

Farmer Distress Index

With the nation's poor and small farmers receiving a raw deal on farm loan waivers, the National Bank for Agriculture and Rural Development (NABARD) plans to develop a farmer distress index (FDI) with the goal of tracking, recognising, and helping the nation's real troubled and needy farmers.

About Farmer Distress Index

- Rather than giving out a distress package to all producers as is the present practise, financial institutions as well as the government can agree on an adequate support package based on the severity of distress.
- This index will not be consistent across the country since it will fluctuate based on the degree of stress in each location.
- The governments, the financial industry, and insurance firms will benefit from this index.
- A farmer's plight is usually measured by the amount of devastation to their produce but this excludes far too many struggling farmers in other parts of the country.
- According to the NABARD study, this farmer distress index can incorporate high-frequency information about key agricultural parameters such as monsoon rains deviations, excessive precipitation, drought and dry seasons, temperature and soil moisture discrepancies, produce of major crops in the district, fraction of area under irrigated agriculture, depth of groundwater, unexpected frost, and promotional opportunities available to the producer, which may include the portions of wheat, paddy, chana, tur, groundnut and soybean.
- Weather data collected from remote sensing, autonomous weather stations, mobile phones, and artificial intelligence can all aid in locating vulnerable populations for creating beneficiary list.

Significance

- Policymakers as well as the governments may utilise this index to plan and build a timely and focused approach to assisting distressed producers.
- Support might take the form of outright grants, loan modification, and/or a total debt discharge, depending on the type and degree of the difficulty. Individual farmer assistance could be formulated on the basis of district index as well as individual producer distress as measured by irrigation status of his land, revenue from agricultural production by him, district average yield, and average selling price in APMC marketplaces of this district as compared with the state average selling price.