



Farming-Based Livelihood System

Module I

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Status of Agriculture

Status of Agriculture in India

Agriculture is a crucial sector in India, providing livelihood to a significant portion of the population. It is a major contributor to the country's GDP, employment, and rural development. The status of agriculture in India can be examined through various dimensions, including economic contribution, crop production, challenges, and government initiatives.

Economic Importance:

- **GDP Contribution:** Agriculture accounts for about 15% (in 2022-23) of India's GDP.
- **Employment:** Approximately 58% of the Indian population depends on agriculture for their livelihood.
- **Export Earnings:** Agricultural exports contribute significantly to the country's foreign exchange earnings. Major exports include rice, spices, cotton, and tea.

Key Agricultural Products

India is one of the largest producers of various agricultural products in the world:

- **Cereals:** India is the second-largest producer of rice and wheat globally, with production figures reaching approximately [1300 Lakh tonnes of rice and 1100 Lakh tonnes of wheat](#) annually.
- **Pulses:** The country is also a leading producer of pulses, contributing around 25% of the world's total production.
- **Fruits and Vegetables:** India ranks second in the production of fruits and vegetables, with significant outputs of mangoes, bananas, and potatoes.
- **Cash Crops:** The country is a major producer of cash crops like cotton, sugarcane, and tea, which are crucial for both domestic consumption and export.

Challenges

- Small and Fragmented Land Holdings
- Climate change and extreme weather events
- Water scarcity and groundwater depletion
- Soil degradation and declining soil fertility
- Challenges in accessing markets and getting fair prices.
- Post-harvest losses (estimated 15-20% for various crops)
- Limited access to credit and markets for small farmers

Government Initiatives

- **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):** Direct income support to farmers.
- **Pradhan Mantri Fasal Bima Yojana (PMFBY):** Crop insurance scheme to protect farmers against crop failure.

- **Soil Health Card Scheme:** Provides soil health cards to farmers to promote balanced use of fertilizers.
- **Pradhan Mantri Krishi Sinchay Yojana (PMKSY):** Focuses on improving irrigation efficiency.
- **e-NAM (National Agriculture Market):** An online trading platform to create a unified national market for agricultural commodities.
- **Kisan Credit Card (KCC):** Provides short-term credit to farmers for purchasing agricultural inputs

Technological Advancements

- **Digital Agriculture:** Use of mobile apps, drones, and IoT for precision farming and real-time information.
- **Biotechnology:** Development of high-yielding, pest-resistant crop varieties.
- **Sustainable Practices:** Promotion of organic farming, conservation agriculture, and integrated pest management.

Click here for a detailed data overview -

<https://prsindia.org/policy/analytical-reports/state-agriculture-india>

Status of Agriculture in Different States

Agriculture is a vital sector in India, with varying levels of importance and production across different states. Here's an overview of the status of agriculture in some key states:

1. Punjab:

- Known as the "Granary of India"
- Leading producer of wheat and rice
- High cropping intensity (~ 190%)
- Nearly 99% of the cultivable area is under irrigation
- Challenges: Groundwater depletion, soil degradation

2. Uttar Pradesh:

- Largest agricultural state by output
- Top producer of sugarcane, potato, and wheat
- A significant contribution to milk production
- Challenges: Small landholdings, low mechanization

3. Madhya Pradesh:

- Largest producer of pulses and oilseeds
- Significant wheat production
- Rapidly improving irrigation infrastructure
- Challenges: Drought-prone areas, need for crop diversification

4. Gujarat:

- Leading producer of cotton and groundnuts

- The high agricultural growth rate in recent years
- Successful implementation of micro-irrigation
- Challenges: Water scarcity in some regions

5. West Bengal:

- Largest producer of rice and jute
- High cropping intensity (~ 185%)
- Fish production leader
- Challenges: Frequent floods, small landholdings

6. Maharashtra:

- Leading producer of jowar, bajra, and cotton
- The largest producer of fruits (grapes, pomegranates)
- Significant sugar industry
- Challenges: Drought-prone regions, farmer distress

7. Karnataka:

- Major producer of coffee, silk, and millet
- Leader in horticulture crops
- Significant IT integration in agriculture
- Challenges: Rainfall variability, water management

8. Andhra Pradesh and Telangana:

- Major producers of rice and cotton
- Significant horticulture sector
- Leaders in aquaculture (shrimp production)
- Challenges: Drought-prone areas, need for water conservation

9. Tamil Nadu:

- Diverse crop production (rice, millets, oilseeds)
- Leader in the production of flowers and spices
- High use of farm mechanization
- Challenges: Water scarcity, declining groundwater

10. Rajasthan:

- Largest producer of mustard and gram
- Significant production of bajra and guar
- Developing horticulture sector
- Challenges: Water scarcity, low rainfall

11. Haryana:

- High productivity in wheat and rice
- A significant contribution to India's basmati rice exports
- Almost 85% of the area is under irrigation
- Challenges: Groundwater depletion, crop residue burning

12. Bihar:

- Major producer of litchi and makhana
- High potential for maize and banana cultivation
- Challenges: Frequent floods, low mechanization

13. Chhattisgarh:

- Known as the "Rice Bowl of Central India"
- Developing horticulture and medicinal plant sectors
- Challenges: Rainfed agriculture, low irrigation coverage

14. Odisha:

- Significant producer of rice and vegetables
- Growing focus on horticulture and cashew cultivation
- Challenges: Cyclone-prone, need for better irrigation

15. Himachal Pradesh:

- Leader in apple production
- Growing focus on organic farming
- Challenges: Hilly terrain, small landholdings

16. Kerala:

- Major producer of spices (pepper, cardamom)
- Significant rubber and coconut cultivation
- Leader in organic farming initiatives
- Challenges: Land fragmentation, labor shortage

17. Assam and other Northeastern states:

- Major tea producing region
- Diverse horticulture crops
- Growing focus on organic farming
- Challenges: Soil erosion, limited market access

The Income of Farmers and Rural People in India

The income of farmers and rural people in India is a critical aspect of the country's socio-economic landscape. Despite significant contributions to the national economy, rural incomes often lag behind urban incomes. This disparity impacts the overall quality of life and economic stability of rural households.

Sources of Income

1. Agricultural Income

- **Crop Production:** The primary source of income for most rural households. It includes the sale of various crops like rice, wheat, pulses, and cash crops.

- **Horticulture:** Income from fruits, vegetables, and floriculture.
- **Livestock:** Dairy farming, poultry, and other livestock contribute significantly to rural incomes.
- **Fisheries and Aquaculture:** Important in coastal and riverine areas.

2. **Non-Agricultural Income**

- **Wage Labor:** Employment in construction, factories, and other sectors.
- **Small Enterprises:** Income from rural industries, handicrafts, and small businesses.
- **Government Schemes:** Payments from schemes like MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act).
- **Remittances:** Money sent by any family members working in urban areas or abroad.

Income Levels

- **Average Income:** The average monthly income of an agricultural household in India is estimated to be around **₹10,218** (National Statistical Office (NSO), 2018-19).
- **Income Disparity:** Significant variation exists across states, with Punjab, Haryana, and Kerala having higher average incomes compared to states like Bihar, Jharkhand and Odisha.
 - *Highest average monthly farm income: Punjab (₹26,701)*
 - *Lowest average monthly farm income: Jharkhand (₹4,895)*
- **Poverty Levels:** A considerable percentage of rural households live below the poverty line, with limited access to basic amenities.

Factors Affecting Income

- Agricultural Productivity
- Market Access and Fair Pricing Mechanisms. Middlemen often reduce farmers' profits.
- Land Holdings
- Climate and Weather
- Education and Skills
- Government Policies like Subsidies, minimum support prices (MSP) etc.

Government Initiatives

- **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):** Provides income support of ₹6,000 per year to small and marginal farmers.
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** Ensures 100 days of wage employment in rural areas.
- **Minimum Support Price (MSP):** Ensures farmers get a guaranteed price for certain crops.
- **Rural Development Programs:** Various schemes aimed at improving infrastructure, health, education, and overall rural development.

- **Kisan Credit Card (KCC):** Provides easy access to credit for farmers at low interest rates.
- **Crop Insurance Schemes:** Pradhan Mantri Fasal Bima Yojana (PMFBY) protects farmers against crop losses.

Challenges in Income Growth:

- Small land holdings leading to diseconomies of scale
- Climate change and weather uncertainties
- Market price volatility
- Limited access to formal credit
- Post-harvest losses reducing potential income

Livelihood

Definition

A livelihood is a means of making a living. It encompasses people's capabilities, assets, income and activities required to secure the necessities of life. In simpler terms, the Way to earn money for food, clothes, places and basic needs is known as livelihood.

Concept

The concept of livelihood extends beyond mere income generation to include a holistic approach to understanding how individuals and households utilize their resources and capabilities to achieve their life goals. It includes:

Assets: The resources that individuals or households have access to, which can be categorized into:

- **Natural Capital:** Land, water, forests, and other environmental resources.
- **Physical Capital:** Infrastructure, tools, and equipment.
- **Human Capital:** Skills, knowledge, health, and ability to work.
- **Social Capital:** Social networks, relationships, and access to support systems.
- **Financial Capital:** Savings, credit, and other financial resources.

Capabilities: The skills, knowledge, and health that enable individuals to pursue different livelihood strategies and achieve their goals.

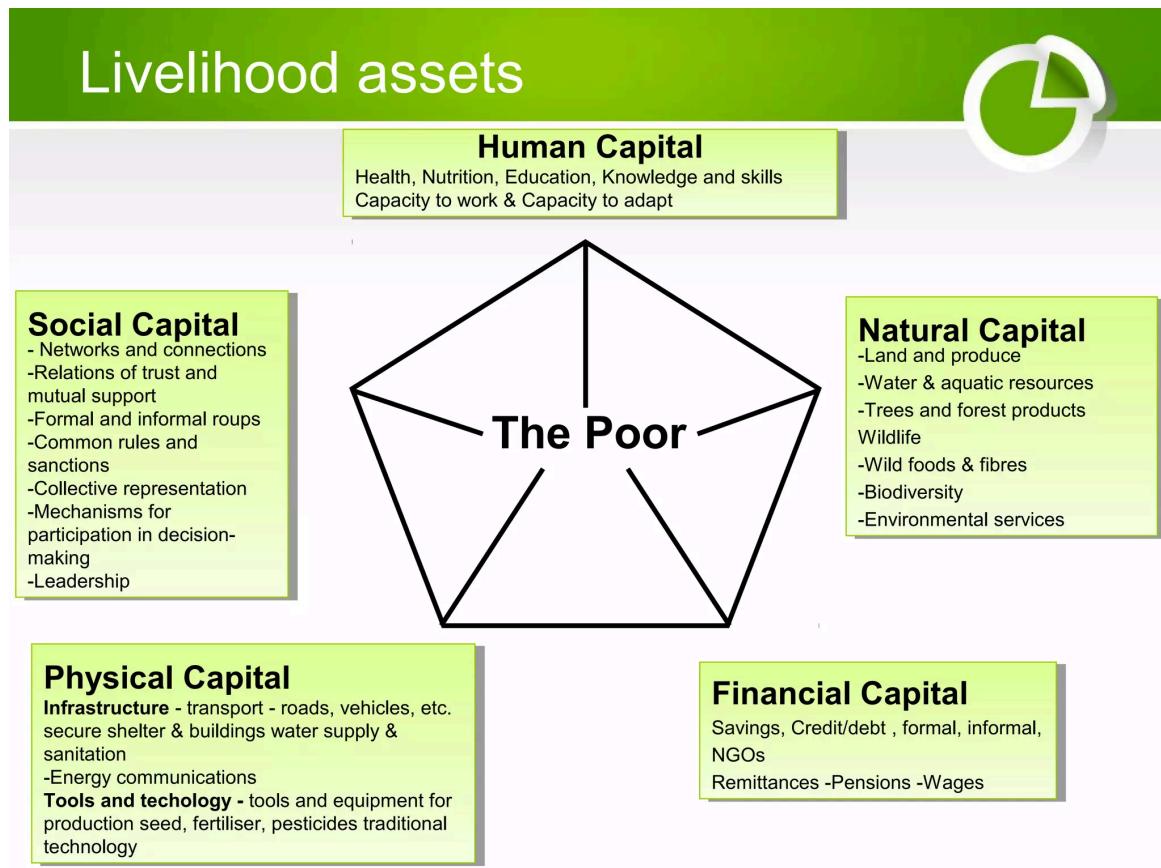
Activities: The various economic and non-economic activities that individuals engage in to earn a living. This can include farming, fishing, wage labor, small businesses, and other forms of employment.

Income: The monetary and non-monetary returns from livelihood activities, which are used to meet basic needs and improve living standards.

Strategies: The choices and decisions made by individuals and households to combine their assets and capabilities in ways that best suit their needs and aspirations. These strategies can be influenced by external factors like market conditions, policies, and social norms.

Vulnerability Context: The external environment that affects livelihood opportunities and outcomes, including:

- **Shocks:** Sudden events like natural disasters, economic downturns, or conflicts.
- **Trends:** Long-term changes such as population growth, environmental degradation, or technological advancements.
- **Seasonality:** Seasonal variations in employment opportunities, agricultural production, and prices.



Sustainable Livelihood Framework (SLF)

The Sustainable Livelihood Framework is a tool used to understand and analyze livelihoods, particularly in the context of development programs and policies. It focuses on:

- **Livelihood Assets:** Understanding the different types of assets and how they interact.
- **Transforming Structures and Processes:** The institutions, policies, and organizations that shape livelihood opportunities and outcomes.
- **Livelihood Strategies:** The range of activities and choices available to individuals and households.
- **Livelihood Outcomes:** The results of livelihood strategies, such as increased income, improved well-being, reduced vulnerability, and sustainable use of natural resources.

Livelihood Patterns in Urban & Rural Areas

Introduction

Livelihood patterns differ significantly between urban and rural areas due to variations in available resources, economic activities, infrastructure, and social dynamics.

Understanding these differences is essential for developing targeted policies and interventions to improve livelihoods in both settings.

Livelihood Patterns in Rural Areas

1. Agriculture-Based Livelihoods

- **Crop Production:** The primary livelihood activity in rural areas, involving the cultivation of cereals, pulses, vegetables, and cash crops.
- **Horticulture:** Growing fruits, vegetables, flowers, and spices.
- **Livestock Farming:** Rearing animals such as cattle, goats, sheep, poultry, and dairy farming.
- **Fisheries and Aquaculture:** Important in coastal and riverine rural areas.

2. Non-Agricultural Livelihoods

- **Wage Labor:** Employment in local industries, construction, and other manual labor jobs.
- **Handicrafts and Artisanal Work:** Production of crafts, pottery, weaving, and other traditional skills.
- **Small-Scale Businesses:** Rural entrepreneurship, including shops, food processing, and service-based businesses.
- **Seasonal Migration:** Temporary migration to urban areas or other regions for work during off-peak agricultural seasons.

3. Natural Resource-Based Livelihoods

- **Forestry:** Collection of timber, fuelwood, and non-timber forest products.
- **Mining and Quarrying:** Extraction of minerals and stones in resource-rich areas.

4. Government and Non-Government Employment

- **Public Sector Jobs:** Employment in local government offices, schools, and health centers.
- **NGO Work:** Engagement with non-governmental organizations on various development projects.

5. Dependence on the Informal Sector

- **Self-Employment:** A significant portion of rural livelihoods are based on informal and self-employed activities without formal contracts or benefits.

Livelihood Patterns in Urban Areas

1. Formal Employment

- **Service Sector Jobs:** Employment in sectors like IT, finance, healthcare, education, hospitality, and retail.
- **Industrial and Manufacturing Jobs:** Employment in factories, production units, and industrial complexes.
- **Government Jobs:** Employment in various government departments and public sector undertakings.

2. Informal Employment

- **Street Vendors:** Selling goods and services in markets, streets, and public spaces.
- **Construction Work:** Employment in building and infrastructure projects.
- **Domestic Work:** Jobs as maids, cooks, and caretakers in urban households.
- **Small-Scale Businesses:** Running small shops, eateries, repair services, and other enterprises.

3. Skilled and Professional Jobs

- **White-Collar Jobs:** Professional roles in offices, including management, administration, engineering, and consultancy.
- **Blue-collar jobs:** Technical and skilled labor in various industries.

4. Migration for Employment

- **Rural to Urban Migration:** Individuals moving from rural areas to cities in search of better employment opportunities.
- **Intra-Urban Migration:** Movement within the city for better job prospects and living conditions.

5. Gig Economy and Freelancing

- **Online Platforms:** Employment through digital platforms offering freelance, part-time, and gig-based work opportunities.

6. Education and Skill Development

- **Educational Institutions:** Employment in schools, colleges, and training centers.
- **Vocational Training:** Engagement in skill development programs to enhance employability.

Key Differences Between Urban and Rural Livelihoods

1. **Economic Activities:** Rural livelihoods are predominantly agriculture-based, while urban livelihoods are more diverse, including industrial, service, and informal sector jobs.
2. **Income Levels:** Urban areas generally offer higher income levels and more employment opportunities compared to rural areas.
3. **Infrastructure and Services:** Urban areas have better access to infrastructure, healthcare, education, and social services, which influence livelihood opportunities.
4. **Social Dynamics:** Rural areas often have close-knit communities with traditional practices, while urban areas have more diverse and dynamic social interactions.

5. **Vulnerability and Risk:** Rural livelihoods are more vulnerable to climatic and environmental risks, while urban livelihoods face challenges like job insecurity, high living costs, and congestion.

Different indicators to study livelihood systems

Studying livelihood systems involves examining various factors that influence how people earn their living and sustain their well-being. Different indicators provide insights into the resources, strategies, outcomes, and vulnerabilities associated with livelihoods. These indicators help in assessing the effectiveness of development interventions and policies aimed at improving livelihoods.

Key Indicators to Study Livelihood Systems

Economic Indicators

1. **Income Levels:** Average household income, per capita income, and income diversification are critical to understanding the economic stability of households.
2. **Employment Rate:** The proportion of the population engaged in various sectors (agriculture, industry, services) provides insights into the economic structure and opportunities available.
3. **Poverty Rate:** The percentage of the population living below the poverty line is a fundamental indicator of livelihood security.
4. **Access to Financial Services:** Indicators such as the number of households with bank accounts, access to credit, and savings rates reflect financial inclusion and economic resilience.

Social Indicators

1. **Education Level:** Literacy rates and educational attainment impact employment opportunities and income potential.
2. **Health Status:** Indicators such as access to healthcare services, nutritional status, and morbidity rates are vital for assessing the well-being of communities.
3. **Social Capital:** The strength of community networks, participation in local organizations, and trust among community members can influence livelihood strategies.

Environmental Indicators

1. **Natural Resource Availability:** Access to land, water, and forests is crucial for agricultural and non-agricultural livelihoods.

2. **Sustainability Practices:** The adoption of sustainable agricultural practices and resource management techniques indicates the resilience of livelihood systems.
3. **Vulnerability to Climate Change:** Indicators assessing exposure to climate risks and adaptive capacity are essential for understanding the sustainability of livelihoods.

Institutional Indicators

1. **Government Support Programs:** The availability and accessibility of government schemes for agriculture, employment, and social welfare can significantly influence livelihood outcomes.
2. **Market Access:** Indicators measuring access to markets for goods and services, including transportation infrastructure and market information, are critical for economic viability.
3. **Policy Framework:** The existence of policies that promote livelihood security, such as land rights and labor laws, affects the overall livelihood landscape.

Composite Indices

1. **Sustainable Livelihood Security Index (SLSI):** This index combines various indicators to assess the overall livelihood security of households and communities, considering economic, social, and environmental dimensions.
2. **Livelihood Vulnerability Index (LVI):** This index evaluates the vulnerability of households to economic shocks, environmental changes, and other risks, helping to identify at-risk populations.

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