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Karnataka Assembly poll dates to be announced today

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Rupee hits 4-week high, up 9 paise

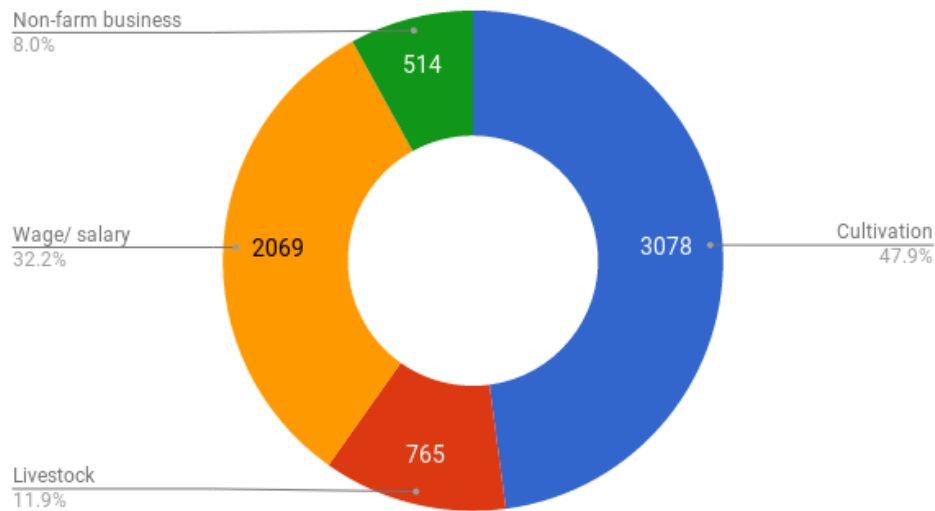
12

3hrs

Linda fought to end segregation,

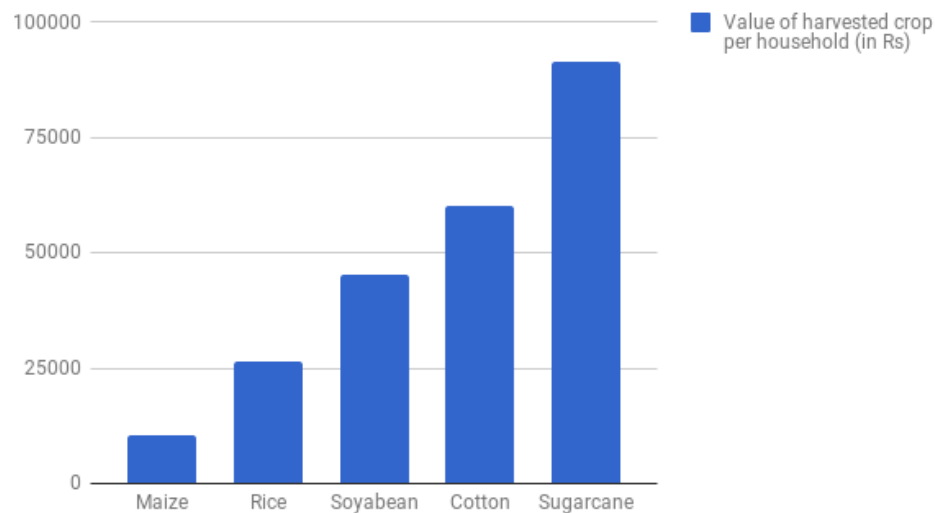
The average farm household makes Rs 6,426 per month. Where does this money come from? Farm households do a mix of jobs, the data shows.

Household Income



How much exactly does growing a crop earn a household? The chart below shows the value of the harvested crop for a household that predominantly grows that crop, over a six-month agricultural season. Sugarcane is by far the most profitable crop to grow, while paddy (or wheat in the first half of the year) brings a household around Rs 30,000 for a six month season.

Crops and their value



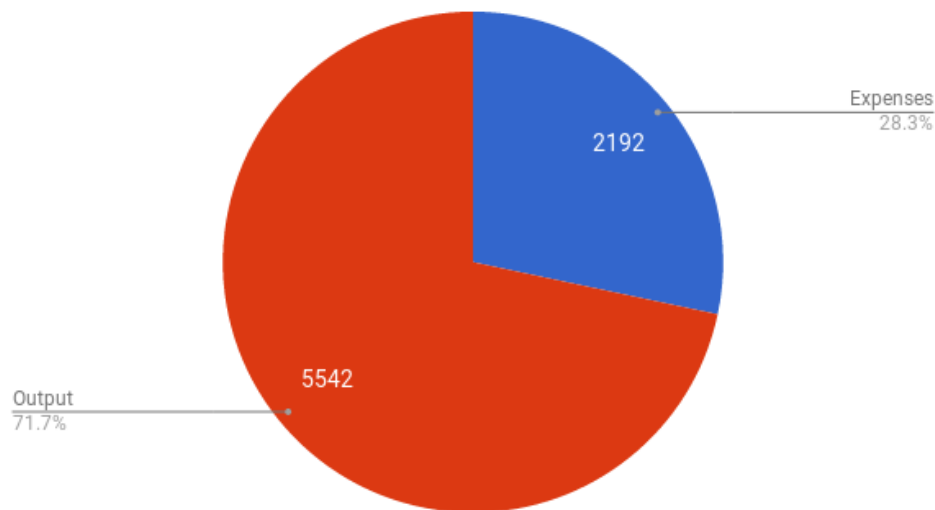
Who are most farmers selling their crops to? First of all, over half of wheat and rice grown is not sold at all, and is purely for the farm household's consumption. Of what is sold, the vast majority is sold to the private trader, and not the state-run mandi or procurement agency. Among those who sell

to the procurement agency, a minority report having got the Minimum Support Price for their produce.

Farmers often talk about the high – and rising – costs of inputs, including water, seeds and pesticides. So how does the output they earn compare with the inputs they put into the land?

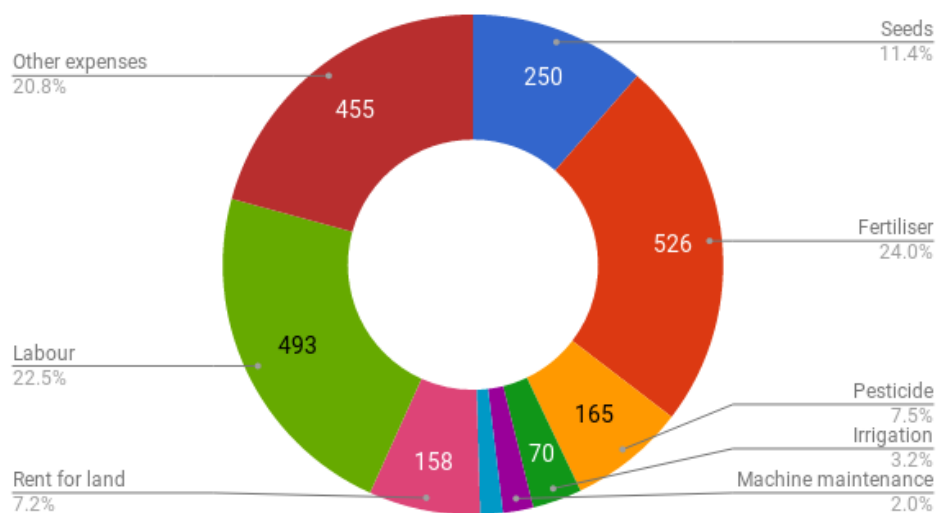
Input costs work out to nearly 30 per cent of the total output an average farm household gets from a crop.

Input vs Output



Among inputs, fertilizers are the most expensive, followed by labour.

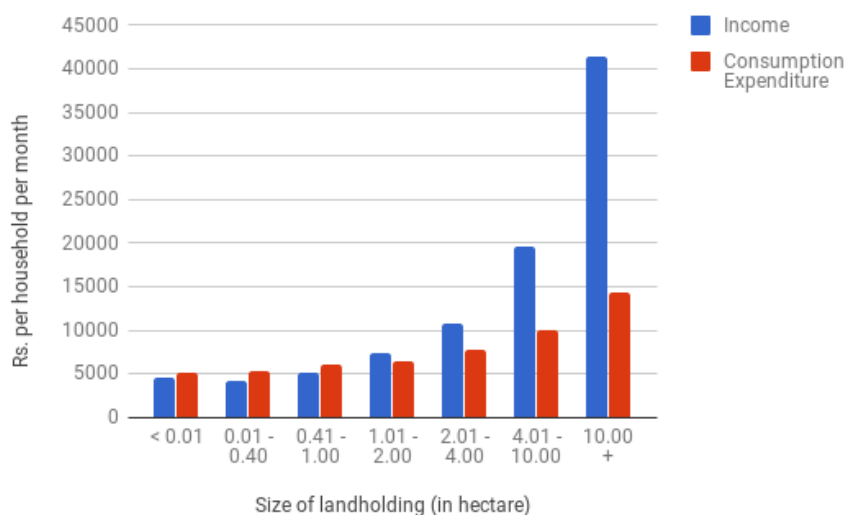
Input costs



Does this income get the family through the month? For this, I compared

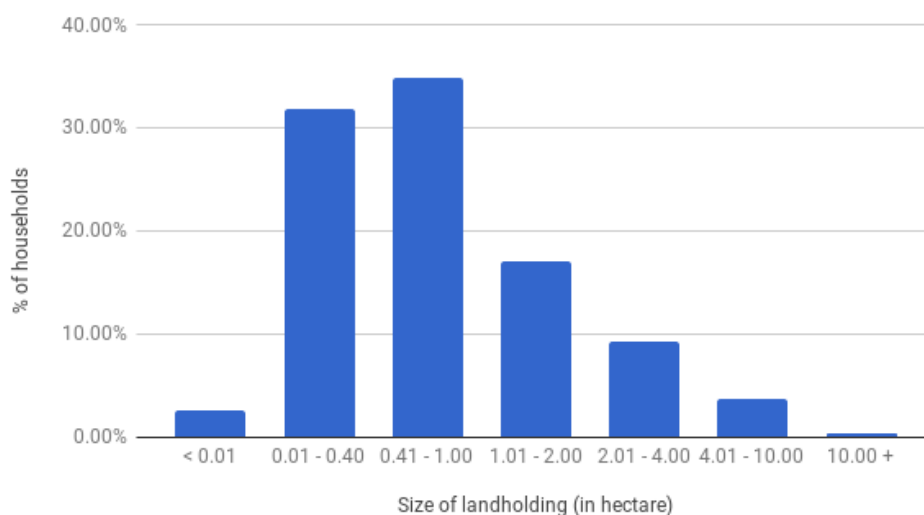
income and consumption expenditure for farm households by the size of their landholdings.

Balancing a farm budget



As you can see, a farm household needs to have at least 1 hectare of land to make ends meet every month. But given that over 65 per cent of households have less than one hectare of land, this means that two out of three farm households are simply not able to make ends meet.

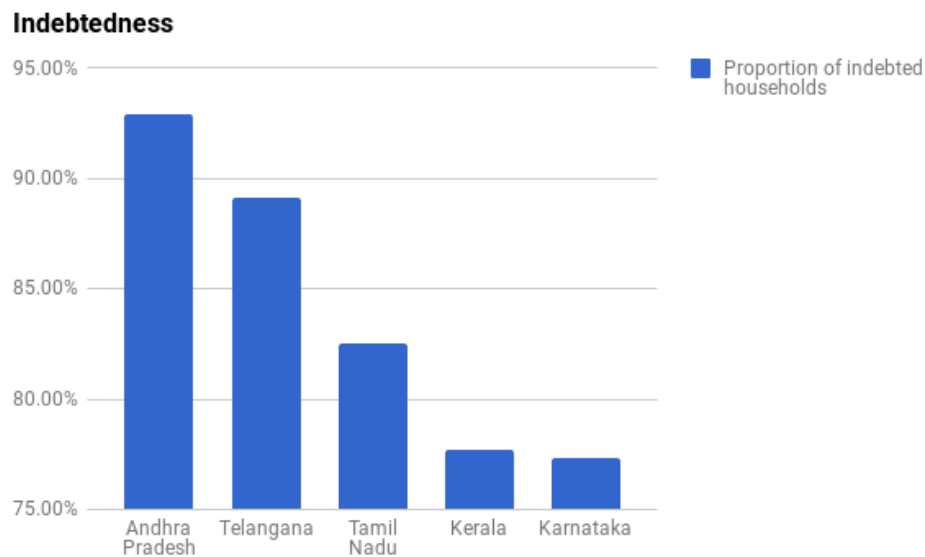
Landholdings



Unsurprisingly, what this translates into is debt. Over half of all agricultural households are indebted, and these are not small debts; the average loan amount outstanding for a farm household in India today is Rs. 47,000. For marginal farmers, making under Rs 4,000 per month, which doesn't even cover their consumption, loans of over Rs 30,000 must be extremely heavy

burdens.

The southern states stand out for their level of indebtedness.



Who are farmers borrowing from? Marginal farmers rely chiefly on moneylenders, while those with bigger landholdings go to banks, the data shows.



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