

**THE KERALA STATE FARMERS' DEBT RELIEF  
COMMISSION, THIRUVANANTHAPURAM**

**Suo Motu Proceedings No. 3 of 2007**

**Present**

**Justice K.A.Abdul Gafoor**

**Chairman**

**And**

**Prof. M.J.Jacob**

**Shri. M.K.Bhaskaran**

**Prof. N.Chandrasekharan Nair**

**Members**

**Recommendations made to Government of Kerala  
to Declare Arecanut  
Distress Affected Crop**

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The Kerala State Farmers' Debt Relief Commission considered a brief report prepared by one among its members representing farmers, Shri.Sathyan Mokeri, concerning the agrarian situation in Kasargod district. The report was prepared after conducting a hearing on 14.05.07 at Collectorate conference hall, Kasargod, where various officials like District Collector, Principal Agricultural Officer etc. were present. According to his report the farmers were facing adverse circumstances. The Commission considered the report and arrived at a prima-facie opinion that a detailed enquiry as to whether Kasargod district, any part thereof or any crops there need be declared distressed. So the Commission decided to conduct a detailed enquiry into the matter after informing all the concerned officials, banks and organizations of farmers. Accordingly notices were issued to them and the enquiry was conducted on 23<sup>rd</sup> and 24<sup>th</sup> August 2007 in the conference hall at Govt. Guest House, Kasargod. Notices were issued to the representatives of the people including the Member of Parliament from the district, Members of Legislative Assembly and Presidents and Members of Panchayats at the three levels. Notices were also issued to the officials like District Collector; Principal Agricultural Officer; Director of Agriculture; Director of Animal Husbandry Department; District Officer of Economics and Statistics Department; District Veterinary Officer; District Dairy

Development Officer; Scheduled Caste/Schedule Tribe Development Officer; Municipal Chairperson, Kasargod; Kerala Land Development Corporation; Chairman, Agricultural Prices Board, Thiruvananthapuram; Agricultural Expert, Planning Board, Thiruvananthapuram; General Manager, NABARD, Thiruvananthapuram; Secretary State Co-operative Bank, Thiruvananthapuram; Secretary, Kasargod District Co-operative Bank; Secretary State Agricultural and Rural Development Bank, Thiruvananthapuram; Co-operative Agricultural and Rural Development Bank, Kasargod; General Manager, Syndicate Bank (lead bank) Kasargod; Primary Co-operative banks; Director, Arecanut and Spices Development, Kozhikode; and to various organizations of farmers. Notices were also issued to the Revenue Officers of the districts and secretaries of grama panchayats, CPCRI, Kasargod; Director, and to the Centre of Agricultural University in the district.

Responding to the notices, apart from the MLAs, District Collector and other officers, representatives of various organizations and bodies and several individual farmers also attended the enquiry and several of them submitted written statements. The district committee of Kissan Sena Reg. No.202/2003, Kasargod; Karshikavila Samrakshana Samithy, Vazhathattu Panchayat and Farmers in East Elary; presented certain CD's depicting the agrarian distress including that of arecanut farmers.

According to them, the main agricultural crop of the district, arecanut was facing a serious situation of crop loss due to yellow disease and fruit rot (Mahali). This reduced the gross production considerably during the last 2-3 years. Apart from that there was also price reduction to a great extent and the areca farmers were totally distressed. According to them, though there were several rivers flowing through the district, because of the geographical situation and lack of irrigation amenities, the district was facing drought like conditions. Unlike any other part of the State, the climate in the district was very hot and the drought of the years 2003 and 2004 affected the farmers in the district considerably. The rock like soil condition in various part of the district also added to the cost of cultivation. Paddy farmers were facing acute labour shortage and also high input cost due to rise in wages and rise in prices of fertilizers and pesticides. According to them the other major crops namely coconut was also facing adverse circumstances like pests, diseases, low productivity and price fall. They submitted that pepper, tobacco, tapioca, rubber, banana, vegetables etc. were also facing adverse circumstances due to unprecedented climatic variations and due to pests and diseases. The farmers did not get remunerative return and were thus unable

to pay off the debts incurred by them. They were striving hard to make both ends meet. Therefore the entire district shall be, according to them, declared distress affected.

The revenue officers including the District Collector, the representative of the people including all the Members of Legislative Assembly also supported the views of the farmer organizations and described the sufferings of the farmers. According to the representative of the banks at different levels, remittance towards the outstanding was decreasing and therefore the quantum of outstanding was increasing day by day.

The officials of the Economics and Statistics Department, the Director of Arecanut and Spices Development, the CPCRI Institute, the center of the Agricultural University in Kasargod etc provided the necessary details and statistical data.

We have to consider the submissions made by the farmer organizations, farmers and others as detailed above, in the light of the agricultural statistics related to the district and the situation in the district in comparison with that in other district of the State, to consider whether the district or any part there of or any crop there is to be declared distress affected. So we will examine the submissions made before us in the light of the authoritative and authentic statistics collected during the last few years by various authorities to arrive at a just and reasonable conclusion in the matter.



On 1st November 1956, erstwhile Kasaragod taluk was made part of the re-organised Malabar district of Kerala State. Two months later, on 1st January 1957, the present region covered by Kasaragod district became a part of the newly formed Cannanore (later renamed as Kanoor) district. Simultaneously, the erstwhile Kasaragod taluk was bifurcated into Kasaragod and Hosdurg taluks. On 24th May, 1984 Kasaragod became a new district with Kasaragod town as its headquarters. The district consists of hill tracts villages in the eastern side and coastal villages in the western side and it is the 14th district in the State. It has an area of 1992 square kilo metres

The diversity of the physical features results in a corresponding diversity of climate. In the plains, the climate is generally hot. Though the mean maximum temperature is only around 90<sup>0</sup> F, the heat is oppressive in the moisture-laden atmosphere of the plains. Humidity is very high and rises to about 90% during the southwest monsoon. The annual variation of temperature is small; the diurnal range is only about 10<sup>0</sup> F.

There are 12 rivers in this district. The longest is Chandragiri (105 kms.) originating from Pattimala in Coorg. It embraces the sea at Thalangara. The river assumes its name Chandragiri from the name of the place of its source Chandragupta Vasti; where the great Maurya emperor Chandragupta, is believed to have spent his last days as a sage. The second longest river is Kariankod (64 kms.), across which a dam is being built at Kakkadavu. Shiriya (61 kms.), Uppala (50 kms.), Mogral (34 kms.), Chithari (25 kms.), Nileshwaram (47 kms.), Kavvayi (23 kms.), Manjeswaram (16 kms.), Kumbala (11 kms.), Bekal (11 kms.) and Kalanad (8 kms.) are the other rivers. These rivers provide ample irrigation facilities. The District is also blessed with beautiful backwaters like Kumbala, Kalanad, Bekal, Chithari and Kavvai.



Kasaragod district has 80 kms. long sea coast extending from Thrikaripur to Bengra-Manjeshwaram. There are many fish-landing centres in this district and some of them have fish-landing, cleaning and transporting facilities. There is a light house at Kasaragod.

The population statistics of the district as per 2001 census can be summarized as below.

### **Population\***

	<i>Person</i>	<i>Male</i>	<i>Female</i>
Kerala	T	31,838,619	15,468,664
	R	23,571,484	11,450,785
	U	8,267,135	4,017,879
Kasaragod District	T	1,203,342	587,763
	R	969,597	474,899
	U	233,745	112,864

	T	616,176	304,970	311,206
Kasaragod Taluk	R	519,939	257,806	262,133
	U	96,237	47,164	49,073
	T	587,166	282,793	304,373
Hosdurg Taluk	R	449,658	217,093	232,565
	U	137,508	65,700	71,808

*T-Total, R-Rural, U-Urban*

*\*Census 2001*

Density of population is estimated at 604 per sq. km, with sex ratio of 1042 females for 1000 males. The classification of agrarian population is as mentioned below.

Sl No	Name of Block/ Municipalities	Cultivators			Agricultural labourers			
		M	F	Total	M	F	Total	M
1	2	3	4	5	6	7	8	9
1	Kanhangad	9919	1597	11516	14863	7706	22256 9	7527
2	Neeleswaram	6918	1567	8485	10483	8081	18564	7172
3	Kasaragod	8690	1294	9984	14760	4249	19009	5519
4	Manjeswaram	8631	1383	10014	13242	2774	16016	9110
5	Block Total	3415 8	5841	39999	53348	22810	76158	29328
6	Kanhangad	966	243	1209	2110	1515	3625	1094
7	Kasaragod	330	24	354	755	74	829	1084
8	Municipalities Total	1296	267	1563	2865	1589	4454	2178
	District	3545 4	6108	41562	56213	24399	80612	31506

As per the data of 1995-96, the details regarding operational holdings are as under.

### Number and area of individual Operational Holdings 1995-96

Sl no	Block/ Municipality/ Corporation	Below 0.02		0.02-0.5		0.5-1.0		1.0-2.0		2.0-4.0	
		Holdings	Area	Holdings	Area	Holdings	Area	Holdings	Area	Holdings	Area
1	2	3	4	5	6	7	8	9	10	11	12
1	Kanhangad	1603	22	30786	5487	6914	5018	6308	8326	2161	5367
2	Kasaragod	1697	22	25466	4749	7264	5117	4671	6162	1892	4591
3	Manjeswaram	1229	17	28469	5175	8046	5623	4516	5883	1018	2563
4	Neeleswaram	2338	33	33364	5565	6898	4865	3900	5207	1630	4161
	<b>Block Total</b>	<b>6867</b>	<b>94</b>	<b>118085</b>	<b>20976</b>	<b>29122</b>	<b>20623</b>	<b>19395</b>	<b>25578</b>	<b>6701</b>	<b>16682</b>
5	Kanhangad	775	11	8699	1111	434	306	165	219	53	140
6	Kasaragod	1042	14	6043	493	169	109	48	73	16	52
	<b>Municipalities &amp; Corporation</b>	<b>1817</b>	<b>25</b>	<b>14742</b>	<b>1604</b>	<b>603</b>	<b>415</b>	<b>213</b>	<b>292</b>	<b>69</b>	<b>192</b>
	<b>District Total</b>	<b>8684</b>	<b>119</b>	<b>132827</b>	<b>22580</b>	<b>29725</b>	<b>21038</b>	<b>19608</b>	<b>25870</b>	<b>6770</b>	<b>16874</b>

Agriculture forms the mainstay of the population of the district. The soil in the three natural divisions generally fall under three types. In the highland region it is laterite. In the midland, the soil is red ferruginous loam of lateritic origin with an admixture of clay and sand. The coastal strip is sandy. Diversity of crops and heterogeneity in cultivation are the key notes of agrarian scenario of the district. The eastern tract comprises of forests and hilly areas. The forests comprise of a variety of timber with teak and other plantations. The hilly areas are mostly cleared and put to private cultivation; the important crops being rubber, cashew and ginger. In the skeletal plateau areas, cashew trees are grown, while in some patches, arecanut, pepper and cocoa are cultivated. In the coastal tract farmers are engaged in paddy, coconut, arecanut, cashew, tobacco, vegetable and tapioca cultivation.

As per survey reports, Kasaragod district covers a geographical area of 1,96,130 hectares. The composition of the geographical features is as detailed below:

<b>Particulars</b>	<b>Area in Hectares</b>
Forest Area	5,625
Land put to non-agricultural use	19,758
Barren & uncultivable	8,562

Permanent pastures and grazing land	--
Land under miscellaneous tree crops	4,568
Cultivable waste	13,308
Fallow other than current fallow	1,319
Current fallow	3,228
Net sown area	1,39,765
Area sown more than once	8,770
<b>Total cropped area (gross)</b>	<b>1,48,535</b>

The extend where different crops are cultivated in the district is as under.

<b>Crops</b>	<b>Area Ha.</b>
Paddy	
1. Virippu	4,749
2. Mundakan	3,420
3. Puncha	217
Coconut	56.183
Arecanut	12,738
Pepper	7,051
Cashew	19,962
Tapioca	1,280
Tobacco	44
Rubber	22,248
Sweet Potato	78
Vegetables	3,126
Pulses	389
Banana	792
Ginger	129
Oil Seeds	54

For the purpose of revenue administration, the district is divided into two taluks and 75 villages. There are four Block Panchayats and 39 Grama Panchayats.

Land utilization details and break up are as detailed below

CLASSIFICATION OF AREA ON THE BASIS OF LAND UTILISATION

		Area in Hectares															
Sl. No	District	Total Geographical area	Forest	Land put to non agricultural use	Barren & uncultivable land	Permanent pastures & other grazing land	Land under misc. tree crops	Cultivable waste	Fallow other than current fallow	Current fallow	Marshy Land	Still Water	Water Logged Area	Social Forestry	Net area sown	Area sown more than once	Total cropped Area
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
14	Kasaragod	199166	5625	24776	9651	18	2932	9317	2936	4503	0	4001	18	163	135226	19571	154797

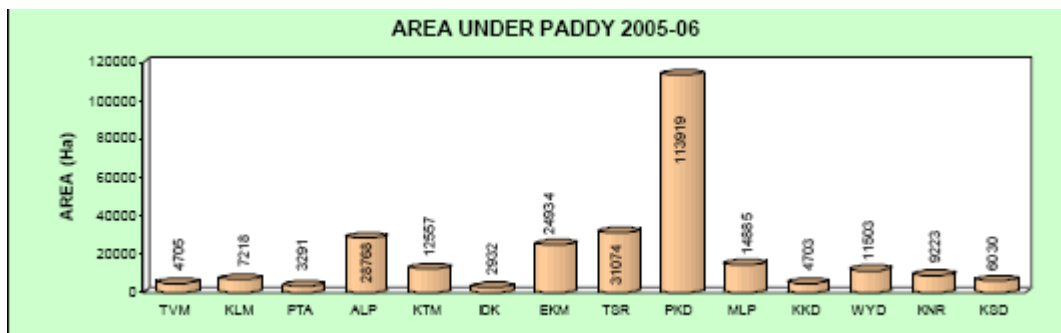


Paddy, Coconut, Arecanut, Cashew, Pepper. Rubber and Tapioca are the main crops grown here. Tobacco is also cultivated in Ajanoor and Pallikara Panchayaths of Hosdurg Taluk and in Chengala Panchayat of Kasaragod Taluk. Vegetables, banana and other plantains are also cultivated in the district.

This District may claim the monopoly of Arecanut cultivation in the State.

While considering whether the district as whole, any part thereof or any of the crops there are distressed, it is necessary to consider the authentic statistics as to the area cultivated, production and productivity along with the price variation if any of the major crops grown in the district.

So far as paddy is concerned, the general trend all over Kerala is present in this district also. The area of cultivation is on decrease as in everywhere. During 2000-01 paddy was cultivated in 9158 ha. in Kasargod district. In the next three years the respective figures were 7413 ha and 7196 ha. and 6263 ha. In 2005-06 it further declined to 6030 ha.

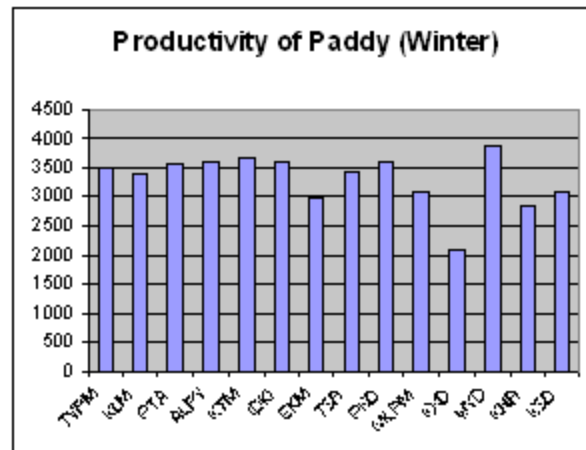
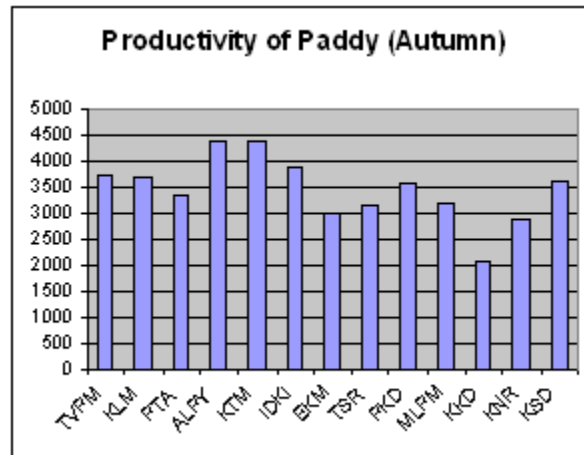


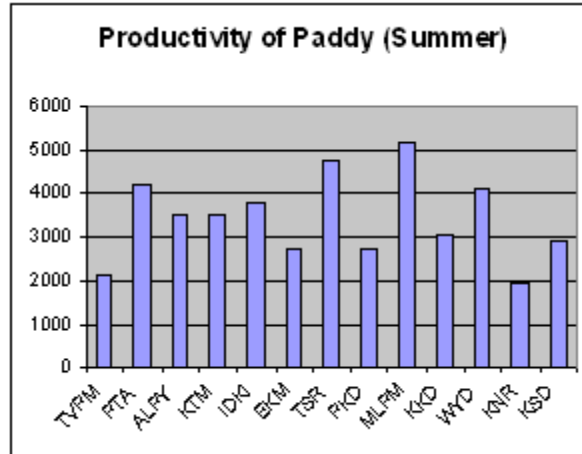
This is mainly because of the non-availability of farm labour and the increasing input cost and wage rate; and at the same time low rate of increase in price of paddy as compared to the increase in input cost. This is an emerging phenomenon in the State, where the area of paddy cultivation



decreased from 347455 in 2000-01 to 287340 in 2003-04. The rice production in the aforesaid four years was, 17484 tonnes, 15637 tonnes 15644 tonnes and 14387 tonnes respectively. Thus productivity was on increase, the respective rate being 1909, 2109, 2174 and 2297 kg/ha.

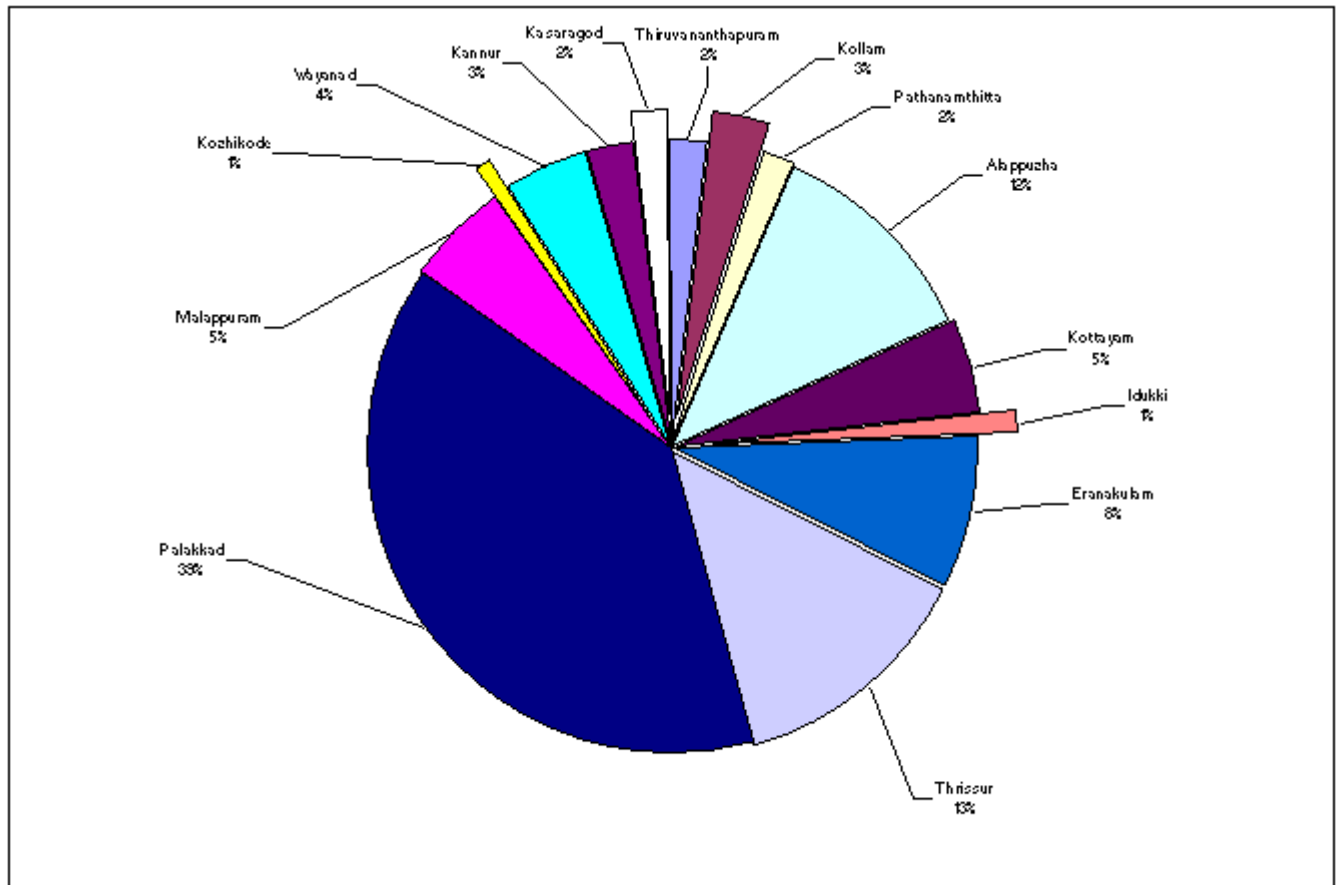
Productivity of paddy in Kasargod district in the year 2004-05, in comparison with that of other districts in the State can be depicted as follows.



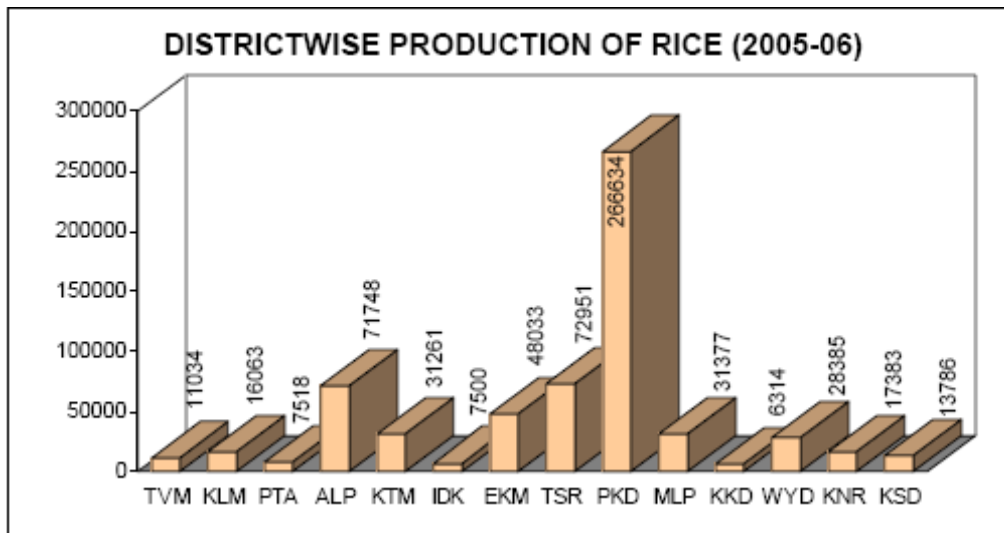


The next two years also witnessed fall in area as well as in gross production correspondingly. That means the farmers are inclined to cultivate better crops. There was no significant increase in price. In the year 2004-05 Kasargod accounted only 2% of the total production in the State.

### Production of Rice 2004-05



The picture of the year 2005-06 is also not different as shown below.

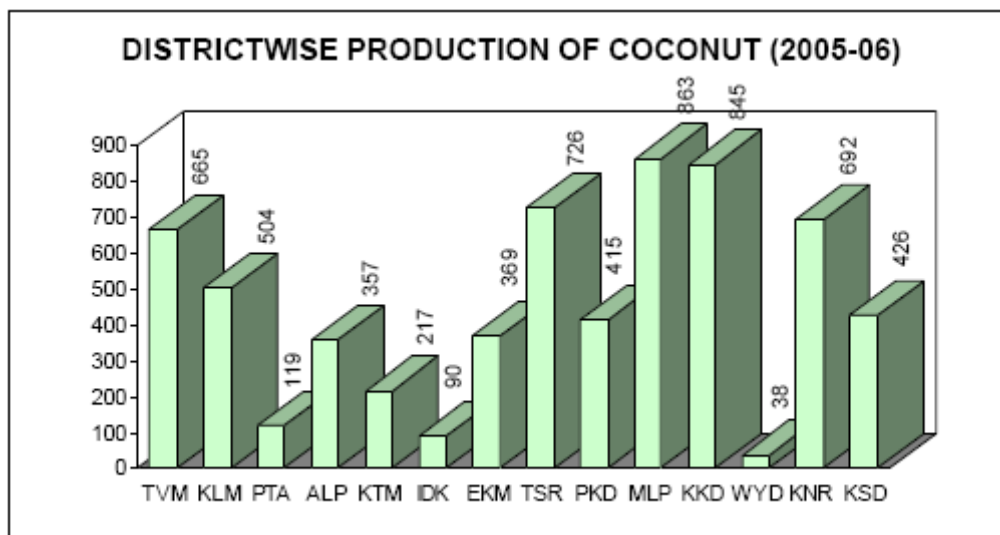
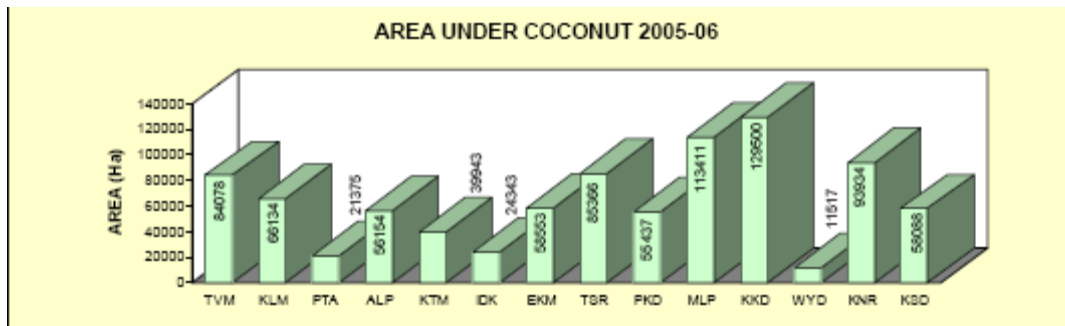


So Paddy cannot be considered a distressed crop.

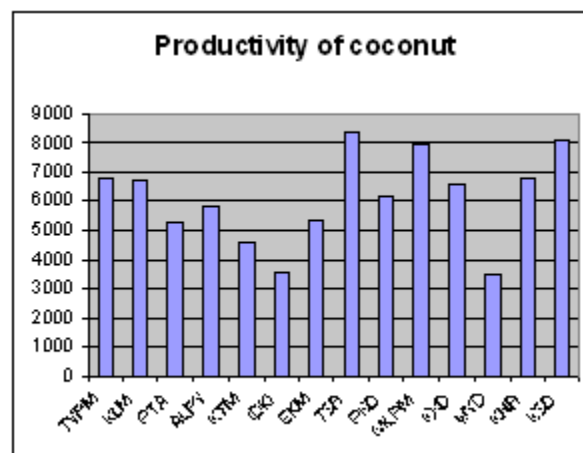
It does not mean that paddy cultivators have no problems at all. Their problem is one to be addressed on a larger plain than that of debt relief, it being the main food crop of the State and the problems being common to every district in the State.

The following table reveals the situation of coconut cultivation in Kasargd district during the first half of the current decade and the last two years of the previous.

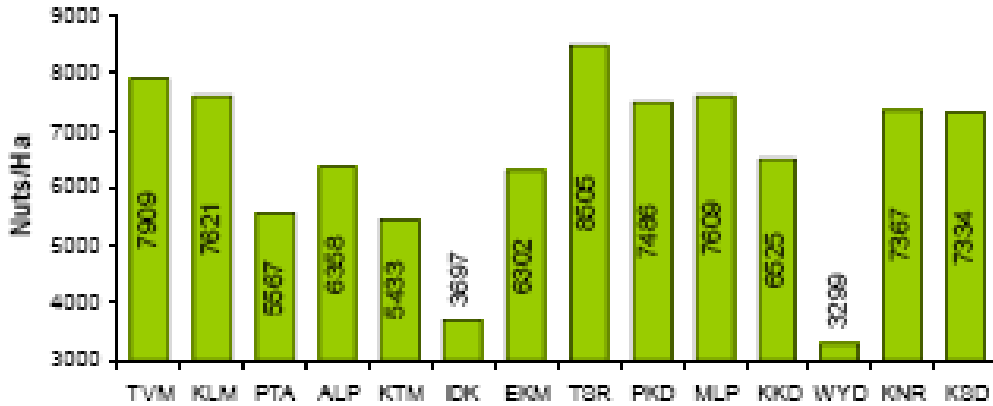
Year	Area(ha)	Production (mill.nuts)	Productivity (nuts/Ha)	Productivity State
1999-00	56193	364	6479	6140
2000-01	59073	469	7939	5980
2001-02	57285	438	7646	6049
2002-03	56236	409	7273	6349
2003-04	57811	419	7248	6540
2004-05	57906	471	8134	6673
2005-06	58088	426	7334	7046



Kasargod has also better productivity rate of coconut as compared to other districts in the State. The following are the graphical representations on state wise productivity of cococnut for the last two years viz; 2004-05 and 2005-06.



## PRODUCTIVITY OF COCONUT (2005-06)



These reveal a picture of better productivity as compared to that in the State level. It is also in a better position as compared to that of other districts in the State.

Though productivity of coconut in Kasargod district is far above than that of several other districts, the coconut farmers have greater problems of pests and diseases, fluctuating price level etc. These are not the problems exclusively of Kasargod district, but of the entire State, which shall have to be addressed and considered on a wider canvass and not with reference to agrarian distress of any district.

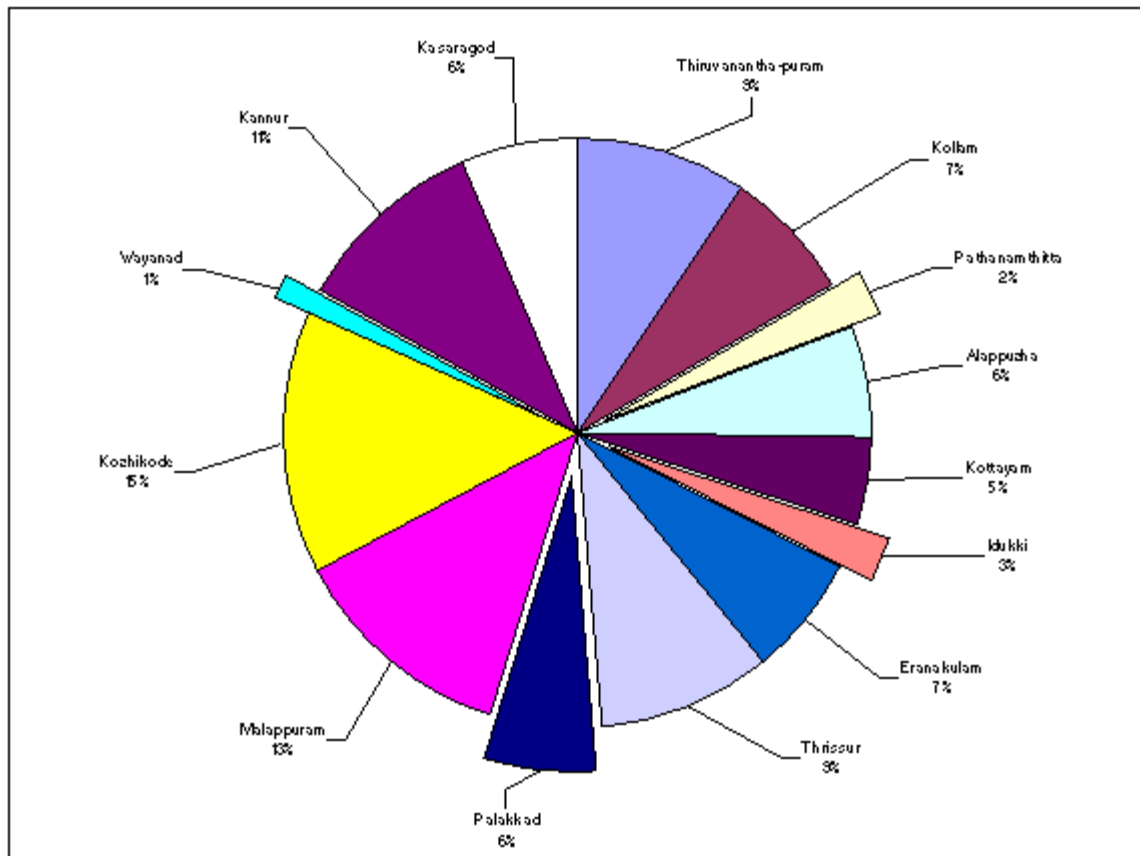
The price tag of coconut in the district for the last six years was as shown below.

Year/Centre	Rate		
<b>1999-2000</b>		<b>2002-2003</b>	
Kasargod	481.25	Kasargod	487.50
Hosdurg	509.17	Hosdurg	479.81
State Avg	475.78	State Avg	478.09
<b>2000-2001</b>		<b>2003-2004</b>	
Kasargod	278.17	Kasargod	555.19
Hosdurg	266.33	Hosdurg	547.92
State Avg	280.96	State Avg	582.70
<b>2001-2002</b>		<b>2004-2005</b>	
Kasargod	341.96	Kasargod	581.35
Hosdurg	328.54	Hosdurg	619.42
State Avg	342.81	State Avg	636.52

The above price chart discloses that, after a set back in 2000-01, the price of the nuts was on an increasing trend in Kasargod.

Further Kasargod has only 6% of the coconut cultivating area in the State as shown below, in the year 2004-05.

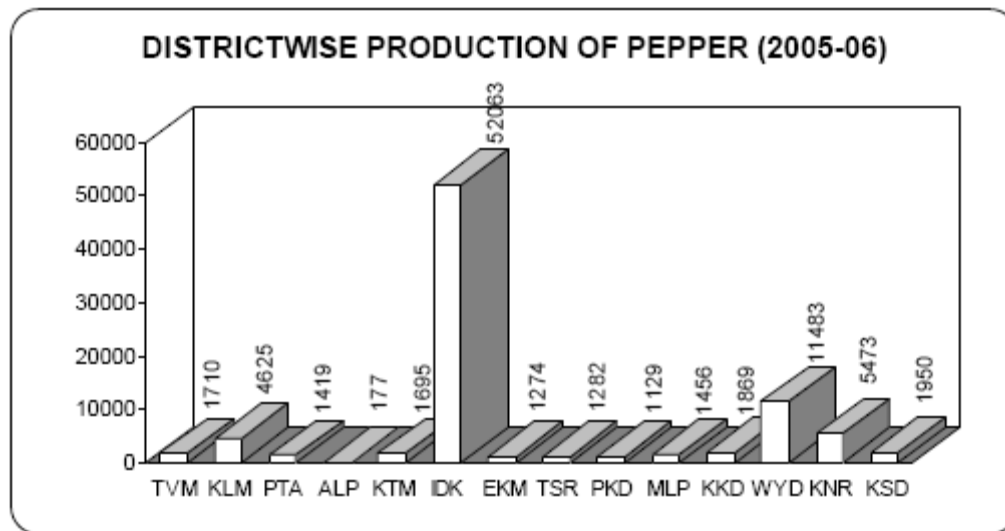
### Area under coconut



Any how, so far as Kasargode district is concerned, on the basis of the aforesaid data, it cannot, however, be said that, coconut farmers are distressed.

Next we will consider the case of pepper during the same period. The relevant statistics are as follows.

Year	Area(ha)	Prodn	Prdvty Kg/ha	Prdvity State
1999-00	7051	1568	222	240
2000-01	6229	1226	197	301
2001-02	6478	1316	212	286
2002-03	6948	2052	295	323
2003-04	7371	2136	290	319
2004-05	6876	2015	293	316
2005-06	6672	1950	292	368



There was considerable increase in production and productivity as compared to that in 2000-01, when the price level was as under.

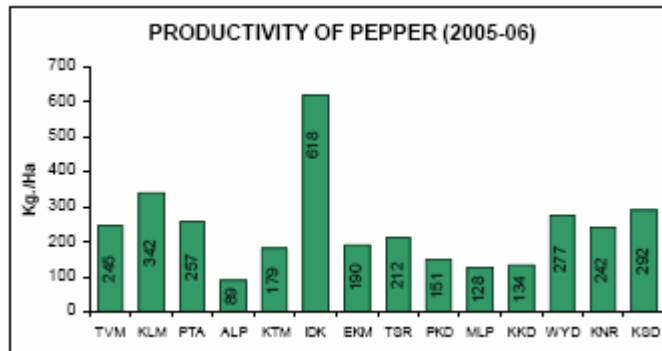
Kasaragod	<b>12158</b>
Hosdurg	<b>12558</b>
State Avg	<b>12484</b>

It is true that there was steep fall in price there after and the price had fallen to almost just half level as shown below.

Kasaragod	<b>5973.75</b>
Hosdurg	<b>5884.09</b>
State Avg	<b>6030.47</b>

But the productivity level has increased by about 50%, whereas the rise in productivity at the State level was only just above 20%.

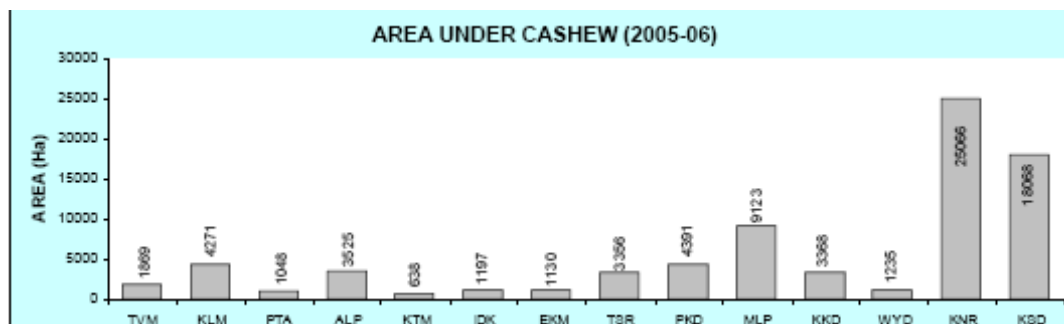
The following graph reveals the productivity of pepper in different districts in the State.



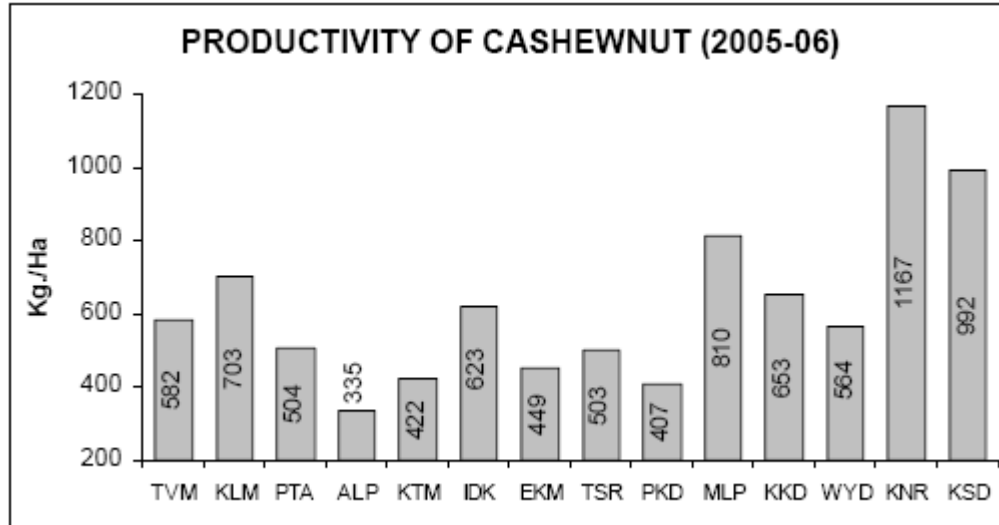
The net production of pepper in Kasargod in the year 2005-06 was more than that in Wayanad district where the area of cultivation of the crop was 41464 ha, whereas that in Kasargod district was only just above 16% of that viz; 6672 ha. These details are indicative that there was no considerable cash loss to pepper farmers, though the cultivation was not as much profitable as that of 2000-01 or immediately there after. Reduction in profit alone cannot be a basis to declare a crop distress stricken.

Presently the price level has received a favourable impetus. So Pepper cannot be considered as a crop facing distress in the district.

Cashew is yet another important crop in the district. We will examine the relevant details as far as this crop is concerned. At the out set it is advantageous to note that Kasargod occupies the second highest position in the matter of area of cultivation and productivity of cashew nut in the year 2005-06, next only to Kannur, as disclosed by the following graphical representations.

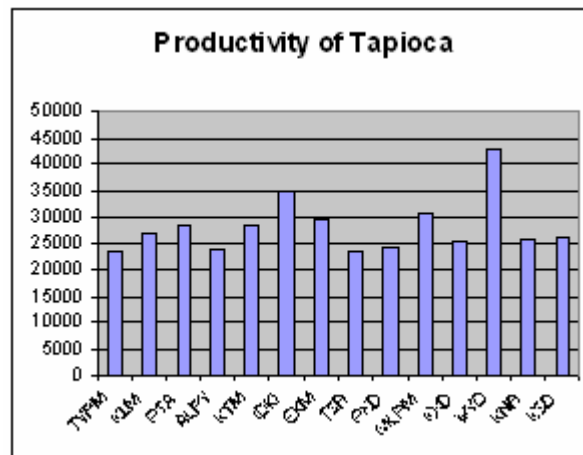






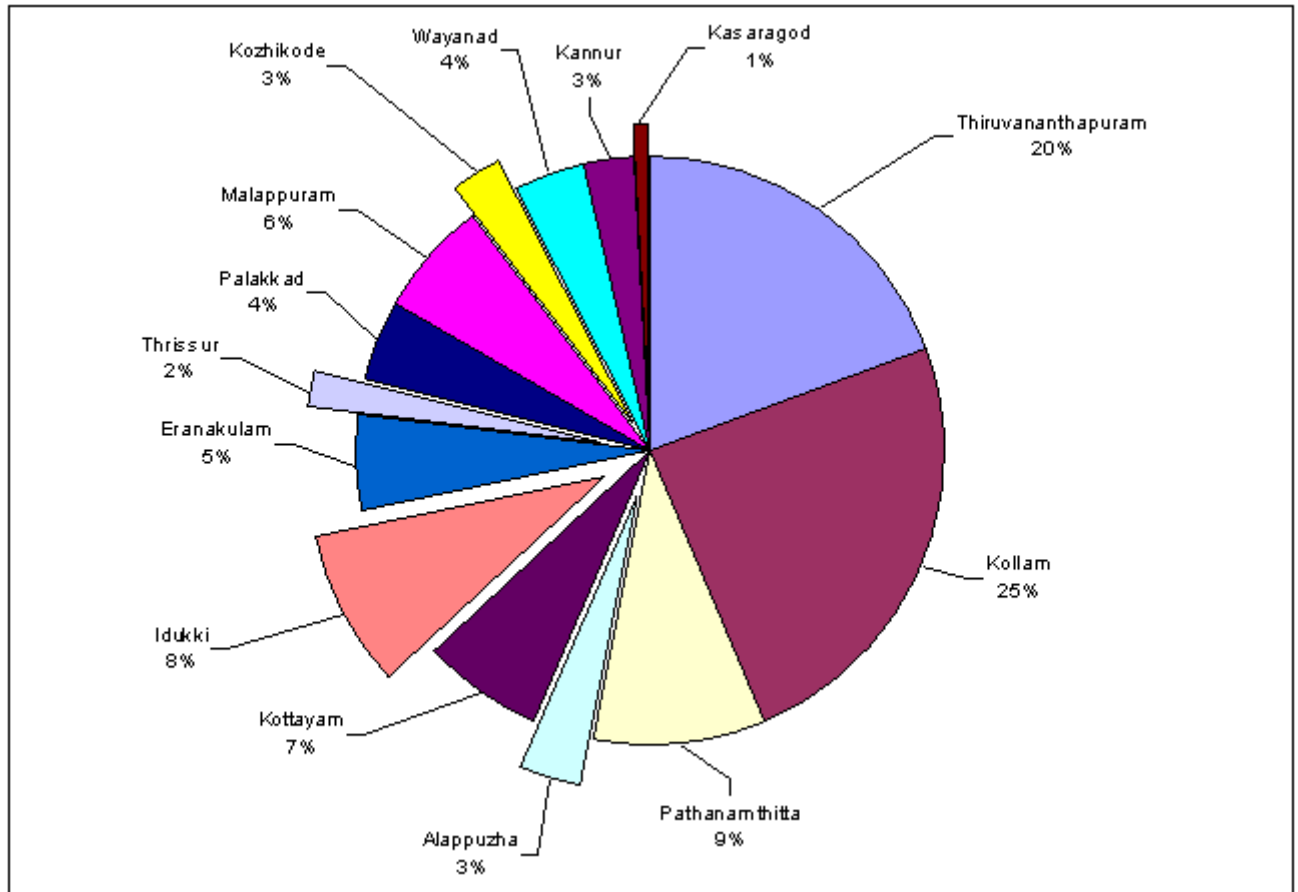
The area of cultivation during the last five years was almost around 20,000 ha, ranging between 18,000 and 20,000 ha. At the same time, the production was at the level of around 20,000 tonnes until 2003-04. There after, there was slight decrease in gross production of raw nuts. The only reason attributable is the extreme drought experienced in the years 2003 and in 2004. But only because of this it cannot be concluded that the cashew farmers are in distress.

Tapioca is another crop which needs consideration. The productivity of this crop is at an average level in the district, when we compare the same with that in other districts in the State. This is the plausible conclusion deducible from the graph relating to the year 2004-05.



The net production in that year was 18690 tonnes in 717 ha with a productivity rate of 26067 kg/ha. This was only 1% of the total production in the state.

### Production of Tapioca

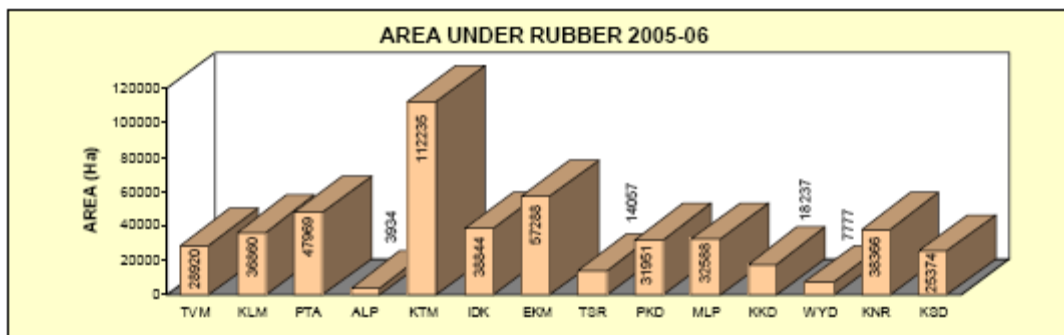


In the succeeding year the corresponding figures are 576 ha, 13752 tonnes and 23875 kg/ha. The low rate of decrease in productivity alone is not a sign of distress in the light of the productivity rate of 22621 in 1999-00, 22087 in 2001-01, 23164 in 2002-03. Moreover the income portion from this crop is only just slightly above one percent of the total income from all the major crops, in the year 2003-04.

Kasargod is the only tobacco producing district in Kerala. In 1999-00 this crop was cultivated in 213 ha. During the succeeding years, the area of cultivation was 71 ha, 90 ha, 76 ha, 40 ha, and 43 ha. Thus it is cultivated only in a negligible area out of 135226 ha of net area sown or of the total

cropped area of 154797 ha. So whatever be the state of this crop, it in no way influences an authority like this Commission considering whether the district is distress affected. Any how, a tobacco farmer, if he has a case that he is in distressed state to receive debt relief, can individually prove before the Commission, that he is distressed; and thus seek appropriate debt relief.

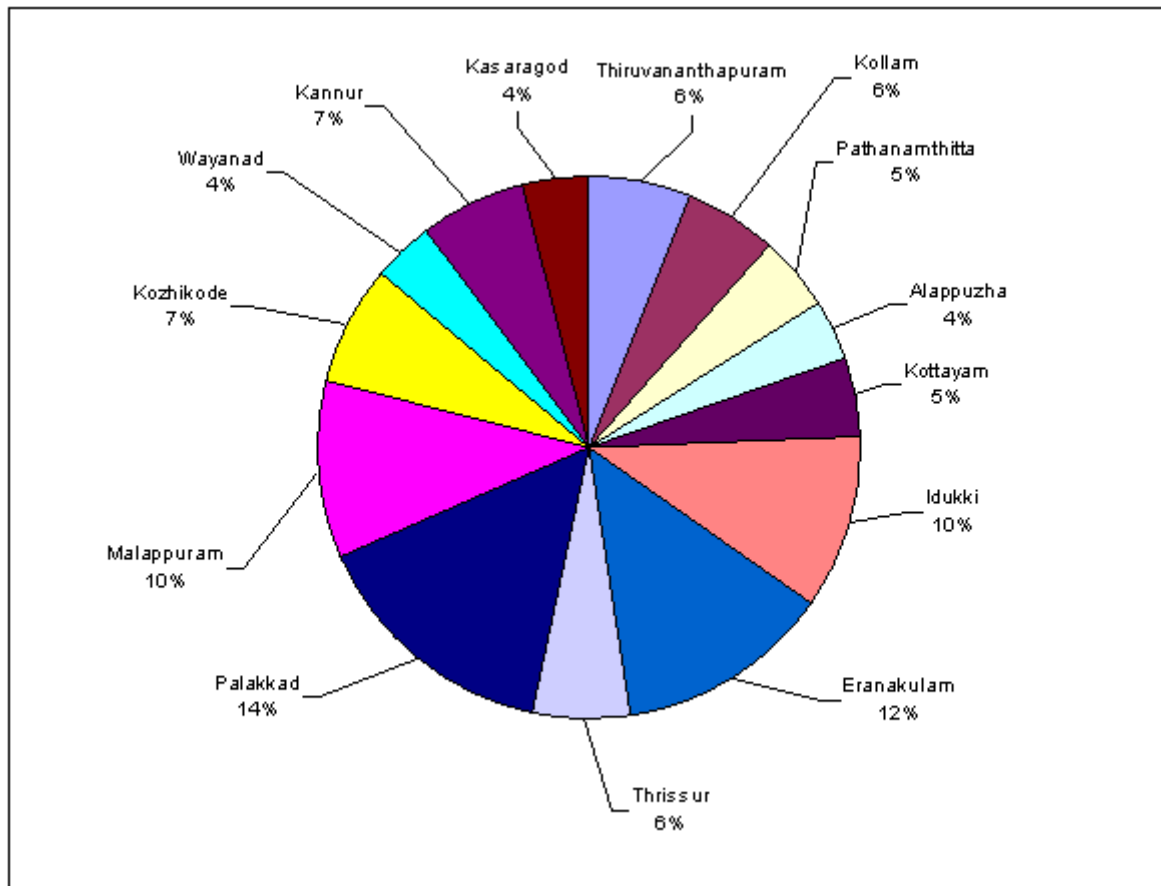
Rubber, another crop cultivated in the district also cannot be considered as a distressed crop. This was cultivated in about 22232 ha in 2000-01. The area gradually increased to 22348 ha, 22420 ha, 22772 ha, 23099 ha, and to 25374 ha in the succeeding years until 2005-06.



The net produce in 2000-01 was estimated at 24024 tonnes and it slowly moved up in the succeeding years to 24125 tones, 25795 tonnes, 29758 tonnes, 31194 tonnes and to 31357 tonnes until 2005-06. The price tag of the commodity during the relevant period showed a demonstrably upward trend from Rs. 2761.50 per tonne in 2000-01 to Rs. 9450.00 in May 2006. This speaks a very magnificent environment for rubber growers.

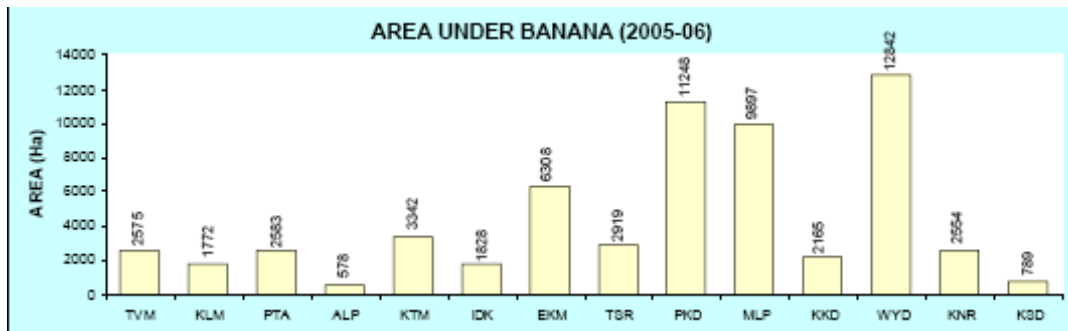
As in the case of tobacco, the total area where vegetables are cultivated comes only about 1835 ha. This is less about 4% of the total area of 63896 ha where food crops are grown in Kasargod.

## Percentage of area under vegetables 2004-05



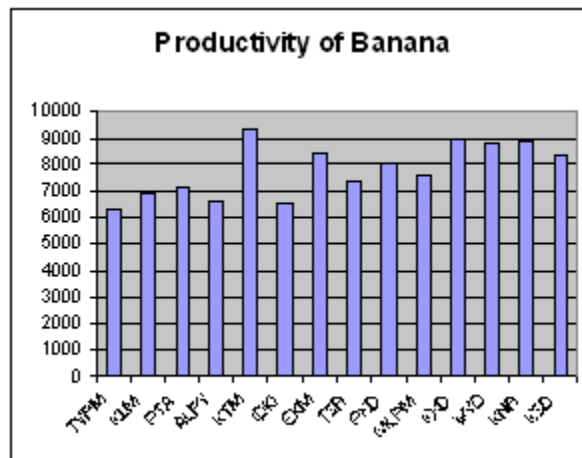
As compared to the net area sown of 132483 ha in Kasargod, the success or failure of this crop will not tell on the agrarian economy of the district to any considerable extend, to consider it a factor indicating agrarian distress of the district totally. It is true that it may have far reaching influence on the individual farmer who may depend totally on vegetable cultivation. It can certainly be considered, if in such case, an individual farmer reveals on proof, his distressed situation, when his application for debt relief is taken up.

Equally so is the case of banana or other plantain cultivators. The former is cultivated in about 780 ha and the latter is cultivated in around 2550 ha in the district.

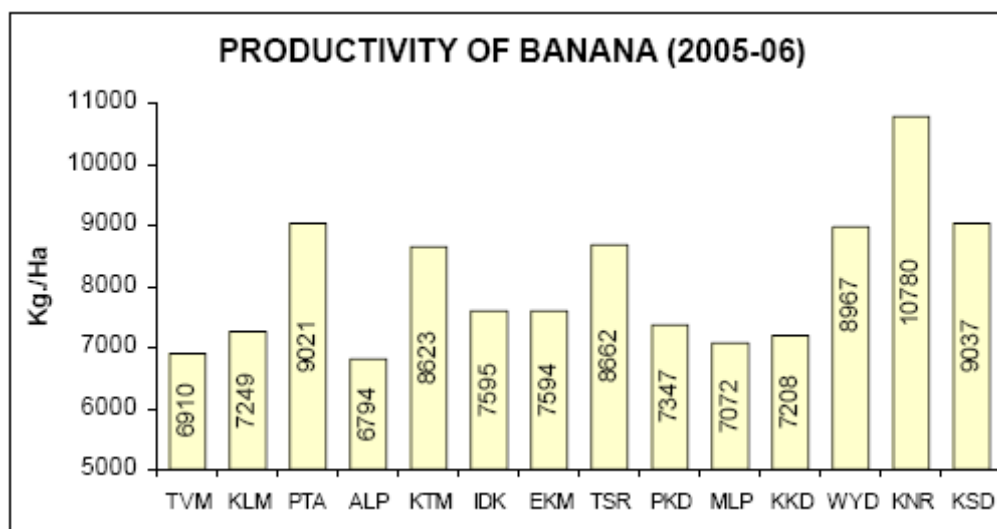


Moreover there was steady increase in price of banana in Kasargod farms from Rs.891 per tonn in 2000 to Rs.1375 in June 2006. This is not a situation of distress at all. In the case of other plantains the respective price tag was Rs.579 in 2000 and Rs.723 in 2005.

The productivity level of banana in the district also does not tell any story of distress. That for the year 2004-05 is as shown below.



The statistics of productivity of this crop in the year 2005-06 reveal that Kasargod stands the second highest in the State, next only to Kannur.



Of course as the loss and damages due to natural calamities are very unseemingly high in this cultivation, distress of individual farmers may also be very high when such loss occurs, in spite of better productivity for his fellow cultivators. Such incumbents can effectively prove their loss and damages and seek them to be declared distressed farmers filing individual applications to seek debt relief. Therefore banana or other plantain crop need not be taken into account for the purpose of considering whether the entire district is distress stricken.

Ginger is also cultivated in Kasargode. The relevant details are as follows.

**GINGER - area, production and productivity of ginger in Kasargod**

1999-2000		2000-2001		2001-02	
Area (ha)	Prodn (tonn)	Area (ha)	Prodn (tonn)	Area (ha)	Prodn (tonn)
129	495	139	444	158	1376
2002-03		2003-04		2004-05	
Area (ha)	Prodn (tonn)	Area (ha)	Prodn (tonn)	Area (ha)	Prodn (tonn)
147	545	116	423	104	340

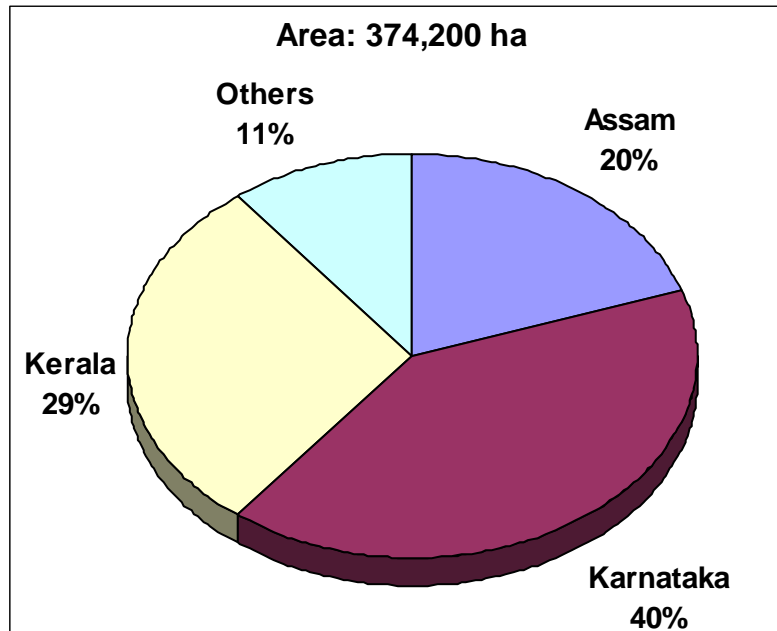
These facts are sufficient to conclude that success or failure of this crop will not have any telling effect in the matter for declaration of the district distress

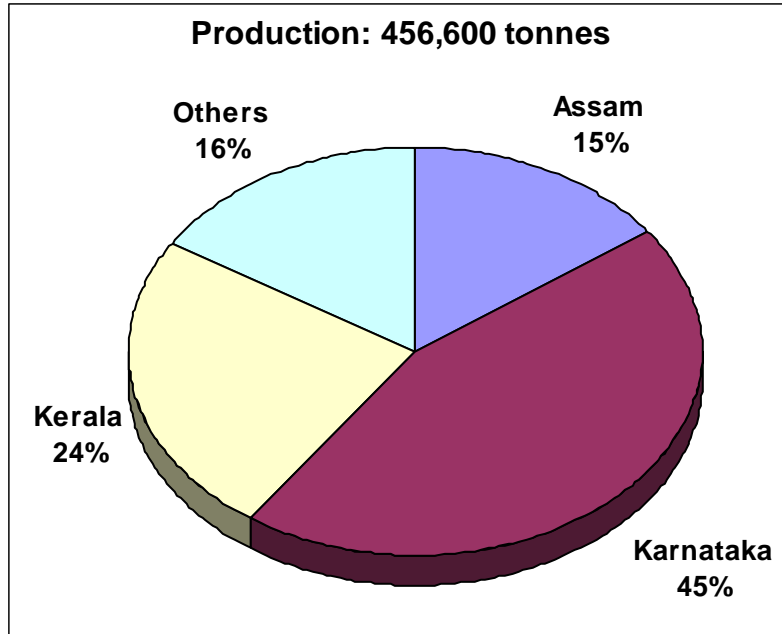
affected. If at all any individual farmer has suffered irreparable loss, necessarily he can prove that fact and claim to be declared a distress affected farmer and in such case, the Commission can grant him appropriate and adequate debt relief.

Arecanut is another important crop grown in Kasargod. Though considered last, it is not of least importance so far as the farmers in Kasrgode and the economy there are concerned.

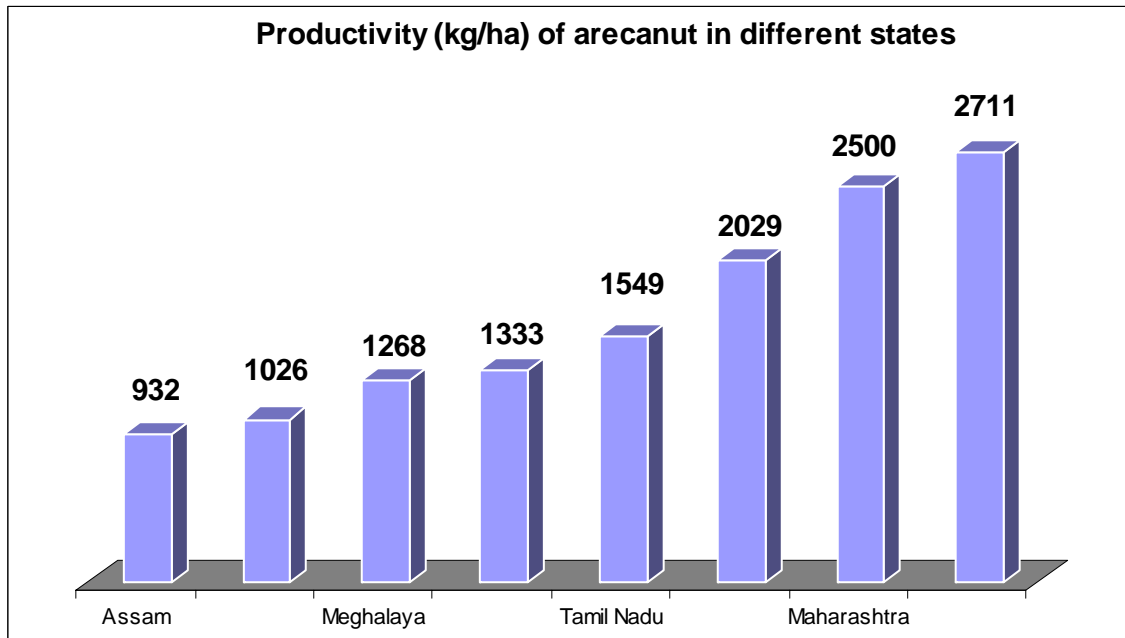
India is the leading producer of arecanut in the world with 53 percent share of global output. Indonesia, Bangladesh, China, Myanmar and Thailand are the other producers of arecanut. In India, arecanut is mainly grown in the states of Kerala, Karnataka and Assam. The first two States account for 70 percent of the Indian production.

#### State wise share of Area and Production of Arecanut in India -2004-05





This reveals that, though our State accounts for 29% of the area of arecanut cultivation, production comes only to 24%. Thus productivity is comparably low in our farms.



Kerala ranks 2nd from bottom with productivity rate of 1026 Kg/ha above only to Assam, the least among the major Arecanut producing States in India. But at the same time Arecanut production in Kasrgode district is on

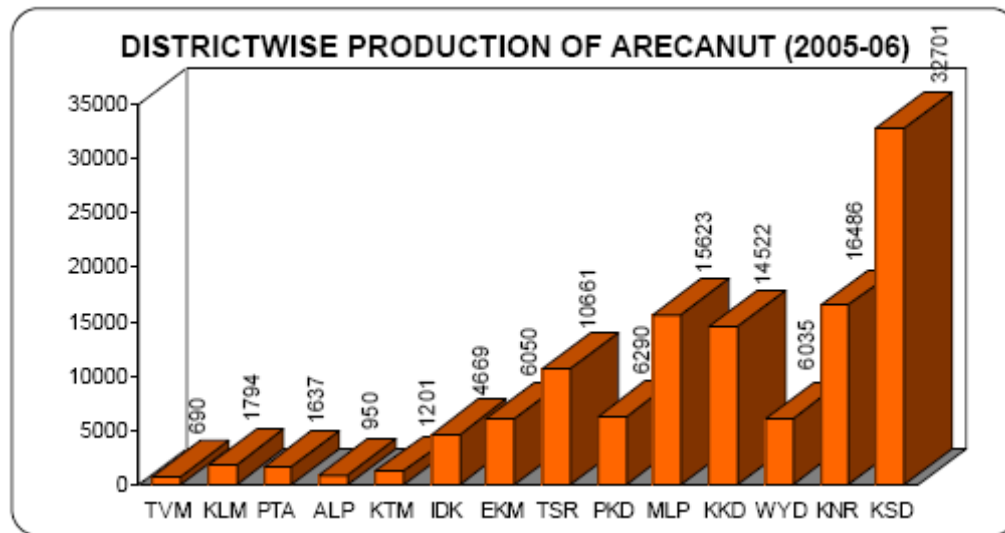


increase as revealed by the following statistics published in various booklets by different departments and governmental agencies relating to this crop in the district from 1999-00 to 2005-06.

Year	Area (ha)	Prodn (tonnes)	Prody Dist Kg/Ha	Prody State Kg/Ha	Prody Nation Kg/Ha	Price State Aver
1999-00	12738	25032	1017	1053	1157	73.55
2000-01	13515	26359	1007	1006	1184	44.06
2001-02	4579	21813	909	909	1182	49.32
2002-03	15183	30363	1110	1101	1174	40.51
2003-04	15832	29577	1029	1029	1203	50.21
2004-05	17432	31702	1026	1026	1220	52.26
2005-06	17622	32701	1099	n. a	n. a	35.22

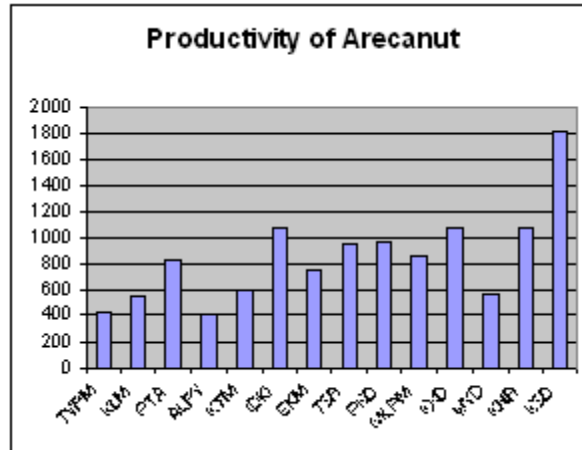
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\*As in December 2005

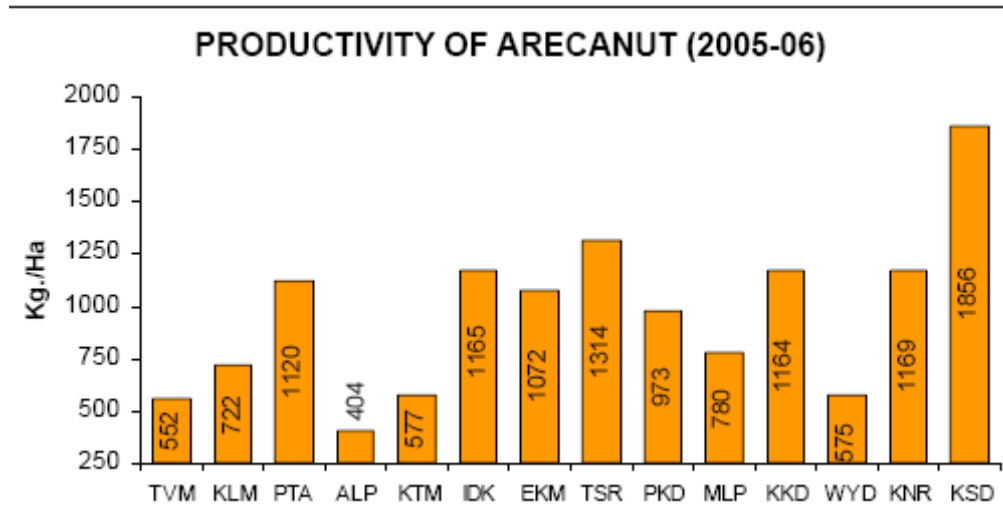


The following graph in relation to the year 2004-05 reveals that productivity in Kasargod district is far higher than that in any other district in the State, with out any comparison.

## Productivity 2004-05



The statistics for the year 2005-06 is also not different as shown below.



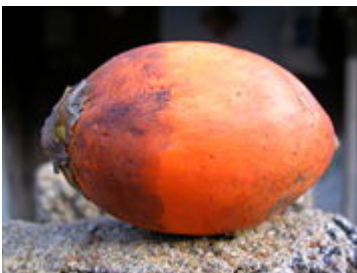
But this crop is mainly facing two adversities like pests and diseases on the one hand and large scale price fall on the other.

Fruit rot, otherwise commonly called *Mahali* and Yellow leaf disease affect very seriously the productivity of this crop not only in this district, but in other districts as well. We could gather this information when we conducted hearings in Wayanad, Idukky, Palakkad, Kannur and Kozhikode districts also. The situation in other districts like Malappuram or any where else cannot be different. This is the evidence we gathered from CPCRI, a prominent research institute in this field.

According to them **Mahali or Fruit rot disease** is recorded from all the areca growing areas receiving heavy South West monsoon rains. A fungus, *Phytophthora meadii* causes fruit rot. The disease causes crop loss varying from 10 to 90 per cent or total loss in individual palms. Rotting and heavy shedding of tender green nuts of different maturity are the main symptoms of the disease. Water soaked lesions develop near the perianth of the fruit. These lesions spread rapidly covering the entire nut surface before or after shedding. Severe incidence may result in the infection of fruit stalk, axis of inflorescence, the bud, the crown etc. Heavy monsoon rains alternating with sunshine, low temperature and high humidity are conditions congenial for the occurrence of fruit rot. Heavy wind and water splashes favour further spread of the disease.

They have further revealed that **Yellow Leaf Disease** was caused by Phytoplasma. The affected palms exhibit gradual decline in health and yield. The disease is wide spread in areca growing areas of Karnataka spreading to Kerala. The severely affected palms may not be killed but remain unproductive. Yellowing initiate from the tips of leaflets of outer whorl of leaves and extend downwards along the margin and parallel to the midrib interspersed with green stripes. Thus the yellowing due to YLD is distinct from yellowing due to other reasons. In the advanced stages, the affected leaves turn necrotic, finally resulting in a reduced crown. Yield is reduced and ultimately the palms may not produce any inflorescence. Root system also shows varying degrees of rotting and reduction in the number of feeder roots. Nuts of affected palms become small and the kernel soft, spongy and show blackish brown discolouration. In some palms, the nuts shed before maturity. The studies conducted in recent years proved that the plant hopper *Proutista moesta* act as a vector in the spread of the disease.

Evidence given by Kisan Sena in the CD furnished reveals the real havoc of crop loss due to *fruit rot* disease.



It has come to our notice that as paddy cultivation was not profitable for farmers due to non availability of farm labour, paddy fields have been converted into areca farms during 1990s, when there was better price tag for the commodity. This is also one among the reasons for low rate of productivity as compared to other States. The CPCRI in their statement has disclosed problems

of paddy field converted arecanut gardens as follows:-

"Arecanut needs a soil which has good aeration and does not have the problem of water stagnation. Paddy fields are basically prepared for reducing the percolation loss of water and to achieve standing water in field. Repeated cultivation of paddy soils results in the formation of a hard layer in sub surface zone. The water stagnation in these soils results in nutrient losses and fixation of nutrients. Moreover, some nutrients like zinc will be absorbed by paddy in large quantity and zinc deficiency in paddy soils is reported from many regions. Thus when arecanut is grown in paddy fields the crop may experience deficiency of nutrients and lack of aeration leading to nutritional disorders, hence poor performance of the crop."

Arecanut fetched a reasonably good level of price in the year 1996 and it got very farmer friendly impetus until 2000. Though there was slight fall in price in 2001, it did not heavily affect the farmers. But, later, in spite of heavy hike in input cost, the price tag found its lower end in 2001 to 2003 period. Though, there was slow rate of increase in price thereafter, the hike was not sufficient to give the farmers any relief at all, because of the newly incurred and unforeseen costs to fight the pests and diseases as mentioned above.

Annual Price History of Arecanut in  
Major Market Centres in and near Kerala  
(Rs/quintal)

Year	Kozhikode (Dry)	Thrissur (iyilan)	Mangalore (New Supari)
1996-97	5947	10323	6505
1997-98	6387	11278	7005
1998-99	8116	11820	9052
1999-00	11625	14181	13181
2000-01	6378	12798	8999
2001-02	3843	7113	4646
2002-03	3974	4091	4807
2003-04	4847	3885	6327
2004-05	4912	4422	5751
2005-06	5281	4774	5904

A study conducted by Directorate of Arecanut and Spices Development (DASD), Kozhikode discloses the following picture in relation to the cost of production of arecanut.

**Cost of production a general estimation**

(Study area: Malappuram, Kerala,  
Year: 2005)

<b>Cost component</b>	<b>Cost (Rs/ha)</b>
	283,577
Human Labour	6,822
Materials for shading	18,568
Planting Material	93,262
Manures and fertilizers	19,442
Plant protection measures	1,045
Land tax	
<b>Total</b>	<b>4,22,716</b>
Annual maintenance cost from 11 <sup>th</sup> year onwards	Rs 12,827
Yield (Dry arecanut)	1745 kg / ha
<b>Cost of production</b>	<b>Rs 46.77 /kg</b>

At this rate of cost of production, areca farmer will not be able to make both ends met in the near future. He will not therefore be able to make any repayments of the loans availed and he will be totally immersed in the mounting liability of high rate of interest and the principal which will ultimately swallow his farm itself.

These facts are adequate enough to come to an irrefutable conclusion that, the crop of arecanut is distress stricken.

In this regard it is profitable to note that based on the strenuous plea of areca farmers and their organisations to declare the crop distress affected, the Commission had issued a separate notice on 13-12-07 to Government of Kerala to unfold their views. Government of Kerala has given a reply in letter dated 25-01-08, conceding that 'Arecanut farmers are in real distress' and that Government is in favour of the suggestion to declare the crop of arecanut distress stricken. The said letter is appended as **Annexure A**.

Government is the authority to declare a crop distress affected as authorized in Section 6 of the Act, on the basis of the recommendation in that regard from the Commission. Now even without a recommendation from us, Government is convinced of the need and necessity for declaring that crop distress affected.



It cannot be taken that the Government of Kerala is unaware of the consequence of such declaration. As per Section 2(x) of the Act, *distress affected crop* means any crop or crops of the State declared by the Government as per section 6 of the Act. So such a declaration cannot be confined to Kasargod or any other district alone. When the Government of Kerala has in **Annexure A** expressed their views that '**Arecanut farmers are in real distress**', it shall be obviously presumed that they were posted with required data and facts and have considered the situation of

Areca farmers in the State as a whole. So we need not consider in detail the situation of Areca farmers in other district in depth.

Any how for the purpose of completeness of this recommendation, it is necessary to have a birds eye view about areca cultivation in other districts. Production of Areca from 1999-00 to 2005-06 in different districts is as follows:-

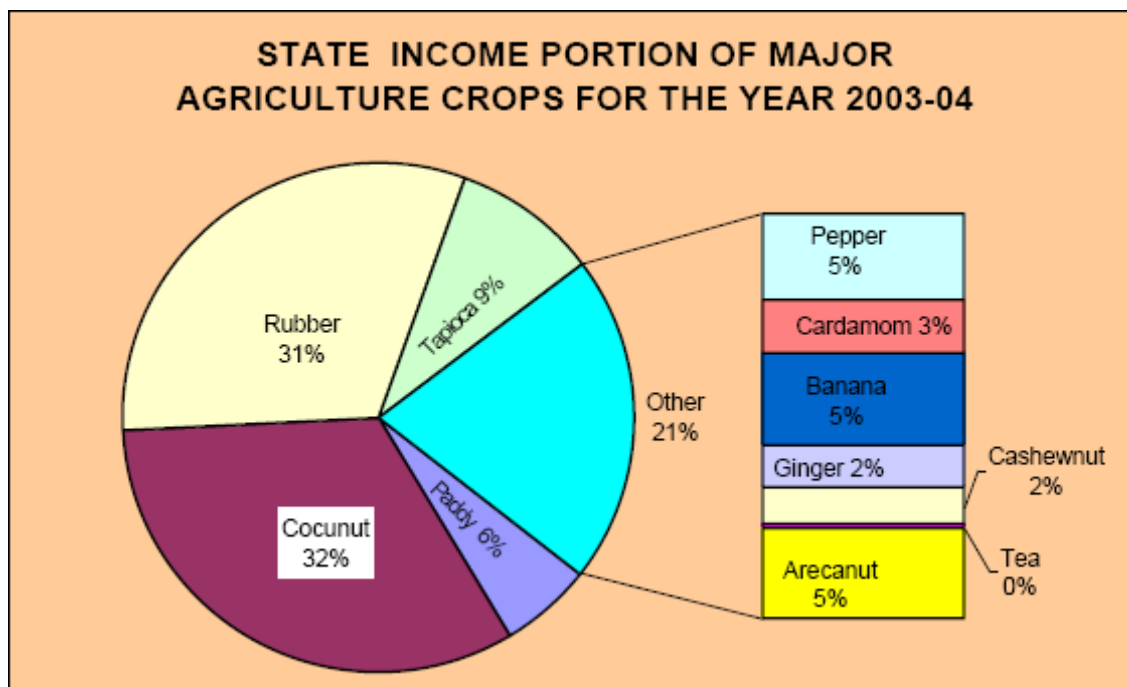
### Arecanut (In Tonnes)

Sl.No.	District	1999-2000	2000-01	2001-02	2002-03
1	2	3	4	5	6
1	Thiruvananthapuram	467	538	493	520
2	Kollam	1442	1144	1321	1710
3	Pathanamthitta	1105	1071	1071	1317
4	Alappuzha	1043	917	792	1016
5	Kottayam	671	808	725	1085
6	Idukki	3312	3805	3432	3846
7	Eranakulam	2661	3349	3607	3728
8	Thrissur	6109	6281	6584	6903
9	Palakkad	2320	2859	4007	5706
10	Malappuram	11934	9909	11085	17527
11	Kozhikode	13314	15285	12830	15584
12	Wayanad	1736	2699	2682	3237
13	Kannur	12191	12923	14237	14737
14	Kasaragod	25032	26359	21813	30363
	State	83337	87947	84679	107279

Sl.No.	District	2003-04	2004-05	2005-06
1	2	3	4	5
1	Thiruvananthapuram	491	547	690
2	Kollam	1380	1392	1794
3	Pathanamthitta	1289	1216	1637
4	Alappuzha	978	1006	950
5	Kottayam	1259	1257	1201
6	Idukki	3635	4351	4669
7	Eranakulam	3813	4245	6050
8	Thrissur	7267	7730	10661
9	Palakkad	6615	6248	6290
10	Malappuram	15986	17150	15623
11	Kozhikode	14316	13042	14522
12	Wayanad	4192	5711	6035
13	Kannur	14692	14743	16486
14	Kasaragod	29577	31702	32701
	State	105490	110340	119309

This shows that apart from Kasargod; Malappuram, Kozhikode and Kannur districts are the major areca producing districts in the State. Areca production in other districts has no comparison with that in Kasargode or in the other three mentioned above;- of course; Thrissur has shown progress during the last year;- obviously because it is an inter crop in the remaining districts. So the impact of such declaration will have effect mainly on the said four districts alone. During our enquiry in Kozhikode and Kannur districts, it has been disclosed before the Commssion that the plight of areca farmers there were exactly as that of their counterparts in Kasargod district. The situation in Malappuram cannot be different, as the price factor, pests and diseases, price level and cost of production remain the same there also.

Further, as per the latest available statistics the income portion of arecanut as compared to the State income portion from out of the major crops comes only to 5%, as revealed by the following graph.



Resultantly the number of areca farmers also will be almost and near about the same rate. Necessarily, the relief to be granted on this count will also be in and around that level.

So we are of the view that the crop of arecanut shall have to be declared a distress affected crop.



On the basis of the aforesaid consideration based on production and productivity, we are of the view that there is no reason at all to declare the entire district distress affected area. Even if one among the major crops there, viz; arecanut, is considered a distress affected crop, it also will not lead to a conclusion that the entire district is distress affected, as the situation of other crops does not warrant such a conclusion.

The next aspect to be considered is the extent of debts and liability of farmers. So we will consider that aspect in the light of the available details.

**DETAILS OF AGRICULTURAL LOANS OUTSTANDING AND OVERDUES AS ON 31.03.07 AND 30.09.07**

Rupees in lakhs

Name of the Banks/ Societies	Principal 31.03.2007		Interest 31.3.07	
	Outstanding	Overdue	Outstandig	Overdue
Kasargod Circle	4167.55	1041.02	293.62	127.37
Hosdurg Circle	6432.05	1724.29	506.79	212.49
PCARDBank Kasargod	4371.83	107.53	420.19	119.72
PCARDBank Hosdurg	3876.45	132.80	743.38	78.27
<b>TOTAL</b>	<b>18847.88</b>	<b>3005.64</b>	<b>1963.98</b>	<b>537.85</b>

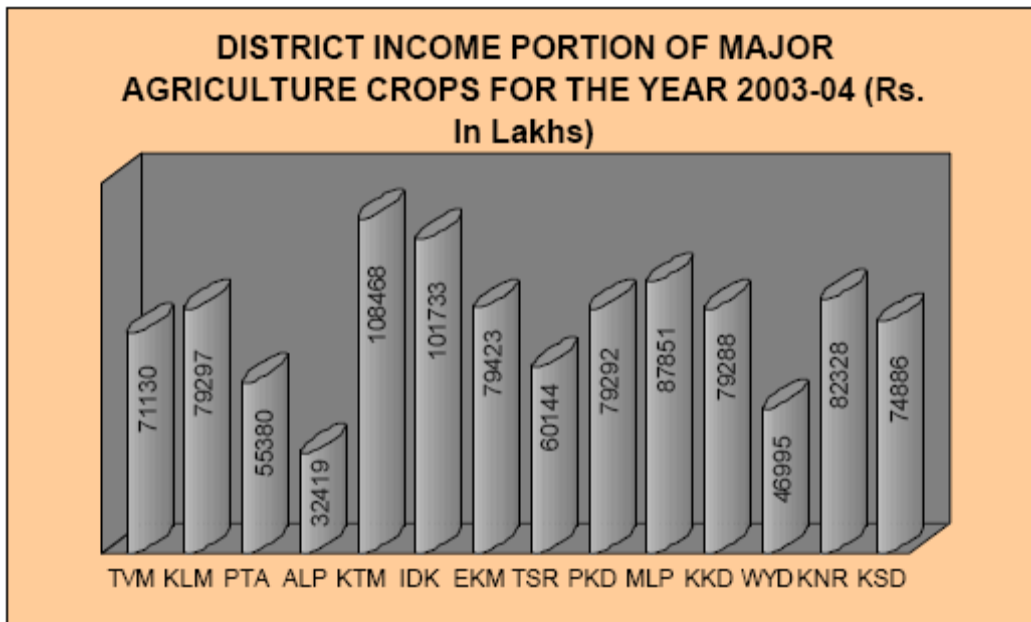
Name of the Banks/ Societies	Principal 30.9.07		Interest 30.9.07	
	Outstanding	Overdue	Outstanding	Overdue
Kasargod Circle	4341.04	1282.60	333.82	151.38
Hosdurg Circle	6582.57	1669.50	637.18	250.76
PCARDBank Kasargod	4064.93	402.50	710.93	375.75
PCARDBank Hosdurg	3790.84	396.57	449.01	259.58
<b>TOTAL</b>	<b>18779.38</b>	<b>3751.20</b>	<b>2130.94</b>	<b>1037.5</b>

The total out standing amount has declined during the last six months and the increase in overdue position is not that much alarming. From the applications from Kasargod district, where we have passed interim orders of stay of attachment and sale of properties offered as securities, it is decernable that large number of debts which have become overdue for recovery are from arecanut farmers. We are inclined to find and the

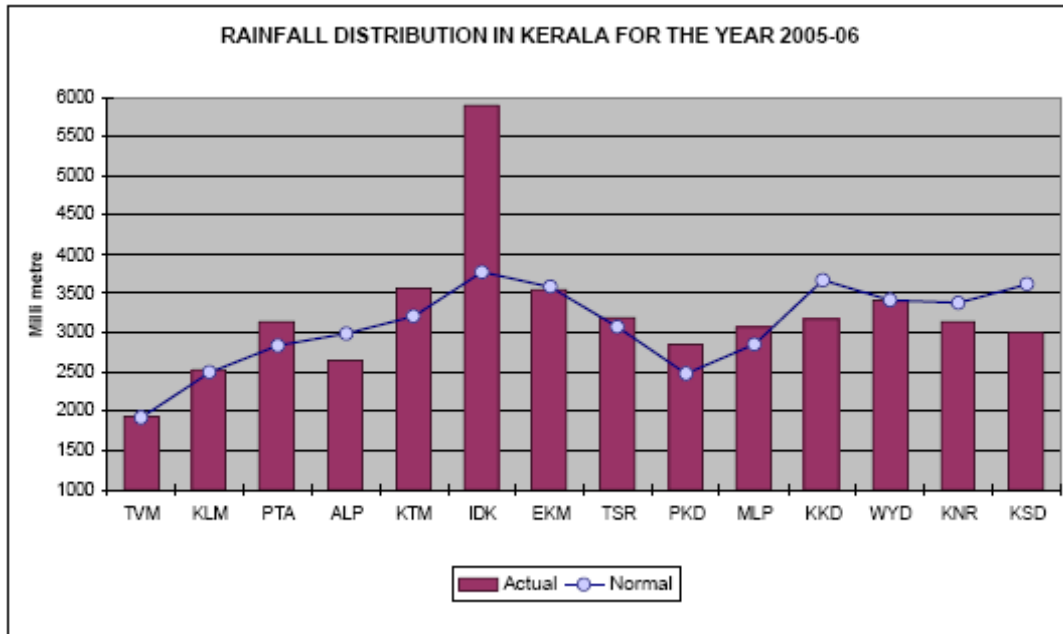
government is seen convinced in **Annexure-A** that, that crop is distress affected. So the debt level also does not reveal a grave situation for declaring the district as a whole distress affected.

Farmer suicide is another aspect to be considered. No authentic data has been placed before us by any one. But, we have before us the reply given by the Hon. Minister for Agriculture on the floor of the State assembly on 19-03-07. Copy of the statement is appended as **Annexure B**. As per this, there were 7 suicides in the district, after the present government was sworn in. But the communication dated 23-3-07 of the Director of Agriculture, which we could receive otherwise, discloses that there were 72 suicides during the period from May 2001 to May 2006 and 14 suicides during the period from February 2006 to March 2007. This is less than the rate in Idukky district where agrarian district is graver than in Kasargode. In spite of that we have not recommended to declare Idukky a distress affected district. A different view is not warranted as far as Kasargod district is concerned.

The natural calamities to be adverted are the droughts experienced in the year 2003 and 2004. But the productivity level of different crops including pepper, rubber etc. shows that the adversities resulted out of that drought was not far reaching and long lasting. In the year 2003-04 the income portion of the district from major crops was comparatively better in Kasargod.



More over the diseases spread among areca palm during these days was reportedly due to presence of dampness. Of course the rain fall level in 2005-06 was below normal as shown below.



But that is not, by itself, a reason to declare the entire district distressed.

Further, recently on 29-02-08, a debt waiver scheme has been announced in Parliament. All agricultural debts of marginal and small farmers holding upto two hectares of land, disbursed by scheduled commercial banks regional rural banks and cooperative credit institutions upto March 31, 2007 and overdue as on December 31, 2007 and which remains unpaid until February 29, 2008, would be completely waived. In respect of other farmers there will be a one time settlement (OTS) scheme for all loans that were overdue on December 31, 2007 and which remains unpaid until February 29, 2008, with a rebate of 25% against payment of the balance 75%. This is really a great bliss so far as the real indebted farmers are concerned. On this ground also, there is no reason to recommend the district or any crop there other than the one conceded by Government, to be declared distress affected.

Thus, on the basis of the above discussion evaluating the relevant data, we are of the view that no reasons subsist to recommend to Government of Kerala to declare Kasargod district distress affected. At the same time, we recommend to the Government of Kerala that the crop of arecanut, which

they themselves consider as distressed, as disclosed in their letter **Annexure A**, be declared distress affected as enjoined by section 6 of the Kerala Farmers' Debt Relief Commission Act 2006 (Act 1 of 2007).

Dated this the 18th day of March 2008

Justice K.A.Abdul Gafoor, Chairman

Professor M.J.Jacob, Member

Shri M.K. Bhaskaran, Member

and

Professor N.Chandrasekharan Nair, Member