Why Ten Thousand Indian Farmers Committed Suicides (1995-2005) And Why 40 Percent Farmers Of India Want To Quit Farming?

Following the announcement of its National Agricultural Policy, 2000 and the millennium development goals as adopted by the world leaders summit, the Union Ministry of Agriculture, as per its decision to know the latest economic and social condition of the Indian farmers, asked the National Sample Survey Organisation (NSSO) to conduct a comprehensive social survey of farmers covering their educational status, levels of living, farming practice, possession of productive assets, awareness and access to modern technology resources availability, indebted-ness and other relevant issues. NSSO carried out the Situation Assessment Survey (SAS) of farmers during July 2002-June 2003, covering 51,770 households spread over 6,638 villages across the country.

Though the survey brought out various aspects of the farmer households across the states in India, in this note we have tried to demonstrate only the income and expenditure status of the farmer households, as it would clearly explain where Indian farmers stand today.

According to the survey at all India level, the average annual income of the farmer household was Rs 25,380, which includes cultivation, wages, farming of animals and non-farm business income. What is interesting here is that the income from cultivation accounts for only about 45 percent of the total income and the remaining receipts are from other sources, including wage income, which alone accounts for almost 39 percent. Clearly, the annual income from cultivation comes to only about Rs 11,628 per farmer household, after excluding the other sources. As regards average annual expenditure on cultivation, it comes to Rs 8,791 per household at the all India level, according to the survey.

While deducting the average cultivation expenditure (Rs 8,791) of the farmer households from the cultivation income (Rs 11,628), the annual net income (i.e., farm business income) of a farmer household comes to only Rs 2,837 at the all-India level. It is worse when we look at each state. Shockingly, the net income is negative in Andhra Pradesh, Haryana, Rajasthan and Tamil Nadu, i.e., the annual expenditure on cultivation is higher than the annual income from cultivation. Except states like Assam, Jammu-Kasmir and Punjab, the annual net income of the farmer households is less than Rs 4,000 in all other states. In fact, it is less than Rs 1,000 per farmer household in Orissa, Uttar Pradesh and West Bengal.

The incidence of indebtedness (proportion of households reporting debt either to institutional or non-institutional sources) as well as the extent of indebtedness (debt per farmer household in Rupees) is found to be higher in all states where consumption expenditure exceeds the income of farmer households (see the table). It is seen above that the consumption expenditure is relatively higher than the income of the farmer households in all the states except Assam and Jammu-Kasmir. This is clearly reflected in the indebtedness status of the households, where the debt per farmer household is very high in all the states except Assam and Jammu-Kasmir. Farmers from Andhra Pradesh, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh are heavily indebted possibly because the income of the households is not even enough to meet the consumption expenditure. In fact, the average debt per household varies from Rs 24,000 to Rs 42,000 in the relatively developed states, like Andhra Pradesh, Haryana, Kerala, Punjab and Tamil Nadu.

Clearly, this note provides adequate answers to the question as to why farmers commit suicides. One of the SAS reports also indicates that given a choice, 40 per cent of the farmers would quit agriculture and take up some other career (NSSO 2005: 11). All these clearly suggest that the farmers are in great distress. All these phenomena are the inevitable consequences of corporate-led commercial farming.