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Response of a Village Economy in Kerala, India**

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**Public Policy Research Institute
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Crisis of Petty Commodity Producers in the Crop Production Sector under Neoliberal Regime: Response of a Village Economy in Kerala, India

S. Mohanakumarⁱ

Abstract

Agrarian crisis is manifested in different forms and types ever since its outward show by early 2000s. The scale and magnitude of the crisis diverged not only across states but largely within sub-states. The nature of the agrarian crisis is better understood from a detailed study of a village which is reported to have undergone the worst of the crisis. This paper analyses the content and nature of the crisis in a predominantly export oriented coffee growing village and survival strategies adopted by the victims of agrarian crisis in Vengappally Grama Panchayat in Wayanad district in Kerala. The study found that Adivasi Community was the major source of supply of labour to crop production sector in the Grama Panchayat and they lost their source of livelihood with the crisis in the sector. Peasants, small farmers, agricultural labours have started leasing in wet land and dry land to cultivate annual crops to make up for the decline in employment and income but that too drove them further into debt trap. Medium farmers with coffee estates either leased out their plantations or entrusted its management to their erstwhile employees and left coffee plantations as absentee coffee planters. The study underlined that agrarian crisis in a village or in the country was primarily a crisis of small producers as there was a significant difference between average social cost of production in the international and domestic markets. During the pre-neoliberal phase, the government protected the small farmers and peasants while, the withdrawal of the state from agriculture under neoliberalism has exposed the farm dependent population to the vagaries of the market. The small producers are bound to die down unless the state intervenes in both input and output markets in agrarian economies.

Keywords: Neoliberalism; Kerala; Coffee Plantations; Agrarian Crisis; Small Producers; Village Study

JEL Classification: Q19; F6; R10

Introduction

Crisis in the crop production sector has been sufficiently explored at the state and sub-state level ever since its outbreak by the late 1990s in Indiaⁱⁱ. A common thread in the analysis of agrarian crisis is generalization of its causes and its concomitant eventualities. Price volatility exacerbated by price fall of agricultural commodities consecutively for years and compounded further by the hike in the cost of production of vital inputs were stated to have left farmers in deep disarray (Jeromi, 2007). The mismatch between cost of production and return from farm produce eventually drove farm dependent population into irrecoverable debt trap and culminated into spate of farmers' suicides. The Impasse in the agriculture sector is attributed to neoliberal policy paradigm introduced in India since 1991 (Mohanakumar & Sharma, 2006). Agrarian crisis, therefore, is a crisis of reproduction and it denotes a period of interregnum during which petty commodity producers and wage labours dependent on agriculture and allied sector with fragile capital base found their stay in their traditional vocation rather difficult to carry forward.

Macroeconomic policy changes leave its multiple and addictive impact particularly on vulnerable sections in the society. Consequent deprivations and privileges at the household level markedly vary across and within sub-states. To an extent, state mediation to mitigate the hardness of agrarian crisis at the household level failed to yield meaningful outcome because the social and economic fragility of the affected, causes,

consequences and very nature of reproduction crisis of farmers and wage labours, who were primarily dependent on agriculture and allied sectors, differ largely at the micro level. Specificities of the agrarian crisis at the intra-district level can be better understood by analyzing the issue in a village/ Grama Panchayat, predominantly of agrarian. Against this backdrop, the objective of the study is set as to understand the scale and dimension of the agrarian crisis in a Grama Panchayat/villageⁱⁱⁱ chosen from a district, Wayanad,^{iv} which is reported to have experienced the worst of the agrarian crisis in Kerala. The discussion in the paper is organised as follows. The first section briefly reviews the relevance of a village study to understand the scale and dimensions of the crisis that small producers in the crop production sector has undergone over the years since 1991. This section looks also into the theoretical debate developed in the context of agrarian crisis since 1990s. The profile of Vengappally Grama Panchayat (VGP), is presented along with a historical outline of the evolution of agrarian economy of the village in section two. In section three, agrarian structure and crisis ridden farmers and wage labours are discussed with special reference of coffee cultivation in VGP. The survival strategies adapted by wage labour and farmers of different types are discussed in section four and a brief summary of the study in lieu of a conclusion is presented at the end.

Section I

1.1. Village as an Object of Study for Agrarian Transition

This section addresses three questions: (i) Is village/Grama

Panchayat an appropriate unit of analysis to study the crisis in the petty commodity production sector in Kerala and India? (ii) Is the agrarian question relevant in the context of an export-crop oriented economy? (iii) What do studies on agrarian crisis in the farm sector reveal in general?

Village as a unit and subject of study has gone through different phases of prominence over the years. Village as an object to understand transformations in rural India among social scientists was predominant in the colonial period and that glorious phase of village studies ended by 1970s (Mines & Yazgi, 2010). Village studies confined largely to the domains of Anthropologists and Sociologists while Economists often surveyed village as a site (sample locations) of studying larger economic and social issues. The first wave of such village studies was critiqued for its Structural-functionalist approach (Ortner, 1984). The structuralist approach described villages in India as bounded and static islands, which were self-reproducing, self-contained wholes and existed in perpetual harmony. Such characterization of village was rejected as a discursive charter of colonial ethnography purposively designed to serve the interest of the British rule. In other words, villages were thought to be unconnected islands and stayed away from non-territorially bounded and trans-regional objects such as globalization. Further, the structuralist approach was also criticized on the ground that Indian villages were not a functional microcosm of the Indian whole. Describing villages as static units of reproduction devoid of external influence is purported to prevent village

communities from playing its historical and political roles in shaping the polity of the whole. The British justified their rule with the conceptualization that real India lies in Indian villages by not only protecting the indigenous realities encoded in islanded villages but also granting internal autonomy, labelled as self-rule (Mines & Yazgi, 2010). The purpose of granting village autonomy and self-rule to village communities was to enable the British to legislate land tenure laws and also to self-organise villages to establish an effective land revenue collection system without a British civil servant in the village (*ibid*). In short, the first wave of village studies were critiqued on the ground that the village concept as perceived by colonial government had an underlined charter to de-constitute the Indian state by rejecting the possibility of producing its own complex politics within which villages were significant parts of wider political-economic structures and cultural identities as well as complex agents capable of shaping regional world and its structure.

The second wave of village studies was undertaken predominantly by sociologists in the 1990s (Breman, 1997). Those studies focused either on agrarian relations, or on the dynamics of labour markets in villages, but with a systematic reproduction of rural-urban dichotomies grounded on essentialist perception of village (*ibid*). The approach was construed as a shift from synchronic (villages were viewed in isolation of their socio-political context of evolution) to diachronic (village was perceived

as a product of its socio-political history). Village communities were taken as integral parts of the state, nation and the world outside its territory. A major limitation of the second wave of village studies is the rejection of local agents in village society and polity playing their historic role in shaping the complex regional world and its structures while villaging by itself (Yazgi, 2010).

For the present study, a Grama Panchayat from one of the severely crisis-ridden cash crops based district in the state of Kerala was chosen as the object of analysing and understanding the process of change undergone by the petty commodity producers and wage labours in the farm sector. The Grama Panchayat / village is not perceived as a static, self-reproducing, harmonious and bounded territories closed for any external influence but an integral part of the diachronic whole playing actively its social, political and historical roles in shaping the system along with the village economy through the interconnected process and intersections. Therefore, villages constitute not only viable research objects, but one of the important conceptual frames and subject for understanding the process of transition in rural India. For the study, village is not taken as an *apriori known* fact; but purported to show empirically how the village, in various ways, shapes the process of change and how does it village the world. In other words, villages are perceived as dynamic sites of intervention wherein life process and co-produced

structures continuously interact with the people and their ideas while shaping their life (Durham, 2002).

1.2. Is Agrarian Question Relevant Today?

The role of agriculture in economic development has been well documented in the development literature. Development of agriculture is often read synonymous with development of capitalist production relations in the literature on agrarian political economy. The agrarian political economy deals with the changes in control over productive assets in the country side as well as transformation of peasants into wage labours under capitalistic relations of production. Its origin can be traced in the works of Marx, Kautsky and Lenin in the 19th century (Marx, 1981; Kautsky, 1988; Lenin, 1967). However, the debate on the dynamics of capitalist development gathered momentum in the first half of the 20th century with the publication of Max Weber's *The Protestant Ethics and the Spirit of Capitalism*, and Karl Polyani's *The Great Transformation*. The debate was further extended with the development of *World System Theory* of Immanuel Wallenstein, and Braudel (1992). The shift from peasant dominated predatory landed property rights based agriculture to full-blown capitalist development in farm production in England supplied the analytical inputs for the development of what is so famously documented as the classical agrarian question. The classical agrarian question involved mainly three closely interwoven questions of:

(i) changing control over productive assets and subjugation of peasants into capital as wage labour; (ii) production of surplus for industrialization and structural transformation in predominantly agrarian economies (accumulation); and (iii) political response to the structural transformation in the country side (rural politics) (Akram-Lodhi & Kay, 2010). To an extent, the classical agrarian question on the role of agriculture in the development process was critically reviewed towards the end of the second half of the 20th century with the famous phrasing of *Death of Peasantry* by Eric Hobsbawm in 1997 and later by Henry Bernstein (2006). It is argued that under globalizing agriculture, peasant production has seized to be a source of capital accumulation for rural industrialization in predominantly agricultural economies. The disposed peasantry need not face crisis in their reproduction as they get direct employment under capital. The enclosure food regime in the world would ensure food security to the people under globalizing agriculture. The state protection to farmers, peasants, wage labours are irrelevant economic questions in the context of globalization. Revisit of the agrarian question under globalization gained wider currency particularly in the policy frame of neoliberal states. The *Irrelevance Theory* of agrarian question supplied the much needed ideological support to phase out the state from the purview of crop production and allied sectors. The crisis in the agricultural sector left the labour fragmented as they had to undertake different types of odd jobs for their livelihood and eventually workers lose their

identity either as agricultural labours or non-farm workers. The multiple tasking and the identity loss of workers render unionization rather difficult under neo-liberal regime. Therefore, it has been argued that agrarian question in the 21st century is multifaceted as it has to address issues related to gender, environment and labours along with capital accumulation, rural politics and structural transformation under capitalist production relations. Conversely, it has also been argued that the classical agrarian question is relevant for agrarian economies, as the vast chunk of the population still depend on farm sector for livelihood either as wage labour or peasants. However, different viewpoints and stand points on the relevance of agrarian question traverse parallel with little sign of convergence. The evidences from country side in India prove that there has been a reproduction crisis of small property owners and wage labours in agriculture and allied sectors, and therefore, classical agrarian question assumes significance.

1.3. Agrarian Crisis or Crisis of Small Property Ownership under Globalizing Capitalism

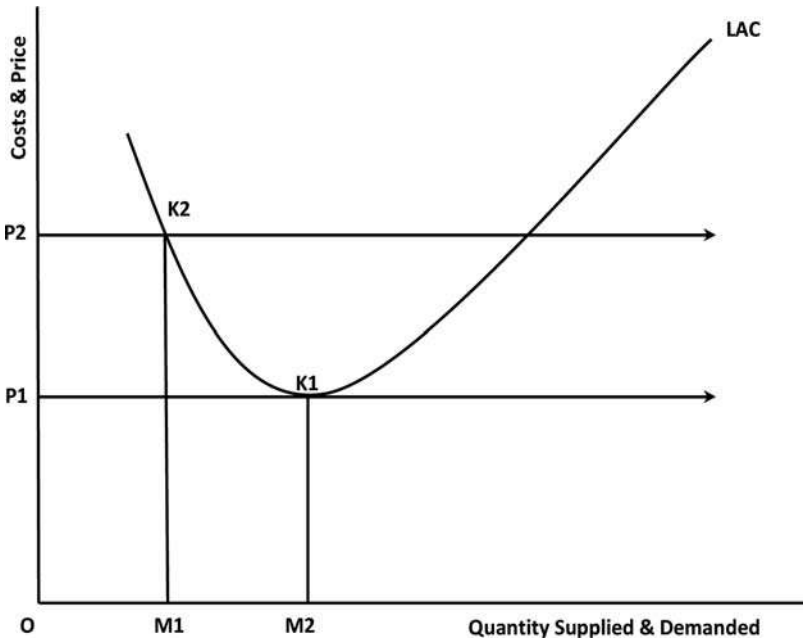
The crisis in the crop production sector in India has become an insurmountable political and economic issue demanding immediate attention from the state with the spate of farmers' suicides in different states in India by early 2000s. The literature on agrarian crisis and farmers' suicides focused primarily on its immediate reasons while ignoring the underlying determinants and realities of the manifestations of agrarian

crisis (Jeromi, 2007; Gill & Singh, 2006; Mitra & Shroff, 2007). Sociologists attributed the unprecedented spate of farmers' suicides to disintegration of joint families and the lack of social and cultural avenues for stress sharing and release in rural India (Mohanty, 2005). On the other side, debt trap, price volatility, and hike in production cost in agriculture due to state's rolling back were attributed as causes of the crisis in the crop production sector by economists mostly from neo-classical paradigm while the underlying realities were left largely unearthed. The crisis in the farm sector is viewed as part of the reproduction crisis of small property owners who strive hard to produce to catch up with the average social cost of production in the global market. The mismatch between individual cost of production of small farmers in the country side in India and elsewhere and the average social cost of production of the same in the global market had been compensated through government interventions in the input and output markets during the pre-neoliberal phase in India. The state's intervention has been phased out under neoliberal trade regime (Raju & Mohanakumar, 2014). The crisis has inflicted not only on agricultural sector, but also on small scale producers or owners of small capital and in the farm sector, it has become more obvious and prominent because of the massive size of small capital owners, who have been ousted from the market and also on account of the wide difference between average social cost of production and individual cost of production. *The Rule of One Price and One Market*

can be explained with a simple diagram of price determination model (Diagram-1). The average social cost of production is represented by LAC and P_2 represent cost of production of coffee in Wayanad district and VGP. The difference between average social cost of production and Individual cost of production is $OP_2 - OP_1 = P_2 - P_1$. OP_1 represents the price in the international market at which every individual small scale producer is expected to catch up with in the long run. Until early 1990s, the difference between individual cost of production, *i.e.*, the cost of production of small capital owners and average social cost of production was met by the state by intervening in both supply and demand sides. Alongside, the domestic market had been heavily protected for cheap imports from international markets where the average social cost of production per unit of output is OP_1 and small producers in India could produce at OP_2 and survived in the domestic market. If small producers continue to produce with OP_2 cost, they are left with little alternative but to leave the production arena and work directly in farms producing with OP_1 unit cost of production. In Diagram-1, symbolically, coffee farmers producing at OP_2 cost represent the coffee growers in VGP. The cost of production is influenced by the productivity of the crop under question and the same is not possible to be augmented substantially in the short run as the agro-climatic conditions is the primary factor influencing productivity (Mohanakumar, 2012). Moreover, coffee producing countries in the world as well as major players in the international market for

coffee are Vietnam, Malaysia, Thailand and Indonesia. The average productivity of coffee in Kerala is 66% less than the productivity of coffee in Vietnam. Moreover, productivity of coffee in Thailand and Indonesia are higher than that of Kerala (*ibid*). The average social cost of production of coffee may be read against the empirical reality.

Diagram 1. Difference between Average Social Cost of Production and Individual Production Cost



Section II

2.1. Vengappally Grama Panchayat: An Overview of Profile

Wayanad district is predominantly export oriented, cash crop based coffee producing district, accounting for more than 75% of the

total area and production of coffee in Kerala (Table 5). The spate of farmers' suicides reported from Wayanad district was also on a much higher side as compared to other crisis inflicted districts in Kerala, viz., Idukki, Palakkad and Kasargod (Mohanakumar & Sharma, 2006). The selection of VGP from Waynad district was influenced by its relatively large size of *Adivasi* population, who eke out their living by laboring in agriculture and further the dominance of small holders of coffee growers.

Map 1. Wayanad District



It is customary in a village study to discuss its socio-economic profile against which changes in the village are perceived. In the present study, profiling of the village economy in terms of its social group composition, crop cycle and its history of evolution and structure of the work force assume special significance. Alongside, natural resources and man-made infrastructure available in the village also need to be taken into account to understand the state of development of the productive forces in the economy.

The Vengappally Grama Panchayat was formed by bifurcating *Kottathara* Grama Panchayat in December 1977. The VGP falls under *Vythiri Tahasil* division and the GP is situated in south of Wayanad district. The GP is surrounded by *Kottathara* GP in the north, *Thariode* GP in the West, *Pozhuthana* GP in the South and *Kalpetta* Municipality in the East. In the total area of 5217 acre of land in the GP, 5100 acre or 98% is cultivable land as there is no reserve forest. The weather is moderate with no extreme winter and summer with a rainy season for about nine months in a year. The average annual rainfall in the area varied between 200 and 300 centimeters. The GP is endowed with two small rivers, of which one flows from *Oruvummal* to *Mampillachi* area and a short one supplement the main river flowing from *Maniyankode* to *Karingilottu*. In terms of population size, VGP is one of the smallest in the state. The total population was 11756, spread over 13 GP constituencies. Unlike in other GP, Scheduled Tribe (ST) has a substantial

presence in the village, constituting 26% of the total population. The share of Scheduled Caste (SC) population is only 2.6%. The general caste included *Nairs*, *Gowdar*, and Christians. The *Gowdar* and *Nairs* own major part of the cultivable land in the GP. The VGP has significant representation of Muslim population too.

It is rather natural that the fall in area under paddy cultivation has left its impact on allied sectors in the agricultural sector. There has been a fall in the dairy farmers in the states for more than quarter of a century now and to a great extent, the observed decline of dairy farmers is attributable to the fall out of crop production (rice and other wet land crops) sector since early 1980s in Kerala. Non-availability of both green and dry fodder on the one side and decline in returns from cattle rearing dissuaded dairy farmers from taking up dairying as a full time economic activity. There has been a decline in animal husbandry in VGP too. There is only one dairy cooperative society in the VGP and a veterinary dispensary. A notable difference in the consumption pattern is that black tea or tea and coffee without milk is more preferred to milk tea among *Adivasi* workers as compared to non-*Adivasis* population and to an extent, the consumption pattern too influence the demand for milk and dairying in the area.

2.2. Education and Health

Density of educational and health institutions represent the overall

social development of the area. Table 1 shows the number of educational institutions in VGP. There are three Lower Primary Schools, one Upper Primary Schools and one High School in the GP. Prevalence of private medical institutions measure the paying capacity of people in the area and it is rather expected that a village with ST and SC population together constituting more than 1/4th of the total population command relatively less purchasing power. Predominance of private capital in the health and education sector is a crude indicator of economic status of people in an area and medical facilities in VGP is confined to a government hospital and a primary health centre.

Table 1. Educational Institutions in Vengappally-GP-20015

School	Govt.	Aided	Un aided
LP School	1	1	1
UP School	1	0	0
High School	0	1	0

Source: Primary survey

2.3. Industry

Avenues of non-farm employment in the GP are limited to a handful of micro and small industries, comprising a few traditional industries like tiles and brick making units. A tile manufacturing unit was set up under cooperative sector in 1980 with the brand called *Vikose* and the unit employed 25 male workers and 6 female workers in 2016. The presence of workers from *Adivasi* community in the industry is only five including

two females and three male workers. Another tile manufacturing unit works in the *Attimoola* area of the GP. Thriving industry in the GP is the stone crushing unit and the granite for the crushing unit is mined from the village, which is yet to register any protest or resistance from the locality. About 50 workers are directly employed in the stone crushing unit located at *Moorikkappu* area in the GP. The unit was established in 1990. In addition to these small industries, there are micro enterprises, viz., hollow bricks making at *Puzhamudi* and rice mills, coffee powdering unit, iron works (grill, shutter) in the GP. However, total number of industrial establishments fully functional in the GP do not exceed ten although the fact that the secondary data available on the industrial structure of the village shows 24 establishments (Table 2).

Table 2. Industry wise Classification of Micro and Small Industrial Units in Vengappally Grama Panchayat in 20014

Description	Number
Agro based units	4
Forest based	5
Textiles	3
Chemical	1
Engineering	5
Minerals	3
Building Materials	2
Others	1
Total	24

Source: Panchayat Level Statistics, Government of Kerala, 2015

2.4. Banking and Finance

Table 3 shows the number of financial institutions and other cooperative establishments in the VGP. The prevalence of financial and other non-banking financial intermediaries is an indirect indicator of the economic status of a region. The density of financial institutions in VGP do not convey much as a major segment of the population, particularly STs are, to a great extent, systemically kept outside the functional purview of the banking system. Their association with the financial institutions is confined to receiving livelihood loans for procuring autorikshaw, milch animals etc. There is no systematic monitoring and continuous financial support system to use the livelihood means loaned to STs and therefore it ends up in one time supply. As crop production sector has stagnated, wage labour and small farmers depend more on village money lenders for short terms loans at exorbitant interest rates for leasing-in land for banana and in certain cases vegetable cultivation for the market.

Table 3. Banking Institutions in Vengappally GP-2011

Institutions	Number
South Malabar Gramain Bank	1
Service Co-operative Bank	1
Primary Agricultural Credit Societies	2
SC Cooperative Societies	1
Labour Contract Co-op Societies	1
School Co-op. Societies	1
Mahila Cooperative societies	1

Source: Development Report, VGP

2.5. Structure and Composition of the Work Force

Structure and composition of the workforce in the geographical boundary of a region is one of the widely used conventional economic indicators to capture the structural transformations in the production base of an economy. In development literature, changing composition of workforce has been sufficiently explored and theorized much long ago. Such structural transformations in a country is manifested across states, districts and Grama Panchayats in varying degrees and, therefore, such changes do not formulate any serious question for investigation in a village study. However, it is worth examining if a village/GP behaves differently from what is expected and observed at the state and national. Table 4 gives the composition of the workforce in VGP.

The VGP had a work participation rate of 38.48% in 2011. The female work participation is 24.74% and it is on a higher side as compared to the state average. The literature on social division of work suggests that the women work force participation in the VGP is higher because of its relatively large proportion of ST population in the total workforce. Women from ST community are engaged as wage labour, mostly in crop production and the proportion of self employed from SCs and STs in the farm production sector is rather negligible as cultivable land and small capital available with STs are inadequate to engage themselves in self-employment in own land or any other means of production. In other words, labour force in ST community is absolutely free in double sense

of the terms (Marx, 1984). During the inter-census period between 2001 and 2011, total workers in the GP increased by 6.97% while the size of main workers (who work for more than 6 months in a year) registered an increase of 33%, much higher than the increase in the size of total workforce in the GP in 2011 over 2001.

Table 4. Demographic Profile and Composition of Workers in Vengappally GP-2001-11

Description	2011	2001	% change
Population	11756	11072	6.18
Scheduled Caste Population	266	287	-7.32
% share of SC in total population	2.26	2.59	-0.35
Scheduled Tribe Population	2977	2661	11.88
% share of SC in total population	25.32	24.03	1.28
Total Workers	4834	4519	6.97
Main Workers	3898	2927	33.17
Main Cultivators	383	435	-11.95
Main Agricultural Labour	1374	762	80.31
Farm Dependent Population (Main) %	45.07	40.85	4.22
Main Household Industry workers	22	40	-45.00
Main Other Workers	2119	1690	25.38
Marginal Workers	936	1592	-41.21
Marginal Cultivators	63	151	-58.28
Marginal Agricultural Labour	402	521	-22.84
Marginal Household Industry	10	23	-56.52
Marginal Other Workers	461	897	-48.61
Non Workers	6922	6553	5.63

Note: ST- Scheduled Tribe, SC-Scheduled Caste

Source: Primary Census Abstract, Kerala 2001 and 2011

Moreover, it is surprising to note that the size of main agricultural labours in VGP has increased by 80% between 2001 and 2011. Conversely, there was an absolute decline in the size of cultivators by (-)11.95% during the inter-census period. Alongside, main workers in the household industry did decline by (-) 45% between 2001 and 2011. Number of marginal workers declined by -41.21% and the size of marginal cultivators declined by (-) 58.28% during the period under reference. There has been a decline in the size of marginal agricultural labour too

Although the emerging trend in the structure and composition of the workforce in VGP is not significantly different from the general pattern, certain deviations in the VGP as compared to the state and district pattern assume significance: (i) there has been a decline in farm dependent population (Main workers) at the state level while the same has registered a rise of 4% in VGP; (ii) the size of cultivator population declined while the absolute size of agricultural labour has increased significantly during the inter-census period; (iii) taking cue from the literature, it can be, *albeit* naively, argued that there has been a depeasantisation process as small and marginal farmers find their occupation inadequate to earn enough and it compels them to become full time agricultural labours. However, it is too early to conclude anything substantially out of the empirical findings as crop production sector of the village economy have also been under severe stress during 2000s. The observed fall in the size of the main workers in household industry

further supplements the argument of the destruction of small property owners or petty commodity producers under neo-liberal trade regime as argued in the literature. A part of the stagnant surplus rural population are increasingly being thrown out from petty commodity production sector and they might have distressingly joined the agricultural labour force resulting in a swelling up of the reserve labour force only to put pressure on the supply of labour to cater to ever declining demand for them in the rural labour market. Conversely, farm dependent population from marginal cultivators, *i.e.*, those who reported as working for less than six months as cultivators in agriculture in a year registered a decline, which is indicative of a possibility that a substantial proportion of the marginal farmers have turned themselves as full time agricultural labours during the agrarian crisis period in VGP. Much sharper negative growth rate in the size of cultivators, agricultural labours and household industry workers from the sub-set of marginal workers furnish further empirical evidence to support the argument of the destruction of petty commodity producers under neoliberal regime. However, the empirical observation has to be tested in greater depth for generation.

Section III

3.1. Agrarian Structure in Vengappally Grama Panchayat

The Vengappally Grama Panchyat is predominantly a coffee growing export market dependent agrarian economy. Prior to the

emergence of coffee as the major crop in VGP, paddy was the dominant crop. For the reasons identified in the state for the demise of paddy as the major crop, VGP too had followed the shift with a time lag in cropping in Kerala in general with its peak production during mid 1970s and started declining both in area and production since the early 1980s. The coffee cultivation has become a prominent crop in VGP by 1950s and it is primarily a small holders crop notwithstanding the fact that the estate sector co-exist with the small holdings of coffee. The macro-economic policy induced changes to integrate domestic market with the world economy since early 1990s has impacted on the economic feasibility of coffee as a small holders crop along with other export oriented cash crops like pepper. Pepper is inter-cropped in coffee plantations and its area has significantly declined over the years.

Although rice cultivation had gradually been withdrawn from wet land in other parts in the state of Kerala by the late 1970s and early 1980s, in VGP, it took a decade more to register any significant fall in paddy area. Following factors can be identified responsible for delayed decline of area under paddy cultivation in VGP. (i) availability of cheap labour, who had been reproducing outside the capitalist relations of production; (ii) non-availability of other food crops like tapioca from dry land; (iii) alternative wetland crop like the coconut cultivation was neither popular nor did the soil was suitable ; (iv) the land market was not sufficiently developed to convert to non-agricultural use; (v) local market

for banana and vegetables were not developed as in other parts of the state; (vi) The *Adivasis*, who had experienced a decline in the number of days of employment in rice fields, opted to lease-in wet land to grow banana and vegetables to compensate the fall in employment and income. In the absence of any meaningful economic use of wet land, rice cultivation was the only available option for the wet land holders in the village; (vii) for coffee farmers, cow-dung was an important bio-fertilizer, for which rearing of cattle was inevitable. Rice field was the major source of fodder in the village, this too helped delaying decline in area under rice cultivation in the village.

3.2. The Historical Evolution of Labour Market^v in VGP

The *Advasi* community is still the major source of supply of labour to agriculture and coffee cultivation in VGP and it is a common feature in plantation crops dominant areas in Kerala. As mentioned elsewhere, more than 1/4th of the population in VGP belonged to STs. Among them *Kurichyar*, *Paniyar*, *KattuNayakar* and *Mullakurumar* are important tribal groups in terms of population size. *Kurichyar* follows matrilineal inheritance system and the ancestor of the family (*Karanavar*) called *Pittan* is the titular head of the family under matrilineal inheritance system (*mittam* which is equivalent to what is called *tharavadu* of traditional *Nair* community in Kerala) and other members in the family is expected to follow him. Important *mittam or Kurichya tribal* families in VGP

are: *Odamottil, Niravathu, Kurinjimmal, Nattippara, Odayattummal and Kallanthodu*. Their mainstay of life was wage laboring in agriculture while they engaged in hunting and fishing too in the past.

In terms of population size, *Kurichu* is the dominant tribal group in VGP. It is believed that the forefathers of the tribal community cleared the forest land for coffee plantations and the wet land was prepared for paddy cultivation. They cultivated their traditional food crops, *viz., muthari, chama and thina*, in the land before the commencement of the migratory wave to the place by the late 1930s through 1960s. The second largest tribal community in VGP was *Paniyar*. They were traditionally agricultural labour and their outlook to life and living did not attract them to acquire land as a source asset and social power. It could be a fact that the *Paniyar* community lacked adequate means of production other than labour to invest in the land and the migrant population took advantage of it by pushing them out of the cultivable and subjugated them to wage labouring.

There existed a system of annual labour under which *Janmmies* (Landlords) used to hire labour on annual contract and such labours were mostly drawn from *Paniyar* community. The labour households would work in the land of the landlord for a year or more and might continue supply even after the expiry of the unwritten contract or until the landlords abandon the labour or the labour is incapacitated to

work. Once the main labour of the family is hired, other members of the family including women and children were expected to work for free of cost in the land of land lord. It was customarily practiced that the *Adivasi* agricultural labour would receive his annual wage (*Nilpupanam and valli*) during the harvesting festival called *Vishu*. There was also a practice of exchanging wage labour of *Adivasi* community to other landlords on payment.

A major part of the farm land in the GP was owned and possessed by a handful of *Janmmies* hailed from upper caste *Nair* community, viz., *Vengappally Nair, Panichadathu Nair, Oravummal Nair, Karimkutty Gowdar, Kachanote Devasom, Thethana Devasom, Pullancherry Devasom* and *Punathil Ahamed Haji* (a landlord from muslim community). Even after the implementation of land reform in the state, *Adivasi* community could not get land under their possession as they were living in forest valleys and the influential landlords in the area could get the excess land registered either under plantation crops or in different names to evade the statutory land ceiling.

The agrarian scenario in the area underwent considerable change with the migration of Christian community from central Kerala to Wayanad district and to VGP by 1940s. The migrants cleared government as well as barren land employing labours from *Adivasi* community to cultivate crops of their choice, mostly coffee and pepper

in the dry land and paddy in the wetland. The availability of land for the cultivation of staple food of the *Adivasi* community was significantly reduced after the migration wave to the area during the period between 1940 and 1960. The available historical records revealed that the *Adivasi* community abandoned their land in the countryside or forced to do so and retreated to the interior area as population of mainstream community expanded through migration.

It is found that the coffee cultivation in VGP, as in other parts of Wayanad district, has a history of less than a century while paddy was the only prominent crop grown predominantly in the area prior to the spread of coffee cultivation. The paddy land in the region was owned mostly by five families, viz., *Vengappally Edam*, *Pinangode Arayil*, *Cholapurathu Madathil*, *Mampillacha Chemprade*, *Oruvummal* and *Ambalapadi*. *Adivasi* were the single major source of labour supply to the wet land cultivation. Both land and labour market were totally underdeveloped and interlinked. *Adivasi* labour were even exchanged/traded between *Janmmies* when paddy was the only crop grown under the lordship of few families. The feudal landlords purposely practiced certain systems to tie *Adivasi* families to the land. One of such systems was that a selected *Adivasi* family (labour household), mostly from *Paniyar* caste and his wife (*Paniyan* and *Panichi*) would be gifted with a bunch of paddy, beetle leaves (*murukkan*), coconut oil and new clothes on the auspicious festival eve of *Vishu*, the festival celebrated to

mark the beginning of harvesting season. The selected *Adivasi* family from the *Paniyar* community took it as a honour or they were made to believe so and enjoyed special privilege of looking after the farm land of the landlord. In effect, the landlord was immensely benefited in as much as he got a labour free of cost not only to supervise the work but manage and regulate the labouring by member from their own community. Once an *Adivasi* family received the award from the landlord in the area, the family should remain loyal to the land lord's family. The *Adivasi* labour and his family would formally be declared as the most loyal servant family to the land lord and agree to perform the job of working for the landlord's family by lighting the lamp in the eastern corner of the paddy field on the first of *Medam* (May), month in the Malayalam Calendar. The landlord seldom visited the field and it was the responsibility of *Adivasi* labour to ensure that all agricultural operations were performed in time and it was done by mobilizing his own men from different *Ooru* (hamlet of *Adivasi* groups). After the harvesting of paddy, paddy should be dried in the sun light and stored for the landlord. The landlord could convince the *Advasi* labour and his family that it was a rare honour for a *Paniyar* family to be designated as the head of the workmen by the landlord. The wage was paid in kind (paddy) and the daily wage varied between 1 *valli* and 1.5 *valli* of paddy for male labour. Plucking paddy seedlings from the wet land was carried out on piece rate basis and a female agricultural labour was assigned the task of plucking seedlings of

3 *kolakam* to 5 *kolakam* of seeds, a unit of measurement of paddy. It was the usually accepted task for a female labour in the 1940s and 1950s. Similarly, there were several other festivals related to harvesting and replanting of paddy purportedly designed to tie *Adivasi* labour to the land by awarding token power status to manage their own men and gifts. Among many, a few major festivals were: (i) giving bath to paddy bunch (*kathir kulipikkal*); and (ii) *Kathiru Kayattal* (lifting paddy bunch). It was a festival celebrated on the eve of paddy harvesting. As paddy was ripe enough to be harvested, a bunch of paddy would be cut and placed in the house of the lord to mark the advent of harvesting season. In return, labour family would be given a square meal and clothes on the day of *Kathiru Kayattal*.

After the harvest, the paddy land would be kept barren for a few months during which labours including the head worker would not have much work to accomplish in the landlord's land and family. The landlords did not want to maintain labours as it incurred expenditure on food, clothing and shelter. Therefore, the contract with the *Paniyar* labour family would be ended with harvesting. However, it was the responsibility of the labour to dry and store the paddy safely in the house of landlord and his responsibility was extended to the seeing that the harvested paddy was properly dried and stored. Those days, employment in the village was confined to only paddy crop owned by landlords. Aged and incapacitated labours from *Paniyar* community remembered the brutality

and torture they had suffered as *Adivasi* labour during the first half of the 20th century. Landlords believed that they had the right to even punish recalcitrant and disobeying *Adivasi* labour. Female workers, who had failed to perform to the satisfaction of the landlord, were punished by tying them to the tree in the fields and were beaten up in front of other workers. Beating the fellow worker was often assigned to the head labourer and to begin the punishment, the landlord would start caning the labour and would then be taken over by the head labourer. If the worker (even if it is female labour) who had sustained the torture would be prevented from working in the field of the landlord. As there was no other work available in the village for the punished and disgraced worker, he would starve and die.

3.3. Cropping Pattern in Vengappally GP

There exist multiple view points on agrarian crisis in third world countries. It is argued that the crisis in the farm sector would slow down the development of the productive forces in agriculture. It may eventually leads to crippled development of productive forces and forbid advancement of production relations to the next higher order in the agriculture sector. The other stream of thought argues that the crisis in the farm sector would dissuade capital and labour from crop production, especially from the food crops and the capital may park in the export intensive crops causing food shortage and cost-push inflation, hitting worse

the economically and socially vulnerable sections in the society. In both the cases, it is supposed to leave multiple impact on food security, particularly of the vulnerable section in the society.

The discussion on cropping pattern and its changes during the last few years in VGP needs to be situated in the backdrop of the changes in agrarian front in Wayanad district. As mentioned elsewhere, Wayanad district is a cash crop dominant district and the proportion and absolute size of the ST population is the highest in the state. In table 5&6, relative position of Wayanad district in relation to other districts in the state is presented for the year 2005-06 and 2013-14 respectively. There was a marginal decline in area under food crops in the district from 9.67% to 7.46% between 2005-06 and 2013-14. The area under non-food crops increased significantly from 5.80% to 12.36% during the reference period. Among the crops, relative share of pepper declined from 17.42% to 11.33% while area under areca nut increased from 9.67% to 12.18%. In general, there has been a decline in area under cultivation of important crops grown in Wayanad in relation to the area under cultivation of the same crops in other districts in the state. It is worth pointing out that the Wayanad district still accounts for more than 75% of the total area under coffee cultivation in the state; the monopoly position of the district remain more or less unchanged.

The agrarian scenario in VGP underwent drastic changes with the influx of migration of farming community from Central Kerala (mostly Christian) to the region in 1940s and 1950s. Coffee emerged as the dominant crop by the late 1930s in the Grama Panchayat as it happened in most other parts in Wayanad. Cattle rearing was very prominent in the area and grazing land was aplenty. Cow dung and foliage were major sources of bio-fertilizer used in rice field and coffee plantations. Coffee cultivation became popular and wide spread by 1950s particularly with the first wave of migration of farmers from central Kerala to Wayanad district and VGP. The coffee plant as compared to other crops was less disease prone and it attracted a remunerative price in the export market.

Prior to 1970s, prominent indigenous rice varieties grown in the areas were low yielding but disease resistant. Important indigenous rice varieties were: (i) *Veliyan*; (ii) *Chomala*; (iii) *Kothandan*; (iv) *Palveliyan*; (v) *Kayama*; (iv) *Urunikayama*; (v) *Chenthadi*; (vi) *Ongan Punja*; (vii) *Gandakasala*; and (viii) *Jeerakasala*. Though the introduction of high yielding varieties of rice increased productivity, the hike in the administered price of chemical fertilizers and pesticides surpassed the productivity gains, driving rice cultivation into a loss. Further, lifting the ban on the intrastate movement of essential commodities by the Central Government in 1974 made rice available relatively cheap in Kerala from green revolution area. These were general reasons for the

decline in area under paddy cultivation in Kerala since the 1980s. As rice cultivation became less profitable, farmers substituted rice with ginger, banana and areca-nut in wetlands. However, in dry lands, coffee still continues to be the major crop while area under pepper cultivation suffered a substantial fall due to its volatile price compounded by plant diseases and fall in productivity (Table 7).

As the price of coffee started fluctuating violently eventually leading to its consecutive fall in price during 2000s, it compelled farmers to substitute coffee with natural rubber. The fall in the price of natural rubber since 2011 and relative price stability of coffee again lured farmers to crop coffee. It may also be noted that the productivity of natural rubber in Wayanad district is 40% less as compared to the state's average and it placed the farmers in Wayanad district in a disadvantageous position. The area under coffee remains static on account of the fact that there was no alternative remunerative crop in the area. In the early 2000s, in the wake of a price fall of coffee, farmers tried Vanilla. But the price of the crop, after a flare up for a few years in the initial period of early 2000s, fell quickly causing heavy loss and trapping farmers in deep red.

Table 5. Percentage Share of Area under Cultivation of Important Crops in Kerala 2005-06

District	Total cropped Area				Total Food				Total non food Crops					
	Paddy	Banana	Other	Veg	Plantain	Japioaca	etable	Pepper	Arecanut	Coconut	Tea	Coffee	Rubber	Rubber
Thiruvananthapuram	6.04	1.71	4.19	9.97	21.67	6.38	2.93	1.15	4.74	9.36	2.75	0	5.85	7.06
Kollam	6.35	2.62	2.89	7.63	26.30	6.08	5.68	2.29	6.14	7.37	3.59	0	7.46	6.51
Pathanamthitta	3.85	1.19	4.21	3.99	8.69	4.37	2.32	1.35	2.96	2.38	0.26	0	9.70	4.56
Alappuzha	4.07	10.43	0.94	5.25	2.95	3.76	0.84	2.17	4.29	6.25	0	0	0.80	3.89
Kottayam	7.36	4.55	5.44	7.03	6.33	5.52	3.98	1.92	4.23	4.45	5.60	2.05	22.70	9.83
Idukki	10.00	1.06	2.98	6.00	7.30	6.75	35.39	3.69	12.15	2.71	67.64	12.84	7.86	8.30
Ernakulam	6.97	9.04	10.27	8.40	6.22	5.96	2.82	5.20	6.50	6.52	0.01	0	11.59	7.34
Thrissur	6.47	11.27	4.75	12.26	1.57	6.99	2.53	7.47	6.60	9.51	1.51	0	2.84	6.37
Palakkad	11.04	41.31	18.32	12.84	4.41	20.58	3.13	5.95	15.77	6.17	2.43	5.49	6.46	7.30
Malappuram	9.23	5.40	16.12	6.85	5.90	10.95	4.78	18.44	8.60	12.63	0.50	0	6.59	9.73
Kozhikode	7.68	1.71	3.53	5.85	2.73	8.24	5.85	11.49	5.72	14.42	0	0	3.69	9.22
Wayanad	7.13	4.17	20.92	3.14	2.59	3.82	17.42	9.67	8.81	1.28	15.71	79.61	1.57	5.80
Kannur	8.64	3.34	4.16	6.24	2.70	6.71	9.52	12.99	8.64	10.46	0	0	7.76	8.64
Kasaragod	5.18	2.19	1.29	4.56	0.64	3.88	2.80	16.23	4.85	6.47	0	0	5.13	5.45
Kerala	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Government of Kerala. (2009). Statistics for Planning

Table 6. Percentage Share of Area under Cultivation of Important Crops in Kerala 2013-14

District	Total cropped Area							Total						
	Paddy	Other Banana	Plantain	Tapioca	Vege table	Pepper	Areca nut	Good Crops	Coconut	Tea	Coffee	Rubber	NonFood Crops	
TVPM	6.08	1.00	3.76	11.30	21.02	7.70	3.01	1.00	8.82	3.18	0.00	5.81	4.86	
Kollam	6.10	0.68	4.44	8.06	24.42	6.45	3.85	1.91	7.58	2.01	0.00	6.77	5.57	
Pathanamthitta	3.87	1.24	3.37	3.33	7.52	3.24	1.97	1.21	1.93	0.00	0.00	9.26	7.55	
Alappuzha	4.07	18.74	0.76	3.68	3.72	4.35	0.79	1.30	4.56	0.00	0.00	0.82	0.67	
Kottayam	7.63	7.89	4.01	4.62	7.90	4.76	3.71	1.58	3.34	0.00	0.00	20.84	17.00	
Idukki	10.06	0.33	5.16	6.62	9.37	13.41	51.06	2.38	2.04	72.74	15.30	7.37	12.46	
Eranakulam	6.31	2.03	9.06	7.67	7.36	6.22	2.41	4.46	5.51	0.00	0.00	10.90	8.97	
Thrissur	6.79	11.16	3.84	10.26	1.91	7.53	2.32	6.42	10.78	1.75	0.00	2.84	2.38	
Palakkad	11.53	41.53	27.99	21.15	3.21	17.38	3.30	9.56	7.55	2.75	5.78	6.87	6.45	
Malappuram	9.06	3.78	12.43	6.22	6.39	10.88	3.13	18.64	13.04	0.00	0.00	7.75	6.28	
Kozhikode	7.65	1.22	2.62	5.60	2.44	5.30	3.98	9.90	15.22	0.00	0.00	3.98	3.31	
Wayanad	6.66	5.75	18.60	2.31	1.96	3.39	11.33	12.18	1.45	17.57	78.92	1.96	12.36	
Kannur	8.39	2.54	3.19	5.49	2.30	6.58	5.67	9.96	10.52	0.00	0.00	8.71	7.10	
Kasaragod	5.80	2.11	0.78	3.70	0.49	2.79	3.48	19.49	7.65	0.00	0.00	6.15	5.03	
Kerala	100	100	100	100	100	100	100	100	100	100	100	100	100	

Source: Government of Kerala. (2014). Statistics for Planning

Table 7. Cropping Pattern in Wayanad district 2005-06 to 2013-14
(percentage share)

Crops	2005-06	2013-14
Paddy	5.41	6.59
Banana	6.04	6.65
Other Plantains	0.81	0.72
Tapioca	1.1	0.76
Vegetables	0.85	0.8
Pepper	19.49	5.47
Arecanut	4.94	6.99
Coconut	5.41	6.73
Tea	2.59	3.05
Coffee	31.68	38.67
Rubber	3.66	6.16
Food crops	54.58	41.53
Non-Food crops	45.42	58.47
Total	100	100

Source: Statistics for Planning, Relevant years

Table 8. Landholding structure in Vengappally GP

Area in Acre	Number of holdings
0.05 to 0.50	500
0.51 to 5	1000
>5	100
Small coffee estates <50 acre	5
Large estates (>200 acre)	3

Source: *Vikasana Rekha* (Development Document), Vengappally GP, 2001

It may be noted that reliable statistics on land use pattern in GP is hard to come by and therefore the statistics was obtained by piecing together scattered information on land use from VGP records. Field visit in the GP and discussion with farmers and agricultural labour reveal that coffee cultivation is the predominant crop in the dry land (16.29 sq.km) and wetland (5.1 sq.km) is partly cropped with areca nut, banana and different varieties of plantain, vegetables, tapioca and other miscellaneous crops. Coffee is a small holders' crop with an average size of holding of less than one acre or 0.40 hectare of land. A major part of the dry land in the GP is under coffee plantations and there are three large estates with a size of more than 200 acre of land and another five small coffee estates between 50-100 acre of land (Table 8). Coffee estates and small holders abandoned the coffee land when the price nosedived to its ever-recorded trough consecutively for years together since the early 2000s. Price stability is very crucial to attract investment in the coffee land and it did not exist. Abandoning coffee plantations leave the labour and small producers with little other alternative source of livelihood in the village.

3.4. Coffee Plantation in Vengappally GP

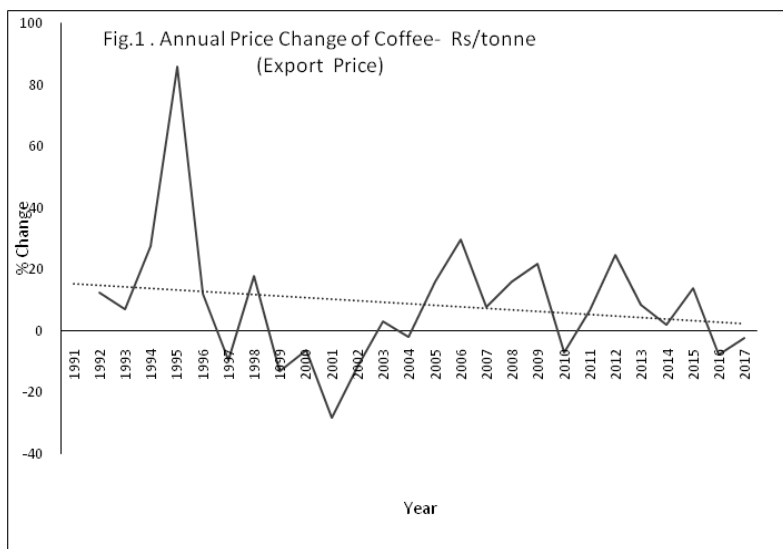
Coffee is grown mainly in Karnataka, Tamil Nadu and Kerala in India and these three states are known as traditional coffee growing regions in India. Karnataka alone accounted for 72% of the total production while the relative share of Kerala in area and production of coffee was 19% in 2015-16. Tamil Nadu accounted for

only 6% of total production of coffee in India in the reference year. Wayanad district accounted for more than 75% of the coffee production in Kerala. There are two varieties of coffee grown in India, viz., Robusta and Arabica. More than 90% of coffee produced in VGP and Wayanad district is Robusta variety and the area under Robusta has been on the increase from 27% to 51% between 1950-51 and 2015-16. It may be noted that Arabica is demanded more in the international market and in terms of price, Arabica fetches higher price while the productivity of Robusta is higher than Arabica. However, increase in area and production of Robusta in Karnataka and Tamil Nadu indicates that the farmers in Wayanad and VGP are increasingly being exposed to a higher order of vulnerability. The productivity of coffee in Kerala is much on a lower side (817 kg/hectare) as compared to the national average (1008 kg/hectare). Although the yield per hectare of coffee in VGP is not available, broad trends in productivity in Wayanad district is assumed to be the same for VGP as well.

Although India is the third-largest producer and exporter of coffee in Asia, and the sixth-largest producer and fifth-largest exporter of coffee in the world, the country accounts for only 3.92% (2015-16) of the global coffee production. The insignificant share in the world coffee market renders the bargaining power of coffee growers in India vulnerable and it makes the coffee growers in India, price takers from international coffee market. Coffee is primarily an export oriented crop with 75% of

its value of production being realised from export market. Moreover, the productivity of coffee in India is much on a lower side as compared to other major coffee producing countries, viz., Brazil and Vietnam. Before the introduction of trade liberalization in India in 1991, the domestic market for coffee was heavily protected with tariff as well as non-tariff barriers. The market vulnerability of coffee growers in India was further worsened with the introduction of trade liberalization, particularly since complying with the WTO regime in 2001. In 1991, import tariff for coffee was 100% and it was reduced to 10% and it continued till 2002. As part of complying with the Agreement on Agriculture under WTO, all non-tariff measures were removed and it exposed the domestic market to the vulnerabilities in the international market. The crisis in the coffee production is often characterized as 'Coffee Paradox' meaning that there is boom in the major coffee consuming countries while there is glut in production and crisis in the major coffee producing countries. The VGP as well as Wayanad district was also subjected to the Coffee Paradox. Figure 1 shows the annual change in the export price of coffee since 1991. Every three year, there was a trough in coffee price, which had eroded the confidence in small growers. However, barring last two years, price of coffee remained relatively stable, it encouraged farmers to go for coffee cultivation, in spite of the fear that it might nosedive any day. Pepper was multi cropped in coffee plantations in the past. The trade liberalization coupled with crop diseases have been the bane of farmers

in VGP. Broadly, it can be stated that the farmers and wage labours are trading from one crisis to another for the last two and a half decades and the impact of the crisis inflict on the poor much severe.



Source: Coffee Board. (2017).

3.5. Cost of Production of Coffee: Under the liberalized trade regime, competitiveness of coffee is measured in terms of productivity and cost of production. As the input price in India is more or less uniform across all major coffee producing states in India, major determinant of cost of production is labour cost. Figure 2 shows the average daily wage rates prevailing in coffee plantations in major coffee producing states in India. The daily wage rates for agricultural labours/ casual labours in different districts in Kerala varied between Rs 400 and Rs 800 for the year 2016-17 (Table 9). Wayanad is one of the districts in the state with lowest

Table 9: Daily Wage of Agricultural and other Casual Labour (Rs)

Types of Labour	Daily wage rate (Rs)				
	2016	2013	2011	2010	
AGL*	Male	400	200-250	175-200	150-175
	Female	300	150-175	150-175	125-150
Other Casual Labour*	Male	400	250-300	200-250	200
	Female	300	175-200	150-175	150-175
Mason (Main)	Male	800	600-650	550-600	500-550
Mason (Helper)	Male	600	325-350	275-300	250-275
Carpenter	Male	800	550-600	500-550	450-500

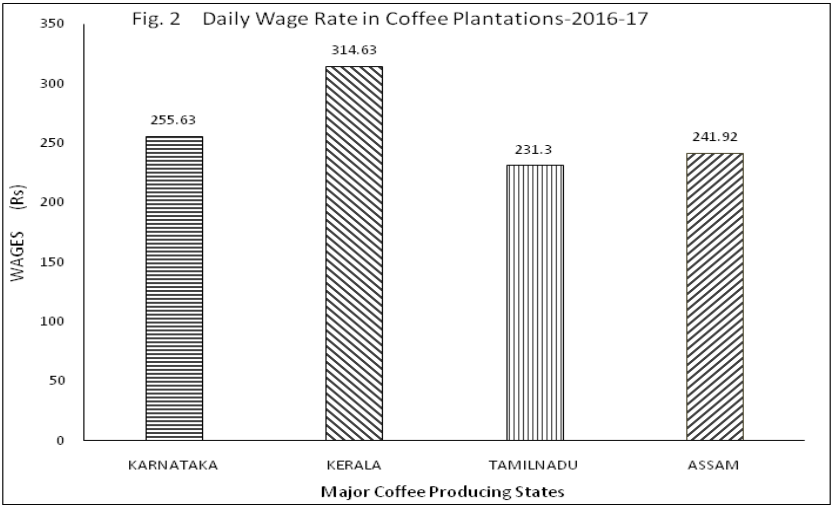
Note: *- Black tea is served by 10 am and lunch is served. The wage rate is for work in the wet and dry land but not in coffee plantations. Most of the works in coffee plantations including small holders is paid on piece rate basis.

2. The wage statistics for Kerala (Agricultural Wages in India) does not cover the wage data for the Wayand district as there is no wage centre selected for the data collection in this district. Wage data is available for 13 districts in Kerala.

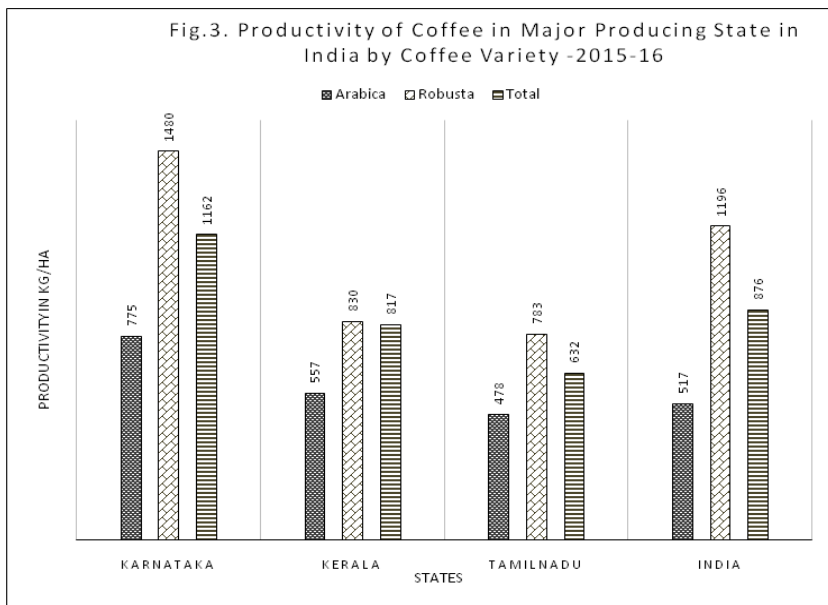
Source: Wage data is reported from the field during different rounds of field visit in VGP.

wage rates and further the reported wage rate is the minimum wage rate prevailing in the official statistics of the Coffee Board. The spot wage prevailing in Wayanad district and the VGP is reported in table 9. In terms of cost of production measured in terms of labour cost, Wayanad district and VGP is in a disadvantageous position as the daily wage rate significantly higher than other major coffee producing states in India.

Figure 3 compares coffee productivity of Wayand with Karnataka and Tamil Nadu. Coffee growers in VGP and Kerala in general encounter another disadvantage in terms of productivity. The Production of coffee beans of both Arabica and Robusta are much on a lower side in Kerala indicating that the average social cost of production of coffee in VGP is significantly higher than the national average. It may also be noted that coffee productivity in India is less than half of the productivity of major coffee producing countries in the world too.



Source: Coffee Board. (2017).



Source: Coffee Board. (2017).

Coffee plucking in the VGP is performed under two systems. Labour prefers to work on piece rate in small holdings where the plant is properly nursed. In such estates yield per tree would be better which enables the labour to pluck more quantity of coffee beans. On piece rate, a female workers could pluck coffee worth Rs 250-350 from 9 am to 4.30 pm and the piece rate for plucking a kg of coffee beans was Rs 2.50 in 2013 January. However, the piece rate too varies from holdings to holdings depending on the yield of the plant. For holdings with better yield, workers agree to pluck a kg of coffee beans for a piece rate of Rs 2.50/- while not so nursed farms had to pay upto Rs 3.50 per kg. Along with piece rate, time wage is also prevalent and a section of workers

prefer to work only for time wage and the time wage rate was Rs 175-200 per day. For estates which provide regular employment, daily wage rate for female workers plucking coffee beans was Rs 150/ day (without food) in 2013. The piece rate for plucking coffee in small holdings has increased to Rs 3.50 per kg in 2017 (January). On an average, a worker plucks coffee beans ranging between 150kg and 200 kg per day depending on the yield of the coffee. The daily wage rate as well as piece rate for coffee plucking has been slowed down for the last two years with an influx of seasonal migrant female labour from Pollachi and Coimbatore (Tamil Nadu) during harvesting seasons. The labours migrate to the area and stay for 2-3 months for the work and the size of migrant labour has been increasing every year. Recently, farmers prefer to use migrant labour because they are more disciplined and less bargaining for wages.

The crop cycle of coffee production is presented in table 10. When the area under paddy cultivation declined drastically in VGP during 1990s and 2000s, stagnant segment in the reserve army of rural labour force, particularly female and aged labours, mostly from STs in VGP and SCs in other parts of Kerala found their source of livelihood on a standstill. The employment in coffee plantations provided employment, particularly for women in VGP. Coffee is a labour intensive crop and about half of the labour requirement for coffee is supplied by female labour, particularly for harvesting and weeding of coffee plantations. However, price of coffee has been violently fluctuating with a staying

period of the trough point price for not less than three years during the last 20 years (Fig. 1). Consequently, with frequent price volatility and price fall, farmers stopped or substantially curtailed cultural practices in coffee plantations causing fall in coffee productivity and employment and income to labours and farmers. Further, it reduces labour productivity too as coffee available for plucking per plant also get affected adversely with substandard nursing of plants. The impact of the price crash and price volatility hit the labouring poor, particularly of socially vulnerable sections than other.

Table 10. Crop Cycle of Coffee (Coffee cultivation for one acre of land)

Period of agricultural operations	Operation	Number of Labour Employed
August-September	Weeding (2 days)	30 (Mostly Female)
November-December	Puthayidal	30-35 (Male or Female)
December-January	Plucking Coffee (2 months)	25-30 (Male or Female)
April-May	Fertiliser	
	April-May	12 (Mostly Male)
	July-August	12 (Mostly Male)

Source: Field survey, 2013& 2016

Although the price of coffee has been ruling at its trough for the last few years, small growers are left with no other alternative as the return from coffee is higher as compared to areca nut and pepper. Farmers prefer to maintain coffee plantations mostly because coffee is less prone to plant diseases as compared to pepper and areca nut. Moreover, even if coffee plantations are not properly maintained, it yields *albeit* less. In order to maximize income from coffee, farmers have started watering the coffee plants during its flowering. In the past, there was adequate summer rain during the flowering season of coffee which has become erratic in the recent past resulting either total destruction of coffee buds (due to excessive rain) or coffee flowers get dried and wither (if there is no rain). In the hilly area in VGP and Wayanad district in general, there is severe shortage of water during summer, but farmers with financial manoeuvrability do flood irrigation for coffee plantation. However, majority of small farmers find watering difficult as it involves substantial expenditure. It means that productivity and return from coffee vary across same size of coffee growers under the crisis period. From an acre of coffee plantation, 12 bags (each bag contains 60kg coffee cherry) is harvested under normal weather conditions without watering and the number of bags of coffee from an acre of land increase by 15% to 25% with watering. Recently, farmers have started cultivating a local variety of coffee called *Thali kappy* which fetches higher price as compared to the dominant coffee variety, viz., *Robusta*, in the area. Farmers have also started planting another high yielding variety called

Kaveri coffee in the recent past. The coffee yields in the third year of planting and the productivity is also higher as compared to *Robusta* variety. Agricultural university and coffee boards have almost withdrawn from the crop as reported by farmers in the VGP. Farmers attempt different varieties of coffee as a strategy of survival and they are also certain that the price may further fall down any moment now. However, there is a large section of coffee planters with 25 acre to 50 acre of coffee plantations. These plantations yielded them sufficient income for their livelihood before the trade liberalisation. Now that the price of coffee has become non-remunerative and volatile, the medium farmers have entrusted the supervision of coffee estates to their erstwhile managers and left for other places to work and live. The absentee coffee planters collect annually a sum which the managers benevolently part with them. There is no recommitment of the surplus in the land and it results in a state of abandoned cultivation. As the land price has significantly declined over the last two decades, the absentee coffee planters are unable even to sell their land.

Section IV

4.1. Survival Strategies of Peasants and Wage Labour under Agrarian Crisis

The type of farmers defined in terms of the purpose of engagement in agriculture can be broadly classed under two categories in VGP. Type I farmers, whose main source of livelihood is derived from non-farm

activities, have leased out wet land for banana, vegetable and ginger cultivation, either on annual ground rent or on crop sharing basis. Small holders coffee plantations of Type I farmers have also leased out their coffee plantations either for an annual income or for a specified period. However, there are a very few lessee for coffee plantations as there exists uncertainty in the price of coffee after trade liberalisation and, therefore, leasing out coffee plantations are not prominent in the village. Type II farmers (marginal farmers and wage labour with a patch of land or landless) whose main stay of livelihood is still farm based and lease in wet land for the cultivation of banana and ginger as the area under their possession is inadequate to meet their living cost (a variant of hunger leasing). For an acre of land with adequate water availability and pathways fetched an annual rent ranging from Rs 15000 to Rs 20000 in 2015. In an acre of wet land, number of banana plants that could be planted varied between 800 to 950 plants, out of which 75% of plants would produce marketable bunch under normal weather condition while 5% to 10% of plants would be lost before the harvesting stage. However, land rent has to be paid irrespective of the number plants born fruit or survived. It may also be noted that the banana (*Nentra vazha*) grown in Wayanad district fetches a price per/kg which comparatively less as compared to market price of banana form districts in Kerala. It is because of the inferior variety of banana cultivable in wayanad district. Agricultural labours and peasants, who are engaged in leased land cultivation to

compensate for their loss in employment and income, hire out labour to meet their daily household expenditure. In effect, their working hours in certain seasons extend to more than 15 hours as they start working along with family members in leased-in land very early in the morning (5.30 am) and again get back into the field in the evening by 5 PM to resume working in leased land till sunset. In summer season, banana plants need be watered twice a day and it is performed manually.

The leased land cultivation incurs substantial investment between Rs 50000 and Rs 100000 for an acre of wet land. The working capital could be realized only after harvesting the crop which may take 13-15 months (banana). Tenants mobilize the working capital either by pledging gold or selling cow and other sailable assets if they possessed any. In majority of cases, the working capital for cultivation in leased land is borrowed from informal credit market at an exorbitant rate of interest. Agricultural labours and marginal farmers from *Adivasi* community reported that they were even unable to lease-in wet land for following reasons: (i) land owners are reluctant to lease out land to them because land lords from non-*Adivasi* community is apprehensive about the non-returning of the land on expiry of the tenure; (ii) fragile economic base of the *Adivasi* members prevent them from leasing in land for cultivation. Unless wage labours hire out for daily wage, they would not be able to buy daily provisions for the family. Village shops selling provisions often refuse to sell provisions on credit to members of *Adivasi* community for

a long time as the credit worthiness of wage labours of *Adivasi* community is less; (iii) Further, *Adivasis* do not possess working capital to invest in banana cultivation and the village money lenders refuse credit to *Adivasis* and so do primary cooperative societies and banks in the public sector. Money lenders often refuse to accept their land document as security for the cash credit because *Adivasi* land cannot be traded to members of non-*Adivasi* community. Alternatively, wage labours and cultivator households from *Adivasi* community choose to engage in sharecropping in banana cultivation with land owners mostly from non-*Adivasi* community. Under the sharecropping system, cost of fertilizer and seeds will be supplied by the land owner and while the contribution from the tenant (*Adivasi* household) is limited to supply of labour, and supervision of the plantation on a daily basis. However, marketing is often undertaken by the landlord and the tenant or the sharecropper is forced to accept whatever the landlord wilfully part with the labour, without much bargaining. Share cropping is more profitable to the land lord, for banana cultivation, labour is the major component in the cost item which is supplied by the *Adivasi* labour and his family. The output is equally shared by the land owner and the labour and the equal sharing contract often ends up in receiving less by the labour. Another prominent crop grown in paddy land is ginger. For ginger cultivation, wage labour lease- in land. The market for ginger is highly volatile and its price touches trough in alternative years. In such cases, the labour household runs into

deep red and in certain occasions the ginger cultivation has ended in suicides in the area. It was also noticed that tenants doing banana cultivation reported to have abandoned it after a time span of three to five years as the debt accumulated over the years forbid the labour households from leasing- in land anymore as the village money lenders refuse to give them credit any more.

The wage labour in VGP is served tea and meals depending on the nature of the contract. If the food is served to the workers, daily wage rate is paid less by Rs 30 to Rs50/. Morning Tea (at 10 am) and lunch were served to workers for two reasons: (i) The VGP is relatively backward and to buy lunch, the worker has to travel not less than 10 km from the place of work to the nearby town area, which is time consuming; (ii) labour households from *Adivasi* community often do not cook lunch and even their breakfast is limited to a black tea and a biscuit. If they are not served food in the morning and lunch, it may adversely affect the productivity of workers.

Conclusion

The study took VGP as the subject of understanding the impact of agrarian crisis on different types of farmers and wage labours in Kerala, particularly in an export oriented cash crop dominant Grama Panchayat from one of the crisis inflicted district (Wayanad) in Kerala. For the study, deviating from the conventional wisdom of perceiving

village as static, self-contained and self-reproducing island, precluded from the world outside of it, village or Grama Panchayat is viewed as a dynamic and territorially unbounded entity connected to the outside world capable to shape itself as well as the territory outside. Under globalising agriculture and allied sectors, small capital owners find their stay in agriculture and allied sectors rather difficult as the difference in average social cost of production of agricultural commodities between international and domestic markets looms large. The state's support to compensate for higher cost of production of agricultural commodities has been increasingly rolled back while removing protection from low social cost of production and imports from the international market under trade liberalisation. As a result, small capital owners and wage labours are forced to vacate the domestic market as they have been reproducing partly outside the realm of production relations in the international markets.

As argued in the Irrelevance Theory of classical agrarian question under globalising agriculture, dispossessed peasants and wage labours were not subjugated directly under capital to enable them to reproduce under neoliberal trade regime. There has been a crisis of reproduction of peasants, farmers and wage labours under the present economic dispensation and study in VGP vindicated that severity of the reproduction crisis differed across different social and economic groupings. The socially vulnerable sections suffered more under the crisis in the farm production sector.

Arguments of the present study are the following: (i) characteristic feature of the agrarian crisis in VGP is not significantly different from any other Grama Panchayat in the state, which is predominantly agrarian with export oriented crop. *Advasi* labours and peasants suffered the maximum under the crisis as they lost their source of livelihood. Agricultural labours, particularly women and aged males, could not upgrade their skills to migrate to other sectors for employment and eventually they were forced to adjust their living cost to the reduced income and relegated social status; (ii) observed decline in area under paddy and the substitution of food crops with commercial crops like banana and ginger is in conformity with the literature on impacts of trade liberalization and agriculture neo-liberalism on food security of people; (iii) price volatility of exportable cash crops like coffee and pepper have been a consequential effect of trade liberalization process and the hardships of the farm-dependent peasants and workers in the country. However, looking at the changes in the agrarian structure of VGP from the global, national or regional perspective does present a special case inviting attention in the sense that the more integrated a population by occupation and their laboring with the international market, higher is the risk in their source of livelihood under trade liberalisation. In short, the crisis in the crop production sector since the early 2000s have been lingering around in different forms which ultimately results in near total destruction of crop production sector with no viable alternative for its

dependent population. In terms of real wages, real income to farmers and peasants and the number of hours expended for subsistence have substantially increased under the agrarian crisis. The underlining implication of the study is that the intervention of the state is urgently called for to understand the multi-faceted impact of the agrarian crisis and work out solutions including immediate corrections in macroeconomic policies.

Notes

- ⁱⁱ This work was completed in 2016 when I worked in PPRI. I am thankful to 14 research investigators who worked in different projects in Vengappally Grama Panchayat since 2010. The study could be made possible only with the sincere support of Mr Ganeshan, and Marry Ganeshan and their family. I am greatly obliged to them. An earlier version of this paper was presented in a National Seminar in IDSJ in 2013. I sincerely acknowledge the comments received from participants and discussants of the paper in the seminar. I am thankful to Ms Khushboo Sharma and Mr Prem Kumar for their valuable comments on the draft of the paper.
- ⁱⁱⁱ There is plethora of literature agrarian crisis in India. Incidence of farmers' suicide has been taken as the index of suicides. (Mohanakumar and Sharma, 2006; Das and Mohanakumar, 2013).
- ⁱⁱⁱⁱ In Kerala, village is coterminous with Grama Panchayat in terms of geographical boundary. Therefore, village is used interchangeably with Grama Panchayat. Vengappally Gram Panchayat and Vengappally village is one and the same.
- ^{iv} Wayanad District in the north-east of part of Kerala was formed on November 1, 1980 as the 12th district by carving out areas from Kozhikode and Kannur districts. As the folk etymology says, Wayanad means *Vayal*(rice field) and *Naadu* (country side). In the battle between British and *Pazhassi Raja* of Kottayam, *Kurichiya tribals* organied into a people's militia and fought

against the British. At the time of linguistic reorganisation of state in 1956, Wayanad was part of Kannur district and the South Wayanad was added to Kozhikode later. The present Wayanad district was formed by carving out North Wayanad and South Wayanad. Agriculture is the main stay of the economy. Important crops in terms of size of area under cultivation are coffee, tea, cocoa, pepper, plantain and vanilla. Rice is the most important crop in the district. The Ministry of Panchayati Raj, Government of India declared Wayanad as one of the 250 most backward districts in India in 2006 and the district receive fund from the Backward Regions Grant Fund Programme (BRGF). The district is the tribal dominated area in the state with an *Adivasi* population of 36%. The flow of migration to the district traces its origin as early as 14th century. However, large scale exodus of population from south and central Kerala was commenced in the early 1940s and by 1950s.

- IV The historical evolution of Vengappally Grama Panchayat is based on the data provided in the website of the Grama Panchayat (<http://lsgkerala.in/vengappaallypanchayat/>. Accessed on 20.01.2013. Part of the data was obtained from direct personal interviews of *Adivasi* agricultural labours in the village.

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