

Association of Financial aspects in agricultural industry related to farmers: In connection to farmer suicide in Maharashtra

Dr. Suyog A. Amrutrao

Director, Department of Management Science, Dr. Babasaheb Ambedkar Marathwada University,
Sub-Campus, Osmanabad. Maharashtra

Email - suyogmba@yahoo.com

Abstract: LPG model was adopted by India in 1991. Globalization spread all over world like its best speed. Industrialization becomes a major source of development. MNC's are established all over country. People are attracting towards jobs and facilitates. Good Job becomes a salaried job in company or government office. At the same time work reputation definition has also changed. Hard work is preferred as secondary. India's prime business was agriculture. More than 60 percent Indian are depending on agri. But the crowd now shifted from agri industry to service industry for job. Only 15 percent of agri industry contributes in Indian economy. It means earning in agri has come down. Productivity of the farming is also come down due to many reasons.

Agricultural is like business where owner need resources, process and output. If this theory has considered then process are doing good. There are concern with resources and output. One major factor like external environment also playing major role. Maharashtra is facing big problems in the agricultural industry of farmer suicide. 15000 farmers made suicide in Maharashtra since 6 years. This research is small efforts to study financial aspects in this case. Financial concern is major reason. Study have tried to understand the reasons for taking loan, where they spends, source of income, sources for taking loan and other related aspect. This study has tried to find financial aspects of farmers.

Key Words: Famers, agricultural industry, financial aspects.

1. INTRODUCTION:

Business are done by taking resources like man power, machinery, capitals etc. and used these resources for process and business owner gets good productivity and return from market. In this case resources are not stable and market return also not stable. Hence the unpredicted situation arises. If it continues for two to three year then it create loads of financial borrowings to farmers. If it is a single source of income for the farmer then it is very difficult situation as they cannot match with their day to day requirements. In between these days farmers have other responsibility to perform like children education or marriage.

Farmer is very loyal to the work and socially emotional person. Farmer feels that he is responsible towards farming, family and society. If he fails to do his duty he feels guilty to self. This is real picture to understand about farmer's attitude towards agricultural. Getting finance for resources and returning of money from product is base for this problem. Efforts made by farmers regarding agricultural growth are very appreciable. If financial concerns are basic problems for the case then researcher would like to know that what financial conditions to associate with farmers.

2. METHODOLOGY:

This is descriptive study and researcher would like to study the financial aspects related to farmer. Randomly 100 farmers selected as respondents. Schedule was prepared to ask farmers. Students were distributed to collect the data. Personally discussion was also carried out. Observation, schedule and government reports are major source of data collection. All respondents from Osmanabad district. This is one of the majorly affected areas regarding farmer's suicide.

3. OBJECTIVES:

- To study the current farmer's suicide situation in Maharashtra.
- To study financial aspect which are associated with farmers.
- To give suggestions regarding financial decisions to farmers
- To bring out inputs to government for policy framing.

4. Current scenario of Farmer Suicide:

(Table No. 1)

Year	Total Cases	Eligible Cases	Ineligible cases	Pending Cases	Ex-gratia Payment to farmers
2013	1296	665	629	2	665

2014	2039	1358	674	7	1358
2015	3263	2152	1081	30	2150
2016	3080	1768	1292	20	1768
2017	2917	1638	987	292	1611
2018	2761	1330	1050	381	1316

District wise Farmer Suicide from 1 Jan to 28 Feb 2019

(Table No. 2)

District	No.
Pune	15
Nashik	83
Aurangabad	129
Amaravati	144
Nagpur	25

Cities with Higher Suicide during 2019

(Table No. 3)

Cities	No.
Dhule	23
Jalgaon	22
Ahamadnagar	25
Beed	28
Osmanabad	22
Amaravati	36
Yavatmal	40
Buldhana	34

(Source for Table No 1 to 3 Business Today. in, detailed source given in references)

5. Point of view :

Situation of the majority of farmers is terrible. Almost 80 percent of the farmers in India belongs to Marginal (less than 1 ha) or small farmers (1–2 ha) group. It supports nearly 50 percent of the employment but contributes only 15 percent to the Gross Domestic Product. Each day there is news coming on farmers suicides from different parts of the country. Including Farmers in understanding real picture is very necessary.

Money Lenders still play a major role for agriculture credit where the interest paid to them will be more than profit that one can earn from cultivated crops. It is very difficult to get labors after MNREGA. The crop price is inversely proportional to productivity. If the productivity is more than the price will be less and vice versa. Good rainfall, good productivity and good prices never ever come together. The income of the farmers will be either marginal or no profit or loss. Only the large farmers can get used of machines and get good productivity with less production cost. Now days the cost of paddy cultivation is same as the final output. Only the paddy grasses are profit of farmers which they can use it as fodder for cattle. Middlemen is also a problem example onion 10 rupees s/kg but the same get in Bangalore for 50 rupees/kg for the most the times Every farmer wants their children to move out of agriculture because they know the difficulty of agriculture. (Experience by Govind Prakash)

6. Data Analysis :

Reason for Loan	Preference	Respondents
Agricultural Exp's	1	66
Child Education	4	8
Marriage	3	9
Purchase of Assets	5	5
Home Expenses	2	12

(Table No. 4)

Loan Amount Taken (Rs)	Amount Percentage
1000 to 99000	22
100000 to 199000	37
200000 to 299000	29
300000 to 399000	9
400000 to 499000	3

(Table No. 5)

(Source of Table No 4 to 5: Survey)

In the above mentioned table it has shown that farmer takes loan for the purpose of agricultural requirement. It means majority of the share going to spend in farming like investment. If the production comes good and if they gets good price in market then their repayment of loan is possible. It shows that they are depending on Climate and Market. After spending money for farming they use to get money for home expenses. If farmer have to get money for home expenses means difficult to keep money saving for accidental expense or responsibility oriented expenses. Most of the respondents are in need to take loan between 1 lakh 2 lakh. In the above mentioned data there is found that farmer needs loan for thousand also and lakhs also. It shows their dependability on loan and non-availability of financial savings. If they are taking money for small purpose it is very difficult for survivals. Every individual earn money. It is required to keep aside some money for future. In this case they are not able to maintain the current life also. It is stressful situation as they have repayment of fund as well.

Supportive Source of Income	Respondents (Percentage)
Return on Investment	12
Salary	06
Rent	10
Business	14
Other source	17
No Source	41

(Table No. 6)

Source of Loan	Respondents (Percentage)
Government Banks	19
Private Banks	5
Cooperative banks	18
Societies & SHG	24
Private Borrowings	32

(Table No. 7)

(Source of Table No 6 to 7: Survey)

Farmers are depending on agricultural income source. If they could get addition income source apart from crop it will be helpful for them. In the above mentioned data most of them do not have other source of income. It I very essential create optional source of income.

Source of loan is vital in this process. Private Borrowing, Societies and CHG are major. It shows that government banks are not in picture as it required. Farmer prefers private borrowers in this case private borrower have their own system which is not base on human ground. All type of pressure and stress are given to farmer for repayment of loan. As researcher have mentioned in early of the study farmer is very sensitive for his responsibility. It is possible that assets of the farmer are also been used as guarantee for loan.

6. Reasons for Suicide:

- ✓ Non Availability of fund for Farming and other responsibilities.
- ✓ Lack of Other regular source of income apart from agricultural business.
- ✓ Repayment of Loan Amount is not getting possible. Even more if it is continue for few years then amount of loan is increased and other responsibility does not fulfill by farmer.
- ✓ At the end of season farmer do not get Crop in hand because of low productivity.
- ✓ Natural support is base of agricultural industry but in many area natural calamities like Drought effects on farming.
- ✓ Irrigation System is not developed for all farmers. People who have financial capacity they can do the infrastructural set up for water availability.
- ✓ High production gives high supply in market but at same time reduce the price of product in market also.
- ✓ No Supplementary work in agricultural are developed by many farmer so they are depend on one source only.
- ✓ Regular production of crop is missing in many areas due to many reasons. It leads to loss of whole season.

7. Suggestions:

- ✓ Creating group of Councillor, Scientist, Financer, Marketing officer and government officer and allot them area for monitoring and controlling.

- ✓ Fulfilment of Basic requirement of family has to be first objectives of family owner. He should have target to do the provision for same.
- ✓ Easy Availability of Fund from government resources instead of private source.
- ✓ Live Data of market should be available with farmer (Demand and supply of products, Forecasting of prices, Climate change)
- ✓ Infrastructure required for farming can be made available on field by government or investors.
- ✓ Documentation of farmer's production, financial records, Balance sheet has to prepare by farmer. In this case outside help can take or government must help to farmer.
- ✓ Fix income for family survival can be started from government so farmer can concentrate on farming business.
- ✓ Local business need to develop to create supplementary option for farming and source of income.
- ✓ Focuses must given for supplementary business with farming, packaging, processing etc
- ✓ NPA of Industry is far more than Agricultural NPA. Banks and Government are not serious about industry NPA and people who are leaving country without repaying loan amount have more rights of justifying themselves than farmers.
- ✓ Awareness of act and provision about rights of farmer if loan amount not able to repay must done by Bank and government.
- ✓ Farmer getting helping amount after suicide is required to rethink because death value is more than life value
- ✓ Fix basic price for production is expected.
- ✓ Infrastructural set up for agricultural industry like transportation, collection of product, marketing and financial turn over must develop.
- ✓ Technical training for Farming, Processing, Packaging and marketing should be given by Agri Universities, Research Institute and Trainer on field.
- ✓ Farmer should treat farming as business. Try to maintain records of climate, price, cost etc it will help them to analyze the things.

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