

Timely credit is the key

Before 1970, in rural India, borrowing money was a shameful act. In 1971, I borrowed Rs. 5000 from a rich family from my neighbouring village as a goodwill loan without any interest. My father abused me even though I wanted to use that money to buy land. Surprisingly, by the year 1980, it became very common to borrow money even for household expenses. By 1990, everyone in the village started borrowing money from banks, Cooperative Societies and even private moneylenders for buying agriculture inputs or for personal and household purposes. By 2000 the government announced the waiving off the interest and by 2005 even loans were waived off. In spite of all these financial aids, farmers suicides are continuing unchecked. This indicates that no financial support can ensure one's sustainability in any profession. If a farmer has a vision and a goal of leading an honourable life, it is possible to save enough from his earning by sacrificing unwanted expenses.

The government has many schemes to provide financial supports in agriculture, the farmers can avail them and use for the purpose they are given. The authorities should understand the situation of the beneficiary before he is given any loan or subsidy. For example, if a landless labourer who has no fodder or even a place to house a dairy cow, is given a loan and subsidy for purchasing cow, then he has to leave the cow at some body's house and lose all his cow dung and cow urine which could have been 30% of income. Also as he has no access to fodder grown on his farm, he or his wife has to spend the whole day in collecting grass for the dairy cow sacrificing their wages. Instead of a dairy cow, he could have been given 3 or 4 sheep or goats, which could have been accommodated in a corner of their house, and have all the droppings as manure, and be left for grazing near the field where they go to earn their daily wages. Similarly, they could start small vermi compost production, which does not require the whole day's work.

I am totally against external financial support provided to the farmer unless he gets it at a right time when he needs it, without wasting his time to get it, at his own place. A very good development in India in the past 10 years is the growth of Self-Help Groups in the rural areas. The group members save a certain amount every week and the group decides to lend for the member of the group who needs the money for a good reason. They charge the borrower very nominal interest and the whole group takes the responsibility of repayment. Many a times, during a worst situation, they collectively subscribe to clear one's debt. All the profit goes back to the group and it grows bigger and bigger and also richer. The State governments also support them with little free contributions.



In my opinion, the Union and state governments have spent billions of rupees in the name of rural development during the last 63 years after independence. Unfortunately, the real benefit has not reached the needy and right communities. Institutions like NABARD have to be strengthened to support the self help groups through training, financial and marketing support. If these groups can be independent and kept away from political affiliation, they are bound to meet all the financial requirements at the right time, without wasting their workable time. My opinion based on my experience is that subsidies have to be stopped and a scientific and remunerative price has to be given to the agriculturists. During a worst situation, farmer should be entitled to get Rs. 20,000 per acre instantly from any ATM centers against a credit card, provided he has cleared his/her borrowings. Otherwise, the present system of getting loans through banks, particularly the co-operative land development banks is not easy for a common farmer to access without the support of politicians.

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