**Farmers' distress: causes & cures (**Friday, Sep 10, 2004) **The Hindu**

By M.S. Swaminathan

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| *Education, social mobilization and regulation are necessary to arrest the expansion of the agrarian crisis.* |

A NATIONAL Consultation was organized by the National Commission on Farmers and *The Hindu* Media Resource Centre for Sustainable Development on September 4, 2004 to identify short- and long-term measures to face the challenge of the expanding agrarian crisis.

The discussions revealed the multi-dimensional nature of farmers' distress. The deficiencies in institutional factors — those related to credit, insurance, supply of inputs such as seeds, fertilizers (including bio-fertilizers), and pesticides, and marketing — are becoming serious. Social factors such as the non-empowerment of elected local bodies, the exploitative attitude of moneylenders and merchants, and gender discrimination are aggravating the deprivation of small and marginal farmers and landless agricultural labour.

Compounding the crumbling of institutional and social support systems are other factors such as the disconnect between research, education and extension organisations and rural realities, irregular power supply together with violent voltage fluctuations, land degradation, unsustainable exploitation of ground water and consecutive droughts. Policies relating to imports of farm commodities and economic liberalisation have added fuel to the fire.

The agrarian crisis has its roots in the collapse of the rural economy. The centrality of basic livelihood security concerns is missing in most government policies. A systems approach is missing in dealing with the problems of farmers' distress. There is no coordination among various government departments dealing with the different components of the agrarian crisis. Unemployment leading to out-migration of the asset-less is growing. The minimum support price mechanism is not operating for most commodities. At every level of the livelihood security system, there is a tendency to make profit out of poverty. Something is terribly wrong in the countryside, as revealed by the verdict of the general election of 2004. The following are some of the suggestions at the Consultation.

The precise causes of farmers' distress are many and varied. Market collapse and low prices for farm commodities, as for example pepper, are major factors in places such as the Wayanad district of Kerala. Tribal families are suffering more. Harassment by private moneylenders and absence of producer-oriented marketing systems are causing serious hardships. The moneylender is often the merchant too and there is, therefore, double exploitation. The sale of spurious and poor quality inputs such as seeds, pesticides and microbial fertilizers is rampant in all the States. In Tamil Nadu, a major constraint is water. In Orissa, massive unemployment in rural areas and the absence of adequate opportunities for non-farm employment are causing misery to the economically and socially under-privileged.

The Andhra Pradesh Government is to be congratulated for setting up a Cabinet Sub-Committee comprising the Ministers of Agriculture, Home, Revenue and Cooperation for studying the tragedy of farmers' suicides in all its dimensions.

The report of this Sub-Committee contains useful recommendations worthy of immediate implementation. Media representatives such as P. Sainath of *The Hindu* , T.A. Shaji of *The New Indian Express*, Narasimha Reddy of *Eenadu*, Parvathi Menon and Asha Krishnakumar of *Frontline* and television channels like *NDTV* have been rendering valuable service in awakening political and public consciousness of the deepening agrarian crisis.

It is fortunate that farmers leaders such as Malla Reddy, general secretary, Andhra Pradesh Ryuthu Sangham, P.A. Mohammed, secretary, South Indian Farmers' Coordination Committee, Jagdeesh Pradhan of Orissa and M.S. Ganesan, V. Jesuraj and Muthuvel of Tamil Nadu and numerous journalists and farmers are articulating the urgent steps needed to revive the rural economy and mitigate acute distress.

Financial institutions led by NABARD and the State Bank of India are responding to the challenges arising from the collapse of cooperative credit institutions and are slowly bringing about credit reform. They are also increasingly supporting the growth of self-help groups capable of undertaking market-driven micro-enterprises supported by micro-credit. They are beginning to respond to the needs of women farmers and women agricultural labour. They are also taking steps to arrest the decline in the credit-deposit ratio in villages. There is, however, an urgent need for a comprehensive rural credit reform.

The insurance sector is yet to respond effectively. There is an urgent need for a well designed, transparent, and low transaction cost integrated health and crop and livestock insurance system. This is a priority need. This could be in the form of group insurance covering self-help groups operating at both the production and post-harvest phases. Panchayati raj institutions need to be involved more in proactive distress avoidance — in identifying hotspots and initiating distress mitigation measures.

The revamping and revitalising of farm research, extension and education systems are urgently needed. They must all become farmer-centric. There is need for launching ecological and trade literacy movements based on the principles underlying Mission 2007: Every Village a Knowledge Centre. The National Alliance for Mission 2007 should pay priority attention to the farmers' suicide and distress hot spots. Education, social mobilisation and regulation will all be necessary to arrest the expansion of the agrarian crisis and prevent a further collapse of the rural economy.

The needed reform in credit, insurance, input supply and marketing, though urgent, may take some time to develop and implement. Meanwhile, the following two steps should be taken jointly by the Central and State Governments:

(a) Operation rescue in distress hotspots. Steps may be initiated this rabi season, starting in October-November 2004, to launch in all seriously affected areas an integrated farming systems movement. The State Governments concerned could constitute within the next fortnight an inter-disciplinary task force, consisting of senior representatives of agricultural and veterinary universities, home science colleges, state departments, financial institutions, NGOs, the private sector and panchayati raj institutions. This task force could draw up and introduce on a watershed or block basis a crop-livestock (and fish where appropriate) production system. Such a system should pay concurrent attention to the improvement of soil health and water conservation and management, efficient cultivation, commerce, and consumption. Both skilled on-farm and non-farm employment opportunities should be identified and the necessary capacity building and support services should be organised. The aim should be to convert the suicide hotspots into livelihood security bright spots.

(b) A second urgent task is the establishment in the distress hotspot area a community-managed nutrition security system. Such a system could have the following components:

A food guarantee scheme, which combines the principles of the employment guarantee commitment made in the Common Minimum Programme of the United Progressive Alliance and the food-for-work programme;

A food-for-nutrition programme for pregnant women, infants and old and infirm persons;

A food-for-social development programme involving the provision of food and cash for preparation of noon meals, operation of community grain banks, and other skilled work.

It would be useful to start this programme on October 2, 2004 in the hotspot areas of Andhra Pradesh, Kerala, Karnataka, and Orissa with an initial allocation of about 100,000 tonnes of foodgrains for establishing community grain banks operated by self-help groups under gram sabhas. The Maharashtra programme could be started after the State elections.

A major lesson from the agrarian crisis is the need for a systems analysis of macro-economic policies. The increasing trend to privatise water will be disastrous for the poor. Safeguarding and strengthening the livelihood security of the families of resource-poor farmers and farm labour should be the bottom line of all investment and trade policies. Then alone will we see the revival of the rural economy.

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