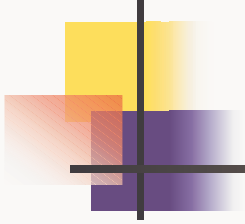


Farmers Suicide in Maharashtra An Overview



The Problem



Farmer's Suicide An issue of great concern

Increasing incidence of farmers suicide was an issue of great concern to State Govt.

Addressing the issue was not possible without knowing the reasons behind the same. The State Govt. therefore decided to ask reputed institutions to study the problem, the underlying reasons and interventions required to counter them.



Study Reports made use of

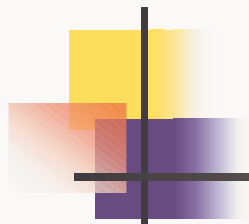
Tata Institute of Social science (TISS)

Indira Gandhi Institute of Development
Research(IGIDR)

Yashawantrao Chavan Academy of
Development Administration (YASHADA)

Recommendations of Dr M. S. Swaminathan

Six out of 35 districts account for 76% suicides



Division wise no of suicides

Amaravati	2034	(72 %)
Aurangabad	321	(11 %)
Nagpur	251	(9 %)
Nashik	174	(6 %)
Pune	62	(2 %)

Extent of Suicides in districts

Yeotmal - 28% , Amaravati – 16 % , Buldana – 10 %
Akola – 8%, Washim – 7% Wardha – 7% Total – 76%

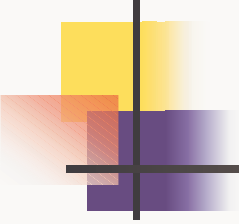
These six districts accounted for 76 percent of total suicides and so they were chosen for special interventions



Study Findings- Reasons for Agrarian Distress and Suicides

- Indebtedness –93 %
- Economic downfall – 74 %
- Conflict in Family – 55 %
- Crop failure – 41%
- Dent in Social Status- 36%
- Daughter's/Sister's marriage – 34 %
- Addiction- 28%
- Health problems – 21 %
- Most of the suicides were because of combination of more than one factor.

Reasons for Suicides in Six Districts of Vidarbha in five years



Name of dist	Crop loss	Indebtedness	Daughter's marriage	Illness	Addiction	Family disputes	Other reasons
Amravati	18	201	-	22	15	3	157
Akola	42	121	-	8	5	2	42
Yeotmal	-	341	2	82	110	54	20
Buldhana	20	101	13	29	26	26	112
Washim	13	134	-	3	4	4	20
Wardha	8	87	-	4	10	10	18
Total	101	985	15	148	99	99	369



Diagnostic analysis of farmer's suicides

- Indebtedness
- Only 4.48 lakh farmers (25%) could avail loan from formal financial institutions in 2005-06.
- High prevalence of credit from private money lenders at exorbitant interest rates
- High interest rates of cooperative credit institutions
- Apathy of nationalised banks to disbursement of crop credit
- High level of default



Agrarian distress- Crop failures and yield losses

- Disruption in regular rainfall cycle since 2001. Long dry spells, deficient monsoon.
- Single crop a year
- Cotton the dominant crop
- 93 percent of land rain fed. 98 percent of the farmers who committed suicide had no irrigation
- Yield limited by rain, but regular rise in cost of input lowered margin of profit
- Volatility in market price further lowered return
- Commitment to money lender did not leave anything with him



Other reasons for suicide

- Lack of income from subsidiary occupations
- Comparatively weak cooperative movement
- Financial inability to marry adult daughters/sisters
- Depression due to loss of social and economic status
- Unwillingness of landed farmers to go for EGS works
- Illness of self or somebody else in the family
- Family disputes, Addictions etc.



Per capita land holding of 777 farmers who committed suicide

Land holding of Farmers in acres	No of suicides	Percentage
0 to 1 acre	23	3
1 to 2 acre	86	11
2 to 3.75 acre	213	28
3.75 to 6.25 acre	218	28
6.25 to 12.5 acre	148	19
Above 12.5 acre	83	11



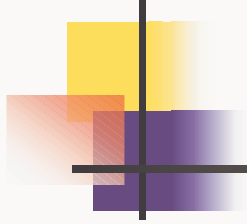
Analysis of suicides of farmers caste wise

Name of the caste	No of Farmers	Percentage
Schedule Caste	177	15.43
Schedule Tribe	126	10.98
VJNT	210	17.43
OBC	529	46.12.
Open	115	10.02



Common features in majority of suicides

- 91-94 % of suicides are by family heads
- 91-97 % of those who committed suicide are males
- 84 to 89 percent are married
- Suicides are neutral to literacy levels
- Most of them grew single crop in a year
- 98 percent had no access to irrigation
- More or less spread among all caste groups
- Spread in all per capita holding size



The State Govt. Response



Multi pronged approach

- Strategic intervention to address each of the reasons indicated by different studies through some schemes
- Comprehensive special package of 1075 crore. During implementation it has increased to 1495 crores due to relaxation in eligibility criteria, higher number of beneficiary than anticipated and increase in allocation in some schemes due to good response.



Salient Features of Special Package

- Immediate relief to the families of deceased farmers
- Ban on illegal money lending
- Interest not to exceed principal
- Accumulated interest on crop loan up to 25000 waived
- Outstanding principal rescheduled
- Moratorium on recovery for first 2 years



Salient Features of Special Package

- Enhanced risk coverage through higher premium on subsidy for crop insurance
- Assistance @ Rs 25000 to 60,000 farmers for improved agriculture (150 Cr)
- Assistance for subsidiary occupation (30 Cr)
- Relief by cash support from capital formation fund (750 Cr)
- Relief by cash to cotton farmers for loss in production (271 Cr)



Salient Features of the Special Package

- Community marriages for daughters of all farmers at Govt. cost (12 crores)
- Promotion of organic cultivation (10 crores)
- Massive watershed development works through Vidarva Watershed mission (100 crores)
- Encouragement to Agrobased and agro processing industry on cooperative basis with Govt. sharecapital support on 1:5 basis
- Help line for farmers



Status of Implementation

- Immediate relief of Rs one lakh to the bereaved family
- Eligibility norms relaxed
- All old ineligible cases reviewed as per relaxed norms
- Relief assistance of 10.91 crore disbursed so far
- District level committee formed under collector for this purpose



Status of Implementation

- The entire 750 crore made available from capital formation fund. Distribution of cheques nearly complete
- 230 crore so far made available for cash relief to farmer for low cotton yield
- 240 crores released towards waiving of interest on outstanding loans up to 25000. Adjusted against farmers account. 3.97 lakh farmers benefited from this and became re-eligible for fresh crop loan
- Annual agriculture credit plan revised from 1373 crore to 2583 crores



Status of Implementation

- 18380 farmers self help group and Krishi vigyan mandals formed
- 8.03 lakhs of kisan credit cards disbursed
- Intense campaign against illegal money lending
- 137 money lenders declared illegal. Criminal action taken against 80 money lenders
- Interest more than principal ordered to be written off



Status of Implementation

- Fresh loans would be charged six percent interest.
- Timely repayment would make farmer eligible for further rebate
- 19 crores released for subsidy on crop insurance premium
- Budget provision for scheme of subsidiary occupation, improved agriculture, organic farming and watershed development released.
- More than 7000 marriages performed under the community marriage scheme. 7 crores spent. Looking to good response budget provision is doubled to 12 crores
- So far more than 1200 crores has been spent



Change in cropping pattern

- Dominance of cotton in cropping pattern, low yield, high cost of cultivation and low return is the major contributing factor to agrarian crisis in this region.
- Proactive effort is being made to diversify cropping pattern.
- Soya bean has been a viable replacement to cotton. About 2 lakh ha cotton area in these six districts have gone to soya bean
- Fitting two crops in to the cropping season by suitable crop combination is also being tried.



Contract Farming

- In cotton fiber quality is very important. Textile factories would prefer contract farming if farmers agree to produce cotton of desired quality.
- This year an attempt was made in this direction. About 12000 ha involving 7000 farmers have come under contract cotton cultivation.



Improving socio psychological mindset

- To create a climate of confidence and build up psychological strength farmers are being given courses on art of living
- Bhayyu Maharaj a respected person with good following in this region toured extensively in these districts to dissuade farmers from this extreme act and encourage them for meaningful living . Govt. bore all expenses on this count



Prime minister's Special Package

- Exgratia assistance from PMRNF – 3.00
- Interest waiver up to June 2006 – 712.00
- Assured irrigation facilities – 2177.00
- Assistance for seed replacement – 180.00
- Watershed Development – 240.00
- Horticulture development (NHM) – 225.00
- Drip-sprinkler irrigation – 78 .00
- Subsidiary occupation – 135.00
- Agriculture Extension – 3.00
- Total - - 3753.00 crores



Implementation of PM's Package

- Exgratia assistance of 187 lakhs so far to 2411 farm families for health and education purposes
- This has been very useful. About one lakh families may need such assistance
- Credit flow increased from 746 crore last year to 1456 crore this year so far. The annual target has been enhanced to 2583 crores
- During my review nationalized banks were found to be lagging behind. The PMO took a review and now they have picked up speed.



Implementation of PM's package

- Interest waiver of 712 crores planned
- State has released its 50 percent share
- GOI share may please be released immediately.
- 2.5 lakh quintals of seed made available for the Rabi season to be given at 50 percent subsidy.
- The GOI has issued orders sanctioning the scheme for subsidiary occupation like diary recently. It has several useful components. The implementation has started
- GOI has acceded to our request to include all six districts and all crops suitable for the region under national horticulture mission. Plantation season is right under way



Irrigation development is the only long term solution

- Irrigation development single most important component under PM's package
- GOI has agreed to fund tribal area and drought prone areas irrigation projects on 72:8:22 basis rather than 26:54:20 under AIBP.
- We request all projects in these six districts to be funded on 72:8:22 basis as a special case
- Maharashtra Govt. has provided 712 crores under removal of backlog to speed up completion of irrigation projects in this region.
- Six projects to be taken under the package has been submitted to GOI for sanction under AIBP. Expeditious clearance to these projects from various GOI ministries is requested



Implementation of PM's package

- 500 check dams have been planned in each district this year. The works will start soon after monsoon
- Watershed development projects in all six districts to be taken under RIDF from NABARD. There was some problem in getting this funding. The PMO has intervened. Now it may come through
- Saturating this region with watershed projects will be immensely useful in bringing stability in rain fed agriculture



Recommendations of Dr. M. S. Swaminathan

- Raise import duty on cotton
- Restore advance bonus on cotton
- Go for complete loan waiver
- Establish Price Stabilization fund
- Promote organic farming
- Promote low value crops like Jowar



Demand for loan waiver

- Fiscal implications are enormous
- Demand for similar waiver from other regions in the state. The total amount to be written off is of the order of 7000 crores for the whole state.
- Would adversely affect the repayment and consequently the credit flow in to agriculture
- Financial institutions particularly cooperatives will face resource crunch and go sick
- In final analysis it will not help farmer



■ Restoring Advance Bonus on Cotton

Additional advance bonus was being given under monopoly Cotton procurement scheme of the state Govt. since 1994-95

Losses under the scheme mounted to more than 5500 crores

This was an addition to minimum support price.

Govt. of India was not favorable to continuation of the scheme and justifiably so



Restoring Advance Bonus on Cotton

The State Govt. discontinued the scheme since last year.

Market intervention at minimum support price by cotton federation however is still on.

In 2004-05 we paid additional advance bonus of nearly Rs500 per quintal. The loss was nearly 1500 crores. There was record procurement and still there were record number of suicides also



Price Stabilization Fund

- In recent years international price of cotton has become highly volatile
- Excessive subsidy to cotton farmers in USA is a major reason for the same.
- Govt. of India may consider establishment of a price stabilization fund for cotton
- State Govt. would agree to join if such a fund is established.



Promoting Organic Farming

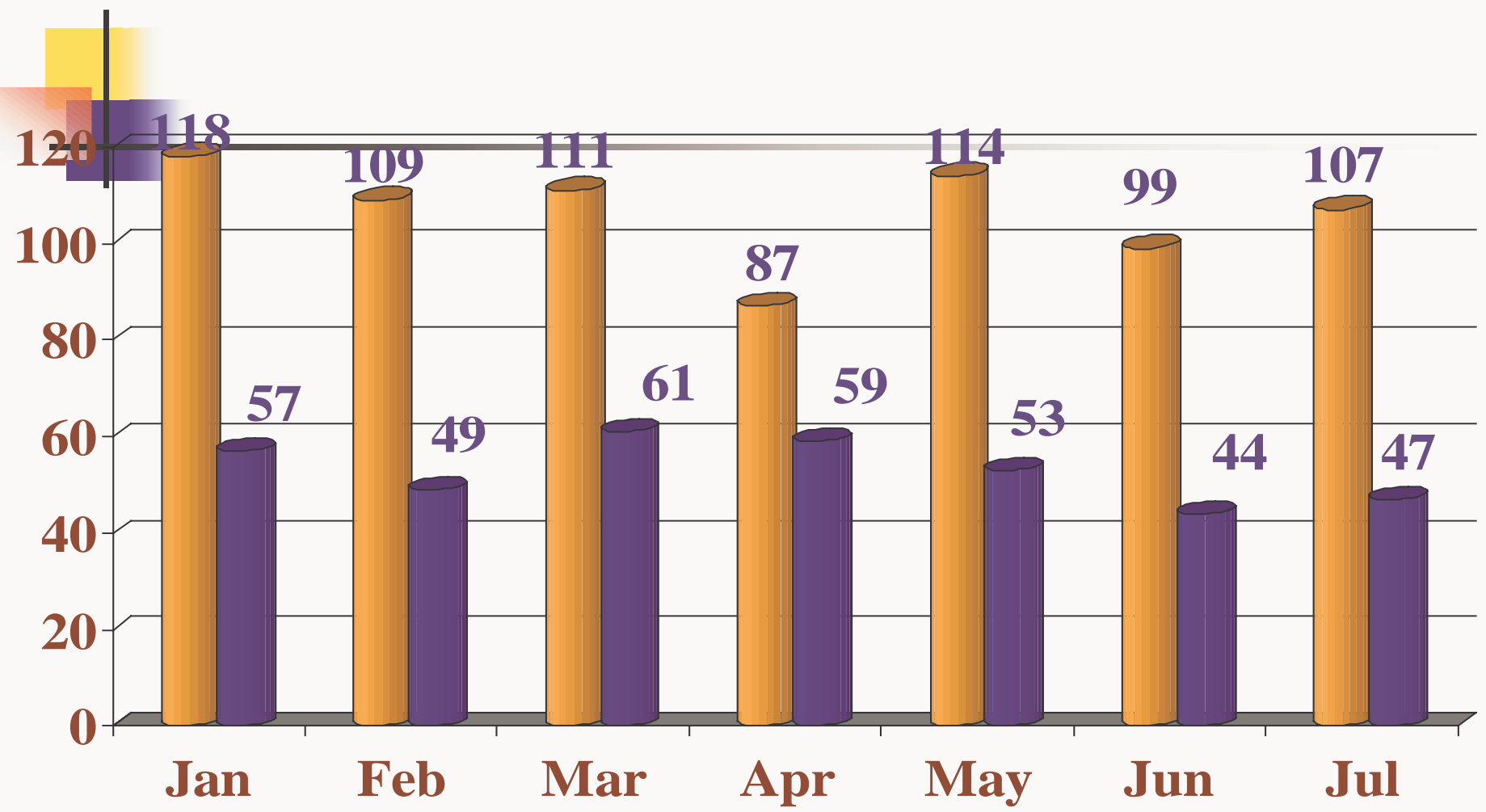
- In rain fed condition there will be always a limitation to increase yield.
- Investment intensive technology reduces margin of profit.
- Organic cultivation method reduces cost and thereby improves profit.
- State Govt. has already gone for technology mission on organic farming in its package During this year 25000 ha have come under organic farming. The farmer gets premium rate and low cost of cultivation gives him handsome margin.



Increase import duty on cotton

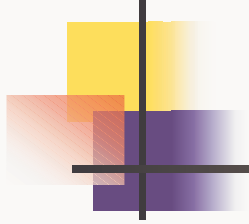
- Cotton production is fast increasing
- Availability adequate to meet country's requirement
- Tariff barriers should used to discourage import
- Suggestion to increase import duty therefore has the support of state Govt.

Total number of Suicide cases and eligible cases



Cases of suicide eligible for immediate relief
Has slowly come down in last four months





Thank You