

Causes of Farmer Suicides in Maharashtra:

AN ENQUIRY

**Final Report Submitted to the
Mumbai High Court**

MARCH 15, 2005



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We remain, in gratitude and in humility...

**Ajay Dandekar, Shahaji Narawade, Ram Rathod, Rajesh Ingle,
Vijay Kulkarni, and Sateppa Y.D.**

March 15, 2005

SUMMARY

1. Introduction

The All India Biodynamic and Organic Farming Association wrote to the Mumbai High Court expressing concern over the suicides of farmers. The Hon. High Court treated the letter as a petition and admitted it to the bench. The Court impleaded the Tata Institute of Social Sciences (TISS) as a consultant to the case¹ and on the request of the Institute granted eight weeks time to submit a report on the possible causes of the suicides. It also directed the TISS to submit an Interim Report to the High Court by the end of the fourth week. The involvement of TISS is limited to examining the causes of the suicides in the given limited time frame and submit its report in two stages — the interim and the final.²

This Report on the farmer suicides in the state of Maharashtra is being submitted as per the Judgment of the Court that made the TISS a consultant in the Public Interest Litigation Number 164 of 2004. The nature of this report is to primarily apprise the Court of the causes that led the farmers to take this extreme step, as per the findings of the research team. The Interim Report was submitted to the Court on February 16, 2005, and this Final Report is being submitted on its due date — March 16, 2005.

2. Method

The total numbers of suicides reported in Maharashtra, till December 2004, were 644, with most of the deaths occurring in the Vidharbha, Marathwada and Khandesh regions of the state. Thus, the present investigation concentrated on these regions. Out of the total 644 farmer suicides, a sample of five per cent, i.e., 36 cases were identified for the study. While TISS analysed the information available for all cases, it directed its attention to these 36 cases. A six-member TISS team consisting of Prof. Ajay Dandekar, Mr. Shahaji Narawade, Mr. Ram Rathod, Mr. Rajesh Ingle, Mr. Vijay Kulkarni, and Mr. Satteppa Y.D. worked for over two months in 12 districts spread over the aforementioned three regions of Maharashtra. We conducted detailed case studies (life history approach) of all the families of the 36 cases; we also conducted several focus group discussions with farmers in each of the 36 villages covered. The TISS also collected information from several agencies and groups (including the government) that have worked / are working with farmers in and outside Maharashtra.

We present the salient findings of our study. Though the in depth analysis will require more time than what was available to us, the case studies and group discussions conducted across the study districts bring out a number of conclusions.

3. Conclusions

Repeated crop failures, inability to meet the rising cost of cultivation, and indebtedness seem to create a situation that forces farmers to commit suicide. However, not all farmers facing these conditions commit suicide — it is only those who seem to have felt that they have exhausted all avenues of securing support have taken their lives.

¹ High Court Order, Annexure II

² The Institute, however, is seized of the grave nature of the phenomenon and pledges to initiate a comprehensive study of the crisis in the agrarian system. The report of this study too will be submitted to the Court as and when the study is completed.

It is not only the landed who have a crisis of indebtedness to deal with. There were a number of landless families who had leased land on a short-/long-term basis by securing loans.³ It was also noticed that many landless families managed to acquire money through migration to cities and purchased lands in the late eighties and early nineties.⁴ Many such families were caught up in cycles of debt and destitution, which ultimately led to the suicide of the head of the family. Thus, the survivors were reduced to landlessness due to debt. Among those committed included medium and large landowners who were also affected by a high level of un-payable debt.⁵

In the cotton belt, the crop seems to have failed more than once in the last four years. This crop failure has always not been associated with natural calamities, such as failure of rain or un-seasonal rains leading to destruction of crops. The causes are an increase in pest attacks in the last few years, especially from 1995 onwards. This meant that the farmers needed more money to pay for pesticides, though, in the end, a high level of pesticide use did not prevent crop failure.

Longitudinal data available with government sources indicate declining productivity of land. This meant increased use of fertilisers to enhance productivity of land. The information available indicates that farmers have been spending more on fertilisers even while crop performance has been showing a declining trend. The group discussions and case studies point to the fact that the quantity of use of fertiliser per acre rose in the mid-nineties and has now reached a saturation point. There appears to be a decrease in the production per acre in the same area.

Most families indicated that they did not have access to extension machinery of the government in giving sound information on how to deal with pests and declining productivity of land. The farmers are dependent on agents of fertiliser and pesticide companies for advice on seeds and crop care. The information base of the farmers is, thus, limited to the data provided by the agents and their products. A false perception of prosperity is being created in the minds of the cultivators that prompts them to take serious risks in terms of fertiliser-based cropping pattern.

Input costs have also exhibited a sharp rise. Agriculture has become more expensive post-1995. This rise in the input cost is reflected in the electricity bills, rising costs of high yielding variety (HYV) seeds, fertilisers, energy (diesel), transportation, etc. The rising input cost is not matched by the crop yield and price obtained. The minimum support price has not been available to all farmers, particularly the small and marginal farmers. Large landowners have been able to benefit from support price, when the government has occasionally provided such support. The absence of support price has had serious implications to the farmers.

Declining opportunities in non-farm employment has further aggravated the crisis. It seems that in areas where suicides have occurred, non-farm options are getting limited.

³ Case 25, 28.

⁴ Case 35, 27.

⁵ Case 31, 33.

There are also instances where members of families have returned to land after losing work in urban areas or have faced lack of opportunities in the non-farm sector outside the village.⁶ It is a matter of serious concern that non-farm employment opportunities are shrinking in off-farming seasons. Thus, declining non-farm opportunities together with repeated crop failures and indebtedness might have created acute conditions of distress for families in rural areas.

In all these areas, there is a noticeable absence of irrigation and sustainable harnessing of water resources. As a result, agriculture is mostly rain dependent (more so in the context of the crisis in groundwater availability for farming). The over dependence of the farmer on the HYV seeds, pesticides and fertiliser-based cropping demands water. It was noticed that there was a noticeable scarcity of water, including groundwater.⁷

The tendency towards commercial (cash) crops increased in the late eighties, and this tendency is not limited to big and medium sized landholders alone. Even the landless and small landholders have been acquiring land on lease for cash crop cultivation. In the absence of credit and other inputs like facilitation and support price, dependence on cash crops may have contributed to the agrarian crisis in the areas. Thus, the life of farmers is governed by loans taken mostly to support farming.

Life histories and case studies conducted for this study reveal that there has been sharp increase in the dependence on loans to enable cultivation. The tendency to take loans increased in the nineties. The farmers took their first loan from banks (banks gave loan only once, with a further loan possible only after repayment of the outstanding loan). The later loans were from private parties to repay the bank loan (default of which would result in attachment of the land or mortgaged house). Even for those with an ability to get loan from the formal sector, access to informal sector loans was indispensable. Thus, over 75% of the farmers had loan commitments to non-formal sources.

Those farmers who faced repeated crop failures accumulated loans beyond their capacity to repay. Thus, most of victims had turned defaulters over the last four years. This points to a serious crisis as reflected in the absence of the support system to bail the farmers out, in the form of relatives, neighbours, banks and even the moneylenders who had stopped giving the loans to them lately. Many farmers tried to diversify their employment opportunities with new loans. Some had gone in for purchase of tractors in order to rent it out. Medium- and large-sized landholders followed these strategies,⁸ but many did not succeed in their efforts, resulting in higher debt burdens.

These are the conditions and the contexts that forced the victims to take the extreme step of suicide. During the course of our discussions with the villagers, we discovered that the conditions of the others were not much different and that most of them suffered from the same tensions and problems.

⁶ Case 21, 30, 35.

⁷ Case 21, 23, 31.

⁸ Case 31, 33.

4. Recommendations

4.1 Recommendations for Immediate Relief and Rehabilitation

- 4.1.1 An immediate (adequate) compensation be offered, on a priority basis, to the families of the victims. In order to do that, a committee comprising eminent persons / representatives from institutions / activists and voluntary organisations be set up under the aegis of the Court, which should have a high-level government nominee. The committee should recommend the form and the content of the relief to the Court to consider. In the meanwhile an ex-gratia payment of Rs. 2.5 lakhs to the victim's families be made in order that they may continue their existence with dignity.
- 4.1.2 A committee of eminent persons/representatives from institutions/activists and voluntary organisations be set up to arrive at a correct and complete list of farmers who have committed suicide. This committee may have a specific time limit to submit its (comprehensive) list to the Court. The Court should direct district officials to investigate the circumstances leading to the farmers committing suicide. Our investigation and reports from activists in the field show that suicides by the farmers are not clearly registered and investigated.
- 4.1.3 As many issues in the case are in the purview of the Union Government, it should be made a party in the suite and be directed to submit a detailed affidavit on matters raised in this Report.
- 4.1.4 The Court should immediately ask the State Government, the Union Government, the Life Insurance Corporation of India, and the Agriculture Insurance Corporation of India to create an insurance safety net that covers the assurance of minimum life support system for the cultivators and their production system as a whole.
- 4.1.5 The Court should direct the state to look into its extension work in the field of agriculture and come up with a comprehensive action plan to revamp the set up, its training and its information base. The farmers could access the information through e-networks (similar to e-chaupals). The Court may ask the State Government to take cognisance of the fact that its extension work in agriculture is not making an impact on the mindsets of the cultivators. The Court should ask the government to propagate the alternative low cost organic/natural farming system through a strong network of voluntary bodies, and activists working on these issues and farmers' organisations.

4.2 Recommendation for Long-Term Solutions to Agrarian Crisis in Maharashtra

- 4.2.1 Any relief is a short-term measure. Long-term measures should be the rehabilitation of a system, in this case the agrarian production system itself. In this context, the Court should direct the Central Government to come up with policies that focus on farmers rather than seed and fertiliser corporations, who enhance

their profit margins at the cost of millions of farmers. The Court could direct the Central Government to frame policies that would support the marginal and small farmers to remain on land. For millions of farmers, there are no clear livelihood options in the non-farm sector. It is in this context that the policies of the Government of India should support cultivation, by enabling farmers to meet the cost of cultivation, and price support to stay out of debilitating indebtedness. This can be done through the National Bank for Agriculture and Rural Development. The Central Government should also be directed to reduce the interest rate on the credit offered to cultivators. (The current level of interest rates for loans offered by public sector banks is very high.) There should be a time-bound plan of five years within which the Government of India should meet this cost.

- 4.2.2 The Central Government should also go for a differential matrix in terms of minimum support prices. The minimum support price mechanism should take care that it matches the cost of cultivation in each state, crop by crop.
- 4.2.3 The Central Government should announce, on a priority basis, the provisions of a safety net for the cultivators and their families. This net should be comprehensive in scope.
- 4.2.4 The Central Government should immediately announce the setting up of a commission with statutory powers that takes decisions on issues such as genetic modification technology and its impact on Indian agriculture, agriculture pricing policy and cropping pattern. The commission should also look into the issue of integrating the irrigation schemes in terms of surface and groundwater and integrate the line departments in order that the schemes are implemented efficiently.

Causes of Farmer Suicides
in Maharashtra:

AN ENQUIRY

SECTION I

Background and Introduction

1.0 Introduction

The National Policy on Agriculture seeks to actualize the vast untapped growth potential of Indian agriculture, strengthen rural infrastructure to support faster agricultural development, promote value addition, accelerate the growth of agro business, create employment in rural areas, *secure a fair standard of living for the farmers and agriculture workers and their families*, discourage migration to urban areas and face the challenges arising out of economic liberalization and globalization.⁹ (See Annexure 1 for the complete text)

The spate of suicides in the states of Andhra Pradesh, Punjab, Karnataka and Maharashtra, coupled with the declining share of agriculture in the Gross Domestic Product (GDP) and increasing burden on the agrarian system belies the bfty, almost ideal, claims put forth in the National Policy on Agriculture. These suicides point to a greater crisis in the agrarian system as a whole where the suicide is a symptom of a greater malaise that threatens millions of farmers and the landless agricultural labourers in the sub-continent. We need to go the roots of that very crisis in order to arrive at a causation that can explain the suicides.

The All India Biodynamic and Organic Farming Association wrote to the Mumbai High Court expressing concern over the suicides of farmers. The Honourable High Court treated the letter as a petition and admitted it to the bench. The Honourable Mumbai High Court impleaded the Tata Institute of Social Sciences (TISS) as a consultant to the case,¹⁰ and on the request of the Institute granted eight weeks time to submit a report on the possible causes of the suicides. It also directed the TISS to submit an Interim Report to the High Court by the end of the fourth week.

The involvement of TISS is limited to examining the causes of the suicides in the limited time frame given and submit its report in two stages — the interim and the final. This Report on the farmer suicides in Maharashtra is being submitted as per the Judgement of the Court that made the TISS a consultant in the Public Interest Litigation Number 164 of 2004. The nature of this report is to primarily apprise the Court of the causes that led the farmers to take this extreme step, as per the findings of the research team. The work on the interim report was initiated in the month of December.¹¹ The interim report was submitted to the court on the February 16, 2005, and this final report is being submitted on its due date — March 16, 2005.¹²

The Institute, however, is seized of the grave nature of the phenomenon and pledges to initiate a comprehensive study of the agrarian production system. The report of this study, too, will be submitted to the Court when the study is completed.

⁹ National Agricultural Policy, Ministry of Agriculture, Government of India, July 2000, pp 2.

¹⁰ High Court Order, Annexure II.

¹¹ See Annexure III for the research team's logbook.

¹² This is as per the judgment of the Court delivered on the February 16, 2005.

This report is divided into five sections.

- Section 1 takes a look at the context in which this Report has been conceptualised. Here, an attempt has been made to understand the way we have moved ahead since the Interim Report. A brief background on the same is presented along with the detailed perspective on the macro-dynamics of the debate on agrarian crisis.
- Section 2 discusses the methodology followed in gathering the information, given the constraints of time and other limitations on the research team.
- Section 3 then puts the analytical framework in place within which the data has been analysed.
- Section 4 locates the linkages and the causes that emerge from the above.
- Section 5 presents recommendations to the Court.

1.1 Major Issues

What is the nature of the agrarian crisis? Why are the spate of deaths that have occurred from 1997 onwards located in the four states of Punjab, Maharashtra, Karnataka and Andhra Pradesh? Does it have anything to do with the opening up of the Indian economy and the process of economic liberalisation that unfolded post-1991, under the aegis of the Structural Adjustment Programme? Is the agrarian production system itself at stake today? These are some of the key issues that we need to understand before we move ahead.

Indian agriculture accounts for almost 25% of the total GDP and 75% of the country's population live in rural areas and hilly terrains. Almost 60–70% of the GDP from agriculture is from subsistence agriculture. Although agriculture contributes to 25% the GDP, its share in world trade is insignificant. With a negligible 0.7% share in world imports and 0.6% in exports, we are not visible in the arena of international trade. Our voice on implementation issues — even though they were in pursuance of Articles 18 and 20 of AOA¹³ — loses its force when we find ourselves isolated. In this context, the Government of India (GoI) has two responsibilities:

- (i) monitor the inflow of imports and movement of international prices of agricultural commodities and take appropriate action to protect the interests of farmers and ensure food security; and
- (ii) domestic policies for agriculture should be calibrated to diversify cropping/activity pattern in line with domestic and external demand and production and eco-friendly products has to be encouraged.

Investment in Indian agriculture has been declining for quite some years. What is the nature of this decline? A rough estimate indicates that the total quantum of the reduction of investment in the rural sector is to the tune of 60% compared to the year 1985. According a research study,

Under the guidance of the IMF and World Bank, successive Indian governments slashed their expenditure on rural development (including expenditure on agriculture, rural development, special areas programme, irrigation and flood control, village industry,

¹³ See Annexure IV for the text of the AOA.

energy and transport — the figures are for Centre and states combined) from 14.5 per cent of GDP in 1985–90 to 5.9 per cent in 2000–01. Rural employment growth is now flat; *per capita food grains consumption has fallen dramatically to levels lower than the 1939–44 famine*; the situation is calamitous. Were expenditure by the Centre and states on rural development to have remained at the same percentage of GDP as in 1985–90, it would not have been Rs 124,000 crores in 2000–01, but *Rs 305,000 crores, or more than two and a half times the actual amount.*¹⁴

In the context of the agrarian crisis, this is an ominous trend. Let us understand this phenomenon properly. The investment (at 1980–81 prices) stood at Rs. 1,266 crores in 1950–51 and rose to Rs. 5,246 crores by 1978–79. However, it has declined since 1978–79 and was only Rs. 4,692 crores in 1990–91. The share of agricultural investment came down from 22% in 1950–51 to 19% in 1980–81 and even further to about 10% in 1990–91.¹⁵ This has adversely affected the public sector investment in irrigation as more than 90% of the total public investment in agriculture goes for irrigation. The share of the irrigation sector (in states only) in the total public investment came down from 14.7% in 1980–81 to only 5.6% in 1990–91 (at 1980–81 prices) of the public sector investment, whereas the total increase in investment was at the rate of 6.3% per annum.

Another example is of subsidies. In 1989–90, the total subsidies to agriculture amounted to Rs. 1,3500 crores — these were mainly given on fertilisers, irrigation and electricity. These subsidies have gone towards the development of the wealthier farmers in regions where investments have already poured in.¹⁶ Punjab, for example, received on an average Rs. 1,027/ha in 1980–87 as against the all-India average of Rs.511. Similar is the case for institutional credit. Rath¹⁷ reported that less than 30% of the smaller category farmers are members of Primary Agricultural Cooperatives (PACs) for short-term loan (crop loan), while the membership of other (big farmers) is 75–100%.

What is being pointed out that is that the crisis in the agrarian system has its roots in the pre-liberalisation era. The problems have accentuated due to the changed global context that has affected the Indian economy and society in more ways than one. Let us understand the broad strands of that debate. This is crucial, as it would help us place the issue of suicides in the proper context of the general crisis of Indian agriculture.

1.2 The Debate

One strand attributes the suicides to the agro-economic problems, namely crop failure, indebtedness and the macro-policy issues arising out of the WTO-led economic regime. In that context, the Doha Declaration assumes importance. The Doha Ministerial Declaration, adopted on November 14, 2001, stated in Para 13 that member countries commit themselves to:

¹⁴ Desai, R.X. The Economics and Politics of the World Social Forum, *Aspects Of India's Economy*, No. 35, September 2004.

¹⁵ Patil, J., Agriculture and the Eighth Plan, *Yojana*, 37(14–15), 1993.

¹⁶ *India's Challenges and Opportunities: Country Economic Memorandum*, Washington, World Bank, 1991.

¹⁷ Rath, N., Institutional Credit and Agriculture in India, *Journal of the Indian School of Political Economy*, 1(2), 1989.

substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

The failure to adhere to the deadline and to adhere to the spirit of the Doha Declaration has compounded the problem.

The second strand attributes the suicides to the failure of the state and its politico-economic policy. In less developed countries, an estimated 100 million agricultural households or approximately 500 million people are absolutely landless. Most of them eke out their living only as tenant farmers or agricultural labourers. Moreover, there are millions of families in these countries who are original settlers, but are unjustly branded as illegal encroachers, on the land under the legal possession of the government. In these countries, the phenomenon of inequitable and unjust distribution of land rules the roost. It is widely recognised that unequal and unjust distribution of land and natural resources is the key reason for increasing poverty, economic stagnation, rural–urban migration, and escalating violence in the less developed countries. Consequently, it has given rise to numerous violent peasant movements in the Third World countries. The success of the East Asian countries in raising the living standard of the poor and their subsequent empowerment are setting tone of the renewed discourse of land reform as an important strategy of empowerment and development of people. By resorting to appropriate land reform policies, countries like China, Japan, Taiwan, Singapore and Korea have consolidated their socioeconomic position and recorded a remarkable growth in income-generation and poverty alleviation. Therefore, land reform is considered one of the most potent means of poverty alleviation and economic rejuvenation. Linked to the issue of land reform is the point regarding the fragmentation of lands in rural areas, where 73% of people are dependent on a system that contributes only 25% to the GDP.

The opening up of Indian agriculture to multinational corporations and the withdrawal of the GoI from this system of production has occurred simultaneously. Moreover, the internal markets have become unstable due to the lowering of tariff barriers. Unfair terms of trade towards agriculture of developing countries have made matters worse for those who are engaged in and/or are dependent on this system of agriculture. The crisis in the Indian agrarian system is accentuated by the instability of markets. Investment in rural development in India has now reduced to 5.9% of the GDP in the 10th Plan, though the population dependent on agriculture is 73%. In addition, the share of Indian agriculture in the GDP has reduced to 25%. Bio-diversity is under threat due to TRIPS and the WTO. Environmental degradation resulting in deforestation and depletion of water availability (drinking and agriculture), both in quantity and quality, has made the situation more serious. Untenable cost of production in *modern* agriculture techniques, institutional and low interest credit and the absence of a credible security net (i.e., crop insurance) are not making things easy for the cultivators in the country.

This then is the context in which we need to revisit the issue of the suicides of the cultivators in the country. In this report, we are looking at the phenomenon of suicides in Maharashtra and the possible causation behind it. Section 2 outlines the methodology adopted that enabled the research team to place the suicides in the context of the crisis outlined above.

SECTION II

Research Methodology

2.1 Introduction

The research methodology, in the context of the issues involved, had to take into account the:

- time frame available to the research team,
- access to information for the research team in the given time frame, and
- size of the sample chosen.

Keeping in mind the above constraints the research team decided to invite information from government and non-governmental sources for the actual number of farmer suicides¹⁸ that had occurred in Maharashtra, the cost of cultivation and minimum support price (from the Joint Secretary, Department of Agriculture),¹⁹ and details of cropping pattern (Commissioner [Agriculture], Maharashtra).²⁰

So far, we have received the following:

- Information from Collector, Dhulia District, stating that no incidences of farmers suicides have taken place in that district.²¹
- Information regarding the cropping pattern from the Commissioner of Agriculture.²²
- A letter from the Joint Secretary, Department of Agriculture, regretting that the information cannot be sent and that the Institute will have to come and collect the same from his department.²³ Subsequently, we received the information regarding the cost of cultivation and minimum support prices from the Office of the Jt. Secretary, Agriculture Price Cell, Mumbai.²⁴
- A list of persons committing suicides from the Divisional Commissioner, Nagpur²⁵ and from the Collector, Jalna District.²⁶

¹⁸ Letter to the District Collectors, Annexure V.

¹⁹ Letter written to the Joint Secretary, Annexure VI.

²⁰ Letter to the Commissioner, Annexure VII.

²¹ Annexure VIII.

²² Annexure IX

²³ Annexure X.

²⁴ Annexure XI

²⁵ Annexure XII

²⁶ Annexure XIII

- A list of persons who had committed suicides, from the Editor of *Deshonnati*, Mr. Prakash Pohare.²⁷

In the absence of any information provided by the State Government, the research team had to take the list supplied by Mr. Pohare as the only list available. This list formed the baseline of the study. This list was extensively discussed with Mr. Pohare who opined that this list also incorporated the suicides that the Government of Maharashtra (GoM) accepted as genuine cases. The lists provided by the Divisional Commissioner of Nagpur and Collector, Jalna District, are subsequent to the submission of the Interim Report to the Honourable Court. Hence, we have mainly relied on the list submitted to us by Mr. Pohare, as we found that list to be the most comprehensive document to which the research team had full access. We have, therefore, utilised the same for this Final Report as well. We have, however, crosschecked two cases from the list supplied by the Collector of Jalna District and four cases from the list supplied by the Divisional Commissioner of Nagpur for the reasons cited for the suicide. In both the cases, we seriously differ with the reasons cited by the Collector of Jalna District and Divisional Commissioner of Nagpur (Please refer to Table 20).

2.2 Sampling

The sampling of the cases for an intensive study is premised on the following considerations:

- *Geographical Spread*: According to the list available to the research team the suicides of the farmers are widespread in the following districts in descending order: Yavatmal (132), Amravati (128) Buldhana (78), Akola (70), Washim (40), Wardha (40), Nanded (32), Jalna (32), Jalgaon (29), Nagpur (10), Aurangabad (9), Bhandara (8), Hingoli (5), Dhule (4), Beed (4), Parbhani (4), Latur (3), Gondia (3) Chandrapur (3), Gadchiroli (2), Nandurbar (2), Osmanabad (1), Solapur (1), Pune (1) Satara (1),
- *Occurrence of Suicides*: The largest numbers of suicides have occurred in Vidharbha region, followed by Marathwada and Khandesh. We have given due weightage to this spread in our purposive sample.
- *Time limit*: As the report had to be submitted to the Court within a specific time, the purposive sample had to take that into consideration too.
- The research has to also measure up to the distances involved given the limitation of time and resources.

Given the above, the research team decided to chose a five percent sample from each region. Within the five percent, the team has given 75% weightage to the areas in which the largest number of deaths have occurred. Thus, the sample concentrates on Vidharbha, Marathwada and Khandesh regions of Maharashtra. The total numbers of deaths till

²⁷ Annexure XIV.

December 2004 were 644. Out of this total, we have covered a sample of five per cent, i.e., 36 cases. Table 1 outlines the sample and its geographical spread.

Table 1: Region-wise Distribution of Suicides

<i>Sl. No.</i>	<i>Administrative Region</i>	<i>Suicides from March 2001 to December 2004</i>	<i>Cases Studied</i>	<i>Districts Covered</i>
1	Amravati	448	25	Yavatmal, Amravati, Akola, Washim, Buldhana
2	Aurangabad	90	5	Hingoli, Jalna, Osmanabad
3	Nagpur	66	4	Wardha and Nagpur
4	Nashik	38	2	Jalgaon
5	Pune	1	Nil	Nil
6	Kolhapur	1	Nil	Nil

*Source: List provided by Deshonnati, Akola*²⁸

The year-wise break up of the suicides is as under:

Table 2: Year-wise List of Number of Deaths

<i>Sl. No.</i>	<i>Year of Deaths</i>	<i>Number of Deaths</i>
1	March 1 to December 31, 2001	41
2	January 1 to December 31, 2002	73
3	January 1 to December 31, 2003	129
4	January 1 to December 31, 2004	401

Source: List provided by Deshonnati.

Thus, we can see that there is an upward swing in the number of deaths due to the suicides from the year 2001 onwards. This is indicative of a deeper problem as discussed above. The research team prepared a questionnaire and a focus group discussion (FGD) guideline to study the phenomenon.

2.3 Questionnaire and Focus Group Discussions²⁹

Within the given sample, a structured questionnaire as well as an FGD was carried out in almost 36 villages covering four districts and 36 families of victims. The questionnaire largely focused on socioeconomic variables such as the family composition; education

²⁸ We are grateful to Mr. Pohare, *Deshonnati*, for this invaluable help that was provided.

²⁹ Annexure XV Questionnaire and FGD guidelines.

status; history of agriculture; cropping pattern; landholding; input costs incurred; the expected output; holding capacity; the history of loans taken by the head of the household and causes for taking such loans; mental state of the person; addictions, if any; and any other information that the family wished to share with us. The research team interacted with the next of the kin of the deceased in the family and also other members of the family.³⁰

Along with this, an FGD was held with villagers in some instances.³¹ This was supplemented with extensive discussions held with a number of individuals and organisations that have worked on this issue before.³² The FGDs held at the village-level was almost a mirror image in terms of the issues discussed, though on slightly broader terms. The FGDs concentrated on the general context of the village in terms of the situation in their village pertaining to agriculture and its components. It also concentrated on the possible causes of suicides in general and in their village in particular. It also contextualised the issue related to loans, cropping patterns and the failure of crops in a more generalised context of the village.

The data generated through the field investigation has been examined against a number of documents obtained as secondary source information. This secondary source information was accessed through academic publications, easily available government documents, and the Internet. This secondary source information is being given a secondary status by the research team at the moment, as we are concentrating on the analysis of the primary data.

³⁰ Annexure XVI for the list of family members the research team interacted with.

³¹ Annexure XVII for the list of villagers the research team interacted with.

³² Annexure XVIII for the list of other individuals the research team interacted with.

SECTION III Analysis

3.1 Introduction³³

This section is further divided into the following sub-sections to place the data in its total perspective.

- The circumstances in which the suicide was committed.
- The socioeconomic profile of the deceased in order to ascertain whether any pattern emerges or otherwise. Landholding pattern vis-à-vis the social profile and occupational framework are also looked at.
- The major crops grown in the lands of the deceased and the cost of cultivation and the price of production. Here also we are concerned with the agricultural support price mechanism that the GoI has introduced.
- The debts incurred by the cultivators within the broad framework of the cost of cultivation and the support from the credit and price mechanisms.
- The attitude of the government and some tentative conclusions.

An important point to be noted is that irrespective of the caste and land holding pattern, all the deaths are of household heads.

3.2 The Circumstances³⁴

Case 1 A Scheduled Caste (SC) household where the female head of household committed suicide. The household head was looking after all the agrarian operations and managing a landholding of 15 acres. The family purchased six acres of the land in the year 1969 by wealth earned through labour. The major crops were cotton, *tur* and *jowar*. The eldest son in the family is a vegetable vendor and the younger son has slight mental disability. The husband of the household head has been physically disabled for the last 15 years. The entire burden of the decision-making in the context of agrarian operations has fallen on the female household head alone. The family incurred a loan on account of crop and construction of well to the tune of Rs. 27,000. This loan could not be repaid due to the crop failure for three consecutive years. Hence, another loan was taken from private sources. The total cumulative loan from private source amounted to Rs. 33,000 at 5% interest per month. Even this loan could not be repaid and the cumulative loan and the interest amount multiplied. This increased the burden on the household head enormously. She committed suicide on 29.12.03. The government gave no compensation.

Case 2 The farmer was a male head of an SC household. This household had received two acres of land under the Ceiling Act and had further hired three acres of land for cultivation. The husband and wife also undertook agricultural wage

³³ This chapter is primarily based on the field data, derived as per the sample discussed in the second chapter.

³⁴ These are the actual circumstances recorded in the field by the research team.

work apart from being cultivators. The major crop in the field was cotton, *jowar* and *tur*. The family incurred a loan Rs. 25,000 at the rate of 10% per month in the last three to four years on account of agrarian operations. This loan was from private sources, as the formal credit for the family seemed to have dried up. The crops failed in both the owned as well as in the leased land. This resulted in an increase in the drinking habits of the farmer. The input cost could not be recovered from the production. The household head committed suicide on 11.08.03. Now the family has taken a decision to sell their pair of bullocks to repay part of the loan. They receive Rs. 600/- per month under the 'Sanjay Niradhar Yojana'. The government offered no compensation.

- Case 3 A male-headed household from middle caste background. This household had 12 acres of land that has now been reduced to five acres of dry land. The farmer had to sell seven acres of irrigated land to repay the loan he had undertaken. He also worked along with his wife as agricultural labour. In the last five years, he had incurred a crop loan from formal financial institutions to the tune of Rs. 10,000/-, an interest-free loan of Rs. 30,000/- from relatives, and Rs. 5,000/- from private moneylenders. The family reported that there was a repeated crop failure in the last three years prior to his death, non-availability of wage labour work, and zero credit worthiness in the market. The liquor intake of the farmer had increased substantially in the last three years prior to his suicide on 29.12.03. The government offered no compensation.
- Case 4 This is a high caste group where the son of the household head committed suicide. He was a young man, separated from his family and was cultivating four acres of land given as his share from the total landholding. He had incurred a crop loan of Rs. 14,000/- that his father repaid. He also had some private loan (amount unspecified). He was a heavy drinker and the habit continued even after his marriage. He committed suicide on 25.09.04. The government offered compensation to his family from the Chief Minister's (CM's) Relief Fund.
- Case 5 This is a family of middle caste group. The second son of the household head committed suicide. The family has a total landholding of 12 acres out of which 3 acres is irrigated. The family started off with only two acres of land and the rest of the land was purchased out the money earned from vegetable cultivation and wage work over the last 10 years. The family had earlier repaid a loan of Rs. 20,000/- taken from Land Development Bank on account of construction of a well. The family offered three reasons for the suicide: crop failure in the last three years, unpaid crop loan of Rs. 15,000/-, Rs. 1 lakh from relatives, Rs. 20,000/- from Agro Service Centre, and the impending marriage of younger sister. The young man committed suicide on 20.08.2004. No compensation has been forthcoming from the government.
- Case 6 The family belongs to a middle caste group. The total landholding of the family amounted to 22 acres of dry land. The major crops were cotton, *tur* and *jowar*. The farmer sold off 10 acres of land to repay the loan of Land Development Bank, and get his daughters married. The household head gave

up his habit of drinking in the last five years. He incurred another loan from Central Bank of India and a crop loan from DCC bank that went unpaid. The household head also incurred loan from private sources at an interest rate of 5% per month. There was a repetitive crop failure in the last three years. In the year 2004, there had to be double sowing as the first sowing operations failed. This family had experimented with Bt Cotton in 2004. The household head committed suicide by burning himself to death on 20.07.04.

- Case 7 The family belongs to the denotified community. The total landholding of the family is 3 acres of dry land. In addition, the household head was hiring seven acres of land for the last five years. Initially, the economic situation of the family improved. The last crop failed and the man became a defaulter on the loan. He owed Rs. 7,000/- to the Central Bank of India and Rs. 12,500/- to the society. He also invested his savings of Rs. 30,000–40,000 in cultivation, and had to sell his motorbike and a pair of bullocks to manage his agricultural commitments. He has a physically challenged daughter. He also owed money to the private moneylenders to the tune of Rs. 15,000–20,000. He committed suicide on 07.10.2003. No government compensation was offered to his family.
- Case 8 The family belongs to the same denotified community in the same village. The farmer's total landholding was two acres and he also worked as an agricultural labourer. He experienced repeated crop failures in the last three years. He owed Rs. 5,000/- to the banks, a similar amount to his relatives and Rs. 16,000/- to private moneylenders. He had to sell a pair of bullocks and four cows to repay the loan. He committed suicide on 20.09.04. No government compensation was offered to him.
- Case 9 The family belongs to a Backward Caste, whose total landholding is 6 acres of dry land. The household head worked as a cultivator as well as a labourer. The primary crops were cotton, *tur* and *jowar*. He had incurred a loan of Rs. 20,000/- from the bank and a private moneylender. There was a crop failure and a paucity of wage labour. He committed suicide on 02.10.04. No government compensation was offered to the family.
- Case 10 This family belongs to the denotified community. The total landholding of the family is five acres, out of which one acre is irrigated land. The farmer had incurred a loan on account of a construction of a well, and a crop loan of Rs. 11,600/-. The bank posted a recovery notice on his home. He committed suicide on 26.01.04. The family received compensation of Rs. 1 lakh from the CM's Relief Fund.
- Case 11 This family belongs to the denotified community. The total landholding of the family is six acres out of which one acre is irrigated. The farmer incurred an expenditure of Rs. 40,000/- on the marriage of his daughter five years back. After that, due to repeated crop failures of the principal crops of *tur*, cotton and *jowar*, he further incurred a loan to the tune of Rs. 35,000/- as term loan from a bank. He also had a crop loan that was a regular account. He had to sell off his gold, three buffaloes and utensils. The community opined that the cost

of cultivation increased and the output reduced by 50%. He had two more daughters to be married. He committed suicide on 25.06.04. The family received a compensation of Rs.1 lakh from the CM's Relief Fund. It was also reported that a 10% bribe had to be paid to obtain bank loan.³⁵

- Case 12 This family belongs to a high caste group. The total landholding is two acres and the major crops are cotton, *jowar* and soybean. The family spent Rs.80,000 in getting their two daughters married. Most of the money was on loan. The victim was trying to sell the farm to pay off the loan. The moneylenders took away the tin roof of the house the family lived in. The crops had also failed. The wife was against the selling the land, as it was ancestral property. The family head started working as a mason. He also became addicted to drinking. He committed suicide on 02.08.04. The family received compensation of Rs. 1 lakh from the CM's Relief Fund.
- Case 13 This family belongs to the high caste group and has a total landholding of three acres. The major crops are cotton, *jowar* and *tur*. This family had never incurred any loan. They had to borrow Rs. 10,000/- from society and Rs. 5,000/- from a relative. There was a crop failure last year and reduction in the production for the last three to four years. The family had committed suicide on 11.07.04. No government compensation was offered to the family.
- Case 14 This family belongs to the high caste group. The total landholding is four acres. The major crops are cotton, *jowar* and *tur*. He had incurred loans from the moneylender, bank and relatives to the tune of Rs. 90,000/- since the last five years and had turned a defaulter on all the loans since the last four years. Crop failure, compounded by expenditure incurred due to marriage, and an appendicitis operation led to his suicide on 18.01.02. His younger son has sold of the property and left the village. No government compensation was offered to the family.
- Case 15 This family belongs to a Backward Caste group. The total landholding is 4.5 acres. The major crops are cotton, *jowar* and *tur*. The family was cultivating as well as running a barber's business. One loan of Rs. 13,000/- was taken 13 years ago and not paid. Recently another loan from a moneylender was taken (Rs. 40,000/-) at 5% interest per month. Due to the tensions of loan repayment resulting from crop failure, he had to sell his business. He committed suicide on 19.09.01. The moneylender is still after them and has manhandled the father of the deceased. The family received compensation of Rs.1 lakh from the CM's relief fund. The family is under tremendous pressure from the moneylenders to repay the sum from the compensation received by them.
- Case 16 This family belongs to the high caste group. The total landholding is 5 acres and the major crops are cotton, *jowar* and *tur*. He had never taken a loan earlier. He incurred a loan of Rs. 20,000/- as crop loan and Rs. 15,000/- from a private moneylender. He had turned defaulter on both loans due to crop

³⁵ See Annexure XIX for the case studies. The summaries are as per the discussions and the focus group discussions held with the families of the victims as well with the villagers.

failure and expenditure incurred on his daughter's illness. He committed suicide on 01.06.04. No government compensation was offered to the family.

- Case 17 This family belongs to the high caste group. The total landholding is 7 acres, where the major crops grown are cotton, *jowar* and *tur*. He had incurred a loan of Rs. 22,000/- from the Central Bank of India and Rs. 50,000/- from relatives. There was repeated crop failure and the cost of cultivation increased. This was compounded with the worry regarding his daughter's marriage. He sold off two acres of land in 2002. He committed suicide on 17.12.03 by burning himself to death in his own house. No government compensation was offered to the family.
- Case 18 This family belongs to the high caste group. The total landholding is 2 acres, with one acre irrigated. The major crops are cotton, *jowar*, *tur*, wheat and groundnut. He was a cultivator and a labourer. He belonged to the below poverty line (BPL) group. He incurred a loan of Rs. 10,000/- for the purchase of a bullock cart, but was unable to pay the loan for the last seven years. He had a fall from the tractor and was not able to work after that. Money had to be spent for his treatment. He then stayed with a cultivator as a labourer. He returned back to his house and committed suicide on 05.11.02. No government compensation was offered to the family.
- Case 19 This family belongs to the high caste group. The total landholding is 20 acres and the major crops are cotton, *jowar* and *tur*. He incurred an institutional loan of Rs. 20,000/-, another loan of Rs. 20,000/- from relatives, and Rs. 10,000/- from moneylenders. He drove an autorickshaw, as there was a repeated crop failure and paucity of work in the agrarian structure. He turned defaulter two years before his suicide on 11.12.01. Another cultivator hired his land after this suicide. That cultivator too committed suicide. His father then sold the entire land and shifted to Daryapur Taluka of Amravati district where the victims' younger brother works as a ward boy in the hospital. No government compensation was offered to the family.
- Case 20 This family belongs to the middle caste group. The total landholding is 4 acres and the major crops are cotton and mug. He hired 10 acres of land from Case 19. He incurred a loan of Rs. 10,000/- on BPL account, and Rs. 20,000/- from a moneylender to pay the hire charges at 5% interest per month. He turned defaulter four years before his death. Due to repeated crop failure and increasing pressure of indebtedness, he committed suicide on 01.07.03 in the same field as that of the earlier case study. No government compensation was offered to the family in this case also.
- Case 21 The person belonged to the middle higher caste group. He gave up his job as a driver on a private vehicle and came back to cultivate his father's fields. He also invested his own savings in agriculture. His total land holding was 11 acres. The major crops on the land were cotton, soybean, *tur* and *jowar*. His water table in the well went low and to reduce maintenance cost had to remove his orange trees. He incurred a loan of Rs. 1,0,5000/- and turned defaulter four years ago due to crop failure and due to the mismatch between

input cost and pricing. Due to the increasing debt and frustration, he committed suicide in 2004.

- Case 22 This family belongs to the lower caste group. The total landholding is 2 acres and the major crops are cotton and *tur*. He incurred an institutional loan of Rs. 3,000/-, and a loan of Rs. 7,000/- from relatives. He turned defaulter 17 years before his death. He committed suicide in 2004. The tehsildar's office gave a compensation of Rs. 10,000/-.
- Case 23 This family belongs to the lower caste group. The total landholding is 5 acres and the major crops are soybean, *jowar* and orange. He incurred a loan of Rs. 15,000/- from moneylenders. Due to construction of dams in the upper catchment area, traditional water sources dried up. He turned defaulter two years before his suicide in 2004. No government compensation was offered to the family.
- Case 24 This family belongs to the nomadic group. He hired 3 acres of land to grow *tur* and cotton. He incurred a loan of Rs. 16,000/- from moneylenders. He turned defaulter two years before his death and committed suicide in 2004. No government compensation was offered to the family. The tehsildar's office gave a sum of Rs. 10,000/-.
- Case 25 This family belongs to the middle caste group. He hired 5 acres of land to grow *tur*, *jowar* and cotton. He incurred a loan of Rs. 35,000/- from moneylenders. He had incurred another loan of Rs. 12,000/- from a cooperative bank. He turned defaulter two years before his suicide in 2004. No government compensation was offered to the family.
- Case 26 This family belongs to the middle caste group. He had 8 acres of land and the major crops grown were *tur*, *jowar*, orange and cotton. He incurred a loan of Rs. 30,000/- from moneylenders, another loan of Rs. 18,000/- from a cooperative bank and Rs. 40,000/- from society. He turned defaulter four years before his suicide in 2004. No government compensation was offered to the family.
- Case 27 This family belongs to the middle caste group. He had 18 acres of land purchased in the 1980s. They had prospered in the decade of 1980–1990. The major crops grown were wheat, vegetables, *jowar*, orange and cotton. He had incurred a loan of Rs. 74,000/- from a cooperative bank. He turned defaulter seven years before his death, when he committed suicide in 2004. No government compensation was offered to the family.
- Case 28 This family belongs to the middle caste group. He owned 1.5 acres of land and had leased another 12 acres. The major crops grown were *jowar*, *tur* and cotton. He had incurred a loan of Rs. 50,000/- from a moneylender. He turned defaulter seven years before his suicide in 2004. No government compensation was offered to the family. The reason of death was crop failure.
- Case 29 This family belongs to the higher caste group. He had 8 acres of land on which the major crops grown were *jowar*, *tur* and cotton. He had incurred a loan of Rs. 70,000/-. He turned defaulter three years before his suicide in

2004. The reason of death was crop failure. Government compensation was offered to the family.
- Case 30 This family belongs to the higher caste group and owned 1 acres of land. He was a driver on a daily wage basis. The major crops are wheat, *tur* and cotton. He had incurred a debt of Rs. 50,000/-. He turned defaulter two years before his suicide in 2004. The reason of death was crop failure. The tehsildar's office gave a sum of Rs. 10,000/-.
- Case 31 This family belongs to the higher caste group. He had 14 acres of land. The major crops are *jowar*, *tur*, wheat and cotton. He had incurred a loan of Rs. 5,00,000/-. He owned land in the command area of the Girna River. Due to the works done in the catchments, the water sources ran dry. He turned defaulter three years before his suicide in 2004. The reason of death was crop failure and unpayable loan. No government compensation was offered to the family (Refer to Annexure 19).
- Case 32 The person belongs to the middle caste group. The total landholding for the family was three acres and the major crops on the land were *udid*, soybean and hybrid *jowar*. He was a BPL cardholder. The person took a loan of Rs. 10,000/- from a nationalised bank and Rs. 20,000/- from a relative for his daughter's marriage. He had to spent Rs. 80,000/- on his daughter's marriage. His produce of *udid* and soybean was stolen. He committed suicide by consuming poison in 2004. No compensation was offered to the family.
- Case 33 The person belonged to the higher caste group. The total landholding of the person was 26 acres. The major crops in the field were *udid*, mug, soybean, cotton and wheat. He incurred a loan of Rs. 25,000/- from a commercial bank, Rs. 3,38,000/- from a cooperative bank and Rs. 50,000/- from the relatives. He took this to purchase a tractor. He turned a defaulter from the year 2000 and committed suicide in 2003. No compensation was offered to the family.
- Case 34 This person belonged to the higher caste group. He had a total landholding of 8 acres and the major crops were *udid*, *tur*, *jowar* and sugarcane. He had incurred a loan of Rs.47,000. He turned a defaulter from the year 2000, due to the crop failure, especially the cash crop. He also had to spend Rs. 40,000/- of his capital on cultivation. He hanged himself to death in 2002. His son then sold off one acre and paid off the loan (Refer to Annexure 19). No major compensation to the family was offered. The tehsildar's office gave a sum of Rs. 10,000/-.
- Case 35 This person belonged to the lower caste group. The total landholding of 2 acres was purchased in the nineties. The major crops grown were cotton and millet. He also went for wage labour on sugarcane cutting. He incurred a loan of Rs. 12,000/- from a cooperative bank and another loan of Rs.10,000 from moneylenders and relatives. He belonged to the BPL group. He spent Rs.15,000 for his daughter's marriage. He turned a defaulter three years back and committed suicide in 2004. No compensation was offered to the family.

Case 36 This person belonged to a nomadic tribe. The total landholding was three acres and the major crops were cotton, millet and *jowar*. He took a loan of Rs. 35,000/- from a moneylender at 10% interest per month, and another loan of Rs. 40,000/- under the SGSY scheme, and also from a cooperative bank. He was a defaulter for the last four years. He committed suicide in 2004. No compensation was offered to his family.

The case studies and group discussions that we conducted across the study districts bring out a number of conclusions: repeated crop failures, inability to meet the rising cost of cultivation, and indebtedness seem to create a situation that force farmers to commit suicide. However, not all farmers facing these conditions have committed suicide. It is only those who have felt that they have exhausted all avenues of securing support to deal with debts have taken their lives.

The following sub-section will help the reader understand the profile of the victims in their social and economic context and gauge the depth and the spread of the tragic phenomenon.

3.3 Profile

Table 3 outlines the landholding pattern across the caste groups of the deceased.

TABLE 3: Social Groups and Landholding³⁶

<i>Caste</i> ³⁷	<i>Landholding</i>				<i>Grand Total</i>
	<i>0(LL)</i>	<i>2(SH)</i>	<i>3(MH)</i>	<i>4(LH)</i>	
A		4		1	5
B			1		1
C	1	3	4	2	10
D	1	4	1		6
E		7	5	2	13
Grand Total	2	18	11	5	36

The following issues emerge out of the landholding pattern and the caste groups in terms of the suicides:

- There is almost an even match between the small landholders and the marginal and large landholders across caste groups. Out of the total sample, 50% belong to the

³⁶ 0 = LL-Landless (leased land cultivator)
 2 = SH-Small farmer (up to 5 acres)
 3 = MH-Medium farmer (5 to 15 acres)
 4 = LH-Large holdings (more than 15 acres)

³⁷ A- Scheduled Caste
 B- Scheduled Tribe
 C- Other Backward Class
 D- VJNT
 E- Open/other

small landholder category and 47 per cent to the medium and large landholder category.

- Out of the total landholders, 50% belong in the small landholdings, 43% to the medium and 5% and 2% respectively to the large and no landholding, respectively. In terms of the landholding pattern, there is a balance between the small and medium sized holdings in so far as the nomadic groups are concerned.
- While the higher caste groups are evenly distributed in the small and the medium/high landholdings, the tribal groups are primarily small landholders, and the SC group medium holders; the other backward castes are again evenly distributed.
- The overwhelming numbers are reflected in the small and medium sized holdings across caste groups — at 50% and 43% respectively. This is suggestive of a problem that is widespread cutting across the caste and class barriers. The overall profile of the landholders suggest that few suicides have taken place in landless families and the maximum numbers are concentrated in the small and medium sized landholders.

Table 4 looks at the landholding pattern and marital status.

TABLE 4: Landholding and Marital Status

<i>Landholding</i>	<i>Marital Status</i>		<i>Total</i>
	M	Um	
LL	1	1	2
SH	17	1	18
MH	9	2	11
LH	5		5
Grand Total	32	4	36

- Out of the total sample, 89% were married and the remaining 11% were unmarried. Of the married victims, 53% belonged to the small landholding group, 28% were medium- sized landholders, and the remaining 16% fell under the large landholders category.
- In the unmarried category, 50% belonged to the medium landholders and the remaining 50% were equally divided among the landless and small landholding groups.

Thus, the small-sized landholding families in the married category were affected the most in the case of suicide of their household head.

In Table 5, we have taken up the education status of the deceased to ascertain whether a pattern emerges out of the data, while Table 6 looks at the correlation between the education levels and the landholding patterns.

TABLE 5: Education and Caste Groups

<i>Education (Class)</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>Grand Total</i>
0	3			4		7
3			1		1	2
4	1	1	2	1	4	9
5					1	1
7	1		1		4	6
8			1			1
9					1	1
10			5	1	3	9
Grand Total	5	1	10	6	14	36

- Out of the total sample, 19% are non-literates and the remaining 81% literates.
- Within the non-literates, 43% belong to the SC and the remaining 57% belong to the nomadic and denotified tribes.
- Of the literates, 7% belonged to the SC group, 3.5% to the scheduled tribes group, 35% to the other backward castes, 7% to the denotified and nomadic groups, and 48% to the open category. This very well conforms to the national figures on literacy as well.
- The reason for the comparatively high level of literacy level is due to the fact that almost all the victims are males and the bias in the literacy reflects that. That is the reason why the level of literacy is higher than the national average of 67 per cent.

TABLE 6: Education and Landholding

<i>Education</i>	<i>Landholding</i>				<i>Grand Total</i>
	LL	SH	MH	LH	
0		6		1	7
3		1		1	2
4		4	4	1	9
5			1		1
7		1	4	1	6
8	1				1
9				1	1
10	1	6	2		9
Grand Total	2	18	11	5	36

- The majority of the non-literates (86%) are small landholders who belong to the SCs and denotified tribes.
- Amongst the literates, 7% belong to the landless category, 41% belong to the small landholder category, 38% have to the medium-sized landholdings and 14% are large landholders.

Table 7 discusses caste in relation to the occupation of the victims.

TABLE 7: Caste and Occupation

<i>Occupations</i> ³⁸	<i>Caste</i>					<i>Grand Total</i>
	A	B	C	D	E	
Ag			3		3	6
Agd	4	1	5	6	7	23
Agl					1	1
Agsd			1		3	4
Agv	1		1			2
Grand Total	5	1	10	6	14	36

We find that the deceased were involved a range of occupations — all related to the agrarian system.

- Out of the total sample, 18% are entirely dependent on agriculture and do not have a back-up system. They primarily constitute the other backward classes and the higher caste group.
- Out of the remaining 82% of the sample, 70% are cultivators and agricultural labourers. This suggests that for the majority that cuts across the caste group, the practice of cultivation is not enough to guarantee a livelihood. The distribution of the sample here is evenly distributed across the caste groups here.
- Out of the remaining, agriculture and livestock constitutes 3% of the sample, agriculture and skilled daily wage constitutes 12% and agriculture and petty vending constitutes 6% of the sample.

Table 8 discusses the landholding pattern and occupational profile.

TABLE 8: Landholding and Occupation

<i>Occupation</i>	<i>Landholding</i>				<i>Grand Total</i>
	LL	SH	MH	LH	
Ag		2	2	2	6
Agd	2	15	6		23
Agl			1		1
Agsd		1	2	1	4
Agv				2	2
Grand Total	2	18	11	5	36

³⁸ **Occupations**

- Ag- Only agriculture
- Agd- Agriculture & Daily wages
- Agv- Agriculture & Vendor
- Agl- Agriculture & Livestock
- Agsd- Agriculture & skilled daily wage worker

Source: Field Data

- Out of the total sample, almost 50% are small landholders. The maximum from this category (85%) are cultivators and daily wage labourers.
- All landless are agriculture labourers. They have also taken lands on lease for cultivation.
- Amongst the medium sized holders, almost 55% are cultivators as well as daily wage labourers.
- Amongst the large size landholders, almost 40% are cultivators. Out of the remaining, 40% are cultivators and vendors, and the remaining 20% are cultivators having skills.

Thus, some of the salient conclusions emerging from the analysis are:

- (i) The small as well as the medium-sized landholders have committed suicide. It is not just restricted to small and marginal landholders. Large and small landholding families are affected by the crisis in the farming sector.
- (ii) The educational profile of the victims suggests that most of them were educated and this is the case across caste groups.

3.4 Cost of Cultivation and Productivity

There has been a substantial change in the composition of the input structure in the recent past. The cost of cultivation of most crops has increased due to higher input prices and increased density of purchased inputs, coupled with the high cost of labour. Therefore, demand for cash inputs has increased, thereby inflating the cost of production. Higher cost of production, in the absence of a corresponding increase in prices, affects the viability of farming. On the one hand, the cost of production increases due to increased input prices and at the same time market imperfections do not allow the farming household to generate sufficient profits to cover household expenses, exigencies and expenditure on social or family functions. This increases the stress on the farm family, the natural outcome of which is for farmers to approach moneylenders to meet their cash requirements.

In this sub-section, we would like to study the cost of cultivation in relation to two major crops grown (demarcated as C1 and C2 in Tables 9 and 10 respectively), as it is ascertained from the field data.

TABLE 9: Cost of Cultivation of Primary Crops

<i>CCI</i>	<i>CI</i>								<i>Total</i>
	C	H	J	S	SC	T	U	V	
1000			1			3			4
1200							2		2
1800				1					1
2000	1								1
2200	1								1
2500	17								17
3000	5								5
3500	1								1
9000					1				1
15000								1	1
18000		1							1
20000		1							1
Total	25	2	1	1	1	3	2	1	36

Source: Field Data

Note: C- Cotton; H-Horticulture; J-Jowar; BJ-Bajra; S-Soyabean; T-Tur; U-Udid; SC-Sugarcane; V-Vegetables.

Some of the key points emerging from Table 9 are:

- 70% of the cultivators grew cotton as their primary cash crop. The cost of cultivation as a paid out cost comes to around Rs.2,500 – 3,000 per acre. This cost does not include the labour put in by the family, depreciation of equipment, the cost of marketing, the interest on working capital, etc.
- Another 5% of the cultivators took to horticulture as major cash crop. This includes oranges, papaya and banana. The cost of cultivation incurred by them works out to Rs. 18,000–20,000 per acre. This cost does not include the labour input by the family, depreciation of equipment, the cost of marketing, the interest on working capital, etc.
- The remaining 20% cultivated tur, udid, soybean, jowar, vegetables and sugarcane.

Thus, cotton, pulses, fruits and vegetables were the crops cultivated by the farmers, who depended on the price at the time of harvest to recoup the cultivation cost and pay for household consumption and support cultivation for the next farming season.

Table 10 reveals that:

- 58% of the cultivators preferred *tur* as the secondary crop.
- Another 25% of the cultivators chose cotton, soybean and fruits as the first preference secondary crop.
- The remaining 17% cultivated millet as their preferred secondary crop.

On the basis of the above, we can state that the first choice of the cultivators is towards growing cash crops. This is borne out not only by our data, but the overall trend as observed elsewhere too. It should be noted that the percentage of non-food grains in the gross cropped area grew from 26.6% in 1981 to 33.6% in 1992. This represents a rise of almost 27%. It is clear that the peasants are not able to meet the daily cost of living from the cultivation of food crops.³⁹

TABLE 10: Cost of Cultivation of Secondary Crops

CC2	C2						Grand Total
	BJ	C	H	J	S	T	
500						1	1
800	2					7	9
1000		1				12	13
1200				2		1	3
1800					3		3
2000					1		1
2500		2					2
3000		1					1
3500		1					1
18000			1				1
30000			1				1
Grand Total	2	5	2	2	4	21	36

Source: Field Data

We have discussed the productivity of major crops in the sample area, based on the last five years, in Table 11.

TABLE 11: Productivity of Primary Crops (in Quintals per acre)

PCI	C1								Grand Total
	C	H	J	S	SC	T	U	V	
1.5						2			2
2	9					1	2		12
2.5	9								9
3	6								6
4	1								1
5			1						1
6				1					1
35								1	1
40		1							1
55		1							1
180					1				1
Grand Total	25	2	1	1	1	3	2	1	36

Source: Field Data

³⁹ Desai, R., *Aspects of India's Economy*, No. 26 and 27, Mumbai, 1998, pp 31.

The productivity of cotton still hovers around 2–3 quintals per acre for raw cotton. For the rest, the productivity of horticulture crops is between 40–55 quintals per acre; sugarcane 180 quintals; tur and urid 1.5 quintals; soybean and jowar 5.5 quintals; and vegetables 35 quintals per acre.

Against this backdrop of the socioeconomic profile let us now turn to the cost of production in relation to the major crops grown. Much of the information on the cost of production and price of produces came from the government sources. It is necessary to understand these two aspects to grasp the nature of the crisis at the macro-level. It is also necessary to ascertain whether the cultivator is able to recover the investment in the production of the crop and the labour that has been put in. It would also help us to understand the mismatch, if any, between the minimum support price that the government announces and the ground reality.

The minimum support prices are fixed and declared by the Ministry of Agriculture, GoI, before the sowing season. However, as per the statement of the Jt. Director, Agriculture Price Cell, the Minimum Support Prices do not give full justice to the farmers of Maharashtra.⁴⁰ According to the Statement, and we quote,

Favourable / Unfavourable agro climatic situation among the State leading to variation in per hectare yield: The agro climatic situation varies from State to State. This leads to variation in per hectare yield. The per hectare yield in Maharashtra State is less in comparison with the yield of other States due to inadequate irrigation facilities and unfavourable agro climatic situations. This leads to more cost of production. However, due to favourable agro climatic situation and sufficient irrigation facilities, the per hectare yield in Haryana and Punjab is more. Therefore, the cost of production of these States is conducive for the States where a particular crop is grown on a large scale. This adversely affects States like Maharashtra who have unfavourable agro climatic situation and higher cost of production. The Minimum Support Prices declared by Government of India does not cover the cost of production of the agriculture producer to the full extent. Therefore, the Minimum Support Prices do not give full justice to the farmers of the State having high cost of production. Therefore, instead of declaring one Minimum Support Price at the National Level, separate support prices may be declared for groups of States according to the cost of cultivation.

Let us ascertain the reasons for the statement above:

⁴⁰ See Annexure XI for the detailed statement.

TABLE 12: Difference in Methodologies in Calculating the Cost of Production

<i>Sr. No.</i>	<i>Item</i>	<i>Methodology followed by State APC</i>	<i>Methodology followed by State CACP</i>
1	Interest on working capital	The interest on working capital is calculated @ 14% per annum for the entire period of the crop.	The interest on working capital is calculated @ 14% per annum for the half period of the crop
2	Family human labour	Family human labour is valued @ 25% more than wage rates paid for the hired human labour.	Family human labour is valued on the basis of actual wage rate or minimum statutory wage rate, whichever is higher.
3	Profit on cost of production	On per quintal cost of production, 15% profit margin is considered.	While recommending the Minimum Support Prices to the Ministry of Agriculture, only small margin of return is considered.
4	Transport and marketing charges	Expenditure incurred by the farmer for transportation and marketing the agricultural produce is taken into account.	According to the CACP, it is a distributive cost. Hence, it is not included in the cost frame. But while recommending the Minimum Support Prices of sugarcane and jute to the Ministry of Agriculture, only transport cost is considered whereas the marketing cost is not considered at all.

Source: Communication from the Director Mr. Meshram, Annexure XI

The State Government is not in agreement with the minimum support price announced by the Ministry of Agriculture. First, the GoM does not agree with the methodology followed by the Commission for Agriculture Cost and Prices (CACP) in arriving at the cost of cultivation. Since the methodology adopted by the CACP itself is claimed to be incorrect, the figure for the minimum support price recommended by it is wrong. It does not take into account the specificities of a particular region in terms of agro climatic conditions and irrigation networks.

What is unstated is whether the GoM has done anything about correcting this anomaly — that is the difference that exists between its perception and that of the perception of the Central Government Agency fixing support price. It is against this understanding that we must locate the minimum support price mechanism and its effectiveness at the ground level. Tables 13a and 13b outline the minimum support price that the Ministry of Agriculture, GoI announces every year for the various crops. These are recommended by the State Governments and declared by the Centre. We have taken into account the prices announced for the last 10 years from 1995–96 onwards.

TABLE 13a: Minimum Support Price Declared by the Central Government

Sl. No.	Crop	1996-1997			1997-1998			1998-1999			1999-2000		
		RSG	FCG	% RSG									
1	Paddy	587	380	65	631	415	66	699	440	63	770	490	64
2	Bajra	613	310	51	696	360	52	739	390	53	870	415	48
3	G.Nut	1853	920	50	1952	980	50	2070	1040	50	2409	1155	48
4	Tur	1797	840	47	2062	900	44	2122	960	45	2223	1105	50
5	Cott.	2372	1380	58	2516	1530	61	2586	1650	64	2925	1775	61
6	Sunflower	1907	960	50	2084	1000	49	2198	1060	48	2429	1155	48
7	Mung	1788	840	47	1829	900	49	2083	960	46	2418	1105	46
8	Udid	1689	840	50	1862	900	48	1952	960	49	2140	1105	52
9	S.Bean	1008	700	69	1179	750	64	1267	795	63	1418	845	60
10	S.cane	53	46	87	59	48	82	63	53	84	70	56	80
11	Wheat	713	380	53	788	475	60	1042	510	49	1087	550	51
12	Gram	1367	700	51	1463	740	51	1805	815	45	1914	895	47
13	Sunflower	1280	800	63	1356	830	61	1533	910	59	1831	990	54

Source: Agriculture Price Cell, GoM.

TABLE 13b: Minimum Support Price Declared by the Central Government

Sl. No.	Crop	2000-2001			2001-2002			2002-2003			2003-2004		
		RSG	FCG	% RSG									
1	Paddy	841	530	54	975	530	54	850	550	65	901	550	61
2	Bajra	916	485	48	1015	485	48	878	495	56	906	505	56
3	G.Nut	2433	1983	76	2595	1983	76	1983	1375	69	2017	1400	69
4	Tur	2229	1320	54	2423	1320	54	1869	1325	71	1985	1360	69
5	Cott.	3108	1875	57	3308	1875	57	2760	1875	68	2775	1925	69
6	Sunflower	2699	1185	44	2699	1185	44	2239	1210	54	2261	1250	55
7	Mung	2716	1320	49	2716	1320	49	2261	1335	59	2343	1370	58
8	Udid	2539	1320	52	2539	1320	52	2203	1335	61	2363	1370	58
9	S.Bean	1599	885	55	1599	885	55	1352	895	66	1402	930	66
10	S.cane	74	62	84	74	62	84	64	65	101	70	70	100
11	Wheat	1244	610	49	1244	610	49	1124	620	55	1147	630	55
12	Gram	2103	1100	52	2103	1100	52	1831	1200	66	1892	1225	65
13	Sunflower	2086	1200	58	2086	1200	58	1867	1300	70	1887	1335	71

Source: Agriculture Price Cell, GoM.

The above figures give a clear indication of the support given to the cultivators for the efforts and the investment put in. Some of the key points emerging from the above tables are:

- Not a single support price for the last 10 years has met the cost of cultivation, except sugarcane for 2 years.
- The average gap in the minimum support price and the cost of cultivation per crop as per the figures works out to the following in terms of each crop over the period of 8 years (1996–2004). The difference is given in the minus % from the price asked for and granted.
Paddy: –38%; Bajra: –48%; Groundnut:–32%; Tur: –40%; Cotton: –38%; Sunflower: –50%; Mug: –50%; Udid:– 47%; Soybean: –37%; Sugarcane: –12%; Wheat: –47%; Gram: –47%; Safflower: –39%.
- Thus, all the crops are being cultivated at a loss to the cultivators. The loss varies from 38% at the minimum to 50% at the maximum. The exception is sugarcane where the loss is minimised at 12%. Is sugarcane being cross-subsidised at the expense of other crops?

We can, thus, summarise by stating that the cost of cultivation and the support prices do not match.

In connection with the price environment for the farmers, it needs to be pointed out that there has been considerable increase in the price of important farm inputs during the last five years. Between 1990–91 and 95–96 while the prices of wheat as measured by the average of wholesale price indices increased by 58%, that of fertilizer increased by 113%, that of irrigation by 62% and insecticides by 90 percent. While the recent revision in the administered prices of petroleum products, the price of diesel would be higher by 75% than their level during 1990-91. The report further points out that the small and marginal farmers do not get ever get the administered price declared by the state.⁴¹

The plight of the cultivators is clear. We now need to understand the huge deficit between the cost of cultivation and the support price in terms of how it is bridged. We have looked at the data on indebtedness from the perspective of the various sources that the cultivator had accessed before taking the fatal step.

3.5 Indebtedness

We first analyse the trend from the PAC banks (Table 14). Almost 40% of the victims have not availed of loan from the PACs. Out of the remaining, the break up can be as under:

- Around 20% have availed a loan of up to Rs. 10,000/-. Here the small and the medium landholders have accessed the entire loan.
- 25% have taken loan ranging from Rs. 11,000/- to Rs. 30,000/-. The maximum intake has been from small landholders.

⁴¹ Desai, R., *ibid*, 28; *Reports of the Commission for Agricultural Costs and Prices for Crops Grown in the 1995–96*, 459

- On the higher side, the middle landholders have taken loans ranging from Rs. 30,000–50,000/-. Only one large landholder has taken a loan exceeding Rs. 3,00,000/- (for purchase of a tractor).

TABLE 14: PAC⁴² Loans and Landholding

<i>PAC</i>	<i>Landholding</i>				<i>Grand Total</i>
	<i>LH</i>	<i>LL</i>	<i>MH</i>	<i>SH</i>	
0	1	2	2	8	13
2000				1	1
5000			1		1
7000				1	1
10000			1	3	4
11600			1		1
12000	1				1
12500				1	1
13000				1	1
14000	1			1	2
15000			1	2	3
20000	1			1	2
33000			1		1
47000			1		1
50000			2		2
363000	1				1
Grand Total	5	2	10	19	36

Now let us analyse the loans taken from Land Development Banks (LDBs), mainly for the development of minor irrigation as a medium-term loan.

TABLE 15: Loans from LDBs and Landholding

<i>LDB</i>	<i>Landholding</i>				<i>Grand Total</i>
	<i>LH</i>	<i>LL</i>	<i>MH</i>	<i>SH</i>	
0	3	2	9	16	30
7000				1	1
12000				1	1
15000	1				1
17000				1	1
20000			1		1
30000	1				1
Grand Total	5	2	10	19	36

⁴² PAC- Primary Agricultural Credit Co-operatives
LDB-Land Development Bank
CB- Commercial Bank
PVT- Private Money Lenders

Eighty percent have not availed of this loan at all. This might be so because once the crop loan is availed of, the cultivators may not be in a position to afford to service the loan. Out of the remaining, the maximum has been from small landholders (10%). The remaining has been shared between the medium and the large landholders.⁴³ More or less the same trend of the off take continues as far as the commercial banks are concerned as per Table 16.

TABLE 16: Commercial Banks and Loans

<i>CB</i>	<i>Landholding</i>				<i>Grand Total</i>
	LH	LL	MH	SH	
0	2	1	5	12	20
3000				1	1
4000			1		1
10000				3	3
12000		1		1	2
20000	2				2
22000			1		1
25000			1	1	2
30000	1			1	2
53000			1		1
89000			1		1
Grand Total	5	2	10	19	36

Fifty-five per cent of the sample have not availed of the loans from the commercial banks. Of the remaining, the intake has been greater from the side of the medium farmers up to the credit amount of Rs. 30,000/-. Three borrowers have gone beyond Rs. 30,000/- and they belong to the medium and large holders of land. Private lending has, perhaps, been the mainstay of the credit requirement of the cultivators.

Out of the total sample, around 30% have not availed of the private loans from moneylenders. Of the remaining 70%, the largest component of those who have availed loan are small and medium landholders. This works out to almost 80% of the total borrowers. Most of the borrowers fall in the band of Rs. 10,000–60,000/- in so far as the small landholders are concerned. This band extends to Rs. 1 lakh when it comes to the medium landholders. This band goes down a little bit when the large holders are borrowing from the moneylenders. What story does this picture tell? It suggests that the small and medium landholders are starved of credit — mostly institutional credit. They perforce have to turn to the moneylenders for survival and then fall into the debt trap. Along with the debt trap, the cultivator also has to fall back on relatives, as liquid capital remains a perennial issue. Table 18 relates the tale of borrowing from relatives.

⁴³ In recent years the LDBs are not being refinanced and hence are 'sick'. This may be one reason why the off take is so limited. The State Government has refused to give counter guarantee to the LDBs, thus paving the way for NABARD's refusal for refinance.

TABLE 17: Private Lending

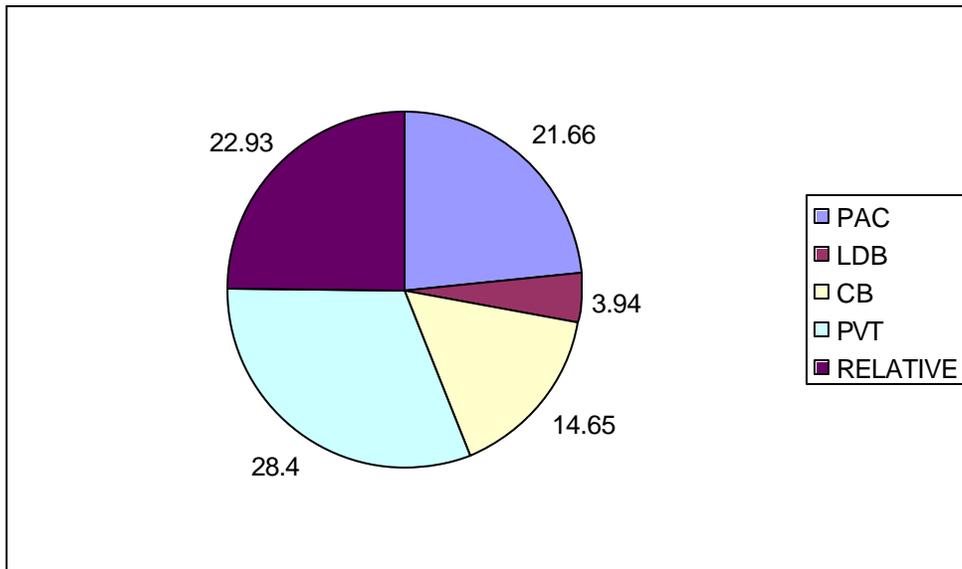
<i>PVT</i>	<i>LH</i>	<i>LL</i>	<i>MH</i>	<i>SH</i>	<i>Grand Total</i>
0	1		5	5	11
10000	1		1	2	4
15000	1	1		1	3
16000				1	1
18000				1	1
20000			1	2	3
25000			1	2	3
30000			1		1
33000	1				1
35000		1		1	2
40000				2	2
50000	1			1	2
60000				1	1
100000			1		1
Grand Total	5	2	10	19	36

TABLE 18: Lending From Relatives

<i>Relative</i>	<i>Landholding</i>				<i>Grand Total</i>
	<i>LH</i>	<i>LL</i>	<i>MH</i>	<i>SH</i>	
0	3	2	2	12	19
5000			2	1	3
7000				1	1
10000	1			1	2
15000				1	1
20000	1		1	2	4
25000				1	1
30000			1		1
45000			1		1
50000			1		1
100000			1		1
200000			1		1
Grand Total	5	2	10	19	36

Fifty percent of the sample has not availed of the loan from relatives. Of the remaining, the largest group of borrowers is, once again, the small and the medium farmers. This verifies the fact that this segment is starved of credit and has to take recourse to borrowing from all possible sources.

We can look at the broader picture through the pie chart given below that consolidates all the lending and breaks them down in their respective percentages.



Source: Field data

Out of the total lending, the private lending component comes to about 50% (which includes the borrowing from the relatives as well). The PACs are contributing to the tune of 21% and the Commercial Banks and the LDBs put together are contributing to only 18%. This lends itself to an argument that the largest off take of credit is still being met by private sources. We need to understand the reasons for the same.

Only 20 per cent of the sample has received compensation from the Chief Minister's Relief Fund of Rs. 1,00,000/-. Thus, 80% of the families, whose member committed suicide, have not received any.

TABLE 19: Compensation from CM's Relief Fund

<i>Caste</i>	<i>CM</i>			<i>Grand Total</i>
	<i>0</i>	<i>Y</i>	<i>Y</i>	
A	5			5
B	1			1
C	8		2	10
D	4	1	1	6
E	11		3	14
Grand Total	29	1	6	36

We can now conclude this sub-section with the following assertions:

- There is a general crisis of credit in the agrarian economy.
- This is reflected more in the medium and small landholdings, where all the possible sources have been tapped.
- This crisis has pushed the cultivators in the debt and death trap.
- The resultant debt trap is due to the inadequate credit supply to the cultivators at an affordable price and due to the rising costs of production that cannot be met.

3.6. Attitude of the Government

The crisis in agriculture is widespread, and the number of farmers committing suicide is on the increase. The situation only seems to be getting worse. What has been the response of the government to the unfolding consequences of the crisis in agricultural sector?

- Despite the letters and faxes sent by us to the district collectors (except Mumbai) citing the order of the Honourable High Court to solicit basic information regarding the deaths, only two Collectors (Jalna and Dhulia districts) got back with a response. This is despite the direction of the Honourable High Court asking the TISS to submit its report on the possible causes behind the suicides of the cultivators. We received information from the Divisional Commissioner Nagpur, Commissioner Agriculture and Jt. Director, APC. Otherwise, there is a general lack of sensitivity to the situation that the farmers are facing.
- In terms of the list provided by Jalna, Wardha and Nagpur districts, the information has been inadequate and incomplete.

We cite a table below to illustrate this point.

TABLE 20: Causes of Death — Comparison between the Government and the Research Team’s Findings

<i>Sl. No.</i>	<i>Reference No. of the Case⁴⁴</i>	<i>Reason of Death cited by the Govt. Machinery</i>	<i>Research teams Case No.⁴⁵</i>	<i>Research teams findings based on the information from the family.</i>
1	Nagpur Com. Sr. no. 46	Not Indebtedness, no reason known	Case 27	Death due to indebtedness, Loan amount Rs. 74,000/-.
2	Nagpur Com Sr. No. 60	Not due to debt, was a jeep driver	Case 21	Death due to indebtedness, crop failure, Rs. 1,40,000/-
3	Nagpur Com. Sr. No. 69	Economic problems	Case 29	Same as govt.
4	Nagpur Com. Sr. No. 90	Due to addiction to liquor	Case 28	Death due to indebtedness, Rs. 57,000/-
5	Collector Jalna Ref. No. 18 ⁴⁶	Not because of debt and crop failure	Case 35	Death due to indebtedness, crop failure. Loan Rs. 37,000/-
6	Collector Jalna, Ref. No. 25	Not due to debt, personal reasons	Case 36	Death due to indebtedness. Total loan Rs. 75,000/-

It might seem that the causes of suicides have not been properly investigated and documented. We suggest that the Honourable High Court appoint a high power committee of eminent activists and individuals to verify the government list independently within a timeframe.

- The causes of death cited seem superfluous and arbitrary. There may have been a tendency to ignore the suicides of the landless farmers. It is clear that even the landless, who leased land for cultivation and suffered losses, was unable to pay for the leased land as well as the loan taken to enable cultivation. This group has not even been considered as cultivators by the government in the first place. We request the Court to take corrective steps.

⁴⁴ Annexure No. XII.

⁴⁵ See Section 3.2, Case 27.

⁴⁶ See Annexure XIII.

- The fact that none of the other districts provide the figures of suicides suggests that they do not have those figures in the first place. The Honourable Court should ask the district authorities as to what efforts have been made to document reports of farmers committing suicide. The Honourable Court could direct the government to take stern action against the district authorities for failing in their duties to investigate and provide relief to families that have lost their main earning member to suicide.

SECTION IV

Causes and Linkages

4.1 Causes

On the basis of the analytical framework discussed above, we can draw the following conclusions regarding the causes of the suicides of the cultivators:

1. The major reason for the suicides is the heavy indebtedness that the cultivators find themselves in today.⁴⁷ This heavy indebtedness is not an overnight phenomenon that has occurred suddenly. It has its roots in the credit policy that has been followed over a number of years.
2. The indebtedness itself results from a mismatch in the cost of production and the support price and the market price that the cultivators are receiving at the end of every cropping cycle.
3. Field data suggests that there has been repeated crop failure in the last four years.⁴⁸ This crop failure has resulted in a reduction in the productivity of the land due to a variety of reasons. These reasons could be due overuse of fertilisers, pesticides and reliance on HYV seeds and now to some extent on the genetically modified seeds such as the Bt. Cotton. Thus, the crop failure becomes a cyclical phenomena and not a one-time occurrence.
4. Heavy indebtedness is spreading across the landholding patterns. In that context, the small and the medium-sized cultivator is the most affected of the lot, though the large landholder in the rain-fed areas of the state, too, is coming under strain.
5. In the context of availability of credit, field data suggests that even after 55 years of Independence, private moneylending remains the single largest source of credit to small and marginal farmers. This is so because the banking sector is fast moving out of the credit delivery mechanism. The reasons for such a thing to happen is covered section 4.2.
6. Cultivation in Maharashtra is primarily rain-fed in nature. Thus, the subsidy given on fertilisers and pesticides, irrigation and electricity does not touch the small/marginal and medium-sized landholder, as the cultivation is deprived of an assured irrigation source. Thus, those who are cultivating cash crops that requires irrigated water have

⁴⁷ This finds echoes in the other studies done on this phenomenon. See Mohanty, 2004.

⁴⁸ See Section 3.2 for case summaries.

to performe rely on the rainfall that is fickle at the best of times. This puts the system under tremendous stress. The cash crop becomes a kind of a compulsion, as subsistence farming alone does not provide for the need of liquid capital that the cultivator needs for survival. More and more, the small and marginal farmers are pushed into compulsory cash crop cultivation that is having a spiral effect in terms of the debt crisis.

7. The access to information base that the cultivators have largely comes from the agents of the fertiliser and seed companies. The government extension machinery is not visible in the sense that it can provide an objective database in information to the cultivators.
8. The attitude of the government may be described as starkly apathetic. This is demonstrated by the fact that almost 80% of the victims have not received any kind of compensation from the government.
9. There is a total absence of safety net for the cultivators, especially the small and the medium ones.

4.2 Linkages

Here we would primarily explore the linkages between the debt and the macro context in which this situation has arisen. The following data from the Planning Commission makes the picture clear for the credit-starved sector that agriculture has become.

TABLE 21: Plan Outlay in Agriculture and Allied Sectors (in crore Rs.)

<i>Plans</i>	<i>Total Plan Outlay</i>	<i>Agriculture & Allied Sectors</i>	<i>% of Agri. And Allied sectors to total</i>
I Plan (1951–56)	2378	354	14.9
II Plan (1956–61)	4500	501	11.3
III Plan (1961–66)	8577	1089	12.7
Annual Plans (1966–69)	6625	1107	16.7
IV Plan (1969–74)	15779	2320	14.7
V Plan (1974–79)	39426	4865	12.3
Annual Plan (1979–80)	12177	1997	16.4
VI Plan (1980–85)	97500	5695	5.8
VII Plan (1985–90)	180000	10525	5.9
Annual Plan (1990–91)	58369	3405	5.8
Annual Plan (1991–92)	64751	3851	6.0
VIII Plan (1992–97)	434100	22467	5.2
IX Plan (1997–02)	859200	42462	4.9
X Plan (2002–07)	398890	20668	5.2

Source: Planning Commission, 10th Plan Documents

Table 21 is self-explanatory. The reduction in the sectoral investments is massive. This reduction can be pinned down to the to the year 1980–1985. That year forms the watershed in the history of investment in Indian agriculture.

As per the table cited above, there has been a decline in terms of total investment in agriculture over the last seven years, the figures for which are available to us. The total investment to the GDP ratio has declined from 1.6% to 1.3%. The decline in the public sector investment is quite sharp — 27% per cent — and there is a corresponding rise in the investment from the private sector by 13%. The overall credit supply to agriculture from the private sector stands at 75%.

On the supply side, how much short-term crop loan credit does the sector need? We have some figures available for the same. According to the figures available from the year 1994–95, the total credit requirement in the sector works out to roughly Rs.78,000 crores. Against that, the supply of institutional credit works out to just 11%. Thus, of the total short-term credit requirement, nearly 90% of the same is being met by private moneylending.⁴⁹

The issues before the supply side are now clear. They pertain to the total supply of credit — the supply of short-term credit by almost 90% is pushing farmers into the arms of the moneylenders. We need to take a note of this while making recommendations.

TABLE 22: Investment in Agriculture

	<i>Gross Capital Formation</i>				<i>% Share of</i>			<i>Invest. In Agri. as % of GDP</i>
	<i>Agriculture</i>	<i>Total economy</i>	<i>Public sector in Agri.</i>	<i>Pvt. sector in Agri.</i>	<i>Public sector in Agri.</i>	<i>Pvt. sector in Agri.</i>	<i>Agril. To total</i>	
1993–94	13523	181133	4467	9056	33.0	67.0	7.47	1.6
1994–95	14969	229879	4947	10022	33.0	67.0	6.51	1.6
1995–96	15690	284557	4849	10841	30.9	69.1	5.51	1.6
1996–97	16176	248631	4668	11508	28.9	71.1	6.51	1.5
1997–98	15942	256551	3979	11963	25.0	75.0	4.77	1.4
1998–99	14895	243697	3869	11026	26.0	74.0	6.11	1.3
1999–00	16582	268374	4112	12470	24.8	75.2	6.18	1.3
2000–01	16545	274917	4007	12538	24.2	75.8	6.02	1.3

Source: Planning Commission, 10th Plan Documents

⁴⁹ Reports of the Commission for Agricultural Costs and Prices for crops sown in the 1993-94,1994—95, 1995-96,1996-97. See the table attached, annexure XX.

SECTION V: Recommendations

5.1 Recommendations for Immediate Relief and Rehabilitation

- 5.1.1 An immediate (adequate) compensation be offered, on a priority basis, to the families of the victims. In order to do that, a committee comprising eminent persons / representatives from institutions / activists and voluntary organisations be set up under the aegis of the Court, which should have a high-level government nominee. The committee should recommend the form and the content of the relief to the Court to consider. In the meanwhile an ex-gratia payment of Rs. 2.5 lakhs to the victim's families be made in order that they may continue their existence with dignity.
- 5.1.2 A committee of eminent persons/representatives from institutions/activists and voluntary organisations be set up to arrive at a correct and complete list of farmers who have committed suicide. This committee may have a specific time limit to submit its (comprehensive) list to the Court. The Court should direct district officials to investigate the circumstances leading to the farmers committing suicide. Our investigation and reports from activists in the field show that suicides by the farmers are not clearly registered and investigated.
- 5.1.3 As many issues in the case are in the purview of the Union Government, it should be made a party in the suite and be directed to submit a detailed affidavit on matters raised in this Report.
- 5.1.4 The Court should immediately ask the State Government, the Union Government, the Life Insurance Corporation of India, and the Agriculture Insurance Corporation of India to create an insurance safety net that covers the assurance of minimum life support system for the cultivators and their production system as a whole.
- 5.1.5 The Court should direct the state to look into its extension work in the field of agriculture and come up with a comprehensive action plan to revamp the set up, its training and its information base. The farmers could access the information through e-networks (similar to e-chaupals). The Court may ask the State Government to take cognisance of the fact that its extension work in agriculture is not making an impact on the mindsets of the cultivators. The Court should ask the government to propagate the alternative low cost organic/natural farming system through a strong network of voluntary bodies, and activists working on these issues and farmers' organisations.

5.2 Recommendation for Long-Term Solutions to Agrarian Crisis in Maharashtra

- 5.2.1 Any relief is a short-term measure. Long-term measures should be the rehabilitation of a system, in this case the agrarian production system itself. In this

context, the Court should direct the Central Government to come up with policies that focus on farmers rather than seed and fertiliser corporations, who enhance their profit margins at the cost of millions of farmers. The Court could direct the Central Government to frame policies that would support the marginal and small farmers to remain on land. For millions of farmers, there are no clear livelihood options in the non-farm sector. It is in this context that the policies of the Government of India should support cultivation, by enabling farmers to meet the cost of cultivation, and price support to stay out of debilitating indebtedness. This can be done through the National Bank for Agriculture and Rural Development. The Central Government should also be directed to reduce the interest rate on the credit offered to cultivators. (The current level of interest rates for loans offered by public sector banks is very high.) There should be a time-bound plan of five years within which the Government of India should meet this cost.

- 5.2.2 The Central Government should also go for a differential matrix in terms of minimum support prices. The minimum support price mechanism should take care that it matches the cost of cultivation in each state, crop by crop.
- 5.2.3 The Central Government should announce, on a priority basis, the provisions of a safety net for the cultivators and their families. This net should be comprehensive in scope.
- 5.2.4 The Central Government should immediately announce the setting up of a commission with statutory powers that takes decisions on issues such as genetic modification technology and its impact on Indian agriculture, agriculture pricing policy and cropping pattern. The commission should also look into the issue of integrating the irrigation schemes in terms of surface and groundwater and integrate the line departments in order that the schemes are implemented efficiently.