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Post Floods Farmer Suicides in Idukki: A Grim Reminder that All is Not Well among Pepper Growers

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ABSTRACT

The period after the August 2018 floods in Kerala saw six farmers taking their lives in the Idukki district of Kerala. This district is an agricultural dominant one with most of the farmers cultivating cash crops such as black pepper, nutmeg, rubber, banana etc. Parallels are drawn to the distress driven farmer suicides in Wayanad district in Kerala during 1998-2006 when the death toll was nearly 370. This district has features similar to that of Idukki when it comes to agriculture and climate. A vicious combination of indebtedness combined with low prices and open trade policies have contributed to the present state of affairs in the district. The state government had declared a moratorium on recovery of farm loans post the floods till December 2018. In fact, most of the suicides by farmers have been reported in the months of January and February 2019. Hence, there is an urgent need to address the problems facing the pepper growers on a long term basis as short term steps such as moratorium on loan recovery, compensation etc., are not sufficient.

INTRODUCTION

There were news reports coming in February 2019 regarding farmer suicides in Idukki district of Kerala. On 17th February 2019, the Indian Express reported that six farmers had committed suicides since November 2018 in the district. The last suicide was committed by a farmer who was a pepper grower and his crop had failed and had got a notice from the bank to repay the debt. During the floods in last August, Idukki district was one of the worst affected with almost 11,530 hectares of agricultural land getting affected. It is estimated that nearly 35,000 farmers have been directly affected by the floods in August 2018 and almost 15,000 of them have received recovery notices from banks and co-operative credit societies. The last time Kerala experienced such a distress driven farmer suicides was during 1998-2006 when nearly 370 farmers from mainly Wayanad district had committed suicide. This led to the then state government setting up the Kerala State Farmers' Debt Relief Commission, a model worth emulating in other states of India. This commission, a brainchild of eminent economist and former Deputy Chairman of Kerala State Planning Board, Prabhat Pattnaik was modeled on the lines of the Sir Chhotu Ram Commission in the British-era Punjab known for travelling village to village, taking memorandums from farmers in debt and granting them relief. The Kerala State Farmers' Debt Relief Commission was set up in 2007 and the method followed was simple [1]. A seven-member team consisting of farmers, economists, political nominees, legal experts etc., would travel to villages and speak to farmers as well as screen their loan portfolios. On the basis of their analysis, a debt relief is given to the farmer. The success of this commission can be evaluated on the basis of the number of farmer suicides in Kerala which touched a low of 3 in 2015. The present paper is an attempt to delve into the causes of farmer suicides in Idukki district after the floods which affected the entire state of Kerala in August 2018.

MATERIALS AND METHODS

Farmer suicides and neoliberal policies

Kerala also has an agriculture sector which is distinctive in different ways from other states of India. Jeromi lists out these features such as small land holdings, homestead farming with mixed crops, capital intensive perennial tree cash crops along with hired labour-intensive cultivation. The above factors make the farmers dependent on credit, thereby making them susceptible to indebtedness. Suri mentions several social and structural factors such as changed pattern of landholdings, changed cropping pattern from food crops to cash crops, liberalization policies, dependence on high cost inputs, volatility of crop yields, market inefficiencies, lack of remunerative price for agricultural products, small landholdings etc are responsible for increased farmer suicides in India. In fact, one can see all these factors affecting the farmers in the state of Kerala.

George and Krishnaprasad find that the ratio of suicide victims to the district population was the highest for Wayanad which was much more than Ananthapur district of Andhra Pradesh which saw the highest number of farmer suicides. During the early 1940s, the settler farmers who migrated from the southern part of Kerala cultivated food crops such as tapioca, paddy, vegetables etc. But, over the next decade they shifted to perennial cash crops such as coffee, pepper, coconut, cardamom, ginger, areca nut etc. The dependence on cash crops intensified capitalist ties in agriculture. The production for market meant increased competition which made the farmers resort to dependence on fertilizers and pesticides. These inputs were costly and the farmer depended on income for the sale of cash crops to buy food grains from the market. The study points to three main interrelated factors as responsible for the agrarian crisis in Wayanad- price crash, indebtedness and a combination of drought, diseases and depletion of water [2].

An analysis of farmer suicides in Kerala by Mohanakumar and Sharma finds out that there is a close linkage between the implementation of neoliberal policies in the country and farmer suicides. Also, here is a strong association between the incidence of farmer suicides and dependence on export-oriented crops. The study uses coefficient of variation in prices of major crops of Kerala which are rubber, tea, coffee and pepper which shows wide fluctuations in prices of export-intensive crops like pepper and coffee. Along with this fall in price is also another phenomenon of falling productivity of crops like tea, coffee, pepper and rubber. The study found that pepper was the worst hit export-oriented crop after the implementation of neoliberal policies. The export intensity which is defined as the quantity exported as a proportion of production was 30-40 percent for pepper. By making use of the Rule of Origin under WTO and the Indo-Sri Lankan Free Trade Agreement, low-quality pepper from Vietnam came to India through the Sri Lankan ports which were to be mixed up the premium pepper produced in India leading to fall in India's share in pepper exports.

Jeromi finds that better profitability of cultivation has increased the share of commercial crops in the total area under cultivation. The major food crop in Kerala is rice and the total area under cultivation of this has shown a fall. While this trend is opposite for commercial crops such as coconut, rubber, pepper and coffee. The reasons for this scenario are low profit for foodgrains, export prospects of cash crops, increase in absentee land owners as cash crops are more suited, higher price for land with commercial crops and shortage of labourers. Jeromi also attest the findings of Mohanakumar and Sharma that farmer's suicides are more in those districts which are dominated by export-oriented cash crops.

The one common thing among the Idukki farmers who committed suicide in the last four months is that all were small and marginal farmers with a holding less than 3 acres [3]. The details of the suicide victims are given below in the Table 1.

Table 1. Profile of farmer suicide victims of Idukki.

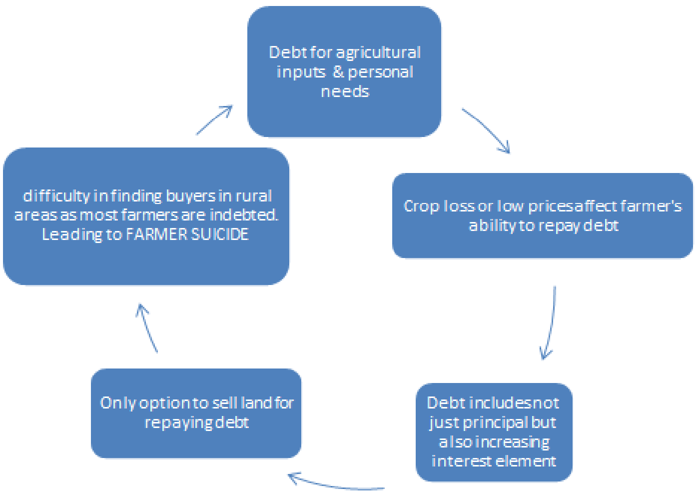
Location	Age	Crop	Immediate trigger factor
Thopramkudy	37	Rubber, Pepper	crop loss and recovery notice for a 10 lakh loan from KSFE
Vathikkudy	68	Tapioca, banana	crop loss and recovery notice for a 12 lakh loan from a cooperative bank
Cheruthoni Vazhathoppe	56	Tapioca, banana, vegetables	Recovery notice from bank
Konnathady, Adimali	52	Pepper	Bank loan and crop loss
Anaviratti, Adimali	62	-	Recovery notice from bank
Vathikudy, Perimchamkutty	59	Vegetables, nutmeg, Pepper	Crop loss and mounting debt
Elappara	Not known	-	Officially not categorized as farmer
Adimali	67	-	recovery notice for a 6 lakh loan from a cooperative bank
Maniyarankudy, Vazhathope	49	-	Attempted suicide
Source: Compiled from various newspaper reports			

One strange irony is that the state government had declared a moratorium on farmer's loan for a year. This would mean no recovery proceedings by banks or any other credit institutions till at least December 2018. But, most of the victims had received recovery notices from formal credit institutions like banks, cooperative societies and in a case from that of a financial institution under the state government, Kerala State Financial Enterprises (KSFE). The farmers had taken loan not only for agricultural purposes but also for personal requirements such as education or marriage of their wards and so on. The farm loan moratorium doesn't talk about the interest on debt which means that the debt of farmers would only be increasing. In fact, when this article was being written news reports were coming that in Wayanad district farmers were protesting against the move by financial institutions to invoke the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act against farm loans. The protesting farmers under various collectives were raising demands of either waving off loans or interest on debts for the next five years.

Indebtedness, prices and farm distress

In this section, we would be looking into the reason for increased indebtedness of farmers. The lack of remunerative prices for pepper growers is an important issue which the government needs (Figure 1) [4].

Figure 1. The vicious circle leading to farmer suicides.



To tackle as a part of long term solution. The spurt in regional trade agreements should be seen as a major reason for the lack of remunerative prices to pepper growers in Kerala. The reason from the previous FTAs with Sri Lanka and Thailand that duty-free imports for promoting value addition exporting units will only provide backward linkages to the plantation sector abroad. Even a fear of cheap imports is enough to cause short-term domestic price fluctuations. The issue gets serious because majority of the growers are small and medium. Even with high prices during the signing of FTAs doesn't guarantee that this high price would prevail. The example of pepper prices is considered. From 1990, the price of pepper saw a consistent rise reaching the highest level of Rs: 215 per kg which declined to Rs: 80 per kg leading to farmer suicides in early.

On the other hand, Joseph argues that ASEAN-India Free Trade Agreement (AIFTA) doesn't produce a substantial threat to Kerala's plantation sector compared to skewed productivity favouring India's competing countries. Hence, there is a need to address issues like innovation, agricultural research, marketing etc. He mentions the instance of increased black pepper imports and FTA with Sri Lanka. These imports were mainly done by exporters who were exempted from duty and mainly for re-export. It becomes difficult to take sides in this argument because no doubt the black pepper imports from these countries are increasing but at the same time domestic consumption of black pepper is also very high in India. In 2012, nearly 42 percent of India’s total pepper production was domestically consumed when compared to the market leader Vietnam’s 10 percent. The producer’s share in the Free on Board (FOB) price of pepper is 86.06 percent while in case of domestically sold pepper is 88.80 percent, leading to better price realisation for the grower when sold domestically. There are also significant changes in the direction of trade for spices. The emergence of countries like the Netherlands, Germany etc., who are originally not pepper producing nations but are significant exporters brings to the forefront the need for more value addition in pepper exports. USA has been India's major pepper destination, but a decline has been noticed during the period of 2002-13. Also, there is a very high degree of fluctuations in the USA's pepper import from India. The export earnings have also shown a wide range of fluctuations which is not seen for Vietnam. During the decade of 80s, the price of pepper was at Rs: 270 per kg and the 90s saw a steady decline with the price touching a bottom of Rs 60 per kg in 2005. This was also the time period which saw highest number of farmer suicides in Kerala. Presently, the price of black pepper was hovering in 2018 at Rs 338 per kg when compared to Rs 600 per kg in 2017.

The biggest issue faced by the pepper growers is that pepper is grown as a mixed crop with others such as tapioca, cocoa, coffee, rubber etc. Again, the marginal farmers who form the majority of the pepper growers depend on two cash crops for their livelihood. The cash crops since they are produced for market have very high nature of capitalist production system. The key to riches is produce more and for this expensive agricultural inputs such as pesticides and fertilizers need to be used. This would mean that the farmers would have to borrow for starting the production process. Banerjee finds that the food prices in the world market have more or less increased at the same or sometimes at a higher rate than cash crops in the new century. This has adversely affected the small-scale commercial farmers in the developing countries. His analyses holds true for the pepper growers in Kerala as well.

The prevalence of pests and diseases such as foot rot disease as well as prevalence of dry conditions in pepper growing districts has been other major factors affecting the productivity of pepper in Kerala. To top up these problems of farmers came the great floods of August 2018. The floods have helped the paddy cultivators in the coastal regions because it brought in fertile silt, but it had adversely affected the farmers in the hilly regions. It had washed away the fertile top soil.

The districts of Idukki and Wayanad saw maximum damage during the floods with huge destructions in agriculture along the hills. The large scale occurrence of landslides destroyed most of the cash crops which are farmed in this region. The nature of black pepper is that it is a perennial crop and takes 2-3 years for bearing fruit. With the destruction of these wines, the farmers would have to start from the scratch.

RESULTS AND DISCUSSION

Many other reasons are given by the district administration to prove that these are not farmer suicides such as alcoholism, family issues, health problems etc. These could be the trigger factors for a farmer to commit suicide but it would be unethical and immoral to conclude that such cases are not farmer suicides. The overall dismalness in farm sector is indeed a major factor for increased anxiety and depression among the farmers. Whether a farmer borrows money for farming activities or for personal purposes, he/she is sucked into the vicious debt-trap. The banks and other formal credit institutions are no better when it comes to the treatment meted out to debtors. As an immediate relief measure, there should be a moratorium on all kinds of loans like personal loan, gold loan etc. George and Krishnaprasad mentions in their study on farmer suicides in Wayanad district that financial institutions consider farmers as anti-social elements who default their loans. They further mention that these formal credit institutions force farmers to part with their collaterals such as land, house etc., by issuing legal notices. In the present scenario in Idukki district also the main creditors were banks and formal credit institutions under the state government like KSFE which issued notices to the debtors. Both the districts have similar agricultural conditions and pepper is also grown.

For food crop growers, adequate and sufficient Minimum Support Price (MSP) and transparent government intervention in the market could be introduced as the policy prescriptions to help them out of farm distress. This would help both the producer by getting the cost and the consumer, through to timely availability of food grains as well as stable prices. But, what about government intervention with respect to cash crops and that too, export-oriented ones. An option with the Kerala government would be to expand procurement of pepper by ensuring a MSP like in case of grains and market the procured pepper through the Kerala State Horticulture Mission, the Spices Board and other state agencies. This would lead to elimination of a whole lot of intermediaries in the value chain along with ensuring remunerative prices to the growers.

If cash crops like pepper are grown then there is also a need for ensuring access to long term and low cost finances to the farmers. As mentioned earlier, the cost of production would only see a rising trend and any fall in prices could trigger farm distress. Hence, ensuring low cost credit should be done on a priority basis. The solution for this could be expanding the scope of the Spices Board or maybe even setting up a credit-cum-marketing agency at the state level on the lines of the various commodities board set up under the Ministry of Commerce [5].

CONCLUSION

The government needs to urgently take some initiative like it had responded last time when faced with farmer suicide crisis during mid-2000s. The farmers have over the period shifted mostly to formal sources of credit for both agricultural and personal requirements. The fact that all the present suicide victims received recovery notices from government-owned banks tells us that if there is a political will to stop these suicides, it could be achieved. The declaration of moratorium on debt recovery from farmers till December 2018 was indeed a welcome step. But, this moratorium was a quick fix and a long term approach is required. An interest waiver, if not a farm loan waiver would be a welcome relief for the farmers. Maybe the time has come to start the new farming with an emphasis on organic methods. Along with that there is also a need to look into some of the Free Trade Agreements (FTA). In case a revoking of agreements might be bit difficult, there is an urgent need to enforce the same effectively. The fact that there are non-pepper producing countries like the Netherlands, Singapore, Germany and USA which have exported pepper which contributes nearly 3.77, 3.47, 2.99 and 2.55 percent, respectively of the world pepper exports. This implies that there is an immense scope of value addition by traditional pepper growing countries such as India. This should also effectively translate into gains by the growers.

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