

Farmers' Riots: A Vulnerable Issue

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Abstract

Role of the farmers in India is not only measured as a contributor in the Indian economy, but also consider as a nation builder. Every citizen of the nation has respect for the soldiers and farmers, even in a song by Manoj Kumar the nation is quoted as a nation of soldier and farmers. If we look over the Indian agriculture & allied sector contribution in the Indian economy then around 14% of India's GDP and nearly half of Indian workforces are associated with the agriculture related activities. India ranks second worldwide in farm output. So, to ensure the socio-economic security of the farmers in India, many states repealed their APMC acts and framed laws farmers-friendly. Legislation like Forest Rights Act, PESA Act & Land acquisition (Rehabilitation & Resettlement) Act are forward looking steps to deal with incessant displacement of farmers and tribes and preserve their rights over their lands. Including several policies and acts for the farmers in India, GOI is consistently increasing the procurement prices to ascertain the economic strength of farmers, so any of socio-economic indicators in terms of percentage does not revealed the reason behind the riots and it's tough to understand the causes as well.

Keywords: GDP, GOI, Socio-Economic, Economy, Acts, Policies, Riots

Introduction

Bottom line of any riot is who is ultimately affected by it, only a common man of the nation and the economy. After every riot policy makers and economist start revealing the facts and causes behind riots. But this time the things become tough to identify that whether it is a political drama or the real socio-economic status explained about the farmers are behind the riots. The unrest started from the Maharashtra and Madhya Pradesh and scattering across the nation, therefore it is very necessary that the economy policymakers and analysts should understand the fundamental causes behind the riots in order to best indemnify the society, and farmers, from economic doom.

Due to several factors presented by the experts in their socio-economic

explanation, that nobody wants to be farmer anymore and the reasons revealed behind it is that this profession is un-remunerative and ask for relatively more physical jobs to do. Increasing rate of literacy among the rural segment of India is pushing the children of farmers for the urban jobs with handsome packages. But does the Indian economy is generating that much jobs which can accommodate the need of urban, semi-urban, rural and migrants from farmer families, the answer is no and it leads to the unemployment which turns into the frustration, despondency and ultimately result into riots. But this time the agenda looks quite different behind the farmers' riots and that is loan waiver. The allegation of print and news media of these riots is on government and in regular news they are blaming the government for the farmers' suicide as well. This paper will show you some reasons which may make you rationale to understand the reasons for the farmers' protest.

Table 1: Killing Fields Statistics: Suicides by Farmers

Year	No. of farmers committed suicide	+ / - % change
2009	17,368	--
2010	15,964	-8.08%
2011	14,027	-12.13%
2012	13,754	-1.94%
2013	11,272	-18.04%
2014	12,360	+9.65%
2015	12,602	+1.92%

Source: NCRB, Data merely records the suicides not the reasons

From the data revealed by NCRB and presented in Table 1 if we cited the suicide as one of the reasons of riots then the figure does not add much information and not even confirms the

suicide may be reason behind riots. As of our opinion suicide is a complex social and cultural phenomenon and suicide is a result of one's incomprehensible and disappointing occurrences for any family member, or friend, to experience.

Table 2: Rising Prices, and Welfare, of Indian Farmers (2014-15 to 2016-17)

Prices	2014-15	2015-16	2016-17	% Change 2016-17 over 2015-16
Wheat				
Procurement	145	153	163	6.5
Wholesale	124	130	144	10.8
CPI	123	124	137	10.5
Pulses				
Procurement	100	110	123	11.8
Wholesale	125	171	190	11.1
CPI	118	161	163	1.2
Gram				
Procurement	318	350	400	14.3
Wholesale	105	149	229	53.7
CPI	79	113	181	60.2
Fruits				
Wholesale	133	132	140	6.1
CPI	127	128	135	5.5
Vegetables				
Wholesale	163	148	132	-10.8
CPI	143	144	135	-6.3
FPV				
Wholesale	146	145	144	-0.7
CPI	134	142	141	-1.4

Notes: All the calculations based on crop using months July-April

1. Procurement Price are in Rs/10 Kg
2. Wholesale price based on new series, 2011/12=100
3. Consumer prices based on 2012=100
4. Gram is most important among pulses with a weight of 41.3% in wholesale price of pulses
5. FPV shows the weighted values for fruits, pulses and vegetables

Source: <http://indianexpress.com>

The collapsing of the prices is claimed as one more reason behind riots. Due to highest production the prices of commodities goes down for an instance approximately two years back the price of pulses was near about Rs. 200 / Kg but now the prices goes down to Rs. 70/Kg. And this happened because of country's agricultural production shot up 4.9% which was the highest in 5 years. Due to the excess production the prices goes down and now the demand is raised to purchase their crops on a higher minimum support price, even after the Government stocks including emergency stock both are full. After reading a lot about collapsing food prices and the lowering of farmer incomes as identifiable causes of riots (and suicides), the table 2 presented above showed the prices of six food items (Wheat, Pulses, Gram, Vegetables, Fruits and FPV).

After reviewing the table it could easily understood that consistency the minimum support prices is been raised by GOI which we can say the wholesale prices have risen by about 5 to 10 per cent over the last year; and on the other hand if we think about the consumer prices of some of the particular and unstable food objects like fruits, vegetables and pulses were stayed constant over the last three years.

While reviewing the pulses it can observe that for pulses definitely that the prices of pulses have gone down than their minimum support prices. But such things happened on the selected items only, but the government procurement prices for the pulses is been raised by an average of 11% in the last consecutive years; and for the same the wholesale price of pulses observed a immense rise of 52 per cent. This confirms that the income of the farmers is definitely raised and that is near about 10%.

Table 3: Subsidies to Farmers under various Government Schemes

Scheme	Subsidy
Subsidies under various Schemes	
Rashtriya Krishi Vikas Yojana	100%
Rashtriya Krishi Vikas Yojana	Improvement in machineries
Rashtriya Krishi Vikas Yojana	25% - 33.33%
Rashtriya Krishi Vikas Yojana	50% of the cost, 100% for the community asset
Subsidies under various markets	
National Horticulture Mission	Rural primary market: 40% (General), 55% (Hilly & tribal), Terminal market complex: 25% to 40%, Wholesale markets: 25% (General), 33.33% (Hilly and tribal), PHM Component: 35% to 55%

Source: <http://www.pradhanmantriyojana.co.in>

All the above listed subsidies are available for the agriculture sector in India. Apart of all such subsidies some highlights about the government initiative for agriculture are as follows:

1. Short-term crop loans up to Rs. 3 lakh at subsidised rate of 4 per cent. Interest financial support of yearly 5 % per annum to all farmer-son short term loans up to Rs. 3 lakh borrowed by them during the year 2016-17.
2. Pradhan Mantri Fasal Bima Yojana (PMFBY) budget was doubled from Rs. 2, 589 crore to Rs. 5, 500 crore for 2016-17.
3. 89 projects were launched under Accelerated Irrigation Benefits Programme

(AIBP). Budget of Rs. 17000 crore and 85000 crore in next five years.

4. On the whole budget for the agriculture sector was raised by over 44%, from Rs. 24,909 crore to Rs. 35,984 crore in 2016-17.
5. Budget of Rs. 15,000 crore towards interest subvention.
6. Rs. 13,000 crore in drought assistance to states during 2015-16.

Now, does the loan waiver size matter or not:

1. Total waive of loan size would be \$40 billion, or Rs. 2,57,000 crore and this waiver will amount to 2 per cent of gross domestic product (GDP).
2. Before this Uttar Pradesh Chief Minister Yogi Adityanath decided to waive loans of Rs. 36,359 crore.
3. Last year, late chief minister J Jayalalithaa had waived the loans of Rs. 16.94 lakh.
4. The Madras High Court later asked the Tamil Nadu government to waive additional farm loans to the tune of Rs. 1,980 crore.

Only if a loan waiver of Rs. 30000 crore is offered in Maharashtra then Maharashtra's fiscal deficit will be 2.71% (budgeted: 1.53%) in the financial year 2018 of gross state domestic product (GSDP) and the India Ratings estimated that the debt will rise to 17.44% against the budgeted 16.26%. But the big question is this does the loan waiver will work, in India when in agriculture sector approximately annual agriculture waste is of Rs. 96000 crore this waiver will work, this is a question.

Conclusions

Today there is need of estimating all the pros and cons of the loan waiver and the farmer riots spreading across the country. A question hour

should be there where who is actually is going to be benefitted from stirring up riots must be presented with the real statistics. We should start focusing on the real crisis of the farmers that they are not able the produce, unlike other businesses, and is dependent on cartel of traders to fetch a decent price. The cartel makes money in case of good or bad crop season as their margins remain intact. In fact, in case of a crop failure the trader profit margin rises whereas the farmer is in distress without remunerative price. Agriculture waste should be reduced and strict actions must be taken against the mediator corporate who are buying produce in farms at cheap rates, keep them in cold stores. Otherwise this anguish will harm farm economy till sops such as farm loan waiver is given and farmers are not empowered to make their produce remunerative.

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