

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2237

ANSWERED ON:14.08.2006

DOMESTIC INCOME AND EXPENDITURE OF FARMERS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the average domestic expenditure of the rural farmers is much higher than their average income;
- (b) if so, the reaction of the Government thereto; and
- (c) the details of the average domestic expenditure and income of the farmers living in rural areas for the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) to (c): A statement showing the average monthly consumption expenditure and income of the farmer households in major States of India as per the 59th round survey of National Sample Survey Organisation pertaining to agricultural year 2002-03 is given in the Annexure. From the annexure it can be seen that the average monthly consumption expenditure of the farmer households varies from Rs.1697.00 in the State of Orissa to Rs. 4840.00 in the State of Punjab. The consumption expenditure includes, besides consumption expenditure out of purchase, the imputed value of consumption expenditure out of

- (a) home-grown stock;
- (b) receipts in exchange of goods and services;
- (c) any other receipts like gift, charity, borrowing and
- (d) free collection. The average monthly income of the farmer households ranges from Rs.1062.00 in the State of Orissa to Rs.5488.00 in the State of Jammu and Kashmir. This monthly average income excludes rent, interest, dividend.

The Government is making concerted efforts to improve the conditions of farmers. The steps taken by the Government for making agriculture sector more vibrant and dynamic so as to increase its production and productivity with resultant increase in income of farmers include

- (i) ensuring the timely availability of quality inputs;
- (ii) promoting farmer friendly, agriculture extension system;
- (iii) accelerating diversification to high value crops including horticulture;
- (iv) enhancing institutional credit flow to farmers and strengthening of cooperative credit structure;
- (v) strengthening infrastructure and supply chain;
- (vi) reforming agricultural markets, and widespread use of post harvest technology; and
- (vii) putting in place a broader spectrum of risk management apparatus for farmers.

Further, to ensure that the farmers get remunerative prices, Government has been announcing Minimum Support Price (MSP) for important crops based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). While recommending MSP, the CACP, inter alia, takes into consideration cost of cultivation/production, trend and spread of input use, production and productivity of crop concerned and market prices. The Government also implements Market Intervention Scheme (MIS) for agricultural commodities that are not covered under MSP.

ANNEXURE

Average Monthly Consumption Expenditure and Income of Farmer Households as per 59th Round Survey of NSSO

State	Average Monthly consumption expenditure (in Rs.)	Average Monthly Income from all sources per farmer house hold (in Rs.)
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Andhra Pradesh	2386	1634
Assam	2714	3161
Bihar	2459	1810
Chhattisgarh	2045	1618
Gujarat	3127	2684
Haryana	4414	2882
Jammu & Kashmir	4109	5488
Jharkhand	1897	2069
Karnataka	2608	2616
Kerala	4250	4004
Madhya Pradesh	2339	1430
Maharashtra	2689	2463
Orissa	1697	1062
Punjab	4840	4960
Rajasthan	3288	1498
Tamil Nadu	2506	2072
Uttar Pradesh	2899	1633
West Bengal	2668	2079
All-India	2770	2115

Excluding rent, interest and dividend

Note: The average monthly consumption expenditure includes, besides consumption expenditure out of purchases, the imputed value of consumption expenditure out of

- (a) home-grown stock;
- (b) receipts in exchange of goods and services;
- (c) any other receipt like gift, charity, borrowing and
- (d) free collection .