

A Temporal Analysis of Agrarian Distress and Indebtedness among Indian Farmers.

¹Abhishek Srivastava, ²Dr. Reena Yadav

¹Research scholar, ²Assistant Professor ¹Department of economics

¹JTGDC, University of Allahabad, Prayagraj, India

¹srivastavaabhi1999abhi@gmail.com, ²reenayadav5006@gmail.com

ABSTRACT

The National Crime Records Bureau (NCRB) data shows that 112,246 farmers had died by suicide between 2013 to 2022. In 2022, a total of 11,290 persons involved in the farming sector (5,207 farmers and 6,083 agricultural labourers) have committed suicide in India, accounting for 6.6% of total suicide victims in the country. Pradhan Mantri Fasal Bima Yojna (PMFBY) the biggest ever government contribution to crop insurance is one of the important policy measures to solve the problem of farmer suicides in India. Now days some farmers are committing suicide due to lack of risk management. And they are selecting the option of suicide rather than crop insurance. There is need of serious concern of this problem of sharing the risk of farmers and protecting their crops against adverse weather and natural calamities. The epidemic of farmer suicides cannot be solved by relief package alone. A shift in policy focus from “corporate first” to “farmers first” will greatly help in mitigating the problem of farmer suicides in India. This study is an attempt to analyse the choices of farmers to select the crop insurance policy rather than suicide and comment on the policy measures undertaken to solve the problems. The study is descriptive one based on secondary data taken from the National Crime Record Bureau and PMFBY. Many communities in the country dependent on agriculture for a livelihood and these suicides constitute a massive agrarian distress in India. Indebtedness, loss of livelihood, and ultimately suicides by the farmers indicate the multidimensional nature of agrarian distress in India. The debt waiver is only a transitory measure. The centre and the state governments should adopt well thought-out coordinated measures and strategies to find out a permanent solution for agrarian crisis in the country.

Keywords: Agriculture, Farmer Suicides, Agrarian distress, Pradhan Mantri Fasal Bima Yojna

INTRODUCTION

The agrarian distress that plagues the rural economy of many Indian states is an unfortunate contributor to farmer suicides. Farming in India is a financially perilous profession with the annual farm income subject to many uncertainties. Farm work involves physical stress and can even be physically hazardous. (T S Sathyanarayana Rao et.al,2017) There is psychological stress associated with coping with the regulatory framework and the dynamics of managing a farm business. Mostly the farm risks are economic in nature. More than 80% of Indian farmers have land holdings below two hectares. This fragmented and small land holding makes farming a risky economical proposition even under the best of conditions. In reality, the conditions are hardly anywhere near best. The smallness of the holding straightaway denies the farmers the benefits of mechanization, modern irrigation, and other investment-based technological improvements. As a result, productivity is suboptimal. The income earned from crops depends on the prevailing market situation, the greed of middlemen, the logistics of selling the produce, and other factors. Often, the government-administered minimum support price (MSP) may not even cover the cost of production. Farmers are caught in debt traps. They need money to service their loans, fund for the next cropping season and to support their family. Hence, they take fresh loans. The process escalates the debt cycle leading to the vicious circle of distress and poverty. (Rishabh S. Gaur et.al,2024) Agrarian distress is a complicated phenomenon that includes a variety of economic, political, and social issues that have a significant influence on farmers and rural communities. The underlying reasons of this anguish are various and sometimes linked, resulting in a complicated web of problems. One key issue is the fight with low agricultural yields, which

can be caused by factors such as poor weather, insufficient irrigation infrastructure, or the employment of antiquated farming methods. Fluctuating agricultural produce prices are another key concern for farmers, since market uncertainties have a direct influence on their income and financial stability. Furthermore, high input prices, such as those for seeds, fertilizers, and machinery, add to farmers' financial burdens, making it more difficult for them to earn a profit. **(PIB,2024)** "Pradhan Mantri Fasal Bima Yojana" launched in February 2016, is a crop insurance scheme of Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture. PMFBY aims to provide financial protection to farmers against crop loss due to natural disasters (hail, drought, famine), pests, and diseases. PMFBY provides crop insurance at a cost-effective premium to all Indian farmers. PMFBY is an affordable crop insurance product implemented through a network of insurance companies and banks. The scheme covers over 50 crore farmers and provides insurance coverage for over 50 different crops. With affordable premiums and extensive risk coverage—including yield losses, post-harvest losses, and localised calamities—the scheme has become a crucial support system for farmers, ensuring timely compensation and stabilizing their income. The increased voluntary participation, particularly among non-loanee farmers, highlights the growing trust and acceptance of the scheme.

OBJECTIVES OF THE STUDY

- To study the trend of farm distress and farm suicide.
- To analyse the reason of farm suicides in India.
- To analyse the trend of farm suicide due to indebtedness in India.

LITERATURE REVIEWS

Mohanakumar et.al (2006), argued that the agrarian crisis and farmer's distress in Kerala over the past one decade are closely linked to the neo-liberal policy regime implemented in the country in the recent past. The worst affected are the small farmers, as they are more vulnerable to crop losses and a price fall. They find it extremely difficult to pay back the loans they have incurred to grow crops and survive.

According to Mohan Rohini (2015), India's crop insurance ecosystem is grossly inadequate. Only 19% of Indian farmers have ever had crop insurance, an Assocham-Skymet Weather study released earlier this week discovered. Among the rest, 24% said the facility was not available to them and 11% said they couldn't afford the premium. Most of them were especially discouraged by delays in settlement of claims, which have often extended to a couple of years after the crop loss.

Kumar. S. et.al (2017) said that there are multiple reasons connected with farm distress and its resultant consequences, for example rising costs of inputs, non-availability of key resources such as water for irrigation, volatility in prices of produce, inadequate knowledge of modern methods of farming, changing and inimical policy regimes, and worsening terms of exchange.

Kattakayam Jibby J (2017), There was a huge spurt in suicides committed by agriculture labourer due to failure of NAIA. In 2015, 8,007 farmers had committed suicide against 5,650 farmers in 2014 (Centre of court).

FarmGuide (2018), Pradhan Mantri Fasal Bima Yojna will provide coverage against local- level calamities such as hail storms and landslides and even offer coverage to the farmers if they are unable to sow crops due to inclement weather. Also, the scheme will cover post-harvest losses due to cyclonic and unseasonal rains. Agriculture, without any doubt is the backbone of our country and our economic growth depends on how well the agriculture sector performs in the coming years. The growing number of farmer suicides over crop failure is not a good sign and the situation needs to be controlled. The new PMFBY portal is a good step towards that direction ensuring financial assistance to farmers in adverse conditions. The Pradhan Mantri Fasal Bima Yojana (PMFBY) initiated in 2016 is a step ahead, it is now up to village level. There have been many stories of farmers committing suicide due to crop damage.

Shekhar. P. (2024) Pointed out various reason that drag farmers into miserable situations. This includes climate change leading to erratic monsoons, shrinking of water resources and increase pest attacks incidents which has made agriculture unproductive and has driven farmers to suicides. PMFBY is a crop insurance scheme aimed at providing financial support to farmers in the event of crop failure, helping to reduce the economic burden on them.

RESEARCH GAP

Various determinants of farm distress and rural indebtedness remain untouched by the researchers in their study, though they put forward several reasons related to farmer crisis but still the gap persists at the side of prevention.

RESEARCH METHODOLOGY

This study was based on secondary data analysis. The secondary data was collected from National Crime Reports Bureau to evaluate the relationship between suicides of farmer and crop insurance.

Table 1: Number of farmer suicides in India 2013-2022.

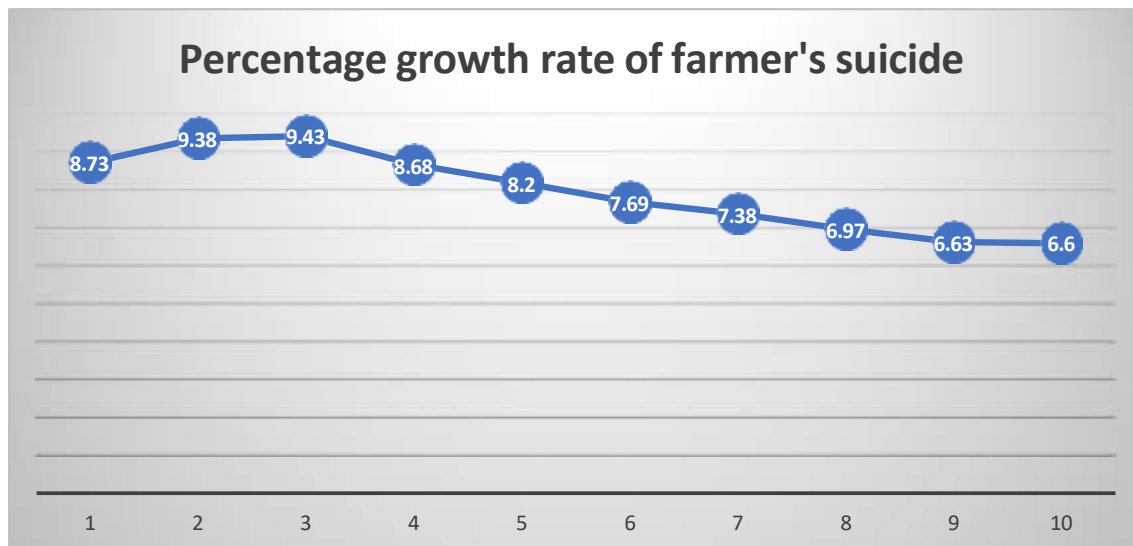
Year	Total No. of suicide	No. of farmer suicides	Percentage growth rate of farmer suicide (%)
2013	1,34,799	11772	8.73
2014	1,31,666	12360	9.38
2015	1,33,623	12602	9.43
2016	1,31,008	11379	8.68
2017	1,29,887	10655	8.20
2018	1,34,516	10349	7.69
2019	1,39,123	10281	7.38
2020	1,53,052	10677	6.97
2021	1,64,033	10881	6.63
2022	1,71,000	11290	6.60

Source: Calculated by researcher on the basis of NCRB data (2013-2022).

Table 1 shows the total farmer suicides in India. Considering the period from 2013 to 2022. Before the Pradhan Mantri Fasal Bima Yojna (PMFBY) under the One Nation, One Crop Insurance Scheme in India. The number of farmer suicides in the country kept up a more or less steady increase till 2016. But after PMFBY (2016), the number of farmers suicide are gradually declining.

Official data has revealed the issue of farmer suicides in India is far from being solved, but the numbers are showing a decline. As per data released on January 2, 2020 by the National Crime Record Bureau (NCRB), 10,655 people involved in agriculture committed suicide in 2017. The NCRB's 2016 data claimed 11,379 people involved in agriculture had committed suicide. They comprised 8.2% of all suicide cases in the country in 2017. Debt is another major factor, as the costs of goods such as fertilizers, pesticides and electricity have risen and workers must resort to borrowing. In 2018, over 50 percent of agricultural households in the country were in debt, a survey conducted by the National Statistical Office (NSO). Maharashtra topped the list most of number suicides followed by Karnataka. After the Pradhan Mantri Fasal Bima Yojna

(PMFBY) scheme launched in 2016 has greatly helped in mitigating the problem of farmer suicides in India after crop failure. It can be shown by the declining trend of suicide of farmers after 2016. In 2022 another rising trend of suicide among the farmers due to covid-19 pandemic.

Graph 1: Trend in percentage growth rate of farmer's suicide in India, (2013-2022).

Source: Calculated by researcher on the basis of NCRB data (2013-2022).

In 2013 (8.73) a huge declining in farmer's suicide rate in percentage term, but in 2014 (9.38) increase in suicide rate in farmers, 2015 marginal increase of (9.43), but in 2016 again declining trend in suicide rate of (8.68), 2017 (8.2), 2018 (7.69), and 2019 (7.38), once again huge decline in suicide rate of farmers in 2020 (6.97), 2021 (6.63), 2022 (6.60) declining trend in farmer suicides out of total number of suicides.

Table:2 Distribution of farmer's suicides by causes (2014 and 2015).

Causes for farmer's suicide.	2014 (Percentage share)	2015 (Percentage share)
Bankruptcy or indebtedness	20.6	38.7
Family problem	20.1	11.7
Farming related issues (Failure of crops, due to natural calamities, etc.)	17.2	19.5
Other causes	14.7	0
Illness	13.2	10.5
Drug abuse/alcoholic addiction	4.4	4.1
Causes not Known	4.1	0
Poverty	2.6	1.1
Marriage related issues	2.1	2.1
Property disputes	0.9	1.1
Fall in social reputation	0.1	0

Source: National Crime Records Bureau, (2014 and 2015).

Various reasons have been offered to explain why farmers die by suicide in India NCRB report 2014, including failure of crops like (floods, drought, storm, climate change etc.) Poverty,

Illness, Bankruptcy or indebtedness, family problems, marriage related issues, public health, and use of lower quantity pesticides due to fewer investments producing a decreased yield.

According to the National Crimes Record Bureau report 2014, bankruptcy or indebtedness (20.6%) and family problems (20.1%) are major causes of suicides during 2014. The other prominent causes of farmers' suicides were crop failure (16.8%), illness (13.2%) and drug abuse/alcoholic addiction (4.9%). During 2014, the major causes of suicides among male farmers were bankruptcy or indebtedness (21.5%) and family problems (20.0%). Whereas, in female farmers' suicides, farming related issues (21.4%) followed by family problems (20.6%), marriage related issues (12.3%) and bankruptcy or indebtedness (10.8%) were the major causes of suicides during 2014.

According to the National Crime Records Bureau Report called "Accidental and Suicidal Deaths in India", insolvency or indebtedness and farming related issues are the major causes of farmers suicide in India. The respective percentage is 38.7% and 19.5% in 2015. The other reasons for farmer suicides were Family Problems

(11.7%), Illness (10.5%) and Medication Abuse/Alcoholic Addiction (4.1%). It is noted that the major reasons for male farmers suicide were bankruptcy or indebtedness (39.4 %) and farming related issues (19.7%). Likewise, the reason behind the suicide of female farmers were liquidation or indebtedness (27.0%) and family problems (18.1%) in 2015.

Table :3 Percentage of farmer suicide due to Indebtedness in India, (2013-2022).

Year	Suicide due to Indebtedness	Percentage of Farmer Suicide due to Indebtedness (%)
2013	2678	22.70
2014	2308	18.67
2015	4357	34.57
2016	3709	32.59
2017	5151	48.34
2018	4970	48.02
2019	5908	57.46
2020	5213	48.82
2021	6361	58.45
2022	7034	62.30

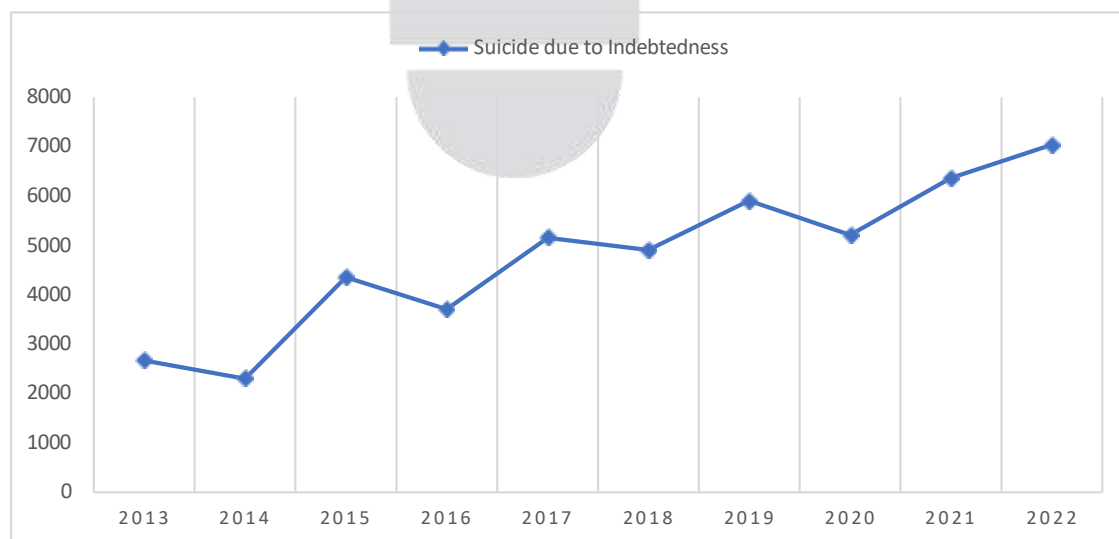
Source: Calculated by researcher on the basis of NCRB data (2013-2022).

The indebtedness and bankruptcy are the top cause behind farmer suicides in India. The rise in indebtedness both formal and informal is tied to rising farmer suicides in India. Debt caused by high input costs, crop failures, lack of access to institutional credit, and exploitative lending practices, creates a cycle of financial distress. farmers are unable to repay loans especially informal ones with high interest rates the resulting stress and suicide.

In 2013, 22.70% of farmers suicide due to indebtedness, in 2014, 18.67 % of farmers committed suicide which was less than 2013, but once again in 2015, it increased almost twice

to 34.57% and it continued to increase till 2019. 2020, again saw a decrease of about 10%, but in 2021 and 2022 again rising in trend, in 2022 it was the highest on record at 62.30%.

Graph 2: Trend in suicide due to Indebtedness, (2013-2022).

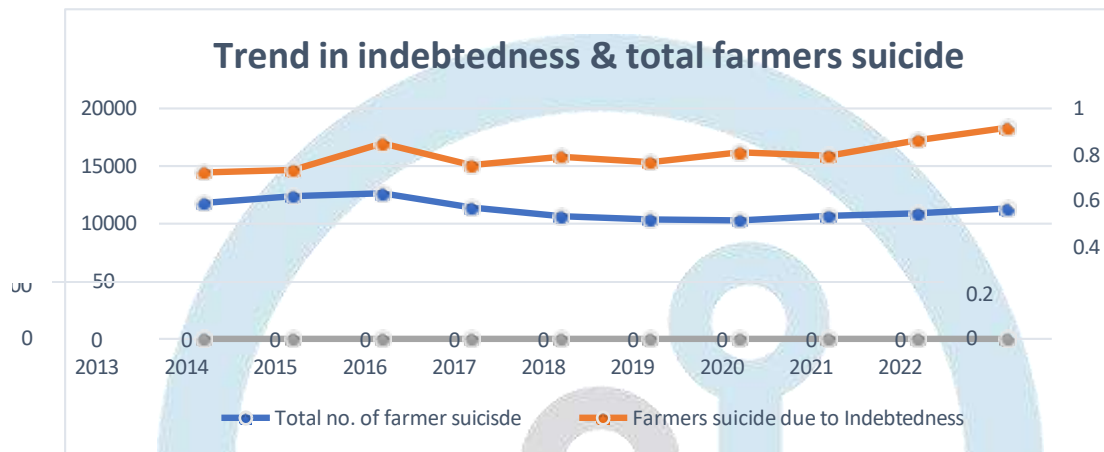


Source: Calculated by researcher on the basis of NCRB data (2013-2022).

The indebtedness of farmers is one of the main reasons driving them to commit suicide. The problem starts with the availability of timely credit. The banking sector is not ready to provide credit or loan to agriculture for avoiding risk. The percentage share of farmer's suicide in the total number of suicides has declined marginally in

India, the figures are still high. Increased indebtedness has possibly led to the increase in the percentage of farmer suicides in India, between 2017 and 2018. A closer look at the overall suicide data also shows that the percentage of suicide following indebtedness increased in 2019 with gradual fall in percentage in 2020, but again rising trend in 2021 and 2022, covid-19 pandemic can be one factor.

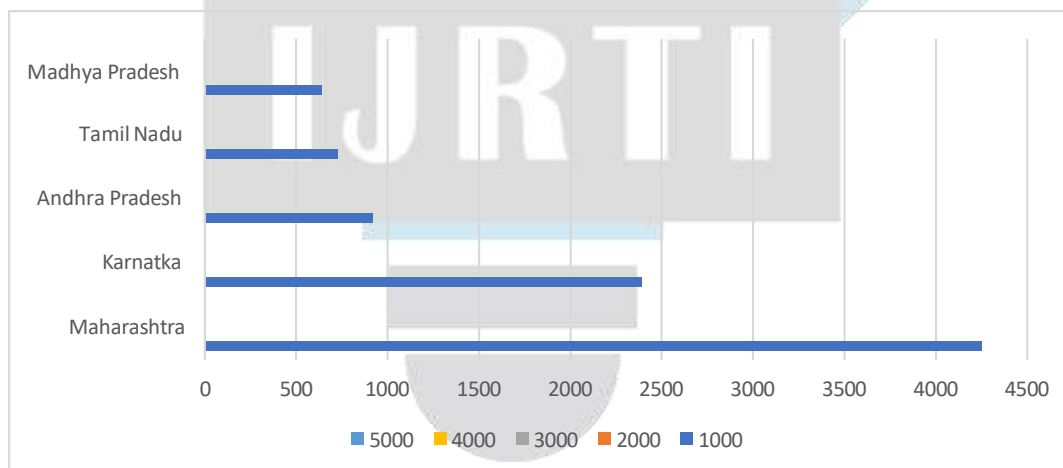
Graph 3: Trend in indebtedness & total farmers suicide in India, (2013-2022).



Source: Calculated by researcher on the basis of NCRB data (2013-2022).

According to above graph shows highly upward trend in suicide because of indebtedness and smooth upward and downward trend in total number of farmers suicide in India from 2013 to 2022. In 2017 (6.36%) declining in total number of suicide but (38.87%) huge rise in indebtedness suicide. In 2022 (3.75%) increase in total farmer suicides but (10.58%) rise in indebtedness suicide. Covid-19 pandemic was the major factor to increase in number of suicides among the farmer.

Graph 4: Number of farmer suicides in Top 5 States during 2022.



Source: National Crime Records Bureau, 2022.

Maharashtra recorded a marginal decline in farmer suicides in 2024 following a series of measures taken by the government of India to tackle the agrarian crisis. According to the state's relief and rehabilitation department farmer suicide decline by 52.63% between 2021-2024. PM's scheme for providing financial assistance to farmers through Pradhan Mantri Fasal Bima Yojna during crop failure will go a long way in reducing the financial burden on farmers. PMFBY scheme implemented by Maharashtra Govt. in 2022. Farmer suicides drop in Karnataka due to guarantees, friendly schemes. Karnataka farmer suicides, which had touched 922 in 2022-23 and had risen to 1,061 in 2023-24, dropped to 346 in 2024-25 till date, owing to delay in loan recovery, release of input subsidy for seeds and fertilisers and good rains. Since 2022, the state has witnessed 2,329 farmer suicides due to farm distress, including crop loss due to floods and drought, according to data sourced from the Revenue Department.

However, Uttar Pradesh saw the highest increase in number of suicides among all states- a 42.13 percent rise, when compared to 2021. The second highest was in Chhattisgarh 31.65 percent. Andhra

Pradesh, while recording the third highest number of cases, actually reported a decrease of 16 percent from its 2021 number. Similarly, Kerala showed a decline of 30 percent.

Certain states and union territories like West Bengal, Bihar, Odisha, Uttarakhand, Goa, Manipur, Mizoram, Tripura, Chandigarh, Delhi, Lakshadweep and Puducherry reported zero suicides of farmers/cultivators as well as agricultural labourers in 2022.

Pradhan Mantri Fasal Bima Yojna is one of the important crop insurance policy to address the problem of farmer suicides in India. It is revamped, robust and well thought out crop insurance scheme that has eliminated all complexities in order to meaningfully address crop losses faced by farmers. For one, the premium to be paid by the farmers is extremely low when compared to the earlier crop insurance schemes. There will be a uniform premium of only 2 per cent to be paid by the farmers for all Kharif crops compared to 2.5-3.5 per cent earlier, and 1.5 per

cent for all Rabi crops, thus removing all variation in rates across crops and districts within a season. The premium for commercial and horticultural crops is now only 5 per cent while earlier, it was calculated on actuarial basis and was often very high after accounting for all risk factors. Importantly, the balance premium will be paid by the government to provide the full insured amount to the farmers against crop loss on account of natural calamities. Thus, the flagship crop insurance scheme has done away with the cap on the premium to be paid by the government that earlier resulted in low claims being paid to the farmers. Another key feature is that for the first time, inundation has been included under localized risk cover. The insurance plan will now provide coverage for post-harvest losses caused owing to rain and hailstorm across India. the insurance scheme also makes provision for compensation if farmers suffered to natural calamities like floods, unseasonal rains, hailstorm and cyclones. Emphasis has been given to mobile and satellite technology to facilitate accurate assessment and quick settlement of claims.

FINDINGS & SUGGESIONS

1. The study found out the declining trend in farmer suicide from 8.73 to 6.60 % in between 2013-2022.
2. Study found that these are five main reasons of farmer suicide, they are bankruptcy or indebtedness, poverty, family problems, crop failure and illness. It shows that farm indebtedness and bankruptcy is the major problem.
3. It also shows that the percentage share of farmer suicide due to bankruptcy and indebtedness 20.6 to 38.7% and farm suicide due to farming related issues increase from 17.2 to 19.5% between 2014 - 2015 according to data collected from NCRB, 2014 and 2015.
4. The study shows the rising trend of farmer suicide due to indebtedness between 2013- 2022.

CONCLUSION

The “bankruptcy or indebtedness,” “poverty”, “family problems,” “crop failure,” or “illness,” the five most common causes of suicide among farmers. The proximate reason for farmer suicides is inability to pay back the loan taken at the beginning of the cycle if the crop fails. Crop insurance could mitigate the risk faced by farmers.

Since, Pradhan Mantri Fasal Bima Yojna aims to provide financial support to farmers suffering from loss or damages arising out of unforeseen events that is suppose to be the important or root cause of farmer indebtedness and suicide attempt by them. The scheme after the launch, the decline in percentage of indebtedness and farmer suicide may be attributed to the insurance schemes under which the Indian farmers are covered, it may be private or government finance.

Pradhan Mantri Fasal Bima Yojna be helpful in provide coverage against local-level calamities such as hail storms and landslides and even offer coverage to the farmers if they are unable to sow crops due to inclement weather. Also, the scheme will cover post-harvest losses due to cyclonic and unseasonal rains. Agriculture, without any doubt is the backbone of our country and our economic growth depends on how well agriculture sector performs in the coming years. The growing number of farmer suicides over crop failure is not a good sign and the situation needs to be controlled. The new PMFBY scheme is a good step towards that direction ensuring financial assistance to farmers in adverse conditions.

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