Agrarian Crisis - Hinder for Growth of Indian Economy

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Abstract  
It was Royal Commissions’ observation that Indian farmers are born in poverty live in poverty and die in poverty. Consequent years of drought and results are unending tale of farmer’s suicides. Another reason for worsening of agriculture is Globalisation. The income farmers’ earns in one year after working for round the clock, month, year are reaped by IT ians’ within a month. Hence, the youths prefer lakhs generating profession over the agriculture. All such pitfalls in farmers’ life, ultimately affects the agriculture, leading to agrarian crisis. Any country can withstand any type of crisis - but not the agrarian.  

Key words: Green Revolution, NSSO, global warming

INTRODUCTION  
‘Country entering new state of agrarian crisis’  
- Prof. M.S. Swaminathan, Father of Green Revolution, Dec. 30, 2010  

Our country faces many crisis like economic crisis, financial crisis, labour crisis, industrial crisis at many instances. Those crisis were and are recoverable. In this 21st century, our country is going to enter into irrecoverable, uncompensated phase called as ‘Agrarian Crisis’. India basically is an agricultural country with more than 70% of population depending on agriculture. The percentage of land and population with agricultural basis are diminishing in recent years. The recent survey by NSSO states that ‘45% of farmers want to quit farming’. Reasons are many. This paper analyses in brief the reasons and impact of agrarian crisis on Indian economy along with few remedial measures to overcome it.  

Farmers play the most pivotal role in agriculture, the unfortunate truth remains that they are still living under the curse of poverty and deprivation. The uncertainties of rainfall and the resultant loss of agricultural products create havoc amidst the farmers’ fraternity across the country every year. During 1960’s, Green Revolution marked a decisive shift in India’s agriculture policy from an institutional model to technocratic one. This model provides price incentives to farmers, technology to increase yields like HYV seeds, creating new institutions to support agriculture etc. In this IT era, all these finds little scope. Again, it is time to revitalize agriculture that is under agrarian crisis with a new revolution ‘Agriculture Revolution’.  

REASONS FOR AGRARIAN CRISIS  
The spate of suicides among the Indian farmers even today is the manifestation of crisis in agriculture. In 1997 India experienced its first bout of farmers suicides and since then over 25,000 farmers have taken their own lives. The crisis has stemmed from a number of hardships which have led to the irreversible indebtedness of small and marginal farmers from even the most historically productive regions of the country. India’s agriculture has turned into a negative economy due largely to three main factors: rising costs of cultivation, plummeting prices of farm commodities, and lack of credit availability for small farmers. Most of these factors can be attributed to corporate globalization, WTO’s unjust free trade policies and liberalization.
The National Sample Survey data reveals that 51.4 per cent of nearly 89.3 million farmer households do not have access to any credit either from institutional or non-institutional sources. They face difficulty in acquiring bank loans due to high interest rates and the poor financial states of cooperative banks. Without help from state governments and cooperation from commercial and regional banks, farmers face a decrease in or no income. The dearth of credit forces farmers to take loans from rural lenders who charge interest at exorbitant rates (anywhere between 36 and 50%). In a futile attempt to relieve themselves of debt, some farmers had even sold their own organs. When these attempts fail to rectify their financial situations and many farmers find no way out but to take their own lives.

There are numerous cases reported all over India where farmers have fallen prey to the lure of money and have illegally sold their agricultural land to land sharks, big corporate houses and realtors who, in turn, transformed cultivable agricultural land to commercial and recreational zones and are planning to set up mega projects, thus violating the Land Revenue Code.

Economies that are dependant on agriculture critically depend on the rains. India primarily depends on the rains for its agricultural produce as eighty-five percent of all food grains, which is the staple diet of a large section of the population, is produced during monsoon. Over the last decade, research has indicated that global warming has resulted in the shift in the monsoon patterns, which has adversely impacted the overall agricultural production.

While conversion of farmlands for non-agricultural purposes have a detrimental effect on crop cultivation, a host of other factors such as lack of farm labourers, delay in release of water, vagaries of monsoon, dwindling water resources, high cost of cultivation, obsolete technologies, imperfect adoption of innovative technologies and marginal returns pose a challenge to the primary sector in the State.

**IMPACT OF AGRARIAN CRISIS**

If agriculture shrinks, production of food grains falls, then where to feed 100 crore people and 100 crore farm animals?

India will be in the hand of youths. If farmers are committing suicide, youth shy away from agriculture and enters into IT sectors. Can we eat computers, softwares?

Many industries dependent on agriculture, raw material from agriculture is supplied to many industries e.g. sugar industries, Cotton Industries, Paper Industries, tobacco industries, Chilies, turmeric etc. All industries in one or other has to depend on agriculture for their existence. Thus, industries die.

Many agricultural products like tea, sugar, oilseeds, tobacco, spices, flowers, vegetables contribute the major share in export. Agriculture directly or indirectly contributes 70% in export. Thus, export stops.

**REMEDIES FOR AGRARIAN CRISIS**

1. **Stringent Laws for Conversion**
   Few States in India had already enacted laws to prevent cultivable lands from getting converted into plots for commercial purposes. Many Other states like Tamil Nadu, contemplates and plan for bringing in stringent laws to prevent conversion. If the government fails to make a law to prevent conversion of agricultural land for other purposes, the ultimate consequence will be the reduction of food-grain production.
2. Insurance for Farmers

Insurance for farmers is all the more relevant to sheer effects of a whimsical monsoon in Indian weather. The Agriculture Insurance Company of India Ltd. has come up with intensive insurance coverage for farmers. Weather Based Crop Insurance Scheme, Rainfall Insurance Scheme for Coffee Growers, Varsha Bima are few insurance schemes for farmers.

3. Government Measures

On the auspicious occasion of India's 60th Independence Day celebration, our former Prime Minister Dr. Manmohan Singh proposed for a whopping 25000 crore investment in the agricultural industry. The entire nation would come under the National Rural Employment Guarantee Act (NREGA), as stated by the prime minister. The role of Kisan Credit Cards (KCC) plays a significant role. Government shall come out with various measures aiming the welfare of farmers.

Ministry of Agriculture, National commission on Farmers, Agriculture Engineering Department and local bodies in addition to other Government departments shall work together for revamping of policies to revitalize agriculture in every sphere. For example, In Tamil Nadu, the State Government worked with the aim of doubling the area of cultivation and tripling the farmers’ income. Towards this end, the Government had been steadily increasing the budgetary allocation for agriculture, from Rs. 2,800 crore in 2011-12, the Government had increased it to Rs. 5,800 crore in 2014.15. It had announced value added tax exemption on farm implements, ensured adequate supply of di-ammonium phosphate fertilizer and arranged for disbursement of interest-free farm loans. The aforementioned and many such farmer-friendly measures had led to an increase in production - from 101.51 lakh metric tonne in 2011-12 to 110 lakh metric tonne in Tamil Nadu.

4. Integrated Approach

The country need to have new system of management. In the west, they call it farm to fork. Many ministries and departments are there to take care of water, rainwater, food grains and food processing. Like the West, India needs an integrated approach. For example, the states, depending on the availability of farming resources can adopt ‘Integrated farming’ i.e., coastal state farmers can take up aqua farming to boost their income.

CONCLUSION

The health of the Indian economy is closely linked to that of the agricultural sector. The overall share of agriculture in India's gross domestic product (GDP) has been declining continuously from 25% in 2002 to 17% in the present. There are several demand and supply side linkages that are affected by the changes in agricultural production. The task of transforming and reforming agriculture has been daunting and urgent.

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