

# **Cotton Farmers' Suicides in Andhra Pradesh**

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*Abridged Version*

## **Preface**

Different parts of the country have recently witnessed a large number of suicide deaths by the farmers who found themselves in extreme distress. The problem of farmers' suicides has become an issue of national concern and received much attention from the media and the government. Though the suicides were reported from many parts of the country, it is the tragedy of cotton farmers' suicides in the Telangana region of AP that brought the whole issue into the limelight. About 300 farmers committed suicide in AP during October 1997 and May 1998.

A variety of factors are held as responsible for the farmers' suicides. There are claims and counter-claims with regard to the primary reasons for these suicides. Official reports attributed factors such as natural calamity and wrong agricultural practices by the farmers as primary reasons for crop failures and indebtedness, which drove many of the farmers to commit suicide. On the other hand, the reports by the newspapers and fact-finding committees rejected the government claim and attributed the primary reasons to the overall failure of various government institutions.- credit, irrigation, extension services, etc. Some psychologists have also attributed the primary reasons for some of the suicides to the psychology of mass hysteria and also to the incentives the government offered to the affected farmers.

This report is an attempt to examine these claims.

The report is divided into five chapters. Chapter 1 introduces the problem, objectives, and methodology. Chapter 2 briefly outlines changes in cropping pattern and reasons for the growth of cotton cultivation in the Telangana region, which provides a broad context to understand the present crisis. Chapter 3 examines the socio-economic and demographic characteristics of the farmers who have committed suicide. Chapter 4 presents the case histories of the farmers and analyses the reasons for the suicides. Chapter 5 summarizes the findings and suggests possible interventions to overcome the present crisis.

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## Chapter 1: INTRODUCTION

Different parts of the country have recently witnessed a large number of suicide deaths by the farmers who found themselves in extreme distress. According to official reports 356 farmers have committed suicide during October '97 - May '98.<sup>1</sup> Though the suicides are reported from different parts of the country, it is the tragedy of the cotton farmers suicides in Telangana region of Andhra Pradesh have received much of attention from media and the government and brought the issue to the limelight. Of the total 356 suicides, AP alone accounted for 236. According to newspapers, this number is 300. Even if one relies on official figures the number is quite alarming. Maximum number of suicides were reported from the Telangana region especially from Warangal district. Of the total reported suicides in AP, Telangana region accounted for 88% (87% in official reports) and Warangal district alone accounted for 40% (42% in official reports). Forty out of fifty revenue mandals in this district have reported suicides.

### ***Three Explanations for the Suicides***

A number of factors are held as responsible for farmers' suicides. Those are: a) adverse seasonal conditions; b) massive pest attack; c) wrong farm practices by the farmers; d) failure of formal credit institutions; e) excessive dependence on private moneylenders/traders for credit and technical advice; f) consecutive failure of crops; g) adverse prices; h) farmers shifting to cash crops; i) government's liberalisation policy; j) increasing prices of inputs; k) mass hysteria and government incentives etc.

Three different types of explanations each focusing on particular factors as primary reasons for these suicides can be identified from the existing literature.

**Natural Calamity and Wrong Agricultural Practices:** One type of explanation which represents the state government's view point (stated in its various reports submitted to the State Assembly and the High Court) tries to attribute the main reasons for the suicides of many farmers to natural calamities and wrong agricultural practices<sup>2</sup>. Adverse seasonal conditions, massive pest attack on cotton crop, wrong farm practices by the farmers (excessive application of fertilisers and pesticides, mono-cropping etc.), moreover excessive dependence on the private moneylenders / traders for credit and technical advice have resulted in the failure of cotton crop and heavy debt burden which inturn led to the suicides of some of the farmers<sup>3</sup>.

**Failure of State Institutions:** Another explanation which is widely reported in the press and various fact finding committees rejects the government's explanation of natural calamity as the primary reason for crop failures and distress<sup>4</sup>. They attribute the reasons for suicides to the overall failure of government institutions and extension services to provide adequate credit and technical advice to the farmer, failure to control the prices, spurious seeds and pesticides, lack of irrigation and erratic power supply, cutting subsidies to the farmers as part of the government's liberalisation policy etc. are attributed as primary reasons for crop failure and indebtedness which have driven the farmers to take the drastic step committing suicide.

**Mass Hysteria and Incentives:** Some psychologists <sup>5</sup> have attributed the main reasons behind the suicides of some of the farmers to the psychology of 'mass hysteria' and also to the incentives the government is offering to the affected families.

A critical examination of all these explanations reveals that they are partial in nature and do not give a comprehensive account of the suicidal phenomenon. There are certain crucial questions, which are unanswered by these explanations. Whatever may be the reasons the failure of cotton crop and the burden of indebtedness have affected most of the small and marginal farmers in many parts of Telangana region this year. Why have some chosen to commit suicide? What are the supporting structures and coping mechanisms other farmers have which are lacking to the deceased farmer? Or to put the question in other way, what are the additional factors, which might have aggravated the distress already caused by the failure of crop and indebtedness to the deceased farmers?<sup>6</sup> It is important to examine these questions to understand the problem of suicides in a right perspective. The present study makes such an attempt. It has two broad objectives.

### ***Objectives of the study***

1. The principal aim of the study is to identify and analyse various factors, immediate and long-term, which have caused distress and driven the cotton farmers to the drastic step of committing suicide.
2. The study also aims at suggesting the possible interventions to avoid /overcome this sort of situation in future. Specifically the role that can be played by innovative rural financial initiatives in dealing with this problem.

### ***Methodology***

The study is confined to Telangana region, which has reported the maximum number of suicides. Within the Telangana region 8 mandals, 3 from Warangal, 2 each from Medak and Khammam and one from Mahaboobnagar are chosen for detailed study. All the 31 cases of suicides reported by the local press in these mandals during Oct. 1997 and March 1998 are examined. The particulars of names and addresses of farmers who have committed suicide are drawn from the local newspapers particularly from the 'Vaartha', a Telugu news daily. Out of 31 reported cases one case was dropped because it was found that this is being wrongly reported by the newspapers<sup>7</sup>. The concerned person Mr. Venkat Reddy of Jinnaram Village, Medak district was tried to commit suicide but survived.

Detailed case histories focusing on their socio-economic and demographic characteristics, credit relations, cropping pattern etc., of all the affected farmers are collected. For a comparative study the case histories of 30 other farmers who are of similar socio-economic background and also affected by crop losses and indebtedness but have not resorted to suicide are also collected.

## **Chapter 2: GROWTH OF COTTON CULTIVATION IN THE TELANGANA REGION**

The suicides committed by the farmers are not a sudden development, which surfaced overnight. It is the outcome of the series of socio-economic developments, which had been in process since the last 15-20 years. The Agricultural economy of A.P particularly the Telangana region has undergone significant changes since the last four decades particularly after late sixties when green revolution was first introduced in the state. The green revolution in the form of application of H.Y.V. seeds, chemical fertilizers, pesticides, mechanization of agricultural operations etc. was first introduced into well irrigated areas of Coastal Andhra and was later spread to the other regions and even to dry land areas. The introduction of green revolution brought important changes in the process of production and cropping patterns.. The present chapter briefly out lines the important changes in cropping pattern and growth of cotton cultivation in A.P with a special focus on Telangana region which have some relevance to the issue of farmers suicides.

### ***Changes in Cropping Pattern: Shift from Subsistence to Commercial Crops***

One of the significant developments of the green revolution is that, it encouraged the farmers to shift from subsistence to commercial crops. The data in regarding the changes in cropping pattern in A.P during the period 1956-57 to 1995-96 indicate that, except paddy the area under all other food crops declined significantly. Food crops accounted for about 70% of the gross cropped area in the state upto 80-81 and there after it declined to 54.03% in 1994-95. Jowar, which was the principal crop in Telangana, occupied about 20% of the gross cropped area in the pre-green revolution period. But in the post-green revolution, especially in 1990s, the area under this crop was drastically reduced to about 7%. Bajra accounted for 4% of the gross cropped area till 1980-81, in 1995-96 it declined to 1.08%. Both jowar and bajra recorded a very high negative and significant growth rate during the period 1980-81 to 1995-96. The commercial crops like cotton, sugar cane, oilseeds witnessed significant positive growth rate in the post green revolution period. Cotton accounted for 1.6 lakh hectares in 1955-56, and in 1995-96 it increased to 10.59 lakh hectares. The growth of the area under cotton in Telangana region is quite significant compared to other regions.

### ***Growth of Cotton Cultivation in the Telangana Region***

The Telangana region particularly Warangal district which was reported the highest number suicides by the cotton farmers has witnessed a spectacular rise in the area under cotton during 1980-81 to 1997-98. During this period the area under cotton in Telangana region increase four folds. In 1980-81 cotton crop accounted for 1.49 lakh hectares in Telangana. It has increased 3.14 in 1993-94, 3.58 in 1994-95, and 5.51 lakh hectares in 1997-98. Except Adilabad district which is a traditionally cotton growing area the rise in area in other Telangana districts is quite significant. In particular, the area under cotton in Warangal district increased about 17 times during 1980-81 to 1997-98 (from 5000 hectares to 84000 hectares in 1997-98)

Table 1: **Region-wise Area under Cotton Productions in AP (1980-81 to 1997-98, lakh hectares)**

Region	1980-81	1993-94	1994-95	1995-96	1996-97	1997-98
Coastal Andhra	1.42	2.30	2.68	2.91	2.53	2.28
Rayalaseema	1.28	0.71	0.76	1.38	1.17	0.70
Telangana	1.49	3.14	3.58	5.45	5.23	5.52

Source: AP Cotton Association, Guntur 1998.

An important aspect of cotton cultivation in Telangana region is that it is mainly grown in upland dry areas as a rainfed crop. Though black soils are suitable for cotton a significant portion of the cotton grown area is covered by red soils. Hybrid varieties, particularly superior medium, and long staple cotton occupy more than 60% of the area. M.E.C.H, R.C.H-type, H-4 type, Savitha, J.K.H-1 are the important hybrid varieties grown in Telangana. R.C.H-2 a long staple private hybrid variety, which is a long duration crop, is predominantly grown in Telangana area. R.C.H-2 itself occupied 72% the of cotton area in Warangal in 1997-98<sup>8</sup>.

### ***Reasons for the Growth of Cotton Cultivation in Telangana***

The following are some of the important reasons for the growth of cotton cultivation in Telangana region.

#### **(a) Migration of Coastal Andhra farmers**

The use of high yielding/hybrid variety of seeds in cotton was started in Guntur, Prakasham districts of coastal Andhra in the late sixties. Under the intensive Cotton District Development Programme, the government encouraged farmers in these districts to grow cotton by providing seeds and other inputs at subsidies rates. The relatively high profit margin in cotton cultivation compared to several other crops led to a phenomenal growth in cotton cultivation during 1970-71 to 1980-81 in Prakasham and Guntur districts. The decade of 1970 was the decade of cotton boom in these districts. It has changed the fortunes of several farmers and made them rich in a short span of time (V.N. Reddy 1985). The land values, leasing rates and labour wages witnessed a significant rise in these districts. Some of these farmers have migrated to Telangana and Rayalaseema regions and also to Raichur and Ballary districts of Karnataka State to take up large-scale cultivation of cotton as the land values, lease rates and labour charges are much cheaper in these areas. These migrant farmers were mainly responsible for the introduction of long staple/hybrid cotton in most parts of Telangana region. By observing the migrant farmers getting good profits the local farmers also slowly shifted to cotton cultivation. Though initially it confined to local rich farmers, later it spread to other sections also including small and marginal and tenants farmers also. Why it became so widespread among all sections of the farmers? In order to answer to this question one need to examine the specific characteristics of cotton crop.

#### **(b) Economics of the cotton cultivation: Relatively high profit margin compared to other crops**

The principal reasons behind the growing popularity of cotton crop among different sections of the farmers is the commercial incentive and high profit margin it offers to

the farmers. Cotton cultivation is relatively profitable compared to several other food and commercial crops such as jowar, bajra, groundnut, sunflower, redgram and blackgram. The average value of per acre product of (yield multiplied with harvest prices) jowar, bajra, groundnut, tobacco and cotton during 1972-73 to 1979-80 indicates that the increase was four folds for cotton where as in the case of other crops the increase in value per acre is about two fold only (V.N.Reddy 1985).

### **(c) Suitable even for less irrigated and dry areas**

An important aspect of cotton crop is that it needs relatively less water and even can grow in upland dry areas. In the upland rainfed situations, cotton is a versatile crop that can be sown at any time from June to September without any significant impact on yield. In crops like sesamum and groundnut, if the sowings are delayed beyond first week of June the yields are drastically reduced. So also pulse crops like green gram and black gram cannot be sown after 15<sup>th</sup> July. Once the crop germinates, cotton is a crop, which can withstand prolonged dry spell of 30-45 days, where as other crops like sesamum, groundnut, green gram and black gram dry up.

### **(d) Less risky compared to chillies and tobacco**

Compared to chillies and tobacco two other more remunerative crops, cotton is less risky. Regarding market prices, fluctuations in price structure are much less in cotton when compared to chillies and tobacco. With regards to plant protection, cotton and chillies required maximum attentions. However the plant protection is easier in cotton than in chillies. Total investment per acre is also less in cotton compared to chillies. Compared to chillies and tobacco there are not many post harvest operations and cost of it is less in cotton. Chilli and tobacco though more remunerative than cotton are confined to rich strata of the peasantry not only due to their high capital requirement and more risk involvement but also due to their not suitability to dry land areas.

The relatively high profitability, suitability to grow even in upland dry areas, less risky compared to other commercial crops and the examples of migrant and local rich farmers getting the good profits, encouraged the small and marginal farmers in Telangana to shift to cotton in a large scale. It is also encouraged some of the better off agricultural labourer to shift to tenant cultivation.

### ***Compulsions for Poor Farmers to take up Cotton***

It is not only the pull factor of commercial incentives; the push factor of compulsions for small and marginal farmers to shift to commercial crops contributed for the growth of cotton cultivation in Telangana region. The changes in cultural habits (food, dressing, etc. increasing awareness about education etc.) growing consumerism resulted in increasing cash requirements for consumption needs. The expenditure on food items, clothing, education, travel, medical, entertainment etc. has increased significantly in recent times. In order to meet the growing family expenses, the small and marginal farmers and agricultural labourers are compelled to increase their incomes. The subsistence crops like jowar and bajra, which they have been cultivating traditionally, are not fetching them much. As most of these people have only dry lands they cannot aspire to grow irrigated crops like paddy sugar-cane etc., which have a relatively stable market and also remunerative crops. Cotton though it is a capital-intensive crop raised hopes among these farmers. With the hope of getting higher

profits and improving their incomes to meet the growing cost of living, small and marginal farmers have shifted to cotton in a large scale.

### ***Problems in Cotton Farming in Telangana Region***

A detailed discussion on various problems the cotton farmers have faced in recent years is taken up in Chapter 4. Here we will outline these problems. In recent years particularly since 1994 the cotton crop has witnessed severe setbacks and yields have diminished significantly. Particularly the crop has witnessed massive pest attacks. The cost of cultivation has increased by nearly two and half times during 1990-91 to 1997-98. Adverse seasonal conditions, massive pest attack due to excessive use of pesticides, mono-cropping and unbalanced use of fertilizers, excessive dependence on private moneylenders, increasing cost of cultivation, lack of irrigation facilities, instability in prices etc., have all contributed for consecutive crop failures and heavy losses to the farmers. The cotton crop situation in 1997-98 was particularly very bad. The crop has witnessed a massive pest attack and damage was severe compared to the previous years. Though crop failed in all most all the districts of Telangana the most affected was Warangal which has reported the maximum number of suicides. It is in this context one has to study the recent suicides of cotton farmers in the Telangana region.

## Chapter 3: SOCIO-ECONOMIC BACKGROUND OF DECEASED FARMERS

An enquiry into the socio - economic background of the farmers who have committed suicide is helpful to understand some of the important questions related to the problem of farmers' suicides. Who are these farmers? What caste, class, occupation, gender, age group etc., they belong to? The present chapter is an attempt to examine these questions. It examines the data on caste, land ownership, age, gender, education, and occupational background of deceased farmers.

### **Caste Background**

The caste background of deceased farmers reveal that though a majority of them belong to backward castes and S.C s, the upper castes farmers also forms a significant proportion. Of the total 30 farmers, 15 of them belonged to backward castes and 6 were S.C s. In the remaining 9, belonged to upper castes and one S.Ts. Among backward castes a majority of them came from those castes such as *chakali* (washerman), *golla* (shepherds), *kamsali*. (blacksmith) *kummary* (potters), *mangali* (barber) and *padmashali* (weaver), which were until recently dependent mainly on their traditional occupations. The S.C farmers also till recently worked primarily as agricultural labourers. An important point to be noted here is that a majority of these farmers are not traditional agriculturists and had no or little experience in crop, particularly the cash crop management and bearing the risks.

Of the total 15 B.C farmers 8 of them had no experience in own cultivation before 1980. Seven of them who had experience used to grow subsistence crops like jowar, etc. but never tried with capital intensive cash crops. A majority of S.C farmers also, six out of four, had no experience in own cultivation before 1985. They were either working as bonded labourers or daily wage agricultural labourers.

Table 2 **Caste Background of Deceased Farmers**

<b>Caste category</b>	<b>No. of Farmers(%)</b>
Upper Castes	8 (26.6)
Backward Castes	15 (50.0)
Scheduled Castes	6 (20.0)
Scheduled Tribes	1 (3.3)
	<b>30 (99.9)</b>

**Note:** Among Upper castes, 4 belonged to Reddy caste, 2 Kamma 1 Naidu and 1 Aare caste. Among Backward caste, 5 Golla, 3 Chakali, 2 Kuruva, 1 Mangali, 1 Sale and 3 belong other castes. Among S.Cs 4 belonged to Madiga and 2 Mala castes. One S.T farmer belonged the Lambada community.

### **Land Ownership**

All of them with few exceptions are small and marginal farmers owning between 1-5 acres dry land. Of the total 30 farmers, 23 of them were having less than five acres of dry land. Out of these 23, 14 of them were having less than 2.5 acres and the remaining 9 were having between 2.5 - 5 acres.

Table 3: **Land holding size of Deceased Farmers**

Land holding size (acres)	No. of Farmers (%)
0.01- 2.5	14 (46.6)
2.5 - 5.0	9 (30.0)
5.0 - 10.0	7 (23.3)
	<b>30 (99.9)</b>

**Note:** Keeping the difference in land values of dry and wet lands, an acre wet land is treated as equivalent of two acres of dry land.

An important aspect which needs to be taken into consideration is that nearly half of them (14 out of 30) were also tenants. In addition to their own land they were also leasing in lands for cultivation. In many cases the size of their leased in land was greater than the size of their own land. They were all involved in fixed cash rent form of tenancy arrangement. Unlike sharecropping where the produce is shared between tenant and landowner in the fixed cash rent form of tenancy the amount of rent is fixed in advance irrespective of the yield. In sharecropping the burden of risk is also shared between tenant and landowner but in fixed cash rent the burden is solely born by the tenant. The annual lease amount in the study area varied between place to place. In 1997 the annual lease amount per acre dry land was Rs 1000-1500 in Medak and Rs.1500 - 2000 in Warangal areas. The lands were leased in mostly from upper caste big landowners most of them have recently migrated to nearby urban centres in order to take up business activities. These landowners prefer fixed rent than sharecropping tenancy arrangements because sharecropping involves the participation of landowners in sharing the inputs and supervising the activities of the tenant. Moreover, there are also not interested in sharing the risk with tenants. The terms and conditions of leasing arrangement show that the leasing contract was oral in nature and did not involve in any written agreements. In many cases the tenants were demanded to pay the rent amount in advance at the time of agreement itself. As the most of landowners were non-residents, the tenants were not expected to fulfil other obligations like supplying labour, selling produce etc. to the landowner as the case in traditional leasing arrangements.

### **Age**

Most of these farmers were young people who were in their mid twenties and thirties. Of the total 30 cases, 21 of them were between the age group of 25-40 years. One was below 25 years and 9 of them were above 40 years old.

Table 4: **Age particulars of Deceased Farmers**

Age group	No. of Farmers
Less than 25	1 (3.5)
25-40	20 (66.5)
40 and above	9 (30.0)
	<b>30 (100.0)</b>

### ***Marital status and type of family***

Except one, all of them were married. Most of them were having children also. 17 belonged to nuclear and 13 to joint families.

Table 5: **Gender, Marital status and Type of Family**

<b>Particulars</b>	<b>No. of Farmers(%)</b>
<u>Gender</u>	
Male	29
Female	1
<u>Marital Status</u>	
Married	29
Un married	1
<u>Type of Family</u>	
Nuclear	17
Joint	13

### ***Gender***

Except one all other deceased farmers were male members only. In most of the cases these male members were head of the households and main income-earning members of their families. With regard to the only case of female member also she was a very active member and important sources of income to her family.

### ***Educational Background***

The educational background of these farmers reveals that through a majority of them were illiterates, the educated farmers also forms significant number, Of the total 18 of them were illiterates. In the remaining 12, 5 primary, 4 secondary and 3 had higher educational background.

Table 6: **Educational Background of Deceased Farmers**

<b>Particulars</b>	<b>No. of Farmers</b>
Illiterates	18 (60)
<u>Literates</u>	
Primary (1-5 <sup>th</sup> class)	5 (16.6)
Secondary (6-10 class)	4 (13.3)
Higher (above 10 <sup>th</sup> class)	3 (10.0)
	<b>30 (99.9)</b>

### ***Participation in Organizational Activities***

Except four, none of these farmers had any participation in organized group activity i.e. political parties, farmers or agricultural labour organizations, caste association's etc.

### **Occupational Background**

The primary and secondary occupations of these farmers show that most of them were primarily dependent upon agriculture. Of the 30 cases, 26 of them had agriculture as primary occupation. Two had wage labour and one had petty business as primary occupation. Agriculture was the only occupation for 8 farmers and they did not have any secondary occupation. Wage labour was the secondary occupation for 13 farmers. Four had petty business as secondary occupation. Occupational background of other family members of deceased farmers too indicates that agriculture was the primary occupation and main source of income to these families. An important aspect is that most of these families had multiple occupations and sources of income before they entered in to cotton cultivation. As already pointed out half of these farmers came from the background of traditional artisan caste groups such as weavers, washerman etc. Traditional occupations used to provide an important source of income for these families. Ever since they shifted to cotton, they left their traditional occupations. As cotton is a labour intensive crop, they had to leave their traditional occupations in order to work in their cotton fields. Their shifting to cotton also coincided with the declining opportunities in their traditional occupations

**Table-7: Occupational Background of Deceased Farmers**

<b>Occupation</b>	<b>Primary</b>	<b>Secondary</b>
Cultivation	26	2
Wage income	2	13
Petty business	1	4
Artisan	-	1
Others	1	2
	<b>30</b>	<b>22</b>

**Note:** Cultivation was the only occupation for 8 farmers and they did not have any secondary occupation.

## Chapter 4: REASONS FOR SUICIDES

As already pointed in the introductory chapter a number of factors are held as responsible for farmers' suicides. There are claims and counter claims with regard to the primary reasons for the main source of stress on the cotton farmers, which have driven them to the drastic step of committing suicide. The present chapter is an attempt to examine these claims. It is organised into two sections. In section one an attempt is made to find out main reasons for suicides and discusses them in detail. Section two presents a comparative study of deceased farmers and farmers of similar socio-economic background who also experienced crop losses and facing debt problem but sustained with the crises. The purpose of comparative study is to find out the supporting structures and coping mechanisms if any, the non-affected farmers had to overcome the crisis, which the deceased farmers lacked.

### *Main Reasons for Suicides*

Table 8 presents the data on main reasons for suicides of all the reported cases in the study area. The main reasons for suicides are divided into the following categories.

Table 8: **Main Reasons for Suicides**

Reason	No	%
Indebtedness	22	73.4
Ill-health	1	3.3
Personal / Family Problems	5	16.7
Others	2	6.6
	30	100

**Indebtedness:** The problem of indebtedness (accumulation of debts mainly to private moneylenders and failure to repay them) is the main source of distress for most of the farmers who have committed suicide. Of all the 30 cases studied, 22 of them are related directly or indirectly to this problem only. The nature of indebtedness and reasons for it is discussed in the later part this section.

**Personal/Family Problems:** Personal problems and problems within the family (quarrels resulting out of misunderstandings with partners and other family members etc.,) are primary reasons for suicides in the case of 5 farmers

**Health Problems:** One case is related to health problems. The person was suffering with prolonged ill health and feared that it will not be cured. This seems to have made him to commit suicide.

**Other Reasons:** In two cases, we were not able to identify the exact reasons. Whatever information we could gather suggests that either of the above mentioned reasons are primarily responsible for suicides of these farmers.

### Nature and Extent of Indebtedness:

Before we go into the analysis of reasons for indebtedness, it is useful to have an idea about the nature and extent of indebtedness among the deceased farmers.

**Source of Credit:** Commercial Banks, Primary Agricultural Credit Co-operative societies, Grameena Banks<sup>9</sup> are important sources of formal institutional credit in the study area. Non-institutional private sources includes in-put dealers (seeds, fertilizers and pesticide shop dealers), commission agents who operate at market yards, rich farmers, friends and relatives etc.

The relative importance of different sources of credit reveals that it is the non-institutional private credit, which is the main source of credit for most of the small and marginal farmers in the study area. Among private sources, the credit from input dealers who sell inputs mainly pesticides on credit is crucial in catering to the much of the credit needs of these farmers. All the 30 deceased farmers were having large proportion of private debts mostly borrowed from in-put dealers.

#### Outstanding Debt:

Table 9 presents sources-wise-outstanding debt position of the deceased farmers till the end of 1997. The total outstanding debt was Rs. 14,30,000. In that 66.5% was borrowed from private sources only. The credit from formal credit institutions like Commercial Banks, P.A.C.S. and Grameena Banks together accounted only 33.5% of the total outstanding debt. Among private sources, input dealers alone accounted for 33.5%, which is equivalent to the share of all formal credit institutions together. Credit from Commission agents accounted for 7.3%.

Table 9 **Outstanding Debts**

<b>Source</b>	<b>Amount</b>	<b>%</b>
<b>Formal Sources</b>		
Commercial Banks	2,75,000	19.2
Co-operative Societies	1,37,000	9.6
Grameen Banks	68,000	4.7
<b>Informal Sources</b>		
Input Dealers	4,80,000	33.5
Commission Agents	1,05,000	7.3
Land Owners	74,000	5.2
Friends & Relatives	1,94,000	13.6
Others	97,000	6.8
<b>Grand Total</b>	<b>14,30,000</b>	<b>100</b>

#### Accumulation of Debts:

An important aspect to be noted here is that the outstanding debt is not the result of the failure of repayment of loans taken in any single year. The debts have been accumulated over a period 3 to 4 years. It was the continuous failure to repay the debts, which accumulated over a period to unmanageable proportions.

Table 10 presents the break-up of the details of loans taken in 1997 and before 1997. 88% of the outstanding debt from formal credit institutions was the result of loans taken before 1997. Private sources accounted for nearly 46%. It shows that the repayment problem is much more severe in the case of formal credit institutions. Because of this the farmer's accessibility to these institutions drastically reduced. In fact, the actual share of these institutions in the farmer's loans in 1997 was only 12%. 88% of the loans were taken from private sources only.

Table 10: **Outstanding Debts**

	<b>1997</b>	<b>Before 1997</b>
Formal	12%	88%
Informal	<b>54%</b>	<b>46%</b>

- Out of the 28 farmers, 24 had accessibility to formal credit. Only 4 of these could avail fresh loans in 1997, whereas the rest failed to repay earlier loans.

It is not that farmers did not have the accessibility to the institutional credit. It is the failure of repaying the previous loans, which blocked their further accessibility to these institutions. Out of 28 farmers, 24 of them had taken loans from formal credit institutions before 1997. But only 4 of them could avail fresh loans in 1997. As the rest failed to repay the previous loans, they could not avail fresh loans in 1997 and had to completely depend upon private sources of credit.

#### Terms and Conditions of Private Moneylending:

As already stated much of the credit needs of most of the deceased farmers were met by input dealers and commission agents only. Input dealers do not lend money directly to the farmers. They sell inputs mainly pesticides on credit. Studies reveal that pesticides business in Andhra Pradesh is mostly credit oriented. There are 93 pesticide companies in the state. There is an acute competition among these companies to sell their products. In order to increase their business turnover most of these companies are selling their products on credit to their dealers and recovering later. They are also offering 40-45% commission to their dealers. Dealers in turn sell the products to the farmers on credit basis.

Most of these input dealers who run small shops at village level and small towns in the study area have come from agricultural background. Many of them are erstwhile cotton farmers who had benefited immensely from cotton cultivation in the initial years and shifted to this business recently. Some of them opened their shops in their native villages and some have shifted to nearby towns. Some of these input dealers also having cotton commission business. They act as commission agents to the cotton traders. They buy cotton from their customers and sell it to the traders for which they get commission from traders.

Most of the input dealers offer credit on the following terms and conditions.

- a) They insist their customers to sell the harvest to them only
- b) They charge 15-20% higher prices on the products than the price they sell it to the customers who pay cash instantly.
- c) 24 - 36 percent interest is charged on the loan amount. Interest rates vary from customer to customer. For new customer they charge high rate of interest than from the regular customer.

Though the explicit interest rate is 24 - 36 percent the in-put dealers benefit from this arrangement in many ways. They charge higher prices on the products they sell and pay less than the market price to the farmers when they buy harvest from them. Moreover they insist the farmers to sell their product immediately after the harvest when the market prices are generally low.

Not all the input dealers insist their customers to pledge their harvest. We have also noticed in the study area that some of the dealers sell inputs on credit basis without insisting upon pledging harvest to them. They do charge higher prices than the market price and also charge interest on the loan amount. But the farmers are free to sell their harvest in open market. But this category of input dealers are quite small in their number and generally not accessible to small and marginal farmers.

Commission agents who operate at market yards lend cash directly to the farmers by pledging latter's harvest. They also charge 24 - 36 % interest on the loans given to the farmers. In Warangal district, we have also noticed that some of the commission agents have nexus with the input dealers. They do not give cash directly to the farmers. They ask the farmers to buy in-puts from selected dealers with whom they have a tie up. They pay cash to these dealers. The understanding between dealers and commission agents is that the farmer should pay some commission to the later for sending customers to their shops.

Both input dealers and commission agents maintain close contacts with their customers. They also advise them on the matters like, seed selection, type and quantity of fertilizers and pesticides to be used etc. As farmers are highly dependent upon these people for credit, they rather obliged to consider their advice.

An enquiry into the credit relationship of deceased farmers with input dealers and commission agents reveals that except one all other had taken credit from these people pledging their harvest to them. Most of these farmers had a credit relationship with one same dealer or agent for a long period. By the virtue of their long-standing credit relationship, they were able to secure fresh loans although they failed to clear their previous loans<sup>10</sup>. They also depended mainly on these people for technical advice regarding seed selection, pest management etc.

### ***Reasons for Indebtedness***

As we have already pointed out, the main reason for the suicides of many of the farmers in the study area is the growing indebtedness to the private moneylenders. What are the reasons for their indebtedness? Does the failure of crops and losses in agriculture alone can be attributed for this as reported by local press and some fact-finding committees? To examine this a detailed enquiry into the reasons for indebtedness is required. An attempt is made in the following pages to examine the primary and secondary reasons for indebtedness.

#### **Consecutive Crop Failures:**

Table 11 presents the data on primary and secondary reasons for indebtedness. It shows that the primary reason for indebtedness in majority of the cases (18 out of 28) is the consecutive failure of the crops. Due to crop failures, the farmers failed to repay the loans and debt was accumulated into unmanageable proportions. Crop failures also reported as secondary reason for indebtedness in 10 cases

**Table 11:** Reasons for Indebtedness (data for 28 households)

Reasons	Primary	Secondary
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Consecutive Crop failures	18 (64.3%)	8 (28.6%)
Investment in Wells	5 (17.8%)	10 (35.7%)
Medical Expenses	2 (7.1%)	4 (14.3%)
Loss in Business	2 (7.1%)	1 (3.6%)
Others	1 (3.7%)	5 (17.8%)

**Note:** Others include ceremonial expenditure, investment in children's education, marriage dowry etc.

### Investment in Private Irrigation:

Investment in private irrigation (digging open wells, bore wells, and deepening the existing wells etc.) is another important reason for indebtedness. Of the 30 farmers, 15 of them have invested large amounts in digging or deepening the wells by borrowing mainly from private moneylenders. Interesting aspect is that even some of the (4 out of 14) marginal landowners (below 2.5 acres) also invested substantial amounts of capital in digging wells by borrowing from private moneylenders. In most of the cases, the wells were dried up and farmers did not get any benefit out of that. For digging open well or bore well requires a substantial amount of capital (Rs.50,000 - 60,000 for open well, Rs. 20,000 - 30,000 for bore well). Why even marginal farmers have resorted to such a huge investments on wells? Investment on wells they thought would substantially increase their chances to improve their economic status. If it is successful they can grow double crops and recover these expenses within 3 or 4 years. If it fails it becomes a dead investment. In all the 15 cases investment in wells attributed as either primary or secondary reason (primary reason for 5 and secondary for 10 cases) for their indebtedness<sup>11</sup>.

### Medical Expenses:

In a small number of cases (2 out 28) serious health problems of the family members and expenses towards their medical treatment is the main reason for indebtedness. Medical expenses also reported as secondary reasons for their indebtedness in the case of 4.of farmers.

### Losses in Business:

As already pointed out 5 out of 30 farmers had petty business (chit funds, poultry etc.) as either primary or secondary occupation. Heavy losses in business also resulted in indebtedness in the case of 3 farmers. In two cases it is the primary and in one case secondary reason for indebtedness.

### Other Factors:

Other factors like ceremonial expenses, marriage dowries, investment in children's education, etc., are also important reasons for indebtedness in the case of 6 farmers. These factors are primary reasons for indebtedness in the case of one farmer and secondary reason in the case of 5 farmers.

The above analysis of reasons for indebtedness reveals that though not all the cases of indebtedness are related to consecutive crop failures and losses in agriculture a

majority of them are clearly related to these problems only. In the following pages the reasons for crop failures and losses in agriculture are analysed.

### ***Reasons for Consecutive Crop Failures and Losses in Agriculture***

The following are the important reasons for the consecutive crop failures and losses in agriculture which resulted in the growing indebtedness to the private moneylenders and primarily responsible for most of the suicides in the study area.

- a) Adverse seasonal conditions
- b) Lack of irrigation facilities
- c) Massive pest attack
- d) Wrong agricultural practices and failure of extension services
  - Excessive use of pesticides
  - Mono-cropping
  - Wrong selection of seeds
  - Dependency on private dealers for technical advice
- e) Spurious pesticides and seeds
- f) Increase in the cost of cultivation
- g) Low yields and adverse prices.

#### **Adverse Seasonal Conditions:**

In recent years, particularly since 1995 many parts of Telangana Region have witnessed adverse seasonal conditions ultimately effecting the crops particularly cotton crop production. Low rainfall, delay in monsoons, untimely and erratic rains became a normal phenomenon. Particularly during 1997-98 crop year, the seasonal conditions were quite adverse to the cotton. The Southwest monsoon was very weak during this year. Rainfall was not only insufficient but also erratic in its distribution.

Cotton sowing in A.P. in general starts from June ending and continues up to first week of August. Due to delay in monsoons coupled with low rainfall the sowing was delayed almost one to one and half month. The deficit in rainfall during the kharif season of June-September ranged from 35% to as high as 67%.

The cotton-harvesting season starts in October last week and lasts till March second week. October and November months witnessed untimely heavy rains. Low rainfall during the sowing coupled with excessive rainfall during harvesting season affected the cotton production severely. In particular, the Warangal district where the crop damage was more witnessed very bad seasonal conditions during 1997-98. During the Kharif season 299-mm rainfall was recorded in this district which is less than half of the extent in 1996 and 1995 in the same season . During September and December 524-mm. rainfall was recorded which is quite high compared to the previous years.

Unseasonal excessive rains and continuous inclement weather and continuous drizzle for a long period which resulted in new flesh making the crop more green and lush,

thereby making the plant more susceptible for pests and diseases (Jitendra Varma, 1998).

#### Lack of Irrigation Facilities:

Due to low rainfall the irrigation wells also dried up. Most of the farmers do not have the accessibility to public irrigation sources like canals and tanks. The Telangana region in particular has been neglected in the irrigation front by the successive governments. As already pointed out, several affected farmers invested large amounts in digging or deepening wells. That has become the main reason for their indebtedness. Low rainfall, coupled with lack of irrigation has resulted in decline in yields.

#### Massive Pest Attack:

Cotton particularly the hybrid varieties are more susceptible to a variety of plant diseases and pest attacks. Pest management is a crucial aspect in cotton crop management. Severe pest attacks led to heavy crop losses in Guntur and Prakasham districts of Coastal Andhra during 1985-88. In the year 1987-88 there was a massive pest attack (white fly) in these districts. Crop was severely damaged. Though severe pest problems are reported in Telangana region since 1994, the magnitude of the problem and nature of damage it caused to the crop was quite significant in 1997-98. The American ball worm, *Helicoverpa armigera* and the leaf purugu in Telugu) caused heavy damage to cotton crop reducing the yield by 30-worm *Spodaptera litura* (commonly called Tobacco caterpillar and Ladde 40 % These pests caused damage not only to cotton but also to several other crops, such as, pulses, sunflowers, ground nut and chillies.

The following are the main reasons that led to severe pest problem in 1997-98.

- a) As already pointed out during sowing season the rainfall was low and erratic. This led to the delay in sowing the crop and the crop stand was poor. Coupled with this there was excessive rain and continuous cloudy and inclement weather during October and November months making the plant more susceptible for pests and diseases.
- b) More than the climatic reasons it is the wrong agricultural practices - excessive use of pesticides, use of unbalanced fertilizers, mono-cropping etc., over a period of time which helped the pests the develop resistance to several insecticides. Indiscriminate use of pesticides and fertilizers also resulted in the wiping out of predators (natural enemies to the pests) which helps to control the pests naturally.

#### Wrong Agricultural Practices and Failure of Extension Services:

**Indiscriminate use of pesticides and seeds:** Cotton though accounts for only 5 % of the total cropped areas of the country consumes nearly 55 % of the total pesticides used (Kairon and Ramasamudram, 1998). As the problem of pest attacks increased the use of pesticides to control them also increased in recent years. The expenditure on pesticides increased from Rs. 1500 in 1990-91 to Rs.5,000 in 1997-98

(see table 12). The average use of pesticides and expenditure on it is quite high in Andhra Pradesh compared to other cotton producing states like Gujarat, Maharashtra, Punjab etc (G. Parthasarathy and Shameem, 1998).

Agricultural chemicals are like medicines. If used in right dose, time and method they can be effective or else produce adverse effects. Our enquiries in the study area revealed that most of the farmers have resorted to the indiscriminate use of pesticides. They had several wrong notions about the use of pesticides. They were under the wrong impression that the use of more quantity and more frequency would result in effective control of the pests. So whenever there is a problem of pest they try to use pesticides in more quantity and high frequency than required.

The use of pesticides came into practice only with the introduction of cotton in this area. As farmers did not use pesticides for their crops they had no knowledge about the quantity /type of pesticides to be used. They depended heavily on pesticide shop dealers for advice on these matters. In 1997-98 the data shows that farmers used 10-12 varieties of pesticides and 15-20 times with out any valid reason. As pest continued they also used a combination of two or three variety pesticides. Nothing worked out as the pests developed resistance to insecticides due to excessive use of pesticides over a period of time. As pesticides are normally brought on credit from dealers it also resulted in the increasing indebtedness to them.

**Wrong selection of seeds:** Most of the farmers in the study area used R.C.H2 variety of hybrid seed. This is a long duration crop and plant is deeply rooted. This is better suited for black soils with irrigation facility but not to the rain fed land and red soils.

**Mono-cropping:** Mono-cropping is another reason for high occurrence of pests and low yields. The data shows that most of the deceased farmers did not practice the crop rotation. They continuously grow cotton in the same lands. Cotton mono-cropping was initially started in the study area by the migrant tenant farmers of Coastal Andhra. Later local farmers followed it. Farmers know very well that mono-cropping would lead to deterioration of soil and result in low yields. Even then they resorted to this because of various compulsions. The following excerpts from an interview with group of small farmers would illustrate various compulsions for small and marginal farmers for resorting to mono-cropping.

(I = Interviewer, R1 = Respondent 1 and R2 = Respondent 2)

**I. Tell me something about crop rotation? Why you did not practice crop rotation? As farmers do not you know that rotations of crops help the soil to regain the strength naturally.**

R1. Every one knows it very well.

**I. Then why did not you practice it?**

R1. See, most of us have one or two acres of land. If we have had enough land we would have cultivated different crops and practiced crop rotation. Those who have lot of land are doing so. In our S.Cs also some of them tried mirchi last year instead of cotton. But due to fall in prices they had heavy losses.

R1. Before cotton came we used to cultivate several crops - paddy, maize, black gram, red gram, groundnut etc. Crop rotation was practiced once. Cotton entered and we all shifted to it because it is remunerative. If we want to get more profits we have to grow cotton or millets. No other alternative. Other crops do not fetch much.

I. **So, it is sheer commercial intensive which made all of you to overlook the aspect of crop rotation, is it?**

R1. Yes.

I. **In order to overcome the problem arising out of mono-cropping, what you have done?**

R1. We noticed that mono-cropping leads to soil deterioration. We tried to apply more fertilizers.

I. **why you have opted to use more quantities of chemical fertilizers than using natural manures?**

R1. Where is it available now? We still prefer to use natural manure, but it is not available.

R2. Now a days no one is keeping cattle. Cattle population has declined so much. Getting natural manure is a problem for us

**Dependency on pesticide dealers for technical advice:** Farmers have resorted to indiscriminate use of pesticides, seeds and fertilizers because they lacked proper technical advice on these matters. There are 93 pesticide companies in the state and 13500 licensed shops. About 60 variety of cottonseeds are available (G. Parthasarathy and Shameem, 1998). Most of the farmers do not know which brand of pesticide to be used and which type of seed is suitable for their lands and weather conditions. The government agricultural extension services have miserably failed to educate the farmers on these matters. Farmers mainly depended on in-put dealers and commission agents with whom they had a long standing credit relationship. These people particularly in-put dealers have a vested interest in encouraging the farmers to use more quantity of low quality pesticides. They get high commission on low quality brands. In order to increase their business turnover and profit margin in most cases they misguided the farmers to go for excessive use of pesticides. As farmers depended on them for credit they were rather forced to follow the advice of these people.

#### Spurious Pesticides and Seeds:

There is a problem of spurious and substandard pesticides and seeds in the market. Some of the local pesticide companies in collaboration with their dealers pumping adulterated and low quality of pesticides into the market. Usually these companies products does not match the information stated on the labels. There is no effective control over these companies and dealers to check their malpractices. The use of adulterated pesticides also considered one of the reasons for the pests to develop resistance to insecticides.

Hybrid seeds are produced in a special way. Taking the advantage of high demand for hybrid seeds some of the dealers are resorting to sell fake seeds. During 1996-97 many of the farmers in Hasanparthy mandal of Warangal district brought spurious seeds from one big dealer. The seeds did not germinate. It became an issue and the dealer was forced by the local organizations to pay compensation of Rs.2000 per farmer<sup>12</sup>. Four out of 30 deceased farmers suffered losses due to the use of fake seeds.

#### Increase in the Cost of Cultivation:

The cost of cultivation has increased significantly during last 6-7 years. The excessive use of pesticides and fertilizers and an increase in the market prices of all the inputs have contributed for this. Compared to other cotton growing states like Gujarat, Maharashtra, Tamilnadu and Punjab average cost of per acre cultivation is quite high

in AP (G. Parthasarathy and Shameem, 1998).. The total cost of per acre cotton cultivation has gone up by nearly 2 1/2 times during 1990-91 to 1997-98. While in 1990-91 on average the farmers spent around Rs. 5200 per acre, it increased to nearly Rs.12150 in 1997-98 (see table 12) of the total cost<sup>13</sup>. The proportion of expenditure on pesticides is quite high. The cost of pesticides accounted for 28.8 % in 190-91 and 41.1 % of the total expenditure in 1997-98. We do not have data on prices of various inputs for similar period. But the data for different inputs for 1982-83 and 1997-98 shows that the prices of all inputs have increased quite significantly For example the cost of D.A.P. Fertilizer increased from Rs.130 to Rs.445 per bag and the cost of Monocrotophos and Endosulfar (pesticides) increased from Rs. 160-262 and Rs. 76 to 200 respectively.

Table 12: **Approximate Cost Per Acre of Cultivation of Cotton in Telangana Region During 1990-91 and 1997-98**

S.No.	Operation	Cost (Rs.)	
		1990 -91	1997-98
1	Preparation cultivation	400 (7.7)	750 (6.2)
2	Cost of seed and Sowing	300 (5.7)	600 (5.9)
3	Cost of Fertilizers	800 (15.4)	2000 (16.5)
4	Weeding and inter culture	300 (5.7)	500 (4.1)
5	Cost of Pesticides	1500 (28.8)	5000 (41.1)
6	Picking up Kapas *	1000 (19.2)	800 (6.6)
7	Land Rent	700 (13.4)	2000 (16.5)
8	Others	200 (3.8)	500 (4.1)
		<b>5200</b>	<b>12150</b>

- The cost of cotton harvesting is higher in 1990-91 than 1997-98 because the yielding was high in that year.
- Source : Interviews with 8 farmers in Warangal and Medak districts.

#### Low yields and adverse prices:

Adverse seasonal conditions, lack of irrigation, pest attacks, wrong agricultural practices, problems of spurious pesticides and seeds etc., have all contributed for the failure of crops and decline in the yields. In the early 90s when most of the deceased farmers taken up cotton cultivation for the first time the returns were quite encouraging. Most of them got 10-15 quintals per acre. This encouraged them to increase the extent of area under cotton. As most of them did not own enough land and required capital they had to go for leasing and depend upon private moneylenders for working capital. There has been consistent decline in the yields since 1994. The yields were particularly low in 1997-98. 25 out of 30 deceased farmers got less than 3 quintals per acre which is quite low compared to the yields they got in the early 90s.

In addition to this the fluctuations in prices of cotton from year to year particularly the seasonal variations resulted in heavy losses. More than the year to year instability it is the variation of prices from season to season, which effected farmers most. It is known fact that the prices of all the commodities go down drastically during harvesting period and raises after that. As already noted that most of the deceased farmers had a harvest tied credit relationship with pesticide dealers and commission agents. They had to sell the product immediately after the harvest to these people when market prices are quite low. Particularly in 1997-98 the post harvest cotton prices were quite low. In Warangal centre during November and December 1997 the

prices of cotton kapas witnessed sharp fall to Rs. 1800-1910 per quintal. In September month the price was Rs.2450-2550 per quintal

The preceding analysis of different factors which are responsible for consecutive crop failures and losses in agriculture which resulted in growing indebtedness among many of the deceased farmers shows that most of these factors are beyond the control of individual farmers. Adverse seasonal conditions, failure of borewells, pest problems, prices of inputs and cotton etc., all determined by external factors. Though the pest problem is the outcome of wrong agricultural practices followed by the farmers much of the blame can not be put on them, because they did not do it knowingly. The state extension services were miserably failed in extending the technical assistance and educating the farmers on agricultural practices, which needs to be followed. An important question that needs to be answered is that why the farmers continued with cotton in spite of losses they incurred in previous years? Some of the government officials and Ministers tried to blame the farmers for their greediness and unrealistic expectations to become rich over night. But it is not true. Farmers were optimistic and hopeful of getting good harvest so that they can repay the previous debts. They were in fact caught in a trap where they did not see any other alternative than continuing with cotton. As already pointed out most of the deceased farmers were highly dependent on private moneylenders for working capital. As cotton is capital intensive crop, failure of crop even for one year for them means heavy economic loss and indebtedness. If they want to repay the previous debts they have to go for such crops which gives them enough returns. For them cotton is the only crop which promised good profits. If they cultivate other traditional crops like jowar, maize, etc., they do not get enough profit to cover the previous debts and present expenses. It is this factor which made them to continue with the cotton even taking the risk of getting into further indebtedness.

### ***Is Indebtedness alone can be a Sufficient Reason for Suicides?***

In the preceding sections, we tried to analyse the reasons for consecutive crop failures and losses in agriculture, which are primarily responsible for accumulation of private debts among majority of the deceased farmers. We also noted that the problem of indebtedness in turn is primarily responsible for most of the suicides. But, indebtedness alone can not explain the problem of suicides entirely. Case studies of Some of the deceased farmers mentioned in section one of this chapter clearly indicates that though indebtedness is the main source of distress, a number of other factors also added to this problem and ultimately resulted in suicide deaths. Moreover, the problem of accumulation of private debts resulting out of consecutive crop failures and losses in

agriculture is not a peculiar phenomenon confined to deceased farmers only. It is a general phenomenon that has effected most of the small and marginal farmers in the study area. What are the supporting structures and coping mechanisms that other small and marginal farmers have which the deceased farmers lacked. In order to identify these factors we have examined case histories of 30 other farmers who also experienced crop losses and faced serious debt problem, but sustained with the crisis. A comparative study of the case histories of deceased farmers and other farmers of similar socio-economic background who sustained with the crisis reveals that though

indebtedness is the main reason for the stress leading to suicide in most of the cases there are other factors such as slack of support from family and community to overcome the crisis, complete collapse of the family economy etc., which have added to the problem of indebtedness.

#### Lack of Support from Family and Community:

Support from family and community is essential for any one to overcome the crisis. Compared to the farmers who sustained with the crisis despite serious debt problem, most of the deceased farmers relatively lacked support from their family members, relatives and friends during the crisis. Lack of support from other family members led to tensions within the family, leading to quarrels in certain cases. In some cases the deceased persons were blamed for their mismanagement of family economic affairs and were made responsible for the crisis. From relatives and friends side also, they did not receive enough support either in financial or moral terms to overcome the crisis. Lack of support from family and community further aggravated the distress already caused by the indebtedness.

#### Complete Collapse of the Family Economy:

Adding to the problem of indebtedness, some of the deceased farmers families also faced serious cash inflow problems and consumption crisis, leading to the total breakdown of their family economy (this was not the case with the other farmers). Whatever cash they had was invested in agriculture. Prior borrowings from all possible sources left them with no scope for further borrowing. As expected, income from agriculture did not come. The possible source of alternative income for most of them was wage labour work. As there was very little wage work available due to failure of the crops, these families did not have the scope for that also. They did not have any income even to meet the regular consumption expenses, leading to a consumption crisis. Some farmers tried to sell their lands, but there were no buyers. In some cases total outstanding debts exceeded the value of the assets they owned. They were left with no hopes of recovering from the crisis. It is the cumulative impact of all these factors, which have driven many of the farmers to take the drastic step of committing suicide.

## Chapter 5: SUMMARY AND RECOMMENDATIONS

In the preceding chapters we tried to analyse various reasons - immediate and long term - for suicides of a large number of cotton farmers in the Telangana region of AP. The case histories of the 30 deceased farmers from Warangal, Medak, Khammam, and Mahaboobnagar districts were examined in detail. The following are some of the important observations of the study.

The suicides committed by the farmers are not a sudden development, which surfaced overnight. It is the outcome of series of socio-economic developments, which had been in process since last 15-20 years. The agrarian structure and cropping pattern in Telangana has undergone significant changes after independence particularly after the introduction of green revolution in the late seventies in this region.

One of the significant developments of green revolution is that there has been a clear shift from subsistence to commercial crops. Jowar, maize, ragi were replaced by cotton, chillies etc. During 1980-81 to 1997-98 there has been a spectacular rise in the area under cotton in Telangana region. Particularly in Warangal the area under cotton increased from 5000 hectares in 1980-81 to 84000 in 1997-98. Cotton, though initially confined to rich farmers it later spread to all categories of farmers. Most of the small and marginal farmers have shifted to cotton in the late 80's and early 90's. The increasing cash needs, growing cost of living and desire to improve their economic status have forced these farmers to opt for cotton cultivation which gives them relatively more income compared to various other crops. In recent years particularly, since 1994 the cotton crop has witnessed severe setback and yields have diminished significantly. Particularly in 1997-98 the crop failed miserably due to severe pest attack. It is in this context one has to study the problem of suicide deaths of the cotton farmers.

An enquiry into the socio-economic and demographic characteristics of these farmers reveals that :

- a) Though a majority of them belong to Backward Castes, S.Cs and S.Ts, the upper castes farmers also forms a significant proportion. Among Backward castes a majority of them came from those castes such as chakali, golla, kuruva, kamsali and padmashali, which were until recently dependent mainly on their traditional occupations. The S.C farmers also till recently worked as primarily as agricultural labourers. An important point to be noted here is a majority of these farmers are not traditional agriculturists and had no or little experience in crop particularly the cash crop management and bearing the risk in cultivation.
- b) Most of them (23 out of 30) are small and marginal farmers owning between 1-5 acres mostly dry land. Most of these farmers have bore wells dugged recently but failed in many cases. Of the total, 14 of these farmers are also tenants. In many cases the size of their leased in land is greater than the size of their own land.
- c) Most of them are young people in their mid twenties and thirties and come from nuclear families. Most of them are head of the households who owns the responsibility

of family maintenance. They are the main earning members and the primary source of income to their families.

- d) An interesting aspect is that (except in one case) in most cases the male members have committed suicide.

The increasing cash needs, growing cost of living and desire to improve their economic status have forced these farmers to opt for cotton cultivation which gives them relatively more income compared to the various other crops. But an important aspect to be noted here is that by the time they entered into cotton cultivation the yields had started diminishing. Cotton crop cultivation was entered into many of these areas in the early eighties. In the initial years it had given good yields and changed the fortune of several farmers. None of the farmers who have committed suicide have really benefited from the initial profits the cotton had given it to several farmers. Those who have benefited from the cotton in the initial years have accumulated wealth and sustained the present crop losses.

Most of these farmers have been cultivating cotton since last five or six years,. First one or two years the returns were good and they did not incur any losses. Since the last two to three years they continuously experienced losses. In spite of losses in last two years they persisted with cotton hoping to make profit this year. They were caught in a vicious cycle. When crop failed first year they incurred heavy losses. Shifting to other crops they thought would not give them enough returns to repay the previous debts.

An enquiry into the reasons for suicides reveals that a combination of different factors and their cumulative impact has caused distress and driven these farmers to go the extreme step of committing suicide.

- a) Though not all the cases of suicides are related to the problems of high indebtedness caused by the crop failures as widely reported by some of the local news papers and fact finding committees, a majority, 22 out of 30 cases are directly or indirectly are related to these problems only.
- b) All these 22 farmers have borrowed heavily from private moneylenders / input dealers. Much of this credit was in the form of kind, i.e., mostly pesticides on credit. The interest rates varied between 24 % - 60 %. In some cases the amount of debt they owe exceeds the value of assets that they have. Most of these farmers have borrowed a significant portion from formal credit institutions, i.e., banks and co-operatives in the previous years but failed to repay the amount. They have spent heavily on pesticides. Using more doses and more quantity of pesticides they thought would control the pest. Out of desperation to save the crop some how they have used all the varieties of pesticides which proved to be ineffective. They have depended on their dealers for technical advice.
- c) All these 22 farmers have experienced consecutive crop failures, which resulted in accumulation of debts. Reasons for consecutive crop failures include adverse seasonal conditions, massive pest attack, wrong agricultural practices (mono-cropping, excessive use of pesticides, etc , lack of irrigation facilities, excessive dependence on

private moneylenders for credit and technical advice, increasing cost of cultivation, adverse prices, etc. Though a number of factors can be attributed for the consecutive crop failures and accumulation of private debts it is mainly due to the failure of formal credit institutions in providing adequate and timely credit, the failure of extension services in advising the farmers, lack of risk bearing policies and lack of irrigation which are primarily responsible for these problems.

- d) Though the problems of crop failure and heavy debt burden are primary reasons for strain and stress these alone cannot entirely explain the problem of suicide. A comparative study of farmers who have committed suicide and farmers of similar socio-economic background who also experienced crop losses and facing debt problem but not reported to suicides reveals that many of these affected farmers lack support from their family and community to overcome the crisis, in some cases the families of these farmers have completely collapsed with no alternative source of income to survive and left with no hopes of recovering from the present crisis in the near future. All these factors have added to the distress caused by indebtedness. It is the cumulative impact of all these factors that have driven these farmers to take the drastic step of committing suicide.

As the study revealed, the primary cause for the suicides of majority of cotton farmers is the problem of accumulation of debts resulted mainly due to crisis in cotton farming and excessive dependence on private moneylenders for credit. The problem of cotton farmers committing suicides is not a new phenomena in AP. It happened in the past, and is likely to happen in future also unless proper corrective measures are taken immediately by the government and all concerned.

Reacting to the spate of suicides by farmers, the AP government has woken up, though somewhat belatedly, and taken some relief measures to help the victims' families and other farmers. A package of Rs. 1 lakh ex-gratia, houses under Indira Awas Yojana, and education facilities for children and sanction of old age pension was announced to the victims' families. Like several other governmental programmes, this relief package also met with several setbacks. Due to political interventions, only selected families were considered for ex-gratia payment. The study noted that even going by the norms set by the government, some deserving cases were excluded and some undeserved cases were considered for ex-gratia payment. According to official figures, of the total 236 cases, only 149 were paid ex-gratia, and 39 cases were ordered for re-enquiry. The remaining 65 cases were not considered at all. In the study area, of the total 30 cases, only 13 were paid ex-gratia, and the rest were not considered.

In addition to ex-gratia payment to the victim's families, the government also took up following measures:

- a. It impressed upon the Government of India to include the pest attack as an item under natural calamities eligible for relief under the National Fund for Calamity Relief, and received Rs. 12 crore from this account for relief activities.
- b. It also impressed the Reserve Bank of India to re-schedule the repayment of loans taken from commercial banks to 7 years and sanction of fresh crop loans to the farmers.

Though these measures certainly helped the farmers, they themselves do not go very far in mitigating the underlying problem unless the government is committed to serious long-term measures to tackle this problem.

The comprehensive crop insurance scheme is the need of the hour. The existing crop insurance scheme that has been in force since 1985 has several limitations. It does not cover commercial crops like cotton, chilli, tobacco, etc., which are capital intensive and relatively high risk crops. It also does not cover credit taken from non-formal credit sources and is limited to those who take loans from formal credit institutions. The newly proposed crop insurance scheme which is going to be implemented from this year in selected districts on experimental basis includes village as the unit and regardless of the loans taken also does not cover commercial crops. Comprehensive crop insurance scheme will go a long way in helping the farmers.

The study noted that one of the main reasons for consecutive crop failures is the wrong farming practices – mono-cropping, excessive pesticide use, wrong seed selection, unbalanced fertiliser use, etc – used by the farmers. The government extension services miserably failed to educate the farmers and extend the proper technical advise to them on these matters. They were not accessible, and moreover, lacked the credibility. Farmers depended mainly on pesticide dealers who have a vested interest in misguiding the farmers. Farmers had to depend on them because they were the one who extended a major portion of credit to them. It is mainly due to the credit linkage with these people, the farmers had to oblige them. There is a need to revamp the agricultural extension services and make them more accessible and credible to the farmers.

The study also noted that the excessive dependence on private moneylenders for credit is also another important reason for the accumulation of debts which has driven many of the farmers to commit suicide. The excessive dependence on private moneylenders is the result of failure of formal credit institutions like banks and co-operatives in providing timely and adequate credit to farmers. The formal credit institutions, instead of having a substantial physical presence in rural areas, have failed to meet the credit requirements of small and marginal farmers. They are in an advanced stage of ill-health. The reasons for failure of these institutions are multiple. Excessive political interference, high degree of regulatory control, lack of innovations, high transaction costs, etc., all contributed for this. There is an urgent need to reform these credit institutions and make them more accessible to the small and marginal farmers. But, too much cannot be hoped from merely reforming the existing institutions. These reforms need to be supplemented with the exploring of new possibilities and new initiatives to extend the institutional form of credit to small and marginal farmers.

The problem of spurious and low quality pesticides and seeds is a serious one. The government should regulate the pesticide trade more stringently and subject their products to strict quality controls and certification. There is an urgent need to discourage the farmers to use more quantities of synthetic pyrethroids that proved to be disastrous. The concept of integrated pest management which minimises the use of pesticides, needs to be popularised. The government also needs to streamline the seed companies for effective varietal control and prevent spurious seeds. Besides, the good

village concept has to be popularised at least in case of varieties to ensure production of cheap and quality seeds by farmers themselves.

Irrigation is a crucial input for agriculture. Most of the deceased farmers had no access to the public irrigation sources like canals and tanks. Many of them invested heavily on digging or deepening wells by borrowing mainly from private credit sources. In many cases, the wells failed and farmers did not get any benefit out of them. This had become one of the main reasons for indebtedness in a quite significant number of cases. Several other studies also made a similar observation. The government investment in public irrigation has been showing a declining trend year after year. The Telangana region, in particular, has been neglected on the irrigation front for decades. The government should take necessary steps to improve irrigation facilities as well as distribution networks in dry areas.

The study also noted that most of the factors, which are primarily responsible for consecutive crop failures and losses in agriculture which, resulted in accumulation of debts among many of the deceased farmers are beyond the control of individual farmers. The farmers need to devise systems for collective community action to overcome such crisis. Collective action or mobilisation would also serve to pressurise the government into taking prompt action.

Introducing compulsory crop insurance, measures to supply adequate and timely (need not be highly subsidised) institutional credit, proper technical advice and measures to develop sustainable irrigation, as well as community action, though not enough, would certainly help to a great extent to prevent a similar crisis in future.

## Endnotes

<sup>1</sup> According to a statement made by Mr. Sompal, Dy. Minister for Agriculture, GOI on May 27<sup>th</sup> in Rajya Sabha a total of 316 farmers committed suicide in different parts of the country during October 97- May 1998. In this AP alone accounted 236, Karnataka and Maharashtra accounted 29 and 57 respectively.

<sup>2</sup> For State Government view point on Farmers suicides see "A Note on Farmers Suicides and Relief Measures" submitted to the State Legislative Assembly on 17.3.98, and counter affidavit (28.3.98) to the writ petition filed by A.B.K. Prasad and others on farmers suicides at AP High Court.

<sup>3</sup> According to official reports, not all the suicides are related to the indebtedness and crop failures. Out of 236 cases (official figures) 142 cases are identified as genuinely related to indebtedness and crop failures and Rs one lakh exgratia for each family was paid. In 33 cases re-enquiry was ordered. The remaining 61 cases according to official reports are not genuine cases. They are either not related to the problems of crop failures and indebtedness and or natural deaths wrongly reported as suicides.

<sup>4</sup> The press mainly local news papers have attributed the main reason for the suicides of cotton farmers to the failure of different state institutions - credit, extension, irrigation services etc. All major opposition parties and some NGO's also constituted fact finding committees or study teams to look into the problem of suicides (see the reports of Congress I, CPIM, CPI, APCLC, AWARE, Raitu Sahaya Committee, AP Cotton Association etc.) These reports also highlighted the lack of institutional support from government as the main reason for the suicides of the farmers.

<sup>5</sup> Psychologists like Ramasubbareddy, Krishan Mohan and Jagannatham have argued that the main reason for the suicides of some of the farmers is the psychology of Mass Hysteria. They also argued that the state government incentives of Rs. 1 lakh exgratia and other benefits to the deceased families also encouraged some to commit suicide (see The Hindu 7.3.98).

<sup>6</sup> The Study of G.Parthasarathy and Shameem (1998) which analysed the reasons for cotton farmer's suicides in AP also identified the need to study other (sociological) factors apart from indebtedness. They observe that indebtedness cannot be a sufficient reason for suicides. They conclude that "the main reason for the strain on the cotton peasant is the growing indebtedness to the agriculturalist moneylender cum dealer. But this does not entirely explain the suicides. One has here to understand the social milieu in which an individual gets alienated from the family and the society." However, the said study just gave a hint of the factors but did not probe into them.

<sup>7</sup> The concerned person, Mr. Venkat Reddy of Jinnram village, Medak District, has tried to commit suicide, but survived.

<sup>8</sup> AP Cotton Association (1998)

<sup>9</sup> such as the Kakatiya Grameena Bank in Warangal, Manjira Grameena Bank in Medak

<sup>10</sup> Input dealers and commission agents offer fresh loans to farmers when the latter fail to repay the previous loans due to failure of crops. They offer fresh loans because they know that unless they do it, the farmers will not be able to repay the previous loans.

<sup>11</sup> Several other studies also made a similar observation. For example , see the report of the Peoples' Tribunal, 1998, study by Sudarshan Reddy and Venkateswar Rao, 1998

<sup>12</sup> Interview with MRO, Hasanparthi Mandal, Warangal District on 24.3.1998

<sup>13</sup> Our estimates of cost of cultivation coincide with the estimates of the government. But Parthasarathy and Shameem estimate it at Rs. 15000 per hectare for 1997-98