

Tajik Farmers Face Mounting Debt

Author: [IWPR Central Asia](#)

A never-ending cycle of financial problems means many cotton farmers can never make a profit.

As the sowing season gets under way in Tajikistan, many farmers are already facing insurmountable debts from past years because of market forces that are heavily loaded against them.

The country's 20,000 private farmers are massively in debt, with a figure calculated at 225 million US dollars. Because they continue to have to pay large amounts for inputs like fertilisers and the hire of equipment, they end off trading their crop in advance, at a marked down prices, just so that they can stay afloat.

Land reform, which took off in 1996, was designed to break up the sprawling collective farms left over from the Soviet Union and parcel out the land to the rural population, creating "dehkan" or "peasant" smallholdings which now account for about three-fifths of all the arable land in Tajikistan.

Agriculture experts recite a litany of reasons why many farmers have never been able to make a success of the independence that the reform granted them.

Most of the problems pertain to cotton production, a key export sector for Tajikistan.

Farmers living in the lowland areas suitable for cotton growing often find themselves forced to grow the crop by local authorities who are themselves under pressure from their superiors to deliver supplies for export. Although in neighbouring Uzbekistan the government does tell farmers what to grow, the law in Tajikistan says people are free to do what they want with their land. But few farmers have read the legislation.

Once tied into the cotton-growing cycle, the farmers find the market is effectively rigged. The same entrepreneurs who will later buy up their crop sell them the seeds, fertiliser, fuel and other inputs they need at uncompetitive rates.

"The cost of the fuel and mineral fertiliser is very high, there is no guarantee of quality, and delivery dates are missed," said Azizbek Sharipov, who heads the Union of Dehkan Farms. "The farmers are forced to buy whatever they are offered at prices dictated by the investors, who go on to purchase the harvest at a reduced price. That's how the debts are incurred, and they are rising year by year."

Olima Kurbonova, a 40-year-old widow and mother of four, has a fairly typical story to tell. It is not unusual for rural Tajik women to be the head of their household, as many men died in the 1992-97 civil war and others spend much of the year away from home working in Russia.

Kurbonova has three hectares of land in the village of Guliston near the Tajik capital Dushanbe. She grows cotton because she believes she has to. For the last nine years, she has had to hire a tractor to plough her field, paying the immense sum of 150 dollars for its use.

The rest of the work is arduous manual labour.

“In the height of summer we have to work in 40-degree temperatures and gather the cotton by hand, and the kids and I don’t leave the field till the cold weather sets in,” said Kurbonova.

The local cotton processing plant takes all of her crop. “By order of the local authorities, I plant two hectares with cotton, and I get a harvest of 4 or 4.5 tonnes. After you deduct the debts, I get mere pennies. I didn’t get any money at all for last year’s harvest, and the year before I got 300 dollars,” she said.

To address the farmers’ cashflow problems, at the outset of its land reform the government introduced a system of futures contracts, where a private business can advance money to a farmer in anticipation of income from the harvest later in the year.

But this takes little account of the vagaries of nature which in Tajikistan can be quite extreme, with crops failing most commonly because of drought. And because the market is effectively controlled by local monopoly buyers, the purchase prices are as artificially depressed as the input prices are hiked up.

As a result, farms commonly find themselves with a net loss at year end, and the debt to their suppliers rolls over into the next year, with interest. When spring comes they have to take out a new advance loan.

A farmer in the Vose district, in the cotton-growing heartland of southern Tajikistan, explained how even a good year is not enough to break the cycle of mounting debt.

Last autumn saw a bumper crop, said the farmer, who spoke on condition of anonymity. But the backlog of debt - estimated at nearly 18 million dollars in this district alone - meant he and his colleagues earned nothing.

“We are starving and we don’t have the strength to work in the fields, but no one cares about this - we have to work to pay off our debts, and these are growing every year,” he said.

“When I said I wouldn’t grow cotton any more, the local authorities threatened to take my land away.”

The options open to farmers are also reduced by the limited nature of the land reform, and by their ignorance of the rules.

The reform did not privatise land, which remains the property of the state, so the smallholders are tenants who cannot sell their fields, rent them out for income, or use them as collateral.

Many farmers are completely in the dark when it comes to negotiating the bureaucracy of land acquisition. Farmer’s union head Sharipov said, “They don’t know how to obtain land to set up a farm, what rights they have when they do acquire land, or how to register the documents. The process of registering a land certificate takes from four to six weeks, and even though the law stipulates a registration fee of a few dollars, the farmers get hit for 300 to 700 dollars.”

The Tajik government recognises indebtedness is a major problem, as do major lenders such as the International Monetary Fund, IMF, and the Asian Development Bank. But because the debt is owed to commercial lenders, the government refuses to write it off.

Agriculture ministry official Kurbonali Gafurov told IWPR, “The debt situation is so complex that unless it is resolved, it will be impossible to develop the agricultural and processing sector.”

Interests of 20 per cent a year only add to the problem, Gafurov said.

He noted that “two years ago, international consultants from the ADB developed a strategy for paying off the debt, with a number of options on offer, but practical measures have yet to be taken”.

The IMF, which allocates funding for agricultural reform in Tajikistan, has worked with the government to draw up a list of debts owed by private farms. The head of the IMF mission in Dushanbe, Peter Winglee, has said such debts will be examined on a case-by-case basis, but the Tajik government will not be responsible for paying them.

This year the Tajik authorities hope to complete their land reform, breaking up the remaining 62 state-run farms into “dehkan” units. But taking one of them on looks less and less like an attractive proposition.

Economist Vahob Vahidov has observed a growing mood of apathy among existing farmers, coupled with a decline in productivity.

The sense that there is no way out is likely to further boost the exodus of adult males from Tajikistan, as farmers pack up and join the hundreds of thousands already making the annual trek to Russia to earn a living as migrant labourers.

Many rural villages already have no working-age men for most of the year, and women are left to do the manual fieldwork as well as manage their households.

“My husband received a plot of land, but our fields dried up for lack of water and we couldn’t grow anything,” said Saodat Gulova from Bokhtar district in the south of the country.

“To pay off our debts, my husband was forced to go to Russia to work, and the children and I wear ourselves out working in the fields.”

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Location: [Tajikistan](#)

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