Twitter Thread by Krishna Kumar Murugan



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The Arhtiyas (Middlemen) of Punjab

The Arhtiyas of Punjab are political connected.

In July 2017, in a public function the Arhyiyas felicitated Amarinder Singh with the title of ‘Fakhr-e-Quam’(Pride of the Community).

Post that function, the CM had said it would be difficult to waive off the debt owed by farmers to the arhtiyas.

As many as 86% of farmer & 80% of agricultural labours are mired in debt, says a study on Indebtedness among Farmers & Agricultural Labourers in Rural Punjab.

Its authors, researchers at Punjabi University, Patiala, say over a fifth of that debt was owed to commission agents and moneylenders.

No less than 8,294 farmers took their own lives between 2000 & 2015, says a study presented last year before the Vidhan Sabha’s Committee.

6,373 agricultural labourers also killed themselves in the same period. And that was in just six of the state’s 22 districts.

The study, commissioned by the state government’s revenue department, found that 83 per cent of all these suicides were largely debt-driven.

An estimate in the year 2012-13 indicated that every Arhitya/ Middle men/ Commission agent earned on a average of 6.7 Lakh on interest payments.

Their average other income excluding commissions & MSP cuts per year is 12 Lakh/ Annum. They receive 1370 Cr in interest every year

Table 9: Estimated Total Earning/Exploitation by Commission Agents, Punjab

Sr No	Source of Earning	Punjab (Rs Crore)	Per Commission Agent (Rs)
1	Non-issuance of J-form	0.76	376
2	Income from high rate of interest	592	2,92,606
3	Income from normal rate of interest	780	3,85,775
4	Charging *arhat*	1,033.89	5,11,017
	Total	2,406.65	11,89,774

Source: Calculated from field survey 2012–13.

In Jan 2016, the outstanding debt in rural Punjab was close to Rs 70,000 crore, of which about one fifth is from loans extended by Arhtiyas.

Punjab had 20,000 Arhtiyas as per a report in 2012 & the extent of farm indebtedness has doubled in the past 10 years

44% of the farmers are still dealing with the same Arhtiyas for more than one generation.

The indebted farmers are not in a position to repay the whole amount of debt in a single season;

In 2019, Union Minister Late Ram Vilas Paswan wrote a strongly worded letter asking Punjab to do away with the arhtiya system & ensure direct payment to farmers for crops procured under MSP. Nothing was done by Amarinder singh. That’s how he supported farmers.

The Tribune
VOICE OF THE PEOPLE
Saturday 05, December 2020

Do away with arhtiya system, Punjab told

CHANDIGARH:The Union Minister for Consumer Affairs, Food and Public Distribution has asked Punjab to do away with the arhtiya system and ensure direct payment to farmers for crops procured under the minimum support price (MSP).

Posted: Mar 01, 2019 07:22 AM **Updated:** 1 year ago



Ram Vilas Paswan, Union Minister

Vishav Bharti

Tribune News Service

Chandigarh, February 28

60% of This high earning middlemen profession in Punjab are not graduates and is dominated by Bania, Jat and Katri community.

TABLE 2.EDUCATION LEVEL AND CASTES OF COMMISSION AGENTS IN PUNJAB

Education level (1)	Per cent (2)	Caste (3)	Per cent (4)
Illiterate	1.67	Bania	35.00
Primary	1.00	Jat	26.67
Middle	4.33	Khatri	25.00
Matric	34.33	Brahmin	7.67
10+2	19.33	Rajput	2.33
Graduate	37.00	Saini	1.00
Post-graduate	2.33	Others*	2.34

*Others include Kamboj, Sonar, Ramgharia and Labana.

46% of the Arhtiyas are farmers. How do we say that this is a farmers protest?

TABLE 3. EARLIER OCCUPATION OF THE NON-TRADITIONAL COMMISSION AGENTS

Occupation (1)	No. of commission agents (2)	Percentage (3)
Farming	126	45.49
Grocer	66	23.83
Service	24	8.66
Accountant /*Muneem*	21	7.58
Cloth/Sweet shop owner	21	7.58
Fertiliser/Pesticide shop owner	7	2.53
Factory owner	2	0.72
Cotton trader, financer and jeweller	9	3.25
Settled abroad	1	0.36
Sub-total	277	100.00

A majority of the commission agents are practicing farming (48 per cent) followed by grocery shops (22.29 per cent), pesticide/fertiliser shops (17.71 per cent), rice sheller (16.0 per cent) and other activities (17.14 per cent), such as property dealing, transport, brick kiln (Table 4). All these allied occupations are surviving on

48%*

The survey reveals that 66% of the Middlemen in the state have more than one licence.

The reasons is to divide their expenses and income to reduce the income & the sale tax, & to remain in business as usual even if one is cancelled as punishment for malpractices.

Recovery of loan before any payment is the main problem faced by the 53.25 per cent of the respondent farmers. The reason why farmers have been insisting direct payments which the govt of Punjab is not heeding to

TABLE 5. PROBLEMS FACED BY THE FARMERS IN DEALING WITH THE COMMISSION AGENTS IN PUNJAB

(Multiple response)

Problem	Farmers	
	Number	Per cent
(1)	(2)	(3)
Recovery of old loan before any payment	213	53.25
Exorbitant rate of interest	185	46.25
Supply of spurious inputs (seed, pesticides etc.)	158	39.50
Malpractices in weighing	106	26.50
High prices for domestic articles	99	24.75
Malpractices in prices	92	23.00
Delay in payment	76	19.00
Practice of *damami*	35	8.75
Others problems*	51	12.75

*Non-issuance of J-Form, signature on blank promissory notes, rude behaviour, kind payment etc.

The biggest exploitation of all. Slip mechanism.

63% farmers in Punjab even today are issued ‘slip’ for getting the required items from connected or tie-up shops of commission agents, where the price charged is always higher than the prevailing market price