

Farmers are now predominantly labourers, shows national survey

Farmer households earned more from wages than from cultivation in 2019 as latter stagnated

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An average farming household in India earned ₹10,218 per month in 2018-19, up from ₹6,426 a month in 2012-13. This is a nominal income growth rate of about 60 per cent over six years.

However, after adjusting for inflation using the rural consumer price index, farmers' incomes have grown only 21 per cent in real terms in the period, according to a Business Standard analysis. India's real gross domestic product (the real size of the economy) grew 52 per cent in the same period.

But more importantly, growth in income has been such that it has probably made the average Indian farmer more of a labourer.

He now earns more from wages than from cultivation, and this has happened for the first time ever.

In 2012-13, an average Indian farmer earned ₹3,081 per month from cultivation. This has grown to just ₹3,798 in 2018-19. Income from wages, on the other hand, has doubled from ₹2,071 to ₹4,063 in six years.



It must be noted that this is net income, or the net earnings after removing the pay-out expenses done on that activity. This data represents the state of farm households before the pandemic came.

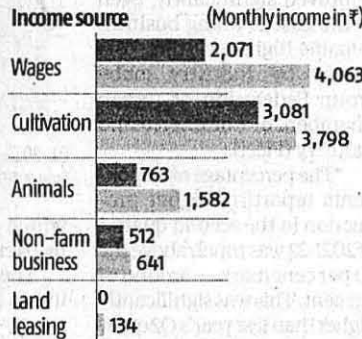
Having said that, farming has taken the backseat in rural India at aggregate level. While the number of farming households increased from 90 million to 93 million in six years, the number of families not

engaged in agriculture rose from 66 million to nearly 80 million in the same period (2013-19).

The findings for the period July 2018-June 2019 were presented in the report "Situation Assessment of Agricultural Households and Land and Holdings of Households in Rural India", by the Ministry of Statistics and Programme Implementation. The income and expenditure of farmer households captured in this

FARM WAGES DOUBLE

■ 2012-2013 ■ 2018-2019



Source: National Sample Survey Office

An average farm household in India had debts of ₹74,121 in 2018-19, compared to ₹47,000 in 2012-13

report by the National Sample Survey Office is one of the most credible pieces of nationwide official government data on farmers' incomes in India.

The latest report also estimates farm imputed expenses of farm households, apart from pay-out expenses, which the previous reports of the series had not done. Adjusting for the imputed expenses, net income from cultivation further drops to ₹3,058 per month in 2018-19.

An average farm household in India had debts of ₹74,121 in 2018-19, compared

to ₹47,000 in 2012-13. Thus, as income grew 60 per cent over six years, average debt, too, rose, by 57 per cent.

Indebtedness, or the share of farming households indebted, has remained steady. While it was 51.9 per cent in 2012-13, the proportion marginally reduced to 50.2 per cent in 2018-19.

Apart from income and debt, physical characteristics of Indian farming have also changed, and in some cases, the long-term trend has continued. The disintegration of land parcels has continued unabated for two decades, the report shows. But more worryingly, landlessness has increased.

Average land held by a land-owning farmer household has shrunk from 0.806 hectare in 2003 to 0.558 hectare in 2019. While the share of landless families among farming households had declined from 10 per cent in 2003 to 7.4 per cent in 2013, it has increased again over the period from 2013 to 2019, to 8.2 per cent.

The report defines a household as an agricultural household if it earns more than ₹4,000 per year from agricultural activities.