

A Study On the Economic Impact of Infarm among the Farmers of Idukki District

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ABSTRACT: *Agriculture sector is the backbone of every human society. It is the foundation stone for the economic growth and development. Due to it's higher inter-linkage effects no one can underrate it's significance. Today agriculture is going through a tough period. The farmers find it very difficult to make their both ends meet. The distress of farmers is due to several factors like the changing nature of agriculture, economies of production, policies of the govt and the ongoing reforms in the country. The spate of suicides is considered a tragic manifestation of the deteriorating conditions of farmers. Farmer's suicide in different parts of India has become a recurring phenomenon over the past one decade so. These represent the concrete expressions of farmer's problems. The percentage of famer's suicide is very high in Kerala, when compared to that of other Indian states. The crisis faced by an important section of the population need to be carefully analysed. Indian Farmers movement, popularly known as INFARM , is an organization of farmers in Kerala, came to an answer to the problems faced by the farmers. They addressed issues like higher cost of production, recurring price fall, low quality seeds and seedlings, debt trap of farmers etc. to a great extent.*

KEYWORDS: economic impact, infarm, farmers, Idukki, district

INTRODUCTION

“Agriculture is our wisest pursuit, because it will in the end contribute most to real wealth, good morals and happiness.” – Thomas Jefferson. Agriculture sector is the backbone of every human society. It is the foundation stone for the economic growth and development. Due to it's higher inter-linkage effects no one can underrate it's significance. India's Independence was born against the backdrop of urgency of food. During great Bengal famine of 1942-43, about three million children, women and men perished in Hunger. Indian famines are not only famines of food but of work also. Therefore Gandhiji recommended Independent India to provide work for all citizens. Once Nehru said “everything else can wait but not agriculture”. Consequently after Independence our planners and political leaders encouraged to invest more money in agriculture, against this backdrop there emerged the Green revolution. Hunger could be eliminated to a great extent and the farmers received good returns also. However, the average Indian farmer continue faces several challenges. The Indian agriculture labours about 56 percent of the population and it's present share in national GDP is 17 percent as against 30 percent in 1990. Then the farmers from various stratas forced to came together to bargain so as to save themselves and their products. The INFAM is the result of such a courageous attempt

made by the farmers of Kerala. By, defining 'INFAM' is an organization of farmers in Kerala emerged against the backdrop of recurring devaluation of agricultural products nationally and domestically.

Today agriculture is going through a tough period. The farmers find it very difficult to make their both ends meet. The distress of farmers is due to several factors like the changing nature of agriculture, economies of production, policies of the govt and the ongoing reforms in the country. The spate of suicides is considered a tragic manifestation of the deteriorating conditions of farmers. Farmer's suicide in different parts of India has become a recurring phenomenon over the past one decade so. These represent the concrete expressions of farmer's problems. The percentage of farmer's suicide is very high in Kerala, when compared to that of other Indian states. The crisis faced by an important section of the population need to be carefully analysed. The number of people engaged in agricultural activities has been reducing in the state due to high returns from other entrepreneurial ventures and service sectors. The high cost of cultivation and low returns forced farmers to approach credit sources. As per latest data available, the average amount of outstanding loan per agricultural household in Kerala is Rs.213600, and this is the highest in India among all states. The constant fluctuating price of agricultural products too destabilizes the agricultural scenario of the state. The instability is affecting the realization of farm income and further investments in agriculture. In order to secure the sustainability of the Kerala Model, the state should focus for a prosperous agriculture sector and protect the interest of farmers. The focus will be on increasing competitiveness and productivity in agriculture so as to raise incomes and wellbeing of farmers and bring prosperity, not only for this generation but for the future generation too. For this purpose INFARM occupies a special position in the country.

Social movements are intended to make a change in the present system. Social factors are the most important stimulants of social movements. In Kerala the development of capitalism and the polarisation of class forces within the agricultural sector of the state led to the emergence of a distinct category of peasant organization in Kerala. There were the organization of agricultural labourers who were the worst affected people in the whole process of agrarian transition. These organisations inturn, campaigned for and elicited significant response towards initiating various protective legislations that were designed to safeguard the employment and income earning opportunities of agricultural labourers in Kerala.

Among all the districts in Kerala, Idukki has the highest level of Net Domestic Product (NDP) from agriculture. Idukki also makes the highest relative contribution of agriculture to NDP among the districts of Kerala. Any setback to the agricultural economy would therefore adversely affect the district economy and its individuals cultivating households. Adverse effect of Government policies such as Globalization and Liberalization and its consequent effect of price fluctuations and farmers distress culminated into the sociological phenomenon of farmers suicide. Here lies the significance of peasant organization and farmers union in the state. In Kerala before Independence farmer's movements were very powerful in the state. Farmer's organization provided vigour to national movements in the state. After Independence many such organizations become weak. Therefore it become clear that Independent farmers' organizations are necessary for the revival of agricultural sector in the state. Indian Farmers

Movement was one among them. It is the movement that can honestly speak the language of farmers, the builders of Kerala.

In the light of the above, the paper focuses on the objectives such as the factors responsible for the development of INFRM, the different ways in which INFRAM is helping farmers and the economic implications of INFARM among farmers. Rest of the paper is organised as follows, section 2 focuses on the analysis of the first objective. Section 3 focuses on the second objective. Section four focuses on the third objective. Section 5 includes concluding observations and policy prescriptions.

Formation of INFARM

Indian Farmers Movement , popularly known as INFARM , is an organization of farmers in Kerala, emerged against the background of recurring devaluation of the agricultural products nationally and especially in the state. In such a situation , a section of the unorganized farmers of Kerala thought of an exclusive organization of the farmers to overcome the economic crisis of the time. According to the working report of INFARM , the representatives of the farmers from various districts and the community leaders , who were committed to the farmers, met at Kanjirappally Pastoral Centre and decided to form an exclusive organization of their own. As a result INFARM was registered and started functioning on 7.12.2000. Inauguration of membership distribution of INFARM and sales of the first share of INFARM Company was done by Thalassery Arch Bishop Rev. Mar George Valiyamattom on 9th Decemmmber 2000, at a function held at SB College Hall at Changanassery. The function was presided over by Changanassery Bishop Mar Joseph Powathil.

Factors responsible for the development of INFARM

Farmers' movements have a remarkable place in the history of Kerala. Agrarian movements in Kerala have their specific distinctive characteristics which make Kerala unique in the Social, Political and Economic, history different from other states of India. The 'Land Reforms Act of 1957', the first in its type in India, is the best example of distinctiveness of Kerala. After land reforms, many agrarian and farmer's reforms were introduced subsequently in Kerala. But, now in the 2st century farmers mainly small and marginal once face the problems as before. To analyse the farmer's problems and the impact of farmer's movements basically INFARM In order to understand the attitude of farmers in general and towards INFAM in particular a primary survey has been conducted. Upputhara, a small village in Idukki district selected for survey. Upputhara is selected because, a large number of agrarian families residing there and it has a strong hold of INFARM. The survey was based on personal interview and telephonic interview.

Occupational status of the households

Occupational status of the households is an important an important indicator that shows the socio-economic status of the people residing in the society. Table 1 and figure 1 clearly depicts the situation of the sample under consideration. In Idukki district majority of the population engaged in the agricultural and allied activities.

Table : 1 Occupational Status

Particulars	Percentage
Farmer	76%
Daily wage laborer	6%
Private employed	12%
Govt. employed	6%

Source: Primary data

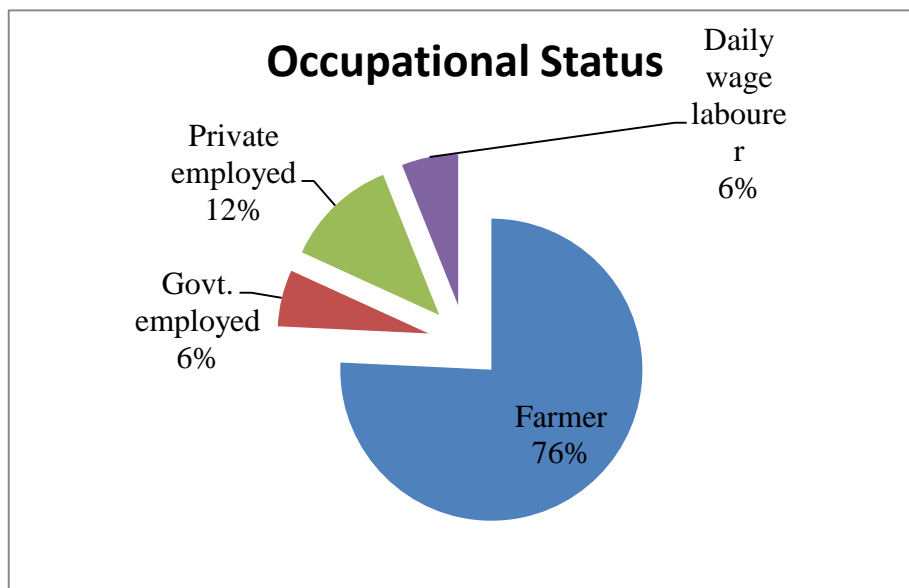


Figure : 1 Occupational Status

Source: Primary data

The fragmentation of agricultural land is another important problem of agricultural sector. Majority of the farmers have only a small piece of land for cultivation. For cultivation farmers usually follows mixed cropping pattern.

Cost of Production

In Kerala majority of the farmers are small and marginal ones they have only a small piece of land for cultivation. Thus they are forced to perform dual roles like as an owner of the land and as a wage seeker. Human labour cost is the major constituent of the cost of production. As the labour cost is rising , the cost of production is also rising. Cost of production is also determined by cost of inputs like machineries, tools , equipments used for production. Then price of fertilizers pesticides, transportation cost etc are responsible for higher cost.

Table :2 Cost of Production

COST PER HECTRE FOR HIRED LABOURERS		
YEAR	COST(pepper)	
2000-01	8185	
2001-02	8292	
2002-03	8627	
2003-04	9550	
2004-05	10859	
2005-06	10787	
2006-07	10632	
2007-08	12707	
2008-09	12858	
2009-10	20226	
	PEPPER	CARDAMOM
2010-11	22465	-
2011-12	29514	-
2012-13	30147	-
2013-14	404980	70799
2014-15	39107	61534
2015-16	-	55996

Source : Economics and statistics department Govt. Of Kerala

The cost of production is increasing over the years. The annual yield is an unstable figure and is subjected to ecological and climatic factors. Along with these the highly fluctuating commodity prices is also lead to a troublesome situation.

Farmer suicides

Because of higher cost of cultivation and low prices for their commodities the farmers are trapped in a vicious circle of crop loss , low price and indebtedness which lead to dilapidated condition in agriculture. It is generally accepted that agricultural activity is a noble profession. In recent years, the noble profession of agriculture has become non profitable to farmers.

Table : 3 Year wise Distribution of Suicides

Sl No I	Year II	Number Suicides III	of Percentage IV
1	2003	145	14.81
2	2004	220	22.47
3	2005	250	25.54
4	2006	245	25.03
5	2007	119	12.15
Total	-	979	100.00

Source: Economics and Statistics Department Government of Kerala

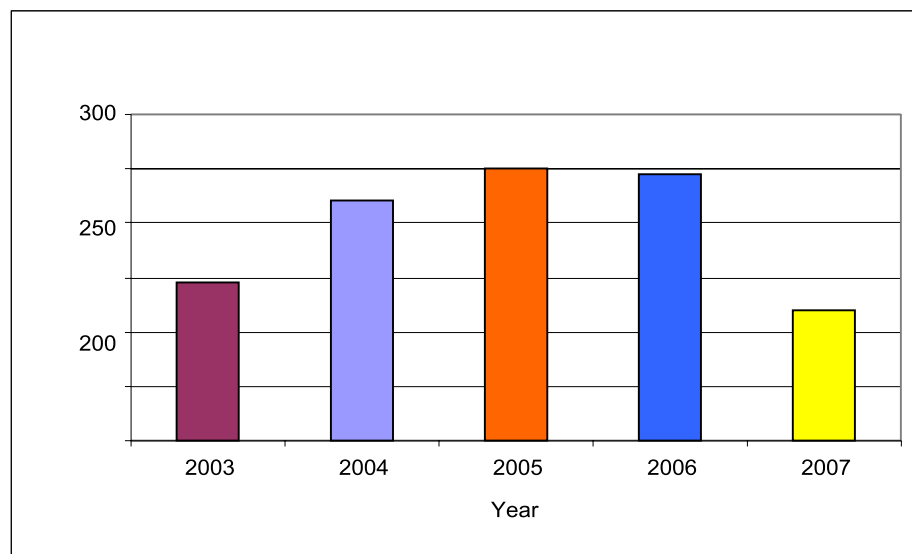


Figure :2 Year wise Distribution of suicides

Source: Economics Statistics Department Government of Kerala

The cost of cultivation incurred and income earned by farmers from agriculture confirm their miserable situations. The farmers are forced to continue the agricultural activities, since they do not have any alternative and they are in a vicious circle of indebtedness. Thus they are forced to avail loans from banks and other financial institutions, which make some cultivators bankrupt and force them to escape from the miserable situation by committing suicide. As per the study conducted by Economics and Statistics department of Kerala (2019) 106 farmers committed suicide during the year 2003-2007.

Opinion about prevailing market prices

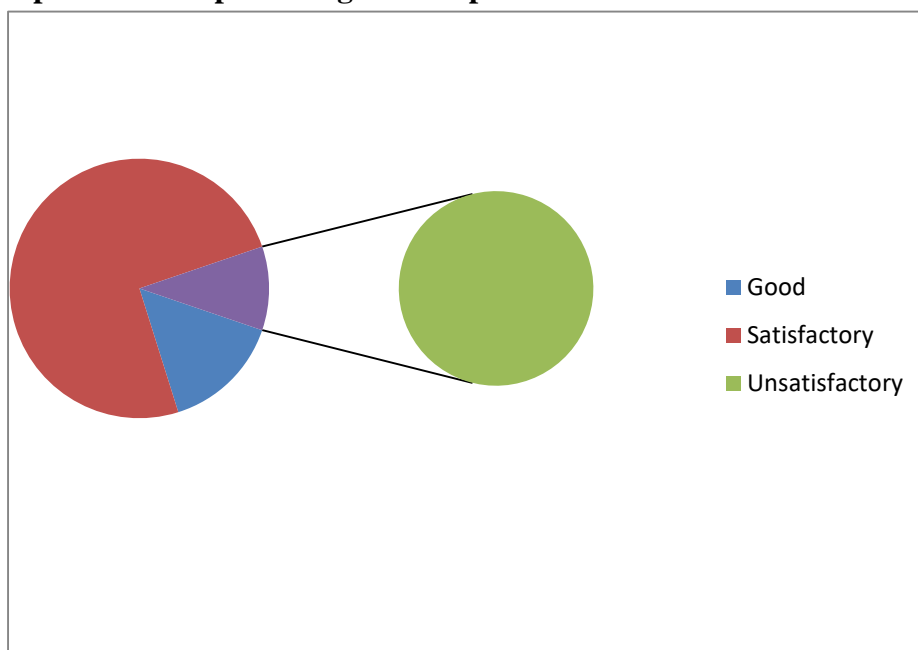


Figure: 3 Opinion about prevailing market prices

The recurring nature of commodity prices badly hit the agriculture sector . Farmers are not able to meet both ends. Low commodity prices and at the other hand higher cost of production including higher price

of labour, cost of fertilizers, pesticides, irrigation facilities etc.. push farmers to approach credit sources. This in turn multiplies the problems of farming sector. These recurring events ultimately leads to farmer suicides and related events. It is in this context necessitates a joined movement to raise the language of farmers in front of the public.

Factors mainly highly flucuating agricultural commodity prices along with higher cost of cultivation and farmer indebtedness and recurrent events of suicides are mainly contributing to the development of INFARM, the Indian Farmers Movement.

Various ways in which INFARM is helping Farmers

INFARM is a collective venture of farmers . Farmers joined their hands to overcome the miserable conditions and voiceless situations. Hence it is a that raise the voice of voiceless ones. As a cooperative movement INFARM helping it's members in various ways. Agricultural and non agricultural incentives are provided through INFARM outlets.

Reasons for joining INFARM

Table : 4 Various reasons for joining INFARM

Reasons	Percentage
Low prices & higher cost	27%
Policies of Govt.	23%
Lack of motivation	17%
Low quality seeds and seedlings	13%
Benefits from collective marketing	20%

Farmers joined INFARM for variety of reasons . INFARM altogether a Farmer's cooperative solution for their problems. Very speciality of INFARM is the direct procurement of agricultural commodities from farmers and marketed through INFARM outlets. By this way , the exploitation of intermediaries can be avoided and farmers get reasonable price for their commodities. INFARM mainly advise farmers to cultivate organic products, usage of natural fertilizers and pesticides . For this purpose they supply quality seeds and seedlings this directly and indirectly motivate farmers to work in harmony with nature. Now, INFARM enhanced the collective marketing strategy widely. Commodities are marketed through INFARM outlets , PRAKRUTHI shops etc.. Consumers can avail quality products at reasonable prices. INFARM members directly collect commodities from the farmers. Farmers used to cultivate mixed crops including cash crops and food crops. Cash crops mainly, cardamom, pepper, tea , etc.. food crops mainly, tapioca, banana, ginger etc.. These commodities are marketed through INFARM outlets and PRAKRUTHI shops.

Type of Incentives provided by INFARM

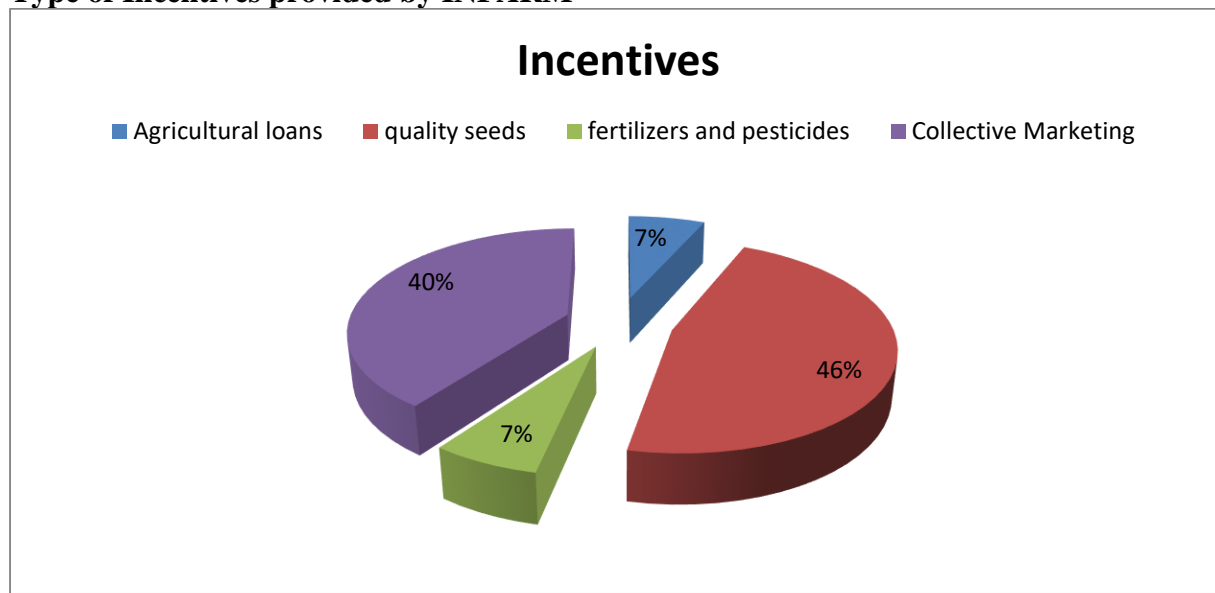


Figure : 4 Type of incentives

Farmers commonly in favour of incentives provided INFAM. Basically, INFAM provides an open stage for collective marketing and supply good quality seeds and seedlings. Generally, farmers agree with the contribution of INFAM in the arena of peasant movements in the state. Farmers in general opined that INFAM increased the relevance of farmers in the state. As a result, once again, farmers have become the centre of attention. Some people considered the independent style of working of INFAM as a peasant movement as its important contribution. The linking of pressure group style with peasant movement is the other important contribution of INFAM. But, neglected the importance of agricultural loans and other kinds of incentives.

Other Incentives

Table: 5 other incentives

Categories	Percentage
Education	33%
Health	27%
Housing	17%
Others	23%

INFAM provides incentives to improve the living standards of its members. For education purpose, INFAM organizes cash incentives and non cash incentives. Generally, educational instruments like books, pen, bags etc.. are supplied. During the flood and lock down period INFAM supplied general purpose kit for its members.

Economic Implications

On the economic front, income and consumption activities of the people increased. Through direct procurement and marketing of commodities farmers get maximum returns. By using organic manure and fertilizers quality of the soil can be maintained. As a rural area when income of the people increased it will accelerate production, consumption activities and well being of the people.

POLICY PRESCRIPTIONS AND CONCLUSION

The birth of INFAM can be attributed to a spontaneous movement on the part of the small farmers in Kerala who were adversely affected by the economic reforms of 1990's. The neo liberal reform measures did not help the farmers in any way. It only increased his sufferings. In Kerala there are a large number of peasant farmers with small agricultural holdings. They till the land and cultivate it. The important products are rubber, Tea, pepper, cardamom, cinnamon etc. But unfortunately they do not get much in return. The increasing cost of inputs have compelled them to take bank loans. Here again they cannot repay the loans. As a result many of them committed suicide during the first decade of the 21st century. The Church has played an important role in bringing together the farmers. The Church is influential in many of the farmer dominated areas like Kottayam, Idukki and Wayanad. But all types of farmers find a place in INFAM. They have learnt to cooperate without the leadership of the politicians. The INFAM The farmers' community of Kerala was seriously affected by the evil effects of globalization. It led to the indebtedness of farmer's families. There were practically neither the

local nor the State and Central Governments, political parties or other agencies to render a helping hand to the lives at risk of many thousands of families who depended exclusively on agriculture for their livelihood during this crisis. The immediate victims of this inescapable agrarian economic crisis are the lakhs of small scale farmers of Kerala. It is this factor which led to the origin of INFAM in Kerala.

In Kerala the farm sector has become the most risky field of engagement as the prices of farm produces are open to fluctuations. Farmers have been committing suicide in the two districts of Wayanad and Idukki. The lack of remunerative prices and the difficulty in repaying loans along with shortage of seeds and water and increasing prices for chemical fertilizers have all put the farmers to much difficulty. They find it difficult to comprehend the changing nature of social and economic structures.

Suggestions

- ✓ Efficient leadership
- ✓ Mobilization of farmers.
- ✓ Introduce more governmental schemes for the welfare of farmers
- ✓ Provide governmental assistance to farmers movement
- ✓ Generate farmer unity for the protection of their rights.
- ✓ Effective implementation of announced policies.
- ✓ Introduce awareness programmes
- ✓ Avoid religious colour
- ✓ Enlarge the community by including all sections.
- ✓ Impart new skills and provide incentives to buy modern farming equipments.
- ✓ Attract young generations in to the field of agriculture by incorporating their knowledge and skills
- ✓ Introduce more easy credit sources.

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