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**Rabi Narayan Panda**  
Student of Sambalpur  
University, Odisha, India

## **Social impact due to distress sale of paddy in Attabira block, Bargarh: A case study**

**Rabi Narayan Panda**

### **Abstract**

This paper examines the distress sale of paddy and peasant movement in the Attabira block of Bargarh district. Due to distress sale of paddy how peasants are affected, which is leading to farmers suicide and what are the steps taken by the district administrations. Data was collected from the interview scheduled. Main objective of this paper is to the social impact of distress sale of paddy and peasant movement.

**Keywords:** Peasant movement, distress sale, Bargarh district, Attabira block, social impact

### **Introduction**

In the current scenario the peasants of Orissa have been facing many difficulties over the issues of the low prices for their paddy. The peasants, in a difficult financial situation were anxious to sell, and the minimum at which they expected was to sell at the minimum support price fixed by the central government. The people of Bargarh district in general and the people of Attabira block in particular which is irrigated by the Hirakud Dam under (Hirakud command area), had been fighting for the proper sale of their paddy. In fact, they clearly remember the protest they had registered last year. On 2nd November 2000, at Godbhaga and on 10 November 2000, at Debahal, there was a *Rasta* the peasants, in a difficult financial situation were anxious to sell, and the minimum at which they expected was to sell at the minimum support price fixed by the central government. A *Roko* (Road Blockade) on National Highway No. 6, to have the paddy sold in Regulatory Market Committees (RMC) premises for the stipulated minimum support price. This led to some relief for some days as the paddy was purchased at the minimum support price in the RMC premises. But again after some time this practice fell into disuse. In Barpali on 3rd February 2001, as the paddy was not purchased from them in the RMC premises, the peasants stuffed the Block and *Tahsil* offices with their paddy in protest. This became a method of protest and was tried again on 8th May 2001, at Attabira Block. On 10th May 2001, after a *Rasta Roko* of the National Highway No. 6, which was preceded by a massive rally of peasants numbering around 10,000, from various parts of the district assembled at Bargarh, the district administration was brought to its knees and this process of agitation is adopted by the farmers of this area in regular practice to get their demands fulfilled.

This research focuses on the distress sale of paddy and peasant movement in the Attabira block of Bargarh district. Due to distress sale of paddy how peasants are affected, which is leading to farmers suicide and what are the steps taken by the district administrations.

### **Significance of the study**

The purpose of the study is to investigate into how the peasants are affected by the distress sale of paddy and whether the peasants are selling the paddy in proper price in Attabira block of Bargarh district and whether due to the distress sale of paddy farmers are committing suicide.

### **Objectives of the study**

- To study the social impact of distress sale of paddy and peasant movement.
- To identify the causes of distress sale of paddy.
- To identify the various steps for the proper selling of paddy with proper price.

**Correspondence**  
**Rabi Narayan Panda**  
Student of Sambalpur  
University, Odisha, India

- To study the distress sale of paddy leads to farmers suicides.

### Hypotheses

H1: There is a significant relationship between distress sale and peasant movement.

H2: There is a significant relationship between distress sale and farmers suicides.

### Literature review

Subbarao (1979) <sup>[1]</sup> found that the procurement price of paddy was considerably lower than the market price for the entire time period studied by the farmer. The procurement price did not cover the cost of production and this is the reason for the collapse of producer's levy introduced in Andhra Pradesh.

Harrison. (1972) <sup>[2]</sup> studied the cost and returns structure of small and large farmer groups in Thanjavur district, Tamilnadu and found that small farmers used about 22 per cent more labour per hectare than the large farmers due to intensive use of family labour.

Malik *et al.* (1992) <sup>[3]</sup>. A study conducted in two village of Kurukshetra district in Haryana found that there is a positive relationship between farm size and marketable and marketed surpluses of paddy.

All-Party Meet on Farmers Accusing the State Government of going slow on paddy procurement triggering distress sale of the major kharif crop, the BJP on Tuesday demanded an all-party meeting to address the problems of the farmers. The Government has betrayed the farmers by making them wait for days at the market yards for procuring their paddy. Farmers coming from far-off places to sell their produce are not provided night shelter and the mandis do not have sufficient space to stock paddy.

D.manjit <sup>[4]</sup> in "Recent Peasant Movements in Orissa" said that the peasants of Orissa have been agitating over the issue of the low prices for paddy or rice from last year, but vigorously so since the month of October 2001. This and the following months being the harvest season of the paddy in Orissa, the peasants, in a difficult financial situation were anxious to sell, and the minimum at which they expected was to sell at the minimum support price fixed by the central government.

Bhattacharyya. S (2016) <sup>[5]</sup> study entitled "Saumyendranath Tagore and the Peasant movements of Birbh" A movement against the Zamindar of Loba-Bhamra area of Dubrajpur PS was organized by the Communist League in the first half of the 1940s. Communist League again organized a movement for the interest of rural people in the beginning of 1944 to hold the production of paddy in the villages. Tagore's party organized peasant movements in these areas which were directed against local landlords and moneylenders. The aim of the CLI was not only to protect the peasants from tyranny and oppression, but also to awaken revolutionary consciousness among the peasants for the socialist revolution.

Dev. S (2012) <sup>[6]</sup> study entitled "Small Farmers in India: Challenges and Opportunities"

This paper examines the roles and challenges of small holding agriculture in India. It covers trends in agricultural growth, cultivation patterns, participation of small holding agriculture, productivity performance of small holders, linking small holders with markets including value chains, role of small holders in enhancing food security and

employment generation, differential policies and institutional support for small holders and, challenges and future options for small holding agriculture including information needs. It also provides lessons from the experience of India on small holding agriculture for other countries.

The times of India focused "Farmer's body fear distress sale of paddy" about the association alleged that with mandis being closed, the farmers will be forced to sell their produce to private parties at a lower rate than Rs.1, 250 for a quintal of fair average quality paddy as fixed by the govt.

Review Article on the "Crisis in Indian Farming Mass Suicides by Indian Farmers, Shape of Things to Come Agrarian distress starts with colonization of India by a British company, the East India Company [EIC] around (1760), their system of extortionate land tax, combined with forcing farmers to grow cash crops [chiefly indigo and cotton] on the best lands and not paying appropriate price for the produce. They systematically destroyed a sustainable agriculture system that'd fed millions for over 6,000 years and then introduced money lenders and rack renters to trap people in debt. From Business Standard the article entitled "Centre seeks info on farmers' distress sale"

The Centre has asked for information from states on recent instances of large-scale distress sale by farmers and on steps taken to arrest such sales. This follows repeated instances of distress sale of cereals, mainly paddy, by farmers despite a steady rise in the minimum support price (MSP) for the last few years. The information has been sought by the agriculture ministry as part of the process to devise a just MSP for the 2013-14 kharif marketing season, sowing for which will begin from June.

People Democracy study entitled "Distress sale ends in Distress Suicide" focuses the only living being in the universe that can kill itself is mankind. It is not the manifestation of the instinct but a conscious destruction of the self. What kind of consciousness operates here? Does it happen at a juncture when death becomes more alluring than life? The answer shall be an emphatic 'no'. Self-killing occurs only when man finds no other solution to the problems that make the life woeful.

### Analysis of data

#### Socio-economic background of the respondent

##### Introduction

The socio-economic background of the respondents has direct concern on the analysis of the multi-dimensional characteristics of the respondent. This socio-economic background not only makes the respondents familiar with the other researcher as well as co-researcher and makes on easy distribution of the universe. In this present study characteristic relating to age, income category, educational qualification, and marital status shows the socio-economic background of the respondents. These data are collected through interview schedule and this beneficiary belongs to Attabira block, Bargarh District.

Table 1

Sl. no	Variables	Respondents (50)	Percentage
1	Age		
	(A) Below 35years	10	20
	(B)35-45	25	50
	(C) Above 45 Years	15	30
2	Gender		
	Male	35	70
	Female	15	30
3	Marital Status		
	(A)Married	35	70
	(B)Unmarried	15	30
4	Income		
	(A)Below 10,000	20	40
	(B)10,000-25,000	25	50
	(C)Above 25,000	5	10

The above table reveals that majority (50%) of the respondents comes under the age group below 35-45 years. majority (70%) of the respondents are male. (70%) of the respondents are married. majority (50%) of the respondent comes under 10,000-25,000 income groups.

### Major findings

1. Planning and implementation of the Irrigation scheme as major and minor in Attabira block are in the question mark, because redevelopment of the particular scheme has not been done in the proper way.
2. Ineffective waste management systems in the Attabira block, due to that both degradable and non-degradable wastage generally block the water line for paddy cultivation.
3. Lack of support from governmental organizations as Department of Agriculture, govt. seed Production farm, Regional Agricultural Research and Department centre and Agrarian Service Center in the Attabira block.
4. Lack of professional staffs in the Regional Agricultural Research and Department centre and Agrarian Service Center in the Attabira block.
5. There is no control pricing system, government organizations as govt. seed production farm and Agrarian Service Center in Attabira block have not focused this marketing problems of the paddy sector.
6. Lack of marketing opportunities for paddy cultivation, business people from other districts as generally purchase the paddy product with large scale and ready cash, but unfortunately, individual farmers accept the business dealing with the minimum price. Because, they have the responsibility to settle the loans immediately after their harvesting event. Also they do not have the storage facilities.
7. Life time of the paddy product is in the lowest level especially now a day, because harvesting activities are done by machines, in the machinery work, humidity is the damaging factor to the paddy product. Due to that, drying facilities should be an important one to preserve the paddy product systematically.
8. There was an agreement between the protesting peasants and the district administration. The important points in the agreement were as follows:
  1. The sale and purchase of paddy was be effected in the RMC arena. [Nobody seems to know how these Committees are formed, or who can become a member. But there are quite a few market places which are

known as RMCs. These places become centres of activity during the harvesting seasons of paddy. After that these places remain deserted.] There were, in the district of Bargarh, 36 permanent RMC marketplaces. Around 31 more temporary market sites were added to the permanent ones of the RMC, as at Gaisilet. The Civil Supplies Officials at that RMC should issue the requisite Enforcement Certificate (E.C.) to the owners of the rice mills. This was to put a check on the mill owners. Earlier the practice by the mill owners was to buy paddy from outside the RMC, at a price much below the stipulated minimum support price and sell it to the Food Corporation of India at a much greater profit. The EC became a method to put a stop to this practice and force the mill owners to buy under the stipulated law/price from the peasants. At another place, a revenue official was heard saying – ‘the peasants are talking of EC now. You cannot take them for granted any longer.’

2. The second important point in the agreement was regarding payment. In case the sale was as little as 15 bags of paddy, then the buyer should make payments immediately. If it was higher than that then 30% of the price would be paid at the RMC and the rest within the next week. Besides, the Fair Average Quality standard or FAQ analysis had to be done at the RMC premises and not at the rice mills. The FAQ was set by the government of India in 1978, and is still in force. This standard sets a limit to the percentage of various impurities such as dust and sand particles, discoloured grain, chaff, barn and its humidity, in each bag of paddy (which contains about 75 kgs.)
3. But despite these ‘victories’ the peasants could not sell their rice at a fair price. The problems they faced and the way they are exploited are multiple. Pradeep Patra, the Secretary of the *Krushak Sangathan* (Peasant Organisation) of Batemura at Sambalpur, has catalogued the problems in an unpublished statement on the peasant protest. He says:
  1. Even if the district authorities have assured that the payment for sale of rice will be made within 10 days (This stipulation actually varies from district to district. It is 7 days in the district of Bargarh, as we have seen already), it has remained a (false) promise only. But if the peasant is ready to accept a price of about 10 to 15 rupees less than the prescribed price, then the entire payment is made immediately.
  2. As the weighing machines are not available at the RMC sites for large-scale purchases, the peasant is supposed to carry the grain/paddy to the rice mills, where it can be weighed. There, almost all peasants complain, they are cheated by the mill owners. Even as little as ten bags of rice, in spite of agreement to the effect, could not be weighed at the RMC sites.
  3. The FAQ analysis also could not be done at the RMC (either because of the non-availability of gadgets or the absence of trained staff). So an arbitrary/whimsical deduction of 1kg to 15 kgs of paddy from a bag of 75 kgs is made by the mill owners. Mostly, at the mill, the deductions are more than what was agreed upon at the RMC.
  4. The mill owners ought to arrange for the transportation of paddy from the RMC sites to their mills. But

invariably that does not happen. The peasants who carry it to the mill do not get paid for that. At times, due to deliberate delays in unloading the paddy by the mill owners, which is a strategy of bargain, the peasants have to pay more to the transporter. At places even the mill owners allege that the paddy has been changed while in transit from the RMC to the mill. This is done to slash either the quantity or the quality or both of the paddy purchased.

5. The gunny/jute bags are another issue. The bags are meant to be returned to the peasants immediately. But that does not happen and the mill owners instead return old and torn bags. Thus the peasants suffer a loss, as the bags are worth 5 to 10 rupees a piece.
6. Some mill owners make the payment through account-payee cheques. Not all peasants have bank accounts, nor are there branches of banks at convenient places.
7. The small and marginal peasant finds it most difficult to market their paddy (which they do from out of their food for cash requirements). The transportation cost, at times, is so high that they hardly get any return. That is one reason why this section of the peasantry prefers to sell its paddy to local 'bepari' or traders at a much lower price than that set by the government.
8. So the photo-identity cards not only placed the peasant at the mercy of local officialdom but also put a limit on the amount of paddy that they can sell. Instead of putting a control on the illegal and 'under-rated' purchases by traders without a license, the district administration further harassed them. In this situation most marginal peasants preferred to sell their paddy to their village 'beparis' or agents of the mill owners.

### Recommendations

1. Government sectors and non-government organizations should focus on the marketing facilities of the paddy related products, because Paddy marketing has been one of the major constraints for paddy producers resulting in the realization that paddy cultivation is not a profitable venture. Paddy farmers are unable to market with optimum price and compelled for distress sale.
2. Planning and implementation of the Irrigation scheme should be done in the proper way to get the maximum yield from paddy cultivation.
3. The farmers alleged that the new procurement policy is not in their favour, specially share croppers. As per the policy, a farmer has to register his name and keep at least three quintals of paddy for each member of his family before selling rest of the produce.
4. The major steps taken by the state government should be fair and fair price given to the peasants.
5. Encourage the farmers through proper training.

### Conclusion

This research focuses the better recommendations of future research and proper implementations of different Govt agencies for the selling of paddy in the proper price. It can reduce the distress sale of paddy and framers suicide.

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