



**INDIAN AGRICULTURE ETHICAL PROSPECTS ECONOMY SOCIETY &
ENVIRONMENT LAMENTING FINANCIAL INSECURITY TO FARMING
COMMUNITY**

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Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in India, more so in the vast rural areas. It also contributes a significant figure to the Gross Domestic Product (GDP). Sustainable agriculture, in terms of food security, rural employment, and environmentally sustainable technologies such as soil conservation, sustainable natural resource management and biodiversity protection, are essential for holistic rural development. Indian agriculture and allied activities have witnessed a green revolution, a white revolution, a yellow revolution and a blue revolution. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries almost account to 17% in growth of Indian agriculture. The economic contribution of agriculture to India's GDP is staidly declining. Its likely that India crop production this year will be lower compare to 2013-14 given deficient rain both in the southwest & north east monsoons impacting *karif* as well as *rabi* plantings but that by itself need not be cause fur concern we have seen one of farm output declines even in 2009-10 , 2004-05 & 2002-03 , is the prospect of agriculture entering renewed phase of stagnation or low growth between 2004-05 & 2013-14 agricultural GDP grew by an average 3.7% a year as against 2.9 % over the preceding 10-year period the table gives more details crop level picture by taking an average production for three five years period ending 1993-94 , 2003-04 & 2013-14 Given in table 1.

CROP OUTPUT			
FIVE-YEAR-END AVERAGE IN MILLION TONNES			
	1993-94	2003-04	2013-14
1.Foodgrains	175.91	201.48	248.76
(A) Rice	75.14	85.67	100.43
(B) Wheat	55.55	71.35	90.39
(C) Maize	9.25	12.57	21.36
(D) Pulses	13.05	12.78	17.52
2. Oilseeds	19.15	19.97	30.20
3.Cotton*	10.62	15.38	35.04
4.Sugarcane	235.66	282.75	337.39
5.Potato	15.80	23.47	41.87
6.Onion	3.48	4.94	16.28
7. Milk	55.92	83.51	127.25

*MILLION BALES OF 170 KG EACH

Still, agriculture is demographically the broadest economic sector with over 65% of population depending on it as main vocation and plays a significant role in the overall socioeconomic fabric of India by providing employment to the tune of 50% in rural areas mostly to the uneducated and socially deprived people.

Technological Success and food Production Scenario in Independent India

India has shown a steady average nationwide annual increase in the kilograms produced per hectare for various agricultural items, over the last 65 years. These gains have come mainly from India's green revolution, successful farm research, improved power generation and infrastructure, knowledge of gains and reforms. Indian population has increased from 35 Crore to 125 Crore during 1950 to 2014. Food grains production increased from 35 Million Metric Ton to 250 Million Metric Ton, Milk production from 12 Million Litre/day to 121 Million Litre/day and Fish Production from 7 Lakh Metric Ton to 90 Lakh Metric Ton during past 65 years. Data on production of food grains when compared to population levels reveal that there is quantum jump in food grain production 1 Million Metric Ton/Crore population to 2 Million Metric Ton/Crore population while mild production levels indicate that there was production of 1 Litre milk/30 persons in 1950 as against 1 Litre milk /10 persons in 2014 (Table 1). Food grains recorded 7 times growth in the 65 years of independence while there is an increase of 10 and 12 times in milk and fish production to feed a population which

recorded 3.5 times increase during the same period (Table 2) making India a self sufficient country with regard to food production. These all happened due to composite research programmes that have adopted in India during post independence regime.

Table 2. Post Independence agriculture production in comparison to population growth in India

Year	Population (Crore)	Agriculture and allied Production			Average Production/Population		
		Food Grains (mMT)	Milk (mL/day)	Aqua (Lakh MT)	Food Grains/ mMTCrore	Milk (L/ Persons)	Aqua (Lakh MT)/Crore
1950	35	35	12	7	1.0	30	0.2
2014	125	250	121	90	2.0	10	0.75

Food grains recorded 7 times growth in the 65 years of independence while there is an increase of 10 and 13 times production in milk and culture fish production to feed a population which recorded 3.5 times increase during the same period (Table 3) making India a self sufficient country with regard food production thus making her a food secure country. These all happened due to composite research programmes that have adopted in India during post independence regime.

Table 3. Increase of agriculture production in comparison to population growth in India after independence

Year	Population (Crore)	% Increase			
		Population	Food Grains	Milk	Aqua
1950	35				
2014	125	350 (3.5 Times)	700 (7 Times)	1000 (10 Times)	1300 (13 Times)

Despite these accomplishments, agriculture in India has the potential for major productivity and total output gains, because crop yields in India are still just 30% to 60% of the best sustainable crop yields achievable in the farms of developed as well as other developing countries. Additionally, losses after harvest due to poor infrastructure, indifferent policies, improper tenant farming and unorganized market channels result in highest food losses in the world.






Cost of Production and Economic Crisis

Technological knowhow and financial support to agriculture was minimal in India till 1970 with farmers following low input and traditional technologies till the introduction of green revolution programmes. India was lamenting with food security crisis but the farmers were able to derive financial security wherein the expenditure on farming sector was accounting to 1/3 of the production cost as against profits were 2/3 of the production cost. Farmers have no history of committing suicides due to failure in agriculture. Introduction of Green Revolution aimed to achieve food security with a slogan of Food for All and achieved the target by increasing the agriculture production manifold. Subsequently, there is a paradigm shift of concentrating to Protein food for All. Finally the country has achieved food security with production of food grains crossing 249 mMT during 2012-13. This led the country to have buffer stocks over 40% of the requirement. Thus, Indian agriculture stands as a testimony to technological success. However, it failed to create financial security to farming community since there is drastic reduction in profitability and exorbitant hike in production costs. Simultaneously, indifferent policies such as (i) unremunerative prices, (ii) lack of proper marketing strategies, (iii) lack of post harvest storage facilities and (iv) post harvest losses apart from natural calamities have also made farmers to incur heavy losses in agriculture irrespective of coping system. Such situations warranted farmers to commit suicides. According to official sources, 2,70,940 farmers have committed suicides in India during 1955 to 2011. Majority of them were (i) small and marginal farmers, (ii) Tenant farmers cum agriculture labour. Various factors such as the (i) crop failures (ii) withdrawal of government support, (iii) insufficient or risky credit system, (iv) difficulty of farming in semi-arid regions, (v) poor agricultural income, (vi) absence of alternative income opportunities, (vii) a downturn in the urban economy which forced absentee farming, (viii) Liberal import policies, (ix) Restrictions in export methods and (x) absence of suitable counseling services have made the agriculture non-remuneration and compelled the farmers to commit suicides as they find no alternative to the escape the heavy economic losses incurred by them.

Maharashtra	93 (up to Feb 2015)
Telangana	69 (up to Oct)
Karnataka	19 (up to mid Nov)
Gujarat	3 (up to Oct)
Kerala	3 (up to Oct)

Andhra Pradesh	3 (up to Jun)
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Previous Years' figures for Maharashtra

2011		608
2012		642
2013		407
2014		569
2015		93* Till 15 Feb 2015

Though Maharashtra's figures are available only till Feb 2015 reported as many as 93 farmer suicides in Marathwada in last 45 days since Jan 1st, the number of farmers suicides in state is still higher than the collective figure of five other states (97) where such suicides were committed by farmers this year. Though the government remain silent over the exact reasons which might have forced to take such drastic steps. It indicated the possibilities of "agriculture indebtedness" being primary factor behind such suicides. The supreme court on the times of India report dated Dec 19,2014 is expressed serious concern over unabated suicide by farmer in drought hit area in Maharashtra and sought answer from the centre & state government on a PIL Which alleged little had been done to ameliorate the woes of marginalized farmers". The small & marginal farmers are subjected to a vicious circle by private money lender who take benefit of impractical governmental policies" the petitioner said requesting the court's intervention. One of the said stage of agony " the higher cost of Bt Cotton seed forced farmer to take loan from private money lenders who charge exorbitant interest rate of about 60% per year. These money lenders compel farmers to sell the cotton to them at a price much lesser than market price." TOI 15 Feb 2015 reported that a total of 5698 farmers had committed suicides in a rural parts of state since 2011.

Table 4 reveals disproportionate increase in the prices of agriculture commodities in comparison to other consumer items such as (i) Medicines, (ii) Gold, (iii) Diesel oil, (iv) Iron etc. consumer commodities have recorded rate of increase from 100 to 300% as against a nominal rate of increase of 15 to 37% in case of agricultural commodities. Wages and salaries in organized and unorganized sectors in India are subjected to revision periodically basing on

inflation rates. However, similar policy is not adopted in case of fixing prices for agriculture commodities leaving behind wide gap between input costs and market prices. Thus, farmers are bound to incur losses due to heavy input cost and low returns. For example, wages of an average government servant was equal to 3 quintals of paddy during early independence days while same is equal to 20 quintals of paddy at present as because of disproportionate increase in wages and salaries in comparison to prices of agricultural commodities. The disproportionate increase of rates in agricultural commodities have led to economic crisis in farming sector as also share of agriculture in the GDP of India but not due to decrease in its contribution in terms of production and productivity.

PRODUCTION ORIENTED AGRICULTURE

Indian agriculture practices have emphasized on enhancing production levels to meet the growing demands in the country. In spite of the fact that India is the world's largest producer of milk, turmeric, banana, pulses and black pepper, agriculture is accounting to only less than 20% of India's GDP and its contribution in employing India's male workforce declined from 80% in 1961 to almost 50% in recent years. Various factors described elsewhere could be the reasons for non-remunerative agriculture in India as observed by several studies conducted in India. One of the vital reasons could be exorbitant increase in input cost when compared to marginal hike in market prices as well as Minimum Support Price (MSP) fixed by the Government for various crops. Fixing of Minimum Support Price for various crops has become arbitrary although it could be decided scientifically. Various factors viz., (i) Land Lease, (ii) Family Labour, (iii) Escalation in input costs and are being ignored in deriving the MSP. Country wide cumulative average system is leading to biased adjudication of MSP that is common to various agro – climatic zones. For example, MSP for paddy in Andhra Pradesh was determined at Rs. 1,310.00 as against production cost of Rs. 1,675 per quintal . similarly, MSP for long stable cotton was determined at Rs. 3,500.00 per quintal as against production cost of Rs. 6,950.00 per quintal. Abnormal increase in input costs such as (i) hiked in price of fertilizers, (ii) HSD Oils, (iii) Seed, (iv) Pesticides and Herbicides, (v) Shortage in availability of Male Workforce and increase in their wages and (vi) Weaning away and migration of rural population to urban areas for non-agriculture activities have made the agriculture cost ineffective leading to increase in the production cost. At present, country is not in food crisis but farming sector is experiencing severe financial crisis due to various reasons mentioned above.

SUPPORT PRICES ARE INDEPENDENT OF PRODUCTION COST

Paddy forms the major agriculture crop in Andhra Pradesh Which is being cultivated in Kharif and Rabi seasons in an area of 40 lakh Hectares out of 120 Lakh hectares of cultivable land. Thus, one Third of agriculture in Andhra Pradesh is dependent on Paddy cultivation. However, there is no correlation between production cost and Minimum Support Price declared by the Government as regards paddy making the paddy farmers to incur heavy losses up to 25.8% in 2013-14. These losses were accumulating heavily over the past 5 year (Table 4). There is severe decline in farm gate prices with regard to various crops viz, Cotton, Chillies, Turmeric, Pigeon Pea, Blackgram, Bajra and Jowar turning agriculture into high risk and low income venture (Table 5). Pigeon pea prices were decreased as low as 30% while the fall in the farm gate prices was as high as 64.3% in case of Turmeric. Continuous decline in Farm gate prices since 2008-09.

Table 5. increase of prices in consumer commodities in comparison to agriculture produce in India during 1997-2007.

S. No.	Commodity	%increase during 1997-2007	S. No.	Commodity	% increase during 1997-2007
1	Medicines	300	2	Wheat	37
3	Gold	220	4	Paddy	35
5	Diesel Oil	200	6	Pulses	35
7	Iron	200	8	Milk	20
9	MLA and MP remunerations	200	10	Bengalgram	18
11	Cement	150	12	Cotton	20
13	HDP	150	14		
15	Employees Salaries	150	16		
17	Petrol	130	18		
19	Labour Wages	100	20		

Table 6. Minimum Support Prices (MSP) of Paddy announced by Govt. of India in comparison to production cost computed by Govt. during 2009-2014.

Crop Year	Production Cost (Rs)	Increas in Production Cost (Rs)	MSP Declared (Rs)	Increase in MSP (Rs)	Loss (Rs)	% Loss
2009-10	1080	--	1000	--	80	7.4
2010-11	1180	100	1000	--	180	15.2
2011-12	1345	165	1080	80	265	19.4
2012-13	1550	205	1250	170	300	19.3
2013-14	1766	216	1310	60	456	25.8

Table 7. decline in Farm Gate Prices of various crops during 2008-2014

Crop	Farm Gate Price (Rs)		Decrease in Price (Rs)	% Decrease
	2008-09	2012-13		
Pigeon Pea	5,00	3,500	1,500	30.0
Blackgram	5,200	3,400	1,800	34.6
Jowar	2,500	1,400	900	36.0
Chilli	12,000	6,000	6000	50.0
Bajra	4,000	2,000	2,000	50.0
Cotton	6,500	3,500	3000	53.8
Turmeric	14,000	5,000	9,000	64.3

FINANCIAL INSTITUTIONS AND RoI

Government is playing proactive role in extending financial assistance to farmers wherein farmers are eligible for 3% RoI subvention for the advances paid within stipulated period excluding 4% RoI levied on crop loans/advances. However, 70% of the land owners who are availing this benefit are absentee land lords whose major vocation is either business or employed class as also reside in urban areas after leasing out their lands to tenant farmers. Most of the land owners, who obtain agriculture crop loans or jewel loans, divert the funds for purposes other than agriculture while the tenant farmers who actually adopt agriculture find it uphill task to obtain financial assistance from the banks. These farmers approach private lending agencies to obtain loans from 30 to 36% RoI and thus falling into extreme economic crisis, sometimes compelling them to commit suicides. Similar situation prevails as regards input subsidy, crop insurance, crop loss and damages due to natural calamities wherein tenant farmer is deprived of relief assistance unlike his land owner who draws the benefits of farmer welfare schemes and diverts the funds for non-agriculture activities. Under these circumstances, the results, as anticipated by various Governments are seldom reaching small and marginal and hence, there is strong need to review eligibility criteria for extending financial benefits to the farming community.

CONCLUSION

Consequences of farmer's crisis in India are likely to affect national economy and may impose adverse effects on food supply, food grain prices, cost of living, health and nutrition, poverty, employment, and labour, land loss from agriculture. The only remedy to

solve the crisis is to make agriculture a profitable enterprise by initiating efforts for Second Green Revolution (SGR) which should pave way to the remunerative agriculture through technological innovations, customized farm mechanization, rural markets and infrastructure. We cannot forget the farmer's agony which has been expressed in the form of Crop (Cultivation) Holiday in Godavari Delta in Andhra Pradesh. If this extends to other areas in the country, it would have resulted in severe national food crisis. Farm research must give equal importance to economic issues in agriculture similar to technical aspects. Integrated reforms in agriculture policies can improvise the economic scenario of farmers than providing relief measures. It is noteworthy to recall that every thing in India is protected by constitutional formations or amendments. MGNAREGA offers legal right to work for those who demand it. Minimum wages act protect the rights of those who work in unorganized sectors. Right to live with dignity is the foremost requirement in implementing human rights. Similarly, food Security act provides assurance to eliminate hunger from the contemporary society in India. 6th Pay commission (2008) in India has declared that average livelihood income for a family to be Rs. 11,738-00 per month and accordingly fixed minimum pay scale. It is unfortunate that, such policies do not exist to safeguard the livelihood of farmers who play pivotal role in creating food security to 1.2 billion people in this country. Hence, there is strong need to formulate Farmers Minimum Income Security Act (FaMISA).

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