

# **Agriculture & neo-liberal policies - The unbearable burden of being an Indian farmer : shot dead for demanding debt relief**

Wednesday 21 June 2017, by [DHAR Sushovan](#) (Date first published: 19 June 2017).

**“There are reports in the media that clear instructions were issued to use maximum force against the agitating farmers”.**

## Contents

- [Acute distress caused by \(...\)](#)
- [Switch over to cash crops](#)
- [In lieu of conclusion](#)

A nondescript district in the centre of this vast country has suddenly become a most sought after destination for politicians and media people. Lamentably, this transformation has come at the cost of human lives. Farmers in the Indian state of Madhya Pradesh started their protests since June 1 demanding higher crop prices and debt relief. This was no great news since popular protests from the peasantry have erupted time and again in different parts of the country demanding crop prices and debt-relief as the country is reeling under acute agrarian distress with over 300,000 farmers committing suicides cumulatively due to debt-burden [1]. However, what turned this case different was that as the farmers' agitation turned militant, the administration clamped curfew to snuff out their protests. Unable to do so, the police openly fired on the agitating farmers killing five of them. Another died of *lathi* (baton) charge. The ruthlessness is further explained by the fact that there have been 45 FIRs against protesting farmers, but not one against those who murdered 6 farmers in cold blood. There are also reports in the media that clear instructions were issued to use maximum force against the agitating farmers.

This incident is an indication of a deeper malaise plaguing the Indian agriculture. Between 2001 and 2011, nine million farmers left their ancestral homes and migrated to cities. A study suggests more than 2,000 farmers are heading to cities every day to make a living. [2] And, this is towards the most precarious work in the informal sector. It is disgraceful to note that an overwhelmingly agricultural country like India doesn't have a proper national agricultural policy. The neo-liberal policies adopted by the successive Indian governments in the last two and a half decades promoted market forces at an unmatched rapidity. It has forced agriculture on to a purely commercial footing and integrated domestic agriculture into the world markets. The consequences have been terrible with farmers mired in huge debts and facing terrible situations that have given rise to problems at multiple levels.

## **Acute distress caused by prices of crops crashing**

The Mandsaur region like other parts of western Madhya Pradesh has seen prices of crop falling 60 percent below the corresponding prices for last year. In the state of Maharashtra, earlier this year,

“millions of Indian farmers look set to switch from growing pulses and oilseeds after a government campaign to boost output became a victim of its own success by flooding markets with the crops.” [3] This has also been the case with most of the crops that has seen bumper harvest. Local prices for oilseeds have plunged around 40 percent between October 2016 – March 2017, while lentils have dropped by nearly a third during the corresponding period. The almost withdrawal of the procurement at Minimum Support Prices (MSP) has been catastrophic. In this case, the government plans to buy a meagre 2 million tonnes of lentils at MSP prices against a record harvest of around 22 million tonnes in the 2016/17 crop year (July-June), up 35 percent from a year earlier. [4] Moreover, the prices offered by the government is 50,500 rupees against the previous year’s average prices of 110,000 rupees. Traditionally, agricultural crisis was attributed to the failure of crops due to droughts, flood or other natural catastrophe. However, it is being increasingly observed that bumper crops are also instigating such crisis.

The period that followed the implementation of the Structural Adjust Plans (SAP) witnessed rising input costs on one hand and dwindling produce price realisation on the other. The crisis started surfacing since the government planned to dismantle the measures that was built up, in stages, from 1947 to 1992-93 to safeguard the Indian farmers from the market fluctuations. This was also done without giving any adjustment time to Indian farmers. Such protectionist mechanisms, basically built on a combination of input price subsidies and output price support was not always perfectly implemented. However, it had enabled the Indian peasantry to take up production of various crops in a comparatively stable price environment. The implementation of SAPs not only saw the government slashing subsidies on major inputs, but also the withdrawal of procurement and distribution of farm produce. Subsequently, with the prices of farm inputs going up, private players took advantage of the situation and raised prices further. This was combined with the rise in rates of interests on institutional credits, the narrow window of such credits becoming narrower, forcing huge sections of the peasantry into the grips of private usury. And all these carried on with the inability of farmers to abandon cultivation in the absence of decent alternative livelihood sources.

The impacts of economic liberalisation with the abolition of agricultural subsidies and the opening of Indian agriculture to the global market has been severe. Small and medium farmers are frequently trapped in a cycle of unbearable debt, leading many to take their lives out of sheer desperation. This is currently a major human rights issue of epic proportions in the country and has impacted the peasantry in profound ways. The lives of the small and medium peasantry are entirely ruined. Their rights to life, water, food and adequate standards of living exists under the shadow of threat by market forces. It is scandalous that the government has taken no effective measures and the minuscule relief measures do not effectively address this issue as there is no attempt to deal with the broader structural issues that is at the root of this disaster.

Moreover, the suicide numbers fail to catch the enormity of the problems as entire categories of farmers are left out of the official listing since they do not possess land titles. This mostly includes women, dalits and indigenous people. In the case of Mandsaur and other parts of western Madhya Pradesh demonetisation and other faulty policies, like import of wheat and pulses, led to this fall in prices of farm produce despite a good harvest. It is reported that post-demonetisation, traders are paying 2 percent less on cash transactions to farmers at grain mandis (markets).

### **Switch over to cash crops**

The post-reform period also witnessed Indian agriculture turning towards cash crops. As there was a demand for cash crops like cotton in the international market, a sizeable part of Indian agriculture saw a government promoted shift from food crop to cash crop cultivation. However, excess

production soon saw prices crashing making cash crops losing viability. Input costs sharply increased over the years since but the increase in market prices lag behind a long distance. These phenomena since the mid to late 1990s saw farmers suicides being recorded on a large scale. A report produced by Center for Human Rights and Global Justice, New York observed that “The government has long been alerted to the cotton farmer suicide crisis, yet has done little to adequately respond. Cotton exemplifies India’s general shift toward cash crop cultivation, a shift that has contributed significantly to farmer vulnerability, as evidenced by the fact that the majority of suicides are committed by farmers in the cash crop sector. The cotton industry, like other cash crops in India, has also been dominated by foreign multinationals that promote genetically modified seeds and exert increasing control over the cost, quality, and availability of agricultural inputs.” [5]

Last year, a severe agricultural crisis took place in the South Indian state of Karnataka. The coastal and Malnad regions have been bright spots in the state’s agriculture economy for the past two decades. However, “Farmers have been shaken by a steep drop in prices of three major cash crops -- arecanut, coconut and coffee --- which have fallen roughly by 15- 50% from the historic highs of previous years. While Karnataka is the largest producer of arecanut and coffee in India, it stands third in coconut production. The market turmoil has hit arecanut and coconut right around harvest, when supplies are most abundant and grain prices are at seasonal lows.” [6] The report by Center for Human Rights and Global Justice also observed that “(a)s a result of economic reforms, Indian cotton farmers were thrust into competition with the international market, making them extremely vulnerable to price volatility. As new economic policies integrated India into the global market, the resultant devaluation of the Indian rupee dropped prices and increased demand for Indian crops. To capitalize on this potential source of revenue, the Indian government urged farmers to switch to cash crop cultivation, and India quickly redeveloped its agricultural sector to be export-oriented. Cash crops, such as cotton, can lead to short-term revenue gain but are ultimately subject to high levels of price volatility. India’s sudden switch to cash crop cultivation led to an over-saturation of the global market with cotton exports, and, in turn, a depression of cotton prices for these farmers.” and, “(d)espite these problems, the Indian government has continued to encourage farmers to switch to cash crops. Though India is currently one of the world’s leading cotton producers and exporters, like most cash crop commodity markets, the cotton market has become dominated by a small group of multinational corporations that exert increasing control over the cost, quality, and availability of agricultural inputs. In addition, in a cotton market where a corporate middleman ferries farmers’ products to the global market even those farmers who see high crop yields may not benefit from the prices their crops eventually fetch in the market. Finally, it is important to note that, although the focus here is on cotton, the general problems described continue to be a major concern for all Indian cash crop farmers for whom “investment in agriculture has collapsed,” leading to increased “[p]redatory commercialization of the countryside.” [7]

### **In lieu of conclusion**

It is high time that the government declares a comprehensive National Agricultural Policy putting a halt to commercialisation of agriculture. It must also implementation of the recommendations of the officially constituted National Commission on Farmers. The agricultural policy of the country should be designed to assign farmers’ rights to decent life and livelihood at the core of government policies and programmes. Otherwise, farmer’s debt would increase in an unhindered manner pauperising a large section of the population.

Access to institutional credit for peasants must be prioritised facilities extended to all farmers including women, dalits, indigenous people irrespective of the fact whether they have land titles or not. Right to water including irrigation remains another vital issue. These combined with other

social protection mechanisms could be the only way out of this insurmountable indebtedness that is plaguing the Indian peasantry in such epic proportions.

**Sushovan Dhar**

---

---

**P.S.**

\* <http://www.cadtm.org/The-unbearable-burden-of-being-an>

---

## **Footnotes**

[1] The National Crime Records Bureau statistics say 318,528 farmers committed suicide between 1995 and 2015.

[2] We don't need more Mandsaurs:  
<http://www.livemint.com/Opinion/pDcIWpyrV4MdaKYprLQkIN/We-dont-need-more-Mandsaurs.html>

[3] Off the pulse: India farmers switch crops as lentil prices plunge:  
<http://www.reuters.com/article/us-india-farm-idUSKBN16S0RM>

[4] Ibid

[5] Center for Human Rights and Global Justice, Every Thirty Minutes: Farmer Suicides, Human Rights, and the Agrarian Crisis in India (New York: NYU School of Law, 2011).

[6] Steep fall in prices of cash crops to hurt K'taka's agri economy:  
<http://timesofindia.indiatimes.com/city/bengaluru/Steep-fall-in-prices-of-cash-crops-to-hurt-Ktakas-agri-economy/articleshow/53818183.cms>

[7] Center for Human Rights and Global Justice, Every Thirty Minutes: Farmer Suicides, Human Rights, and the Agrarian Crisis in India (New York: NYU School of Law, 2011).