farmer in Rajasthan killed himself because of poverty. Media reports based on the field visits indicate that the number may actually be higher because most suicides go unreported. The farmers' suicides in Rajasthan have been more or less consistent over the past five years. Financial hardship forced at least 15 farmers of Rasheedpura and Palthana villages of Sikar district to commit suicide in the last couple of years. Many farmers in these villages poisoned themselves when onion prices crashed. Gyan Singh, a farmer of Malaisi reportedly killed himself when the onions he sold fetched less than what it had cost to transport them to the market. "Even control through the minimum support price (MSP) frequently fails to help the farmers. In 2001, there was good bajra crop but the delay by the central government in announcing the MSP forced farmers to sell off their produce to traders at prices much lower than the MSP that was announced later. The traders then sold the bajra to the government at the MSP and made good profit. In the last five years 3329 farmers committed suicide in Rajasthan while 505 farmers committed suicide last year in the state. Declining profit is the major cause of farmers' suicides."

(Rajesh Sinha and D. K. Singh – The Hindustan Times, reproduced in Grassroots-January 2003)

### **Distress sale of Paddy in Ludhiana, Amritsar**

The delay in announcement of the minimum support price (MSP) and the date from which the procurement of Paddy by official agencies would start notwithstanding, farmers bringing paddy to various grain markets in Punjab are being forced to resort to distress sale of their produce. Against the MSP of Rs.530 per quintal for common variety and Rs.726 for grade A Paddy last year, the farmers are getting between Rs.391 and Rs.625 per quintal. This is in spite of the fact that the cost of production has gone up substantially this time because of the drought like situation in the State. The farmers not only depended heavily upon diesel- generated water pumps to meet their irrigation requirements but also paid more for common inputs, including fertilizers, diesel, insecticides and pesticides.

(Prabhjot Singh, Tribune, September 4, 2002)

### **Assam farmers hit by bumper vegetable harvest**

A bumper vegetable harvest has brought more woes than cheers for thousands of farmers in Assam. Moinuddin Ahmad, 50, was in tears as he rode on a bullock cart on his return journey from the wolesale market in Kharupetia village, about 70 Km. North of Guwahati. " I loaded my bullock cart with cabbages before sunrise and reached the market early in the morning. But there were hardly any buyers and the prices crashed beyond imagination. I offered to sell my cabbage for just 25 paise a kg but still there were no takers" Ahmed said. Angry and frustrated Ahmed dumped more than 100 Kg of Cabbage in drain. The entire area smelled of rotten vegetables with farmers dumping their unsold produce near the roadside market. "Farmers like me are doomed. I feel like committing suicide as months of hard labour and money have gone down the drain," Ahmed said. A Kg. of tomato or Cauliflower was selling for less than 50 paise in the wholesale market- a sharp fall compared to recent years. Three years back, at least a dozen tomato cultivators committed suicide in Assam after a similar crash in prices caused by surplus production.

(Times of India, Jan 2003)

### **Steep fall in turmeric prices hits ryots in Guntur**

Turmeric, considered the most remunerative of cash crops has brought the growers in a fix with the produce touching the lowest-ever prices. The prices hit rock bottom and are ranging between Rs. 700 and Rs. 1100 a quintal in the current season in the Duggirala Agricultural Market Yard. In fact, the ruling price of turmeric in 1998-99 was Rs. 3750 a quintal while it was Rs. 3000 a quintal in

1999-2000. The prices fell to Rs. 1800-2000 last year. Mr. A. Peddaiah and Mr. Sudershan Reddy, farmers from Akkilareddy palle of Porumamilla mandal in Cuddapah district, who brought their stocks to the yard, said they reaped a yield of 12 quintals per acre. The input costs, excluding the lease amount, came to Rs. 24,500 per acre. Considering the existing market prices, even the best quality of turmeric was not fetching more than Rs. 15,000 per acre. If the lease amount was also added to the inputs, the farmers said they lose at least Rs. 15000 per acre. The returns were half of the investment.

(A.Saye Sekhar, the Hindu, May 21, 2001)

### **No end to farmers' tales of woe in Mahabubnagar**

Seetaram Naik who owns 20 acres of land in Appareddygudam village in Mahabubnagar district says, "I am here with the salvaged crop. Last year the maize fetched above Rs. 480 per quintal. This season there are no takers at even Rs. 300 per quintal." "Farmers are anguished on two counts. Their current crop is wrecked by the power cuts. And whatever produce that they could salvage of the Kharif does not yield a price that could even partially recover the costs. Paddy raised in most of the rain-fed villages is not yielding the minimum support price of Rs. 510 to Rs. 540 per quintal for the two grades of the grain. Same is the case of maize while castor is going for a song in Shadnagar, Jadcherla and Mahabubnagar Market yards. Last year, the Sona Masuri variety fetched above Rs. 800 per quintal. But this year not more than Rs. 550 is being offered. Castor was sold at Rs. 1800 per quintal last year but farmers are resorting to distress sale of the seed at Rs. 1100 per quintal this year."

(T. Lakshmi pathi, Hindu, November 23, 2000)

Citing the Commission for Agricultural Costs and Prices figures, former Planning Commission member Prof. Y.K. Alag says that the profitability rates for farmers have been declining since 1990. At the same time, the state has reduced its intervention, leaving the farmers at the mercy of free market.