

THE KERALA STATE
FARMERS' DEBT RELIEF COMMISSION
THIRUVANANTHAPURAM



**RECOMMENDATION MADE
TO GOVERNMENT OF KERALA**

TO DECLARE

***CARDAMOM, COFFEE AND TEA*
AS DISTRESS AFFECTED CROPS**

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

Suo Motu Proceedings No. 2 of 2007

Present

Justice K.A.Abdul Gafoor

Chairman

And

Prof. M.J.Jacob

Shri. M.K.Bhaskaran

Shri. Sathyan Mokeri

Prof. N.Chandrasekharan Nair

Members

**Recommendations made to Government of Kerala
to Declare Cardamom, Coffee and Tea
Distress Affected Crops**

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ONCE said a Prime Minister, `Priority is naturally given to agriculture because the whole development including industrial development, is to a large extent dependent on what happens in the agricultural sphere`. That is why the nation gives much importance to agriculture and is anxious over the problems faced by that sector of the economy. Agriculture is the problem of the stomach. A man with stomach ailment thinks of his stomach alone, no matter wherever he is or whatever he does. So is the economy of any country, when its agrarian scene faces crisis, whether severe or light. This was rightly conceived by the Kerala Legislature, when it unanimously



passed a unique legislation, the Kerala Farmers' Debt Relief Act 2006, Act 1 of 2007, which envisages ameliorative steps including financial assistance to distress stricken farmers. Conceiving this importance, the Kerala State Farmers Debt Relief Commission, constituted in terms of the said Act, soon after its inauguration on 9th April 2007, initiated *suo motu* proceedings to enquire whether recommendations could be made to Government to declare Wayand and Idukki districts as distress affected, without waiting for setting up of its office and for providing the infrastructural facilities. The Commission as per its order dated 18th April 2007 decided to conduct enquiry in that respect concerning Idukki district, as provided in section 5(1)(a) of the Act. Accordingly sittings were conducted on 8th and 9th May in Idukki, on 23rd and 24th May in Thodupuzha on 29th and 30th May, 6th and 13th June and 18th July in Thiruvananthapuram and on 16th and 17th August 2007 in Alappuzha.

Sufficient publicity was given for the hearings conducted in Idukki and Thodupuzha, including by publication of notices in Collectorate, taluk offices, Krishi Bhavans and Panchayat Offices in the district. Press releases were issued in the news papers which carried news items of the sittings in prominent pages. Revenue officials and the officials of Agricultural Department and Economics and Statistics Department, representatives of the lead bank M/s Union Bank, District Cooperative Bank, Agricultural Development Banks in the District, and of several Primary Cooperative Banks, office bearers of farmers organisations, peoples' representatives like presidents or members of various panchayats at different levels and several farmers themselves were present at the time of hearings conducted at Idukki and Thodupuzha. A former MLA, Shri. Mathew Stephen was present during the enquiry conducted at Thodupuzha. Several farmers and farmers'

organizations and banks filed statements, in which they mainly pointed out the fall in price of agricultural produces and climate specific recurring damages to the crops. While at Thiruvananthapuram, we collected details from the officials of the Kerala Planning Board, Kerala Agriculture Prices Board, Spices Board, Tea Board, Coffee Board, NABARD, State Cooperative Bank, State Cooperative Agricultural Development Bank, Vegetable and Fruits Promotion Council, Registrar of Cooperative Societies and the Director of Economics and Statistics. Dr. Prabhat Patnaik, Vice-chairman, Planning Board and Dr. Thomas Varghese, Chairman, Kerala Agricultural Prices Board also showed kindness to come to the sitting more than once, to help and assist the Commission during the enquiry undertaken by it. We place on record our utmost gratitude to all of them.

Agriculture directly and indirectly feed large majority in the community. Fate of other economic sectors is also influenced largely by the well being of the agrarian sector. Extent of export earning is also dependent on agriculture greatly, as our agricultural produces are dear all over. Therefore policy on trade and commerce formulated by government will have telling effects on the fate of farmers who hopefully expect remunerative prices for their products always.

Distress is a situation where farmers are impoverished wholly, without any escape from the crisis faced by them and are unable to pull on their life pursuing their own cultivation, due to total loss and destruction of the crops, due to unbearable natural calamities, unforeseen fall in price of their produce and at the same time extensive decrease in production, acute penury and consequent debt trap which are the factors driving the farmers out of their fields. We have to examine whether there is such a situation in Idukki district, so that it could be recommended to be declared as distress affected

area. At the same time when there are different types or varieties of crops cultivated by different farmers and in different areas in a district, it is to be examined whether any of such crops is in distress state because of such adverse factors cumulatively faced.

Idukki, the second largest district in the State was formed out of the eastern parts of Ernakulam and Kottayam districts on 26th January 1972.

Its population is 11,29,221. Idukki is one of the agricultural dominant districts of Kerala with a total geographical area of 4,36,328 ha. This comes about 11.22% of the the total area of the State. Out of this nearly 1,98,413 ha. is under forest and the net area sown is about 2,14,263 ha. A Major portion of the district is covered by dense forest and extensive tea, coffee and cardamom plantations. Nearly 96% of the total area of the district comes under the high land area covered by rugged mountain ranges, hills and deep valleys. The district has no low land and there is only a small strip of (184 Sq. Km) midland area towards the western part of Thodupuzha Taluk. Idukki district has very diversified geographical features with places varying from 7.5 – 75 M above MSL like Thodupuzha region, 2500 M above MSL like high ranges and with 3500 – 4000 M above MSL like Munnar, Marayur, Vattavada, Kanthalloor etc. Marayur, Kanthalloor and Vattavada are also the rain shadow areas. Altitudinal variations influence the temperature. The high altitude areas of Idukki district generate temperate climatic conditions. The low altitude areas of the district have the humid tropical climate. The district gets both South-west and North-east monsoons. It experiences often heavy rain fall, un-even rainfall and also low rain fall. The district still remains backward and underdeveloped one.

It is gifted with important tourist spots known world over and it generates the major portion of the hydel power in the State. It is also gifted with the cultivation of the king and queen of spices and is known as the spices district. It is estimated that there are 2,65,344 house holds in the district. Out of this 2,52,256 are rural and 13088 are urban households. The agricultural sector of Idukki is known for the perennial crops like pepper, tea, cardamom, rubber, coffee and coconut. Banana, temperate fruits and cool season vegetables are also grown in this district, apart from paddy which covers only a negligible area.

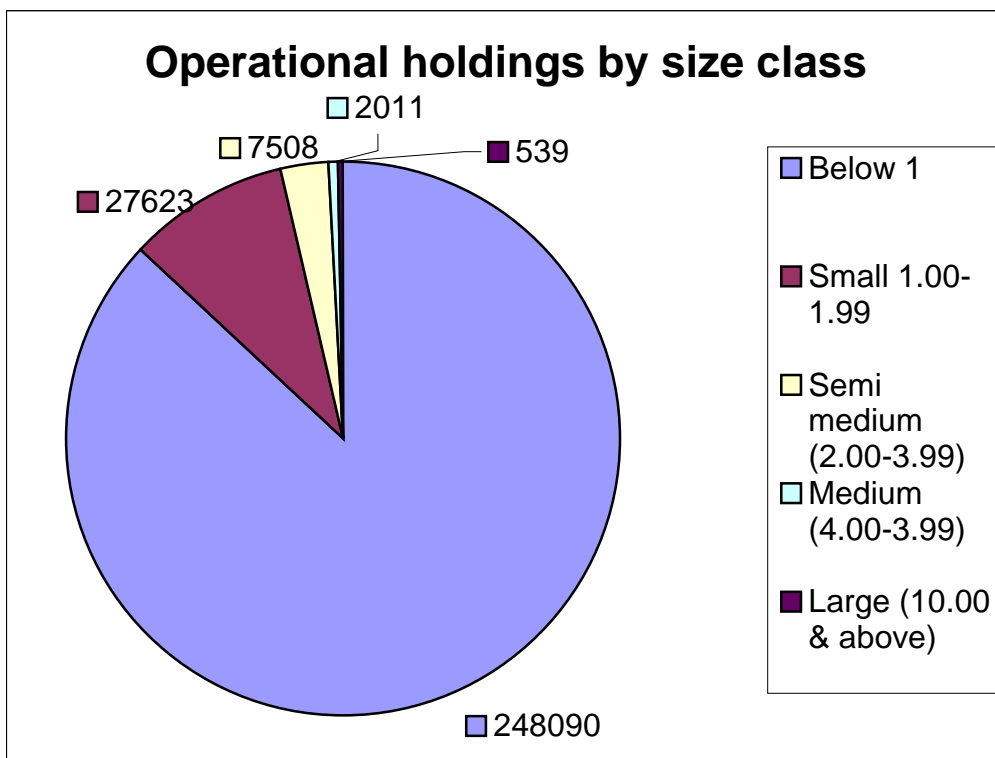
For the purpose of revenue administration it is divided into four taluks viz, Udumpanchola, Deviculam, Peermade and Thodupuzha. Generally, Thodupuzha taluk is almost well developed as compared to the other three and it is in a low terrain, whereas the other taluks are high ranges with dense forests and high mountain ranges. Even the predominant crops grown in these taluks are different. In one it is coconut and rubber, in another it is cardamom and pepper, and in the other it is tea and pepper. So far as small farmers are concerned, coffee is considered to be an inter crop providing for additional income for those cultivating other crops in Udumbanchola and Peermade Tauks. Thus the district has heterogeneity in every respect.

Majority of the farmers in the district, especially in the high ranges, do not have proper title deeds for their holdings. This is due to the stringent rules prevailing. This resulted in denial of institutional credit, departmental subsidies, natural calamity relief fund etc. to a good number of farmers. It has been voiced so before the Commission by many. The production and productivity are also adversely affected due to this.

About 59.18 % of the total land is occupied by marginal farmers. This is due to fragmentation. There are 2,48,090 operational holdings with less than one hectare in extend, 27,623 holdings with an area between 1 and 2 hectares and 7,508 holdings with an area of 3 and 4 hectares, as per the Agricultural Census 2000-01. The following table and diagram gives a general idea regarding the number of persons with marginal holdings.

**NUMBER OF OPERATIONAL HOLDING S BY
SIZE CLASS (IDUKKI DISTRICT)**

Size class (Ha)	Operational holdings
Below 1	248090
Small 1.00-1.99	27623
Semi medium (2.00-3.99)	7508
Medium (4.00-9.99)	2011



Distribution of area of operational holdings by size class (Area in Hectares)

Size Class	Area
Below 1.00	57472
Small 1.00-1.99	35661
Semi-medium 2.00-3.99	18251
Medium 4.00-9.99	10866
Large 10 & above	37949
All Categories	160199

Small operational holdings also contributed for the low productivity because of the constraints in implementing scientific agricultural practices. Almost 70% of the area is above 15-20 degree slope; and the whole area except Thodupuzha Municipality belongs to class I hill tract. Farming is under the vagaries of the climate in this district of unique nature, as mentioned above.

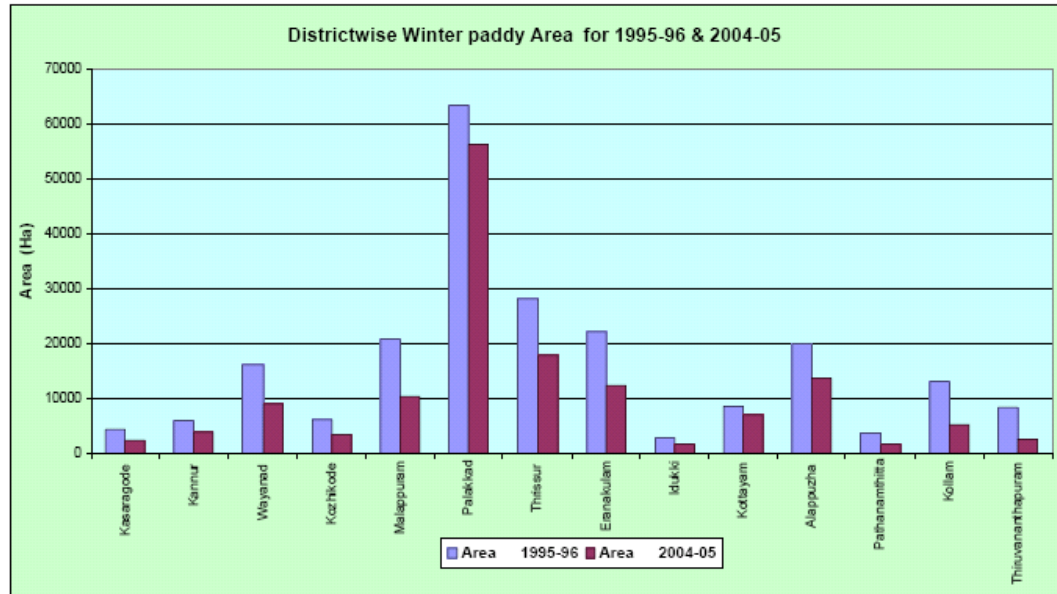
As per the details provided by the Economics and Statistics Department, the agricultural population break up based on 2001 census is as follows:-

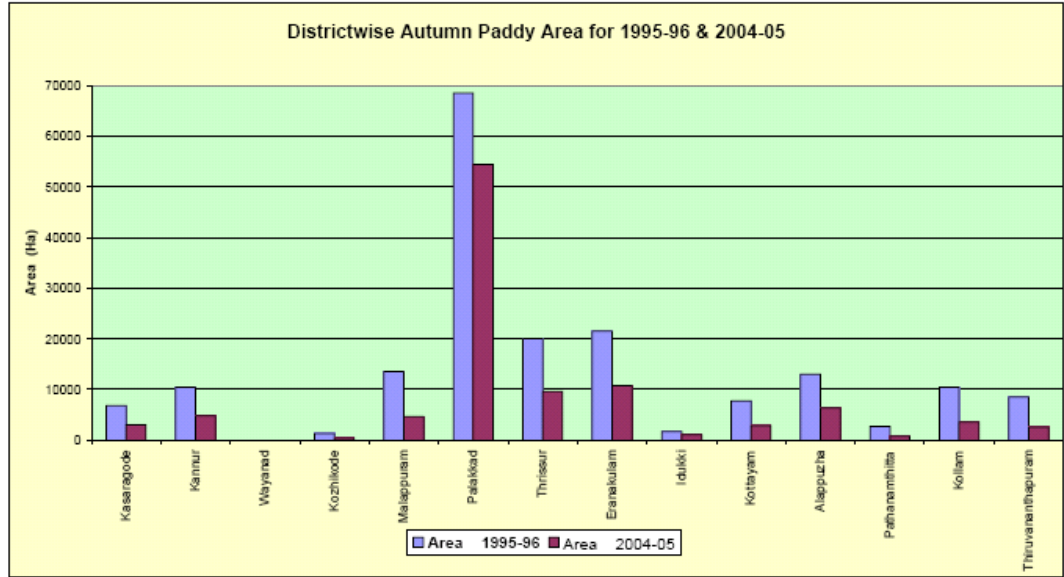
Main cultivators			Marginal cultivators			Magrinal Agricultural Labourers		
Male	Female	Total	Male	Fem	Total	Male	Female	Total
76672	11996	88668	7248	8010	18258	18828	15033	33861

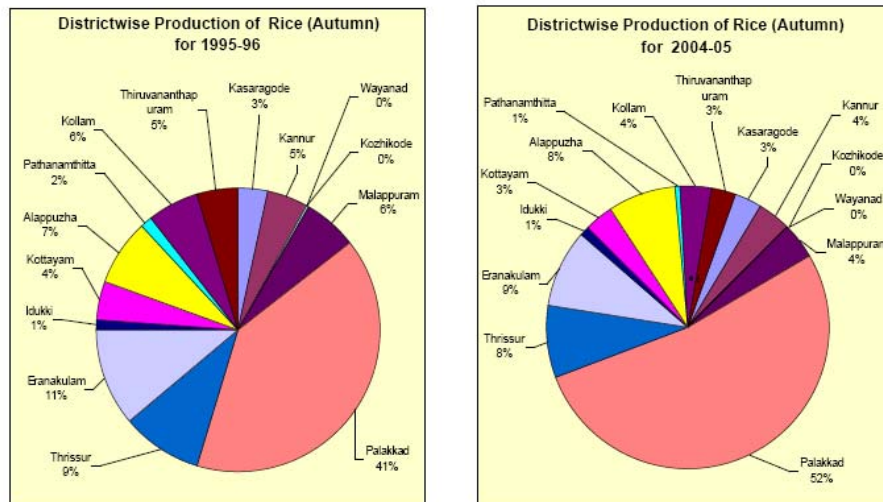
Rice was cultivated in 4068 hectares in 2000 (see Farm Guide 2000). The rice fields of the district are basically double crop ones except in Vattavada and Kanthalloor panchayats. As per a comparative study on paddy cultivation prepared by the Department of Agriculture, area of paddy cultivation is seen to have decreased to 3166 ha. Even then productivity of paddy in Idukki is the second highest in Kerala.



Productivity of paddy in Idukki is 3890 kg. per hectare; whereas the State average was 3430 kg. per ha. Price of paddy is on steady rise. The share of Idukki in rice cultivation is very negligible. It is evident from the following graph in that study.







These graphics also reveal the decreasing trend in area as well. So the traditional paddy area is being otherwise used.

Of course, because of the rise in input cost and due to non-availability of farm labour, paddy cultivation cannot be considered to be profitable. Even then it cannot be termed as distressed crop in this district, because of the high productivity.

Pepper was cultivated in the year 2005-06 in 84219 Ha. This is about 28% of the total cropped area. Total production was 52063 MT. Productivity of the crop is 618 Kg/Ha. Though production potential is about 1000 kg. per ha, this rate of productivity is the highest in the State. The farmers are not getting that optimum level, as more than 80% of the farmers are small and marginal ones and as almost all the gardens are senile and unproductive and because of soil erosion and poor crop management. Pest

and diseases like *quick wilt, pollu beetle and fungal pollu* and crop loss due to natural calamity are other reasons for this. Apart from that, price fluctuations witnessed during the last few years obviously resulted in low investment in crop management.

Even then, it can be seen that more and more area are being converted into pepper farm year after years and that there is considerable increase in total production of pepper in Idukki District. Not only that, there was steady increase in productivity as well. This is good sign so far as pepper cultivators in the district are concerned. But at the same time there was unprecedented steep fall in price of pepper during the last seven years. Certainly this is quite an adverse situation faced by pepper farmers generally all over the State. The following statistics from the Economics and Statistics Department depict the change in area, production, and productivity during last seven years.

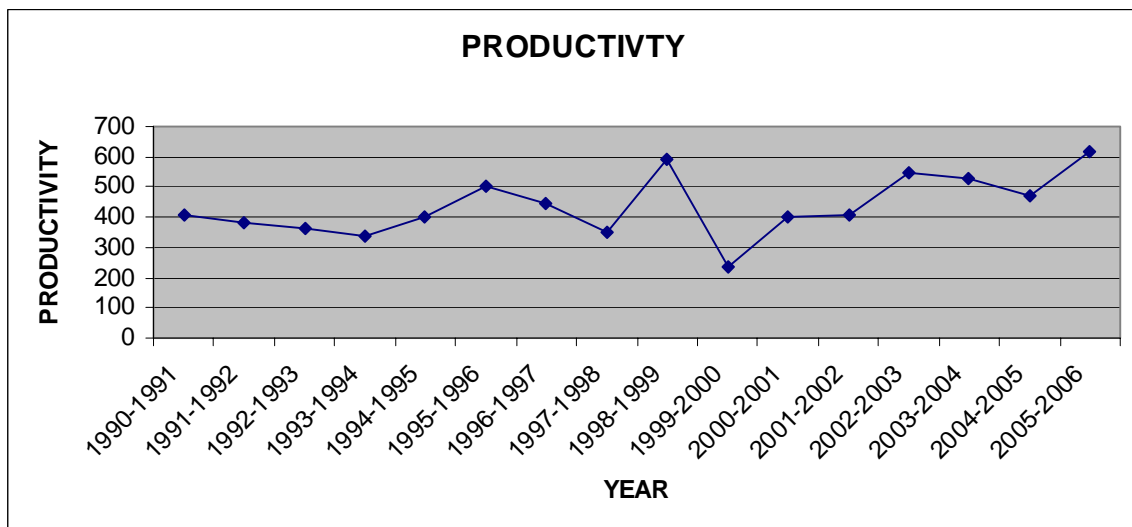
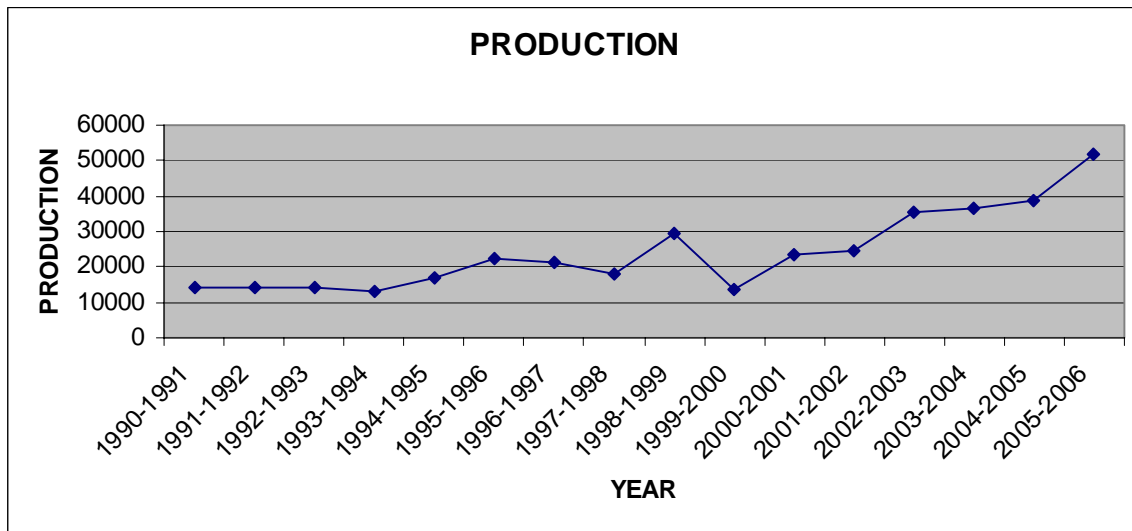


Area production and productivity of pepper in Idukki, during the last fifteen years, as furnished by the Economics and Statistics Department are as follows:-

Years	Area in Ha	Production (MT)	Prodviy Kg/ha
1990-1991	34759	14096	406
1991-1992	38070	14437	379
1992-1993	39163	14195	362
1993-1994	38962	13263	340
1994-1995	42858	17065	398

1995-1996	45011	22551	501
1996-1997	47712	21328	447
1997-1998	51354	17998	350
1998-1999	49749	29372	590
1999-2000	57211	13629	238
2000-2001	58209	23282	400
2001-2002	60537	24560	406
2002-2003	65142	35534	546
2003-2004	68595	36417	531
2004-2005	82316	38787	471
2005-2006	84219	52063	618

The change in production and productivity can be graphically shown as below for easy comprehension.



This graphic representation reveals that both production and productivity are on ascending line except for 1996-97, 1997-98 and 1999-00. The increase in production as well as productivity is notable.

The following is the statistics relating to the years in the present decade.

Year	Area (Ha)	Prodn (MT)	Prodvity (KG/Ha)	Average Price (Rs/Qtl)	% Share of Idukki*
1999-00	57211	13629	238	19225	28.67
2000-01	58209	23282	400	18543	38.21
2001-02	60537	24560	406	8361	42.17
2002-03	65142	35534	545	6664	52.75
2003-04	68595	36417	531	7066	52.77
2004-05	82316	38787	471	6506	51.73
2005-06	84219	52063	618	5975	68.77

** from the details furnished by the Kerala Agricultural Prices Board*

These statistics reveal that as against increase in area of pepper cultivation by about 47%, increase in production was almost four fold, in spite of the adversities like plant diseases and loss due to natural calamities. Productivity was on a rising graph, except for the year 2004-05, perhaps because of the drought experienced in 2003-04. The further ever higher productivity in the year 2005-06 testifies that the damage caused by that drought was only temporary as far as pepper cultivation in this district was concerned. Even in spite of the fall in price, the total cash out put is in increase. Percentage share of pepper production in Idukki was also on ascending scale from 28.67% to 68.77%. The similar figures for Wayanad district, where this crop was found by the Commission to be a distress one, were 36.46% in 1999 reduced to 15.17% in 2005.

The statistics for these years can be analysed in another way too, based on the details of price variation provided by the Kerala Agricultural Prices Board, taking the price of Rs.143850/- per metric tone prevailing in 1997 as the base price to compare the earnings in the subsequent years on its basis and the cash value of the produce as per the current price level during various years under consideration.



Year	Base year price (1997) (Rs/MT)	Current Year Price (Rs/MT)	Current Year Production(Tones)	Cost as per base year price (Rs. in Lakhs)	Cost of Pepper as per current year price (Rs. in Lakhs)
1999	143850	190550	13629	19605.32	25970.06
2000	143850	185700	23282	33491.16	43234.68
2001	143850	85270	24560	35329.56	20942.31
2002	143850	78770	35534	51115.66	27990.13
2003	143850	72990	36417	52385.85	26580.77
2004	143850	67550	38787	55795.10	26200.62
2005	143850	59930	52063	74892.63	31201.36

Thus because of the increase in production, in spite of fall in price, the net cost of the out put remained almost the same (except in 2000) until 2004, with reasonable and good upward trend in 2005. But when 1997 base year price, when there was very reasonably high level of price, is reckoned, the earning is far more than the double in 2005 as compared to that in 2000 or 2001.

The details provided by the Cardamom Research station of the Kerala Agricultural University, at Pampadumpara in Idukki district reveal yet another aspect that the increase in production of pepper in Idukki was more than the entire quantity of increased production of pepper in the State during

the year 2005-06, as compared to the year 2004-05. The following are the statistics provided by them.

Year	Idukki District		State	
	Area(ha)	Prodn(tones)	Area(ha)	Prodn(tones)
2004-'05	82,316	38,787	2,37,669	74,980
2005-'06	84,219	52,063	2,37,998	87,605
Increase	1,903	13,276	329	12,625

Thus there was no reduction in ultimate cash receipt for the pepper produced in Idukki district. In other words, notwithstanding the adversities like fungal diseases of the plants and of its support, price fall, natural calamities, climatic variations etc; the receipt out of cultivation operation remains the same, if not higher. Increase in area of cultivation of pepper year after year, even in spite of price fall, reveals that the farmers are more attracted to pepper cultivation than any other crop.

Fungal attack in the form of *quick wilt* to the pepper vines or the disease of *gall wasp* to the vine supports are prevalent in Idukki too, as in the case of Wayand, another predominantly pepper producing district of the State. But the statistics as quoted and discussed above are sufficient to show that those diseases have not very adversely affected the gross production, which is on an ascending graph more in proportion than the increase in area of cultivation. The increase in area of pepper cultivation testifies that the cultivators prefer to grow pepper, in spite of the said adversities, obviously because they felt it comparatively better than the other crops. Otherwise there would not have been that manifold increase in pepper cultivating area from 34759 ha. in 1990-91 to 84219 ha. in 2005-06. This notable increase

was gradual and year after years. Even in the recent past, the increase witnessed was from 58209 ha. in 2000-01 to 84219 ha. in 2005-06. These figures reveal that pepper cultivation in Idukki is still attractive to the farmers there, unlike the situation prevalent in Wayanad. This pepper friendly shift of farmers in Idukki is yet another reason to persuade us to find that it is not a distressed crop so far the district is concerned.



Of course there was increase in the input cost of cultivation of pepper as witnessed every where in the State, which reduces the profitability. But merely because of the reduced profit rate in cultivation, it cannot be said that farmers of that crop are in distress. So pepper farmers in Idukki cannot be found to be hit by distress.

In this regard we have to mention that there was serious dispute on the correctness of the aforesaid data prepared and published by the Department of Economics and Statistics. It is submitted that the details regarding production and productivity furnished by them cannot be correct. It does not stand to the experience of the farmers. There was no increase of production of pepper in the district during the last few years. Really the farmers faced fall in production, the disputants assert. Apart from the assertion no supporting documents or data are furnished by them, except to state that Kattappana being the important market in the State for pepper, that commodity was being taken from other parts of the State to that market in

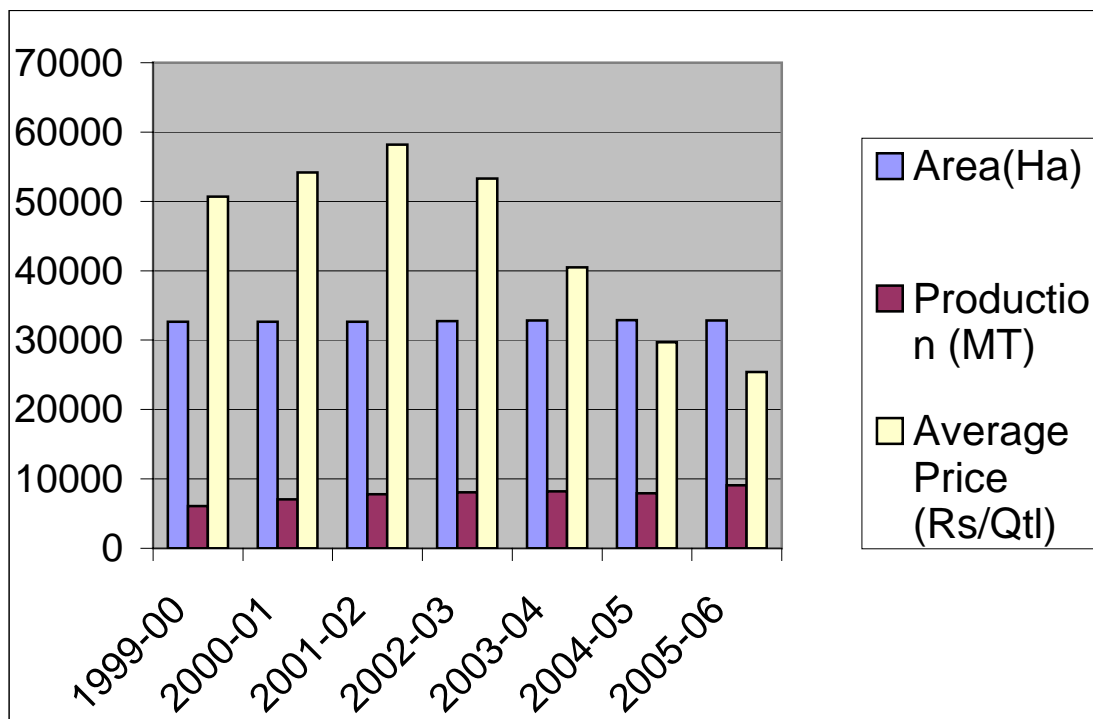
Idukki. Apart from this, pepper imported from Srilanka was also taken to that place for trading. This quantity of pepper was, according to them, accounted against the quantity produced in Idukki. But the Department of Economics and Statistics in their written submission has unequivocally made it clear that they were following a definite method based on a manual in that respect, identifying separate investigator zones for every crop. One investigator is posted for each zone from the beginning of the agricultural year. He will select plots in different survey numbers using circular symmetric random sampling method. This method was followed in the case of pepper as well in Idukki too. Thus they were not depending on the marketed quantity of pepper at all. This submission of the Department cuts at the root of the argument of the disputants. Moreover, the data prepared officially have authenticity and have to be regarded as true representing the correct situation, unless otherwise proved based on weighty materials. Therefore we are unable to accept the argument that the statistics furnished by the Government Department cannot be accepted and that pepper is a distress affected crop. Further, similar materials have been relied on by us while formulating our recommendations to declare Wayanad district as distress affected, which the Government of Kerala has by now accepted. So, in the absence of proved challenge against the data prepared by the Department, we cannot but accept the same.

Of course, if any of the pepper growers have a case that, there was fall in production in their case placing them in distress stricken situation, they can, proving that fact, seek to get a declaration in that manner in their case. Such a recourse can be adopted by them, invoking section 5(1)(a) of the Act, preferring individual applications in that regard.

Cardamom is the next important crop grown in Idukki district. It is cultivated in 32846 ha. of land as per 2005-06 statistics. It is the second major crop of High Ranges in Idukki district, which occupies about 10.87% of the total cropped Area. It registered a total production of 9076 tonnes in 2005-06. The present productivity of the crop is reckoned at 276 kg/ha. Most of the cardamom farmers are of small and marginal category. The crop is cultivated in High Ranges of the district, mainly in Cardamom Hill Reserve Area in Udumbanchola taluk. Small cardamom, *Elettaria cardamomum* is extensively cultivated there. It is a shade loving plant. Area of cultivation remains almost the same for the last so many years. At the same time productivity has increased marginally. And this gradual increase has resulted in increase of production by 50% in 2005-06 as compared to the production in 1999-00. But this did not give any advantage at all to the farmers, as there was extensive price fall to the extent of just half of that prevailing at the commencement of the current decade. The following table and diagram reveal these facts at a glance.



Year	Area(Ha)	Production (MT)	Productivity KG/Ha)	Average Price (Rs/Qtl)
1999-00	32667	6077	186	50700
2000-01	32671	7072	216	54200
2001-02	32668	7788	238	58200
2002-03	32743	8057	246	53300
2003-04	32815	8224	251	40500
2004-05	32856	7931	241	29700
2005-06	32846	9076	276	25400



Source : Economics & Statistics Department

This crop is very sensitive to weather conditions. Summer rains are essential for flowering and its health and for the growth and panicle initiation and subsequent development of flowers and capsule setting. Drought conditions also at the same time cause extensive damages. Being a surface feeder, uneven distribution of rainfall resulted in severe drying and consequent damages to the crop.

Year	Rainy days
1999	170
2000	143
2001	177
2002	145
2003	95
2004	121
2005	129
2006	112

The above statistics on number of rainy days reveal a story of misery for cardamom farmers.

According to the Cardamom Research Station of Kerala Agricultural University, weather conditions prevailing in high ranges of Idukki district are very suitable for the multiplication of the pests which causes plant diseases. They say that the major production constraint in cardamom is the infestation by cardamom *thrips*, *Sciothrips cardamomi* Ramk, a minute fringe winged clawless grayish brown insect that breeds on plant parts such as unopened leaf, spindles, leaf sheath, flower bracts and floral tubes persistently. Nymphs and adults lacerate the tissues on the ovary and young capsule and feed on the exuding sap. The injured tissues form a corky layer on the capsule surface, which appears as scabs. Such capsules appear malformed, shriveled and cankerous. This condition is known as “**Cardamom itch**”. The feeding injury by *thrips* affects the yield in two ways. Firstly, the stunting of panicles and shedding of flowers reduce the number of capsules formed. Secondly, scabbing on capsules affects their quality and quantity; and therefore fetches only reduced market price. The extent of damage in terms of quality and quantity of the produce ranges from 30 to 80%. Spraying of insecticides should be undertaken once in 30 days to contain this plant disease. The insecticides used are very costly and the farmers are, therefore, burdened with added cost.



When *thrips* subsides on the onslaught of monsoon, there occurs yet another disease to the cardamom plants in the form of **Clump rot**. The major symptoms of the disease are decaying of the tillers starting from the

collar region and toppling over of the tillers. Application of *Trichoderma* @ 50g per plant, which is effective for the management of this disease, also costs farmers towards added expenditure in the cultivation operation.

When thus the farmers were faced with added cost of cultivation, there occurred fall in export of cardamom as well as immensely intolerable price fall .

Export of cardamom from India in this decade

Year	Quantity(mt)	Value (Rs. Lakhs)	Unit value (Rs/kg)
2000-01	1545	8468.02	548.09
2001-02	1031	6167.80	598.23
2002-03	682	4707.42	690.24
2003-04	690	3301.00	478.41

Apart from the reduction in quantity exported, there was reduction in unit value realized as well. In the domestic market also the fall in price was extensive as discussed earlier, to the extent of half the price of the year 1999-00.

Year	Base year price (1997) (Rs/MT)	Current Year Price (Rs/MT)	Current Year Production(Tones)	Cost as per base year (Rs. in Lakhs)	Cost as per current year price (Rs. in Lakhs)
1999	377000	577000	6077	22910.29	35064.29
2000	377000	573000	7072	26661.44	40522.56
2001	377000	624000	7788	29360.76	48597.12
2002	377000	681000	8057	30374.89	54868.17
2003	377000	441000	8224	31004.48	36267.84
2004	377000	466000	7931	29899.87	36958.46
2005	377000	273000	9076	34216.52	24777.48

Thus after lapse of five years from the base year, there was only an increase

of just 50% of the price of the base year and even the current cash aggregate of the produce of the respective years, based on the current price of that year, was also decreasing during the last three years.



Cardamom is a very sensitive crop. It will not tolerate drought like conditions. It can be grown only under a green canopy. Timely rain fall is essential for cardamom cultivation. In the statement filed by the Cardamom Growers' Association, Vandanmedu, it is pointed out that there was severe drought during the period from October 2006 to May 2007 and consequently the cardamom fields were dried up totally and that almost one third of the plants were totally destroyed. According to the statement of the Cardamom Growers' Union, Vandanmedu, there was no rain fall at all for about 168 days from 15th November 2006 to 10th May 2007 resulting in total destruction of about 30% of the crop. They add that this is indicative of the fact that during 2007-08 there would be fall in production adding more agony to cardamom growers, enhancing their sufferings further.

Drought conditions can be fought out by irrigation devices like springler irrigation. This can be afforded only by large growers. According to the said Union, 90% percent of the farmers are small growers. This statement is corroborated by the data supplied by the Spices Board. They have published certain data in 1991 after a survey with reference to the situation in the year 1989-90. The total cardamom cultivating area still remains almost the same with only a marginal variation. The cardamom cultivating area of 32139.270 ha., in 1989-90 represented 73.03% of the cardamom area in the State and 39.62% at the national level. The type of the holding as per the said statistics is as follows:-

Taluks	No. of Holdings	Area in Ha
Udumbanchola	14291	22544.444
Peermade	2365	4044.103
Deviculam	1628	4297.998
Thodupuzha	837	1252.725
Toal	19121	32139.270

The figures presented by the Spices Board reveal the number of holding extending below 4 ha. also (The Act brings those up to 4 ha. within its fold; but that much exact particulars are not available)

Taluks	Below 2 Ha		Below 4 Ha		Total Holdings
	No. of Holdings	Area	No. of Holdings	Area	
Udumbanchola	11489	9849.19	1883	5064.24	13372
Peermade	2160	1129.97	105	269.00	2265
Deviculam	938	971.40	435	1099.41	1373
Thodupuzha	796	610.60	37	86.28	833
Toal	15383	12561.16	2460	6518.94	17843

Thus majority of the cardamom farmers are small growers. They cannot therefore effectively fight drought situation like the large growers, who can invest money effectively and profitably for springler irrigation; and have, therefore, to bear the sufferings.

All the above factors are sufficient to conclude that cardamom growers in Idukki are in utter distress.

Rubber is yet another important crop of Idukki district as already mentioned at the threshold in this statement of recommendations. It is cultivated in an area of about 38000 ha. It is the second major crop in the district and is the first major crop in non high range area in Thodupuzha taluk. Even though it is a plantation crop, the crop is being cultivated by almost all farmers of this taluk. Crop loss due to natural calamities is the main problem faced by rubber growers. The relevant statistics relating to this district on this crop as published by the Economics and Statistics Department are as shown below.



Year	Area (Ha)	Prodn (MT)	Prod'vity KG/Ha)	Av. Price (Rs/Qtl)
1999-00	38187	44853	1175	2583
2000-01	38076	45405	1192	2808
2001-02	38123	45260	1187	2255
2002-03	38250	45295	1184	2805
2003-04	38776	49496	1276	4507
2004-05	38451	52441	1364	5171
2005-06	38844	56330	1450	5673

Thus, though the area of cultivation remained almost the same during the last seven years, rubber production has increased by about 30%. The increase in price, at the same time, was far more than the double during the last seven years.

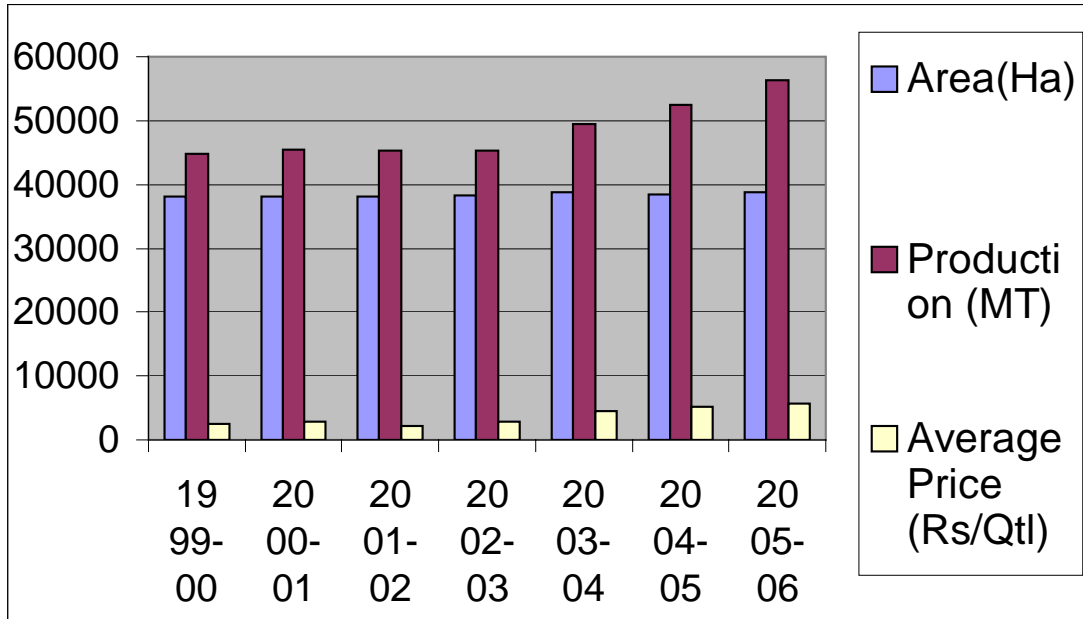
In the light of these facts revealed, it cannot be said that rubber farmers are distressed or that it is a distressed crop.

Coconut is cultivated mainly in Thodupuzha, Udumbanchola, and Devikulam taluks in about 24343 ha. of land and this comes to about 8.07% of the total cropped area of the district. According to the Principal Agriculture Officer of the district, annual production is estimated to be 90 million nuts and productivity is 3697 nuts per ha.

The following details published by the Economics and Statistics Department give a clear picture about this crop, which has the same problem as it faces every where in Kerala, like low productivity, plant diseases and the unstable market price.



Year	Area(Ha)	Production (Lakh nuts)	Prod'vity (Nuts/Ha)	Av. Price (Rs/100 nuts)
1999-00	23696	920	3883	596
2000-01	23811	910	3822	433
2001-02	25603	900	3750	357
2002-03	25810	1040	4029	413
2003-04	24383	920	3773	642
2004-05	24774	870	3584	749
2005-06	24343	900	3697	727



There is only marginal variation in area and the production remains almost at the same level with only marginal decrease in productivity. At the same time there was steady increase in the price graph of this crop during the last four years. In the light of these, it cannot be said that coconut growers experiences any distress.

Tea, mainly a plantation crop, is the land mark and main distinguishing feature of Idukki district. It was being cultivated in an area of 26893 ha. in 2004, as per the statistics provided by the Tea Board. It occupies about 7.8% of the total cropped area. About 90% of the crop area is under the ownership of large companies like Kannan Devan Hill Produce, Harison Malayalam Plantation, MMJ plantation etc. Tea is also cultivated in small individual holdings having area of 0.2 ha to 0.5 ha. in Vathikudy, Kamakshy, Vandanmedu, Vandiperiyar, Kumily and Peermade Panchayats in Peermade taluk. According to the Principal Agriculture Officer of the District as stated in his statement filed before us, it is estimated that about

1236 small farmers are engaged in tea cultivation in about an area of 735.5 ha.

These small tea growers have to solely depend on large plantations owning tea factories to sell their tea leaves plucked. Due to heavy fall in price of tea witnessed during the last 5 years, the plantations are facing serious problems and a large number of plantations are now under lockout. Even the working factories are not regularly purchasing leaves from outside or are not giving remunerative price to the small farmers even if they purchase such leaves from the small farmers. They are thus forced to sell their produce only for a song.



At the same time average yield rate was on decline, according to the Tea Board. It was 1978 kg per ha. in 1993 and it witnessed a decline to 1668 kg. per ha. in 2004. This is yet another facet of the sad story of tea growers.

The following table depicts the price graph of tea during the last seven years.

Year	Average Price (Rs/Qtl)
1999-00	796
2000-01	567
2001-02	588
2002-03	413
2003-04	453
2004-05	529
2005-06	533

This being the price of the finished product, the small farmers will not get anything near about this for the leaves plucked from their small holdings. It was stated by several farmers and by their organizations before us that the small tea growers were getting only two or three rupees per kg of plucked leaves and that often there was none to purchase it. Necessarily, it can be easily found based on these accepted facts as regards tea sector that farmers growing tea are in utter distress.

Coffee is also grown in Idukki district, but only in an area of 10870 ha., which occupy only 3.6% of the total cropped area. It is stated in the statement of the Principal Agriculture Officer that present production is 6820 MT and the productivity is 627kg/ha. The productivity of this crop shows steady decline over the last 10 years. The reason for the low productivity is the old and senile nature of the farm as well as the poor crop management. The drought condition prevailed during 2003-04 and subsequent years also caused severe damages to the crop. Un-remunerative price gave rise to obvious poor crop management.



The detailed statistics on this crop is as under:

Year	Area(Ha)	Prodn (MT)	Prod'vity KG/Ha)	Av. Price (Rs/Qtl)
1999-00	12705	10500	870	5122
2000-01	10725	9225	860	3170
2001-02	12635	9130	723	2281

2002-03	11490	8475	738	\1868
2003-04	12605	7000	555	2800
2004-05	12605	6475	\514	2813

This table reveals that production, productivity and price are on a decreasing trend until 2004-05, without any comparison to that in 1999-00, though the area of cultivation until that period remained more or less the same. Added to this is the increased cost of cultivation and the drop in number of rainy days and formation of drought conditions which also affect the farmers adversely. Thus, these telling factors persuade us to find that coffee farmers in Idukki are in a distressed state and that coffee is a distressed crop.

Banana is also cultivated in Idukki in about 5139 ha. of land occupying about 1.66% of the total cropped area in Idukki. It is stated in the statement of the Principal Agriculture Officer that it is one of the crops in Idukki District that shows a positive trend. Of course drought and heavy rain affect this crop badly. But the price of the commodity shows comparatively a good trend according to the statistics. Even if the producers may not get that much price in effect, it cannot be said that they are not getting a remunerative price for banana.



Year	Area (Ha)	Prodn (MT)	Prod'vity KG/Ha)	Average Price (Rs/Qt)
1999-00	4874	46871	19995	8350
2000-01	5228	54637	19994	9900

2001-02	4915	49759	19264	9930
2002-03	4811	51002	20147	8940
2003-04	4821	49656	19870	9690
2004-05	4887	43575	16787	12120
2005-06	5139	44414	16816	10090

Therefore banana cultivators are also not in distress in any way nor so the crop.

Cool season vegetables are the specialty of Vattavada, Kanthalloor, Marayoor Panchayaths in Devikulam taluk. It is cultivated in almost 84.95 ha. of land and accounts about 2.8% of the total cropped area. The main

problem faced by the farmers are (1) lack of adequate marketing facility (2) very low price at peak harvest season and consequent distress sale, so states the Principal Agriculture Officer in his statement. But those are not sufficient grounds to declare such farmers distressed, though they deserve assistance from the governmental bodies like Horticultural Mission and Vegetable and Fruits Promotion Council for the purpose of better marketing facilities, as and when



the harvest commences. Those bodies have to urgently chalk out effective measures in this regard, especially when there are grievances that private

money lenders from neighbourhood are exploiting them. This aspect can be gone into later when individual applications are considered.

The credit situation as regards commercial banks are concerned is bit alarming in Idukki District. As at June 2006, an amount of Rupees 47304 lakhs inclusive of the interest of Rupees 8086 lakhs is outstanding from 94520 loanees towards agricultural credit. Out of this an amount of Rupees 12937 lakhs is overdue towards principal and that towards interest is Rupees 4502 lakhs.

Malanad cooperative Agricultural and Rural Development Bank Ltd is a premier rural credit institution in Idukki operating in Udumbanchola Taluk, the main cardamom growing centre in the State. They have filed a statement before us, showing the increasing trend in overdue of the Bank. It reveals the following details.

Year wise break-up	2001		2006	
	Loanees	Amount	Loanees	Amount
Below 1 year	1496	246.44	6194	287.30
1 to 2 years	300	99.32	3353	278.74
2 to 3 years	57	16.62	1834	221.95
3 to 4 years	14	4.62	1236	217.73
4 to 5 years	9	3.22	1107	256.65
5 to 6 years	7	1.60	615	137.58
Above 6 years	26	4.75	229	38.22
Overdue %		26.66%		45.87%
Overdue Loanees	1909		14568	

These are the details from one among the several banks in one taluk alone. The facts regarding other institutions in and outside that taluk cannot be different.

The Kerala State Co-operative Agricultural and Rural Development Bank Ltd., Thiruvananthapuram, an apex bank has submitted details of the increasing outstanding loans due to its constituents in Idukki district. It shows that outstandings due from the farmers are on an ascending graph. As on 31-03-2002, an amount of Rupees 11884 lakhs was the gross outstanding from 42194 loanees, who are invariably farmers, the institutions being rural A.R.D.Bs. Rupees 6092 lakhs was out of farm sector advances. The corresponding figures as on 31-03-2007 were Rupees 19058 lakhs, 51643 loanees and Rupees 11025 lakhs in farm sector advances. So also the details provided by the Registrar of Cooperative Societies concerning primary cooperative banks too disclose that as against total loan amount of Rupees 5297.63 lakhs in 2000-01, that in 2006-07 was Rupees 12434.89 lakhs.

This increasing trend in the number of defaulters and in the amount overdue is the manifestation of the total inability of the indebted farmers to repay their debts. The only reason attributable for this, in the light of the aforesaid facts disclosed, is the distress situation of certain crops as mentioned above.

It is in this back ground the large scale suicides by debt trapped farmers in the district have to be viewed. The available statistics from the Director of Agriculture reveals 89 of such suicides from 2000 to 2006. Another statistics reveal that there were 19 such suicides between February 2006 and March 2007. The fact of recurrent suicides was noticed by the

State legislature also. Even recent news paper reports reveal that such unfortunate incidents are recurring again in the district.

Added to this are the natural calamities during the summer rain season This year and during the current monsoon rains, causing damages to crops in the district heavily in the high ranges area.



Yet, on that reason the entire district cannot be said to be distress stricken. As already mentioned above, pepper the largest among the crops in Idukki district has shown extensive increase in production as already discussed above. It occupies the highest place in area of cultivation to the extent of 84219 ha. in 2005-06 as compared to any other crop. Next place is occupied by rubber, which is cultivated in 38844 ha. in 2005-06. Production and productivity of rubber has also increased substantially as discussed above. The price tag of rubber is extremely farmer friendly. When those two crops which commands comparatively a better position in extend and production and one among them in price level too, it cannot be found on any norms that the entire area of the district or any part thereof shall be declared as distress affected area.

At the same time, the position of cardamom, coffee and tea as depicted above based on the details disclosed in our enquiry, is totally different from that of pepper and rubber. Continued fall in production and in price and the diseases of coffee and cardamom, the damage suffered by the cardamom growers due to drought situation and plight of tea prevailing for the last few years, certainly justify to recommend to Government to declare those crops as distress affected.

In this regard we have to take note of another aspect as well. Section 2 of the Act is the interpretative provision. Clause (x) thereof defines the term 'distress affected crop' as any crop or crops in the State declared so

based on the recommendation of the Commission. Necessarily when those crops are declared distress affected, it will remain so as regards the entire State and will not be confined to Idukki district alone. True, we have not considered the matter with reference to other districts. Therefore we have to examine that aspect as well before those crops are recommended to be declared distress affected.

First we will consider the case of cardamom. The total area where cardamom is grown in the State is 44008.555 ha. as revealed from the statistics provided by the Spices Board. Out of this the share of Idukki is 32139.270 and that of Wayanad is 4350.012 ha., totaling thus to 36489.282 ha. The balance area of 7519.273 is distributed in the remaining districts except Trissur, Ernakulam, Alappuzha and Kollam where cardamom is not cultivated at all, according to the Spices Board. Palakkad has cardamom in nearly 4000 ha. The price tag is common for the entire area where cardamom is cultivated. So are the diseases affecting the crop. Kerala has experienced drought like situation during 2003 and 2004 every where. The shower rate also showed a decline during summer which is essential for the better production of cardamom. Therefore the same circumstances prevailing in Wayanad and Idukki as regards cardamom cultivation are subsisting in the entire cardamom growing area in Kerala. At the same time among these districts, except in Palakkad and Kottayam, there are only two to five holdings in each of those districts. So, declaration of this crop as distress affected is of no consequences at all except for Palakkad and Kottayam Districts, in addition to Wayanad which has already been declared as distress affected and Idukki, where the crop is recommended to be declared so herein. Of course these are the figures with



reference to the year 1989-90, as available to the Spices Board. The later figures disclosed in the publication of the Department of Agriculture, Government of Kerala titled 'Facts and Figures of Agriculture in Kerala' reveal almost the same situation. According to it, the area of cultivation of cardamom in the year 2003-04, in Kollam was 6 ha., in Pathanamthitta it is 664 ha., in Kottayam it is 201 ha., in Palakkad it is 2754 ha., in Malappuram it is 70 ha., in Kozhikode it is 220 ha., in Kannur it is 128 ha., and in Kasargode it is 368 ha.; whereas the corresponding area in Idukki and Wayanad are 32815 ha. and 4106 ha. respectively. It further reveals that production in Kollam, Kozhikode and Kannur was negligible to be reckoned at all and that that in Pathanamthitta was only 79 tonnes, that in Kottayam was only 26 tonnes, that in Palakkad was only 213 tonnes, that in Malappuram was only 3 tonnes and that in Kasargode was only one tonne. More over except in Kottayam and Palakkad, in all the other districts, the holdings are very extensive and consequently such cultivators will not be under the shade of the umbrella of the Act. Therefore declaration of cardamom as distress affected will not have any repercussion so far those districts are concerned.

Now we will consider coffee in that angle. As per the information furnished by the Coffee Board, coffee is grown in Kerala only in Travancore, Wayanad and Nelliampathies. The first is mainly Idukki and the last is in Palakkad. According to the statistics contained in the publication of the Agricultural Department mentioned above, apart from Wayanad and Idukki districts, coffee is grown only in Palakkad district in an

area of 4650 ha. in the year 2003-04. The problems faced by coffee growers are the continuous and steep fall in price during last few years and diseases. These are the common problems concerning entire coffee growing area. Necessarily the benefit available to the remaining coffee growing area like Wayanad and Idukki cannot be denied to those in Palakkad. So declaration of that crop as distress affected will do only justice to them also.



The remaining crop to be considered in this perspective is tea. As per the details furnished by the Tea Board, apart from Wayanad and Idukki, tea is cultivated in Palakkad, Malappuram, Trissur, Trivandrum, Kollam, Ernakulam and Kottayam districts. The total area of tea cultivation in the State in 2004 was 37107 ha. In Wayanad, we have already found that tea cultivators were in distress. Our discussion above reveals that it is a distressed crop in Idukki as well. Tea cultivating area in these two districts is 32397 ha. as per the details given by the Tea Board. Therefore tea cultivation in all the other districts is only 4710 ha., a very negligible area as compared to those two districts. The booklet on 'Facts and Figures of Agriculture in Kerala' published by the Department of Agriculture discloses that in the year 2003-04, tea was being cultivated in 38327 ha. in the State

and the corresponding area in Idukki and Wayanad districts was 32240 ha. Thus the tea cultivating area in the remaining tea growing districts of Thiruvananthapuram, Kollam, Kottayam, Ernakulam, Trissur, Palakkad, and Malappuram, as per the said publication, is 6087 ha.; almost less than 1/6 of the total tea area in the State. Out of the total tea production of 57553 tonnes, that for these districts, in total, is 4437 tonnes, less than 8% of the total tea production in the State. Further, the statistics revealed by the Tea Board shows that apart from Wayanad and Idukki, there are small tea growers only in Palakkad and Kottayam districts. In the remaining districts, there are only large tea growers owning over 10 ha. So the small tea farmers in the said two districts, other than Wayanad and Idukki, alone will be covered by the Act. Further the plight of tea is well known and reason for that is not local specific. It is applicable every where. Necessarily benefit thereof shall go to all the marginal tea growers covered by the Act.

Therefore, we are of the firm view that based on the facts and details discussed above and for the reasons we have stated in detail, the crops **cardamom, coffee and tea** shall be declared distress affected in terms of section 6 of the Act. Hence, in exercise of the powers vested in the Commission under

section 5(1)(a) of the Kerala Farmers' Debt Relief Act, 2006 (Act 1 of 2007), we



recommend to the Government of Kerala to invoke their powers in terms of section 6 of that Act and to declare the said three crops distress affected.

Dated this the 31st day of August 2007

Justice K.A.Abdul Gafoor, Chairman

Professor M.J.Jacob, Member

Shri M.K. Bhaskaran, Member

Shri Sathyan Mokeri, Member

and

Professor N.Chandrasekharan Nair, Member

