



A Study on Status of Government Relief Packages to Deceased Farm Families in Prakasam District of A P

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ABSTRACT

The present study was conducted to highlight the impact of relief packages given by the government to the deceased farm families. For this a net-worth statement of the sample farmers was calculated to know the financial eligibility and tabular analysis was done to get the exact level of implementation of relief fund and its impact on uplifting the existing situation.

Key words : Deceased farm families, Relief packages and Upliftment.

The agricultural sector has been facing its worst phase as the tenant, marginal and small farmers who constitute 50 percent out of 70 percent of people dependent on agriculture in India are still under lag in getting the reasonable margins in productivity and profits. This situation raised the serious incidents like economic hardships and suicides of the farmers. The Central and State Government have announced the relief packages to uplift the deceased farm families in several states of India. NABARD is the implementing agency of the package provided by Central Government.

In the budget of 2008-09 Honourable Finance Minister has also announced massive write off to the tune of Rs.60000 crore of the outstanding loan of small & marginal farmers and OTS for other farmers. Although the implementation of relief packages is only the immediate measure but still the situation needs long term strategies which gives direct benefit to the needy farmers.

MATERIAL AND METHODS

An exploratory design of social research was adopted in this study. Using purposive sampling method 40 deceased families (since 2006) were identified from the district, based on the data provided by the District Revenue Department. A well structured interview schedule was employed to collect the requisite information from the sample families and other related institutions. The primary data pertaining to the period (2006-2010) was

collected from the selected farm families. The secondary data pertaining to addresses and the ex-gratia given by the government for the suicidal farmers collected from the district level committee headed by collector. Also the data relevant to the study were collected from different public resources like village institutions, NGOs, MFIs etc for the present study.

RESULTS AND DISCUSSION

1.1 Net worth of the sample farmers

The net-worth statement of victim farmers was prepared to assess the solvency position of their farm business. The farm financial ratios were worked out from the net-worth statement of sample farmers.

Current ratio

The current ratio was calculated as this ratio was regarded as an indicator of capacity of farmer to meet the immediate financial obligations. The ratio less than one i.e., 0.31 indicating that, the current liabilities were much higher than the current assets, and also the need of sufficient amount of credit supply from the institutional sources through government intervention.

Net capital ratio

The net capital ratio regarded as an indicator of long-term liquidity position of farm business. In the present study the ratio among the

Table 1. Net worth statement of the sample farmers (n=40).

<u>Current assets</u>	<u>Amount (Rs)</u>	<u>Current Liabilities</u>	<u>Amount (Rs)</u>
Cash on hand	252.50	Crop loans to be repaid to Institutional agencies	18,350.16
Savings in Bank	1270.00	Loans from non-institutional sources	1, 06,450.28
Gold/Silver Ornaments	38,245.67		
Sub total	39768.17	Sub total	1, 24,800.44
<u>Fixed assets</u>		<u>Long term Liabilities</u>	
Dairy cattle	6750.00	Bore well loan	1,500.00
Machinery and Equipment	2300.00	Tractor loan	3,600.00
Land	2, 18,674	Education loan	41,834.91
Residential Accommodation	76,625.00		
Sub total	2, 95,999.40	Sub total	46,934.91
		Total of Liabilities	1,71,735.35
		Net-worth or Equity	1,73,082.22
Total assets	344,817.57	Total of Liabilities + Net-worth	3,44,817.57

Table 2. Farm financial ratios of sample farmers.

S. No	Particulars	Value of the ratio
1	Current ratio	0.31
2	Net capital ratio	2.00
3	Debt equity ratio	0.99

Table 3. Details of relief packages given by Government (n=40).

S. No	Particulars	Amount per household (Rs)	Frequency of assured	Frequency of benefited
1	Govt. ex-gratia	1,50,000	40 (100.00)	32(80.00)
2	Cattle loan	10,000	2 (5.00)	-
3	Housing fund	45,000	2 (5.00)	1(2.50)
4	Children education	1,00,000	5 (12.50)	1(2.50)

suicide cases was 2.00 indicating that, on an average the farmers had high valued fixed assets, but which seemed not enough to get required capital for the farm business.

Debt equity ratio

The debt equity ratio was the ratio of total liabilities to owner's equity, which is also called as leverage ratio. It indicates the capacity of farmer to meet long-term commitments. It throws light on the indebtedness of farm business. In the present study, debt-equity ratio was very high among the suicide cases at 0.99. A very high ratio indicates greater degree of dependence of farmer on borrowings. This is exactly reflected in the present study where farmer who committed suicide suffered from the problem of heavy indebtedness.

1.2 Impact of Relief Packages of Government

The relief packages given by the government were studied, as it gives the information about extent of benefit experienced by the deceased families and also to suggest the amendments in implementation of the relief packages and the details pertaining to this are presented in the table 3.

From the table 3, it was evident that, the relief was sanctioned to 80 per cent of the sample deceased families. In the cases of eight deceased families were still under process and relief amount yet to reach them. And 80 per cent of the victim families got approximately the promised ex-gratia by the government for their creditors including bankers were paid cheques for amounts, as their total debt exceeds '50, 000. In fact, some family members had cleared certain portion of debt by selling their assets. The findings were in conformity with the study of Sridhar (2006) and Sainath (2006).

From the above table 3, it can be inferred that all the victim families were assured with ex-gratia, but only 80 per cent were sanctioned and the remaining families were still under pending due to the reason that they cannot influence the issue politically. And five per cent of the respondents were assured with cattle loan by revenue officers based on their inability to go to other works but none were benefitted. Regarding the housing fund two of the respondents were assured as they don't have even own kuccha house but only one family was benefitted. Children education allowance was assured for five families as their children are studying but only one family was benefitted.

1.3. Situation of the families after the death of the farmer

The situation of the deceased families after the death of the farmers who were treated as head of the families was studied, to know the level of sustenance of the families.

From the table 4, we can observe that, 62.50 per cent of the deceased families were working as agricultural labourers, 20 per cent of the deceased families were continued cultivation of crops, as they did not have skills to do other business like cottage industries. And 7.50 per cent of them gave up cultivation by giving their land to others for rent, 7.50 per cent were settled in other than business and remaining 2.50 per cent were taken up small business in their local area.

POLICY IMPLICATIONS

To curb the farmer's suicides the following policy suggestions were framed based on findings of the study.

1. The government should provide promised amount of ex-gratia to all the victim

Table 4. Details of the occupation of families after the death of the farmer.

S. No	Particulars	Frequency	Percentage
1	Agricultural labour	25	62.50
2	Cultivation	8	20.00
3	Leased out land	3	7.50
4	Others	3	7.50
5	Business	1	2.50

families without any delay, for their sustenance for repaying the debts and further production activities.

2. The state should provide non-farm opportunities for the peasants as an alternative occupation.

3. The state govt. should encourage co-operative farming and contract farming, which will be helpful for the sustainability of tenant, small and marginal farmers by getting easy flow of credit from the banks with less rate of interest.

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