

Agrarian Distress, Minimum Support Price and Farmers Protest in India : A major challenges to Employment Opportunities

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Abstract

During the last decades it has been seen in India there is agrarian distress and crises, the farmers indebtedness, farmers suicides and what not. The agriculture distress is increasing so rapidly year by year and along with this number of farmers suicides is also increasing at an alarming rate. The current phenomenon of COVID-19 pandemic and new farmers laws are influencing the farmers and agriculture system in the whole country wrosly. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, The Essential Commodities (Amendment) Act and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act. All these laws and acts are influencing farmers and agriculture to a greater extent. The Minimum Support Price (MSP) is essential in agricultural system and market produce which is not assured to farmers due to all this happening the prediction about the farmers future is unsafe so there is huge mass protest across the nation. There is a urgent need to pay special focus and attention this agrarian distress, MSP, mass protest, less employment opportunities, low price and to focus on farmers welfare to safeguard them from committing suicides. This paper focus on farmers distress and the factors which are responsible for making them poor, depress and backward. the study is based on secondary data source which is collected from different governments sites, like, National Crime Records Bureau (NCRB) research reports, papers, and different sources.

Key words: - Agrarian distress, MSP, Farms Laws, low agriculture prices, Less employment opportunities.

Introduction

Now a days it has been observed that there is an increasing distress in agriculture and farmers in India. Due to this distress and increasing complexity among the farmers the numbers of suicide, death rate and causalities among the farmers is increasing day by day which is an alarming situation across the nation which needs to pay much attention. The recent farmers' protests, agitation and mass movements across the country is the backdrop and failure of bumper crop across the nation the results of which would be seen in near future.

The new laws and acts relating to agriculture and farmers are The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, The Essential Commodities (Amendment) Act and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act. The prediction of farmers and masses at large is that these laws are also supporting and opening gateway to private mandies and players into picture

no doubt in future there would be a handsome and profitability prices to the agricultural produce and to the farmers but these are not long lasting because when there is huge competition and price war among the government and private players because the minimum support price (MSP) is now out of picture the privates mandis and players would attracts more customers, farmers to offer them high price to sell their produce on fair price and attract much farmers as compared to government registered mandis after when the government mandies will left the market because they were paying a specific MSP would not pay them more prices as compared to private mandis then farmers will become unsafe because of this MSP on one hand and on the other hand there is no procurement or storage time limit now. The private mandis now lower, decline the price of food grains because they have already stored so much due to the absence of procurement policy and pay less price to the farmers and do not purchase from them regularly. Due to this MSP as well Covid-19 pandemic situation there were very less employment opportunities available to the farmers as well as to the working and

middle class which suffer their life in a adverse way. The daily wages workers and bread earners even not able to earn their two times bread and badly suffer. All these major issues and challenges push the labour and low-income class into huge distress and a challenging way.

Literature Review

Mehta, S., & Kumar, A. (2017) Indian agricultural system is characterized by marginal and small farmers, who suffers from access, quality and affordability of basic infrastructure and modern advancements. The recent unrest among farmers along the nationwide has certainly become a discussing phenomenon to the otherwise “Sabka Sath Sabka Vikas” (Collective Efforts Inclusive Growth) agenda of the Union government would not success.

Aditya, K. S., Subash, S. P., Praveen, K. V., Nithyashree, M. L., Bhuvana, N., & Sharma, A. (2017). Minimum Support Prices are considered as an important pillar of Indian Agricultural system and price policy which rolled out with an intention of providing price security to farmers. Theoretically, the support prices are to benefit farmers of most of the crops in the entire nation.

Nagaraj, K., Sainath, P., Rukmani, et al (2014). During the last decade it has seen that there is huge degree of agrarian distress in India and large number of farmers suicides are the evidence in the country. Despite being measures taken by central and various states government there needs to be a close check on agrarian distress and farmers suicides which are continuously go on increasing.

Chand Subhash, Chandra Kailash et al. (2020). The Indian agriculture has more challenges and barriers ahead because about more than 80% of total Indian farm households are being small and marginal and their productivity as compared to medium and large farmers is low and significantly high proportion of landless farm workers. Thus, effective and sincere implementations of agricultural policies by Government and their officials will decide the fate of agriculture and are need of the hour during this pandemic.

Marine Al Dahdah, Mathieu Ferry et al (2020). The impact of Covid-19 on the social as well as economic conditions is worsening as challenging. As the migrants are faces problem the distress, they face

attacks and are ostracized by fear of infection. And it was not long before hatred discourses surfaced in this crisis with Muslim, north-eastern, tribal or Dalit Indians, all being accused of spreading the virus. It is yet to observe whether and how the government will take the opportunity of this crisis to further divide or re-unite its people. The immediate concern is for the poor and the minorities, who as we have seen, will be the first to suffer from this crisis. For them, the consequences of the lockdown will be dramatic.

Theoretical framework and discussion

In India the majority of farmers are marginal and small farmers, (approximately 80%) of farmers belongs to marginal and small farmers and along with there a large number of landless agricultural labourers who works in the field of others for the sake of their earning. Agricultural credit to farmers and agricultural labourers in India is not significant and timely available at affordable rate of interest, even if they get credit the rate of interest is so high that the poor farmer is not able to pay it back. On the other hand, the agricultural prices are so low that it cannot cover the cost incurred on production. The disturbance of climatic and problem of irrigation as Indian agriculture lies in the glimpse of monsoon, Indian agriculture is mostly depending upon rainfall. Now the issue of new farms laws and Minimum support price (MSP) is also a big challenging issue across the nation for agricultural and farmers which plays a major role in the agrarian distress and farmers and agricultural labourers' backwardness. The predictions of farmers, masses and experts is that due the absence of MSP there would be a huge loss to farmers and agricultural labourers and also agricultural food wastage would also increase. Earlier there was only government registered mandis which are purchasing major food grains from farmers at a specified price and there would be no sale and purchase beyond this MSP but, now MSP is out of picture the privates mandis and players are now also in picture they would buy food grains from farmers at high price in the beginning so as to drag market forces, to attract much costumers and wiped out the government mandis because the governments mandies would not pay as much price as the private would pay to attracts more customers than

government mandies would left the market now the private mandis would influence the market they would pay less price now because they already had more stock in their go-down because procurement policy is not there and now they can store whatever amount they want to store. initially there was a time limit up to what time extent the food can be stored and processed in go-downs now it is not active.

Presently there is huge distress in agricultural system of India and large mass protests from farmers and agricultural labourer’s side. About 2 to 3 months of large protest of farmers would also adversely affect the agriculture produce and total output because the farmers are unable to pay much focus and attention on their crops right now there is prediction of shortage of food grains in near future which would result a large mass starvation in the whole nation. On the other hand, Indian agriculture lies in the glimpse of monsoon and majority of farmers are marginal and small farmers about 80% of farmers are marginal and small farmers who are afraid about there future because they are totally dependent on agriculture and allied sector for the sake of their livelihood. It is not possible for these marginal and small farmers to compete and survive in this alarming and rigorous situation which the agriculture of India is facing. There is issue of MSP across the nation which act as a safe guard for the poor farmers and peasants now which is out of picture due to this issue many farmers have also lost their lives in strikes and protests. There are several problems to Indian agriculture but the issue of MSP is most important and effective which needs to be discussed so as o protest the farmers and agriculture which act as the backbone of Indian economy.

The problems of agricultural credit whether it is short term or long-term credit is prevalent in case of India, the banking and other financial institutions lending agricultural credit are not too much flexible that they can easily lend credit to farmers and growers, in fact there is so much formality and time required which the poor farmers cannot easily fulfil and take credit. On the other hand the rate of interest of that loan/credit is too high that the poor agricultural farmers is not able to pay it back and the prices of their agricultural product is not so much ruminative that it cover the cost and price whether it is production cost, transportation cost, or any other

cost, all those hindrance and problems leads to farmers suicide finally because the poor and underprivileged farmers have no other alternative to get rid from this debit repaying. On an average it has been observed that the number and rate of farmers suicides are going on increasing day by day and predicated much in future.

Minimum Support Price (MSP). Generally, MSP is a Minimum Support Price which support the agricultural food grains at some specified price which is dynamic phenomenon, Minimum Support Price (MSP) is an integral and important component of Agriculture Price Policy of India. It targets to provide support price to the farmers and agricultural and a reasonable and fair price to the consumers through the Public Distribution System (PDS) (Parikh & Singh 2007). The price support system was conceptualized during pre-green revolution period as an institutional mechanism for incentivizing farmers to adapt new technologies (Planning Commission 2005; Deshpande 2008). Later, Agriculture Price Commission was established in the year 1965, based on Jha committee recommendations to suggest support prices for crops after considering the cost of cultivation to account. Currently 2020-21 the MSP of major food items like Rice is Rs.1668 per quintal, wheat 1925, Jawar 2620, Bajra 1850, maize 2120, Barely 1525, Gram 4875 per quintal which is assured price to farmers that they will get it at any cost not less of that amount but, now there is absence of MSP which is now not supporting minimum price of these to these essential and major food grains. Through the prevalence of this MSP the farmers were safe and their crops was safe and less of wastage would happens but, now there is prediction of low price of agricultural produce through which their grains would not be sold properly at reasonable price and there would be much food grains wastage.

Table 1.1. Farmers suicides and All suicides in India, 2000-2020 in numbers

Year	Farmer’s Suicides		All Suicides	
	Number	As a percentage of all suicides	Number	Suicide rate (per100,000 population)
2000	16603	15.3	108593	10.6
2001	16415	15.1	108506	10.6
2002	17971	16.3	110417	10.5

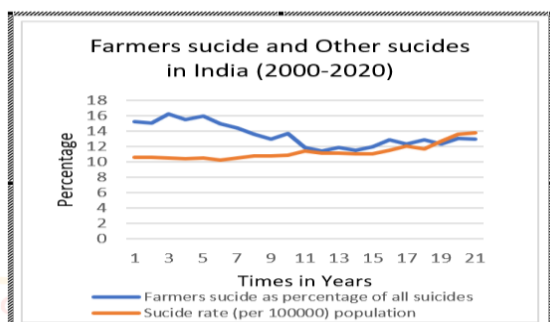
2003	17164	15.5	110851	10.4
2004	18241	16.0	113697	10.5
2005	17131	15.0	113914	10.3
2006	17060	14.4	118112	10.5
2007	16632	13.6	122637	10.8
2008	16196	13.0	125017	10.8
2009	17368	13.7	127151	10.9
2010	15964	11.9	134599	11.4
2011	15652	11.4	137210	11.2
2012	16272	11.9	1362869	11.2
2013	16101	11.5	1361280	11.10
2014	16321	12.01	1362850	11.12
2015	16520	12.85	1368217	11.56
2016	16321	12.31	1369101	12.05
2017	16864	12.90	1324203	11.69
2018	16507	12.36	1325009	12.73
2019	17003	13.05	1328690	13.61
2020	16898	13.001	1329530	13.82

Source: - NCRB. Accidental Deaths and suicides in India.

As shown in the above table farmers suicides are increasing year after year and have a fluctuating trend from year 2000 to 2020 there seems to be dynamic and increasing trends of farmers suicides in all over India. Farmers suicides as a percentage of total suicides in the year 2000 was 15.3%, in 2005 it was 15.0% and in the year 2012 it is year 2012 it was 11.9%. which raise to 13.001 percent in 2020.

On the other hand, as we see the number of total suicides along with farmers suicides are also increasing in the year 2000 number of total suicides in India were 108593 which rise to 113914 in 2005 and in the year 2012 this figure hikes up to 1362869, which seems to be worse condition of farmers and agricultural labourers. As it is shown that suicide rate per (100,000) of population is also increasing and has a fluctuating trend this shows that, crime is increasing in the country and suicide rate is also at an alarming speed which needs to pay serious and high attention.

Figure 1.1. Farmers suicides and All suicides in India, 2000-2020 in numbers



As shown in the above figure farmers suicide as compared to overall others suicides over the period of time i.e., 2000-01 to 2012-13 remains high whereas after 2012-13 the percentage of other overall suicides rate in India begins to raise. The percentage of suicide rate per (100000) of population in the initial years was less as compared to farmers suicides as a percentage of all suicides bur after 2016-17 it begins to raise.

Factors responsible for farmers strike and protest

There are various factors which are responsible for currently farmers protest and strike which depress them a lot.

- 1. Minimum Support Price (MSP).** Due to the absence of MSP the farmers are on protest which seems to be unsafe their future and agrarian distress and crises.
- 2. New Laws. Three new laws**
 - (a) The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act,
 - (b) The Essential Commodities (Amendment) Act.
 - (c) The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act.
- 3. Crop Failure:** - Crop failure is also a big problem which plays a dominant role in the life of farmer. Due to crop failure the farmer totally distresses and depress which puts all the burden on the shoulders of the farmers and agricultural labourers due to which the farmers become unable to gear up his life as well as his family.
- 4. Low agricultural prices:** - The price of agricultural products is not much high but, it requires a huge and large effort from the farmers side who pays much attention right from the ploughing of land, crop sowing, cultivation and to the last steps of harvesting than finally sell it to the market
- 5. The surge in inputs cost:** - A sudden rise or upward moment in the cost of factors like, increase in the cost of seeds, cost of chemicals, cost of fertilizers, cost of water and electricity cost of production, and cultivation are increasing so much day by day and all these factors are responsible for agriculture distress.

6. Indebtedness: - Indebtedness is one of the major factors which cause the farmer for committing suicide. The problems of indebtedness have a serious flaw, the rate of interest on that particular amount of credit/loan is so high that it makes the farmers unable to repay it back on time. Due to the problem of indebtedness the percentage and rate of suicides among the farmers and agricultural labourers are increasing day by day.

7. Illness in the Family: - Illness in the family of a farmer also acts as a hindrance in the way of progress and development and the farmer is unable to bear the expenditure as the farmer has only one source of income from agriculture due to which the farmer commits suicide.

8. Irrigation and marketing problems: - Agriculture in India lies in the glimpse of monsoon, a major portion of Indian agriculture depends upon rainfall and has a lack of irrigational facilities through, tube wells, canals, water pumps etc. along with the problems of irrigation the problems of marketing is also a big challenge. Indian agriculture marketing facilities are not so much well versed and diversified that it caters to the needs of farmers and agricultural labourers and the growers as well. Keeping all these major issues and challenges one can observe that the Indian agricultural market is depressed and an informal one.

Conclusion

The policy implication from the above discussion emphasizes that on a larger scale crisis exists in agriculture which harvests low returns and declining profitability from agriculture and also that of poor non-agriculture opportunities. Risk management in agriculture and farming should reap low yield, price, MSP, credit, income weather-related to uncertainties among others. The employment opportunities become less available to the labour class, farmers and low-income groups which adversely affect their life. Improving and increasing the water availability will facilitate diversification of cropping pattern, but this should go hand in hand with policy implications which increase non-farm income and employment. Improving agricultural

extension which will boost the agricultural production and productivity at a considerable level appropriate technical knowledge for alternative forms of cultivation such as organic farming will be of help. Availability of affordable credit at a lowest and suitable rate of interest should be made easily available to the farmers. There is also a requirement of strong private credit lending institutions and agencies which make the easy availability of credit facilities at the lowest possible rate of interest to the poor and vulnerable farmers and agricultural labourers. A challenge for the technological and financial lending institutions is to provide innovative products which reduce the costs of production while giving the increasing returns.

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