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Agricultural Households of Tamil Nadu - A Profile

Based on NSS 77th Round

R. Rukmani


State Planning Commission

Government of Tamil Nadu

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Government of Tamil Nadu
State Planning Commission

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PREFACE

The State Planning Commission with a new team of Vice Chairman and Members has started a new initiative of publishing reports on Tamil Nadu based on the secondary data published by various agencies. The National Statistical Office, New Delhi every year collects and publishes sample data on specific themes. This report is based on National Sample Survey (NSS) 77th Round - Situation Assessment of Agricultural Households and Land and Livestock Holdings of Household in Rural India, 2019 Report. The report on "**Agricultural Households of Tamil Nadu – A profile**" is based on the data pertaining to Tamil Nadu. The report was prepared by Ms. R. Rukmani, Consultant, State Planning Commission. However, the usual disclaimers apply that the views and interpretation of data presented in this report are not the official view of State Planning Commission, Government of Tamil Nadu.

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Key Findings



- Agricultural households account for 26% of all households in rural Tamil Nadu
- Incidence of agricultural households is 18% among the Scheduled Castes, 31% among the Other Backward Classes, the two major social groups in rural Tamil Nadu
- Marginal and small holdings predominate Tamil Nadu's agriculture, accounting for 95% of all ownership holdings of SC agricultural households; 91% of OBC; and 92% for all social groups
- Average area per operational holding of Scheduled Castes agricultural households was reported as 0.498 ha while for OBC agricultural households it is 0.913 ha. and for all agricultural households it is 0.831 ha.
- Cultivation of single or sole crop is the predominant practice
- 30% to 40% of operational holdings do not report any harvest of crops implying either crop failure or current fallows
- Access to irrigation is available for 43% of total area under cultivation and ground water is the major source of irrigation followed by canal irrigation
- Agricultural households engaged in crop production account for 64% in rural Tamil Nadu
- Among the Scheduled Castes, 16% of households report ownership of livestock while 8 % of households report owning poultry birds; the corresponding percentages are 17 and 9.9, for the OBCs
- Major crops in Tamil Nadu are paddy, maize, groundnut and coconut
- Local market was the predominant source for sale of produce as also purchase of inputs for agricultural households
- Use of bio-inputs in cultivation is not insignificant - 21% of agricultural households use bio-fertilisers while 10% use bio-pesticides
- Awareness on Minimum Support Price (MSP) is very low among the farming households
- Crop insurance is not very popular among agricultural households
- Access to any formal training in agriculture is limited to a very small section-4% among males and less than 1% among females

Key Findings

- Access to technical information on cultivation, for agricultural households, is essentially through progressive farmers and through broadcasts on television and radio; State funded agencies, State departments and Agricultural Universities are not playing a significant role in providing technical advice to farmers
- Average monthly income of an agricultural household belonging to Scheduled Caste is Rs.10396 and OBC is Rs.12129 in 2018-19
- Wage labour is the predominant income earning activity for agricultural households
- Labour cost, accounts for the bulk of cultivation expenses of agricultural households
- About two thirds of all agricultural households report indebtedness and the average amount of outstanding loan per agricultural household is Rs.106553 in 2018.
- Expenditure for farm business-capital or revenue-is the most predominant purpose for which loans are taken by agricultural households
- Commercial banks are the most important source of loan for agricultural households



Profile of Agricultural Households of Tamil Nadu

This note provides a profile of agricultural households in the state of Tamil Nadu, based entirely on the recent publication, “*Situation Assessment of Agricultural Households and Land and Livestock Holdings of Households in Rural India*, 2019, (NSS Report No.587)”. This report, conducted during the 77th round of National Sample Survey pertains to the agricultural year 2018-19 (July 2018-June 2019). The information was collected in two visits from the same set of sample households.

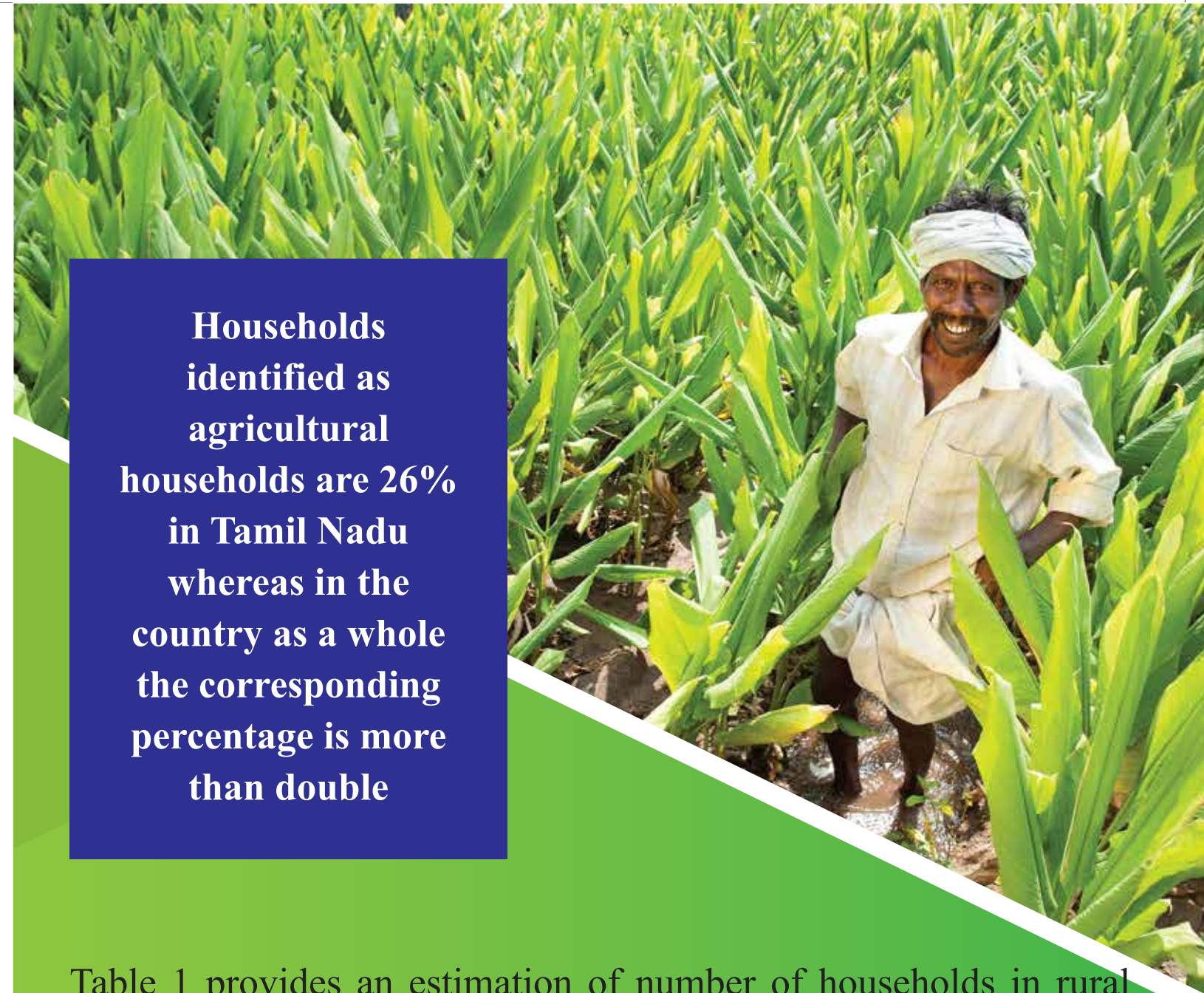
Some Characteristics of Rural Households

Table 1: Estimated Number of Rural Households, 2018-19

State/ India	Number of Agricultural Households	Number of Non-Agricultural Households	All Households	Percentage of Agricultural Households	Percentage of Non - Agricultural Households
Tamil Nadu	2582500	7186900	9769400	26.43	73.57
India	93094000	79350000	172444000	53.99	46.01

Source: Table 2, Appendix A, and Highlights, NSS Report No. 587

Households identified as agricultural households are 26% in Tamil Nadu whereas in the country as a whole the corresponding percentage is more than double



Estimated Number of Rural Households, 2018-19

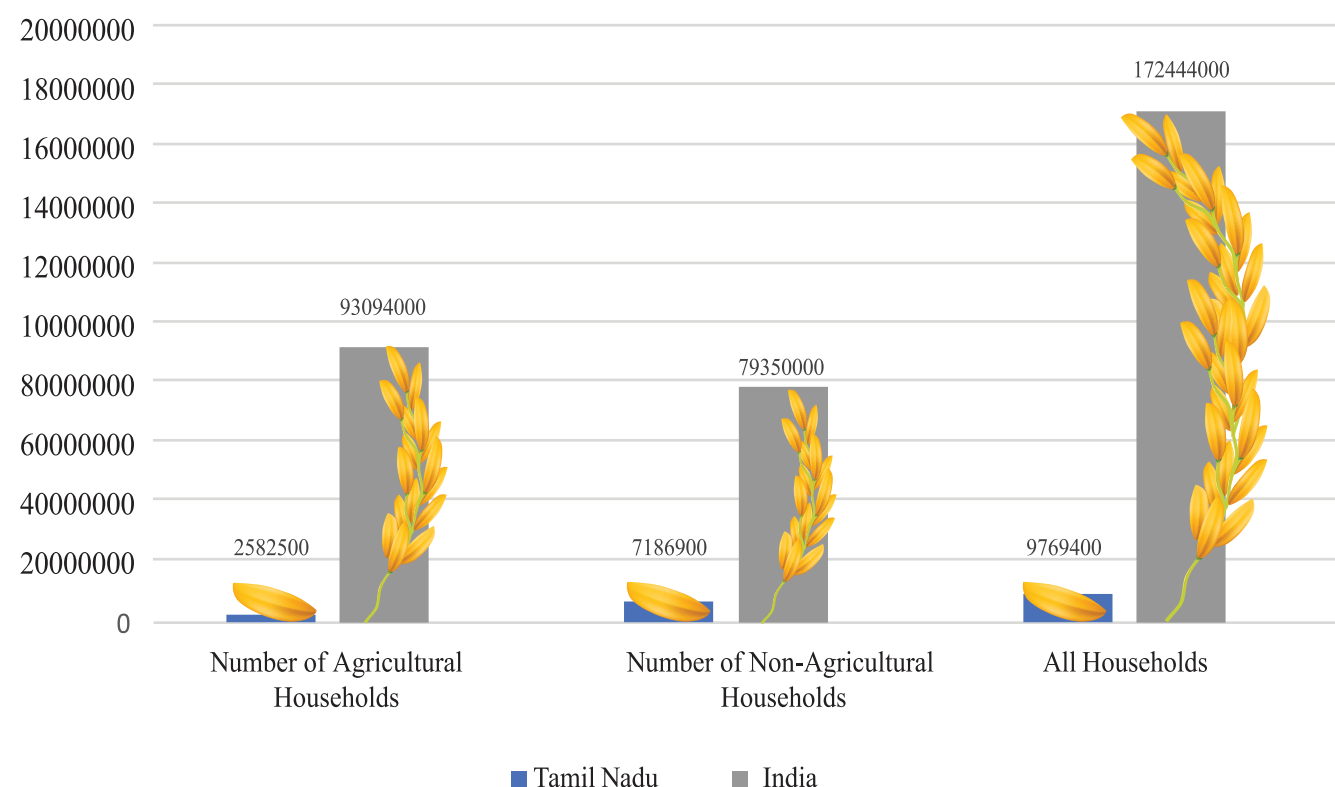


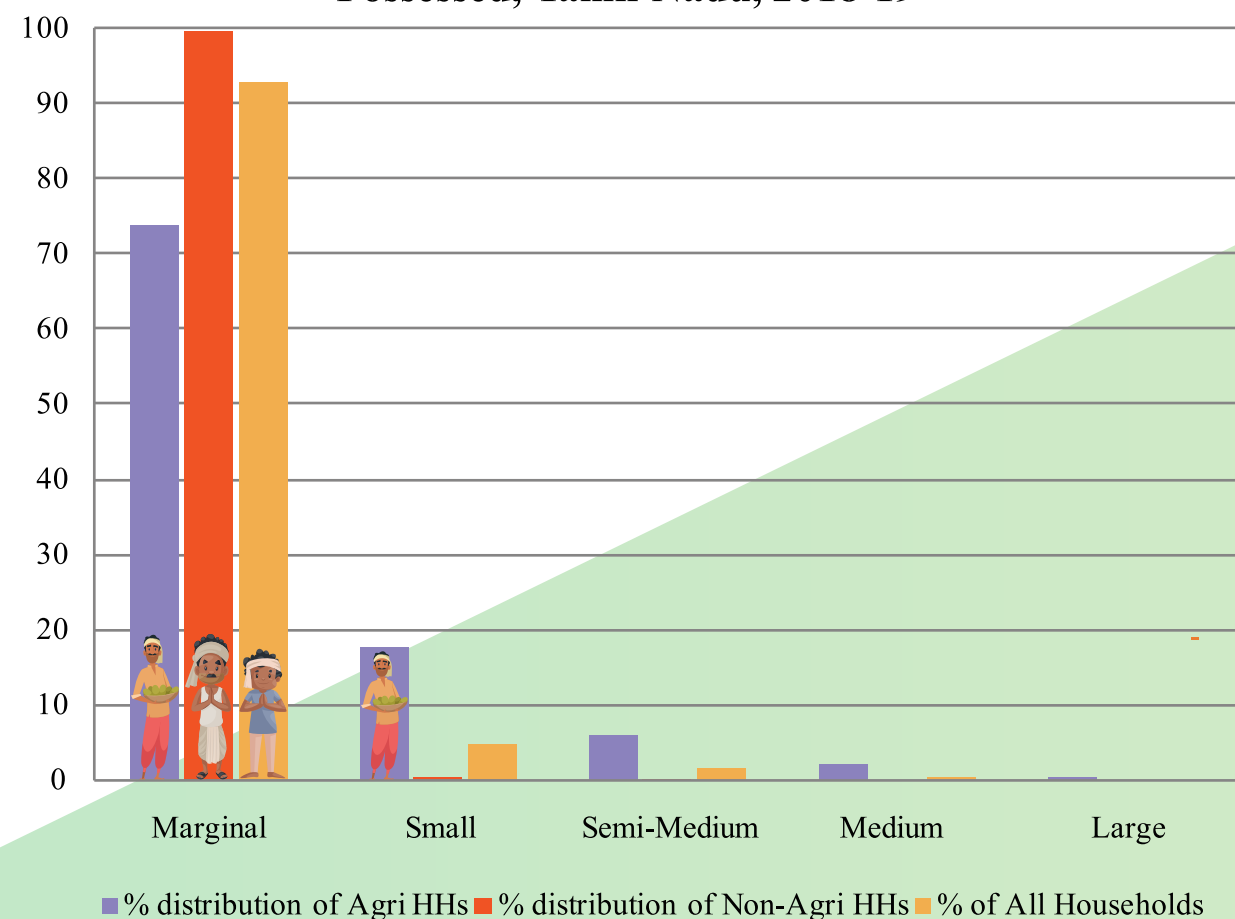
Table 1 provides an estimation of number of households in rural areas of Tamil Nadu and All India. Households identified as agricultural households are 26% in Tamil Nadu whereas in the country as a whole the corresponding percentage is more than double¹. That is, on an average, in Tamil Nadu one out of every four households is an agricultural household whereas in India every other household is an agricultural household. This brings to fore the stark difference in the economic activities prevalent in rural Tamil Nadu vis-a-vis the country as a whole. Importance of agriculture as the main activity for sustenance is much lower for the households in rural Tamil Nadu compared to rural India. This is not surprising given that Tamil Nadu is one of the most urbanised states of India with a high degree of rural-urban linkages.

Table 2: Classification of Households by Size Class of Land Possessed, Tamil Nadu, 2018-19

Size Class (ha.) of land Possessed	No. of Agricultural Households	No. of Non - Agricultural Households	All Households	Percentage Distribution of Agri HHs	Percentage Distribution of Non - Agri Households	Percentage of All Households
Less than or equal to 1.00 (Marginal)	1908000	7153100	9061000	73.88	99.53	92.75
1.01 - 2.00 (Small)	459600	21700	481300	17.8	0.3	4.93
2.01 - 4.00 (Semi - Medium)	154800	12200	167000	5.99	0.17	1.71
4.01 - 10.0 (Medium)	52400	0	52400	2.03	0	0.54
10.01+ (Large)	7700	0	7700	0.3	0	0.08
All Sizes	2582500	7186900	9769400	100	100	100

Source: Table 2, Appendix A, *ibid*

Classification of Households by Size Class of Land Possessed, Tamil Nadu, 2018-19



¹ The Report defines an agricultural household as one having some production from agricultural activities (e.g. cultivation of field, horticultural, fodder crops, plantation, animal husbandry, poultry, fishery, piggery, bee-keeping, vermiculture, sericulture etc.) with total value of agricultural produce greater than Rs. 4000, during the last 365 days and having at least one member self-employed in agriculture, during the last 365 days.

² Land possessed by a household is defined as land owned (including land under 'owner like possession') + land leased in-land leased out+ land otherwise possessed (neither owned nor leased-in) by that household.

Table 2 provides the classification of households by size class of land possessed². Nearly three fourth of agricultural households in Tamil Nadu possess less than 1 ha. of land and close to one fifth of agricultural households possess small holdings of 1 to 2 hectares. That is, about 92% of agricultural households possess marginal or small holdings. Correspondingly, a very small percentage of households, 0.3% of agricultural households possess large holdings above 10 hectares. If we consider all households-agricultural and non-agricultural-then nearly 93% of households possess marginal holdings and another 5% possess small holdings, indicating the predominance of small and marginal holdings in rural Tamil Nadu.

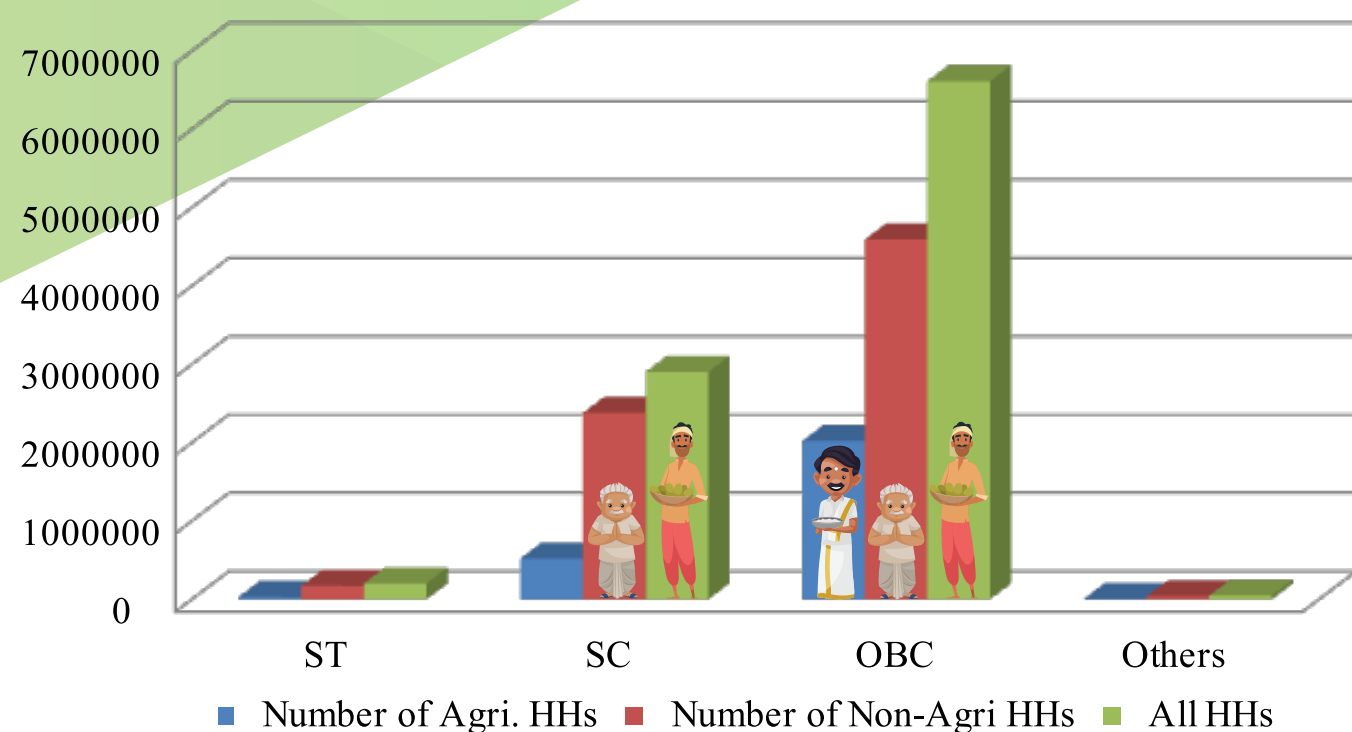
Table 3: Classification of Rural Households by Social Group, Tamil Nadu, 2018-19

Household Social Group	Number of Agricultural Households	Number of Non - Agri. HHs	All Households	Percentage Distribution of All HHs	Percentage of Agri. HHs across social groups
ST	31500	172500	204000	2.09	15.44
SC	521900	2381000	2902200	29.71	17.98
OBC	2021100	4594300	6615500	67.72	30.55
Others	7900	39100	47100	0.48	16.77
All	2582500	7186900	9769400	100.00	26.43

Source: Table 3, Appendix A, *ibid*



Classification of Rural Households by Social Group, Tamil Nadu, 2018-19



Regarding the social classification of rural households, it is seen that there are two major social groups in rural Tamil Nadu-the Other Backward Classes and Scheduled Castes. The former, OBC, accounts for 68% while the latter, SC, accounts for 31% of all households in rural Tamil Nadu. From Table 3 it is also clear that the incidence of agricultural households is 31% among the OBCs while it is much lower at 18% among the SC households. This suggests that the engagement in own farming activity is far lower among the Scheduled Castes compared to OBCs.

Table 4: Some Salient Features of Agricultural Households, Tamil Nadu, 2018-19

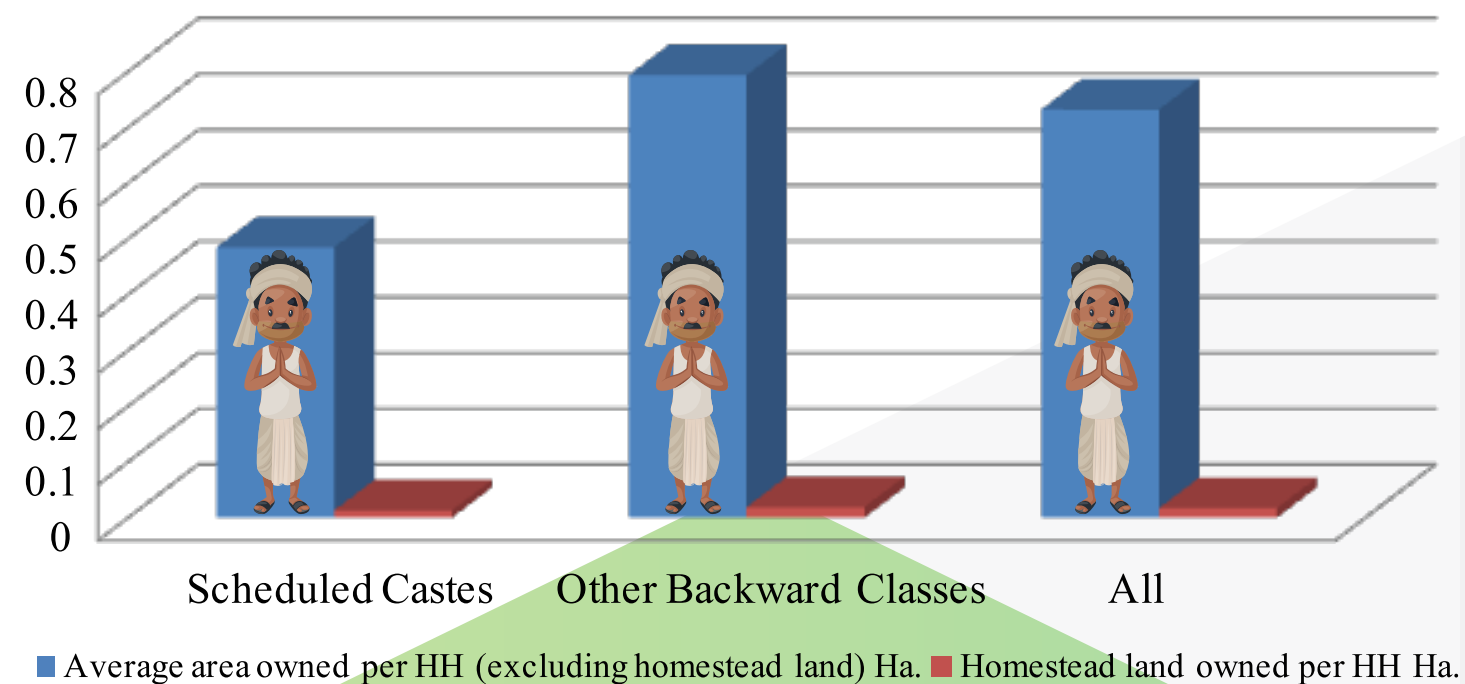
Social Group	Average Household Size	Average Area Owned per HH Ha. (excluding homestead land)	Homestead Land Owned per HH Ha.
Scheduled Castes	4.2	0.485	0.013
Other Backward Classes	3.9	0.794	0.019
All	3.9	0.732	0.017

Source: Table 31, Appendix A, *ibid*

From Table 4 it is seen that while the OBC households far better than the SC households, with regard to land ownership, the difference across social groups is not very stark with respect to household size.



Some Salient Features of Agricultural Households, Tamil Nadu, 2018-19



Households identified as agricultural households are 26% in Tamil Nadu whereas in the country as a whole the corresponding percentage is more than double

Table 5: Classification of Households by Type of Employment

Social Groups	Category	Self Employment	Percentage of Households engaged in			
			Regular Wage/ Salary	Casual Labour	Others	All
SC	Agri. HH	51	16	29	4	100
	Non-Agri HH	11	15	67	7	100
	All	18	15	60	6	100
OBC	Agri. HH	78	10	11	1	100
	Non-Agri HH	19	24	47	9	100
	All	37	20	36	7	100

Note: Computed from Table 5, Appendix A, *ibid*

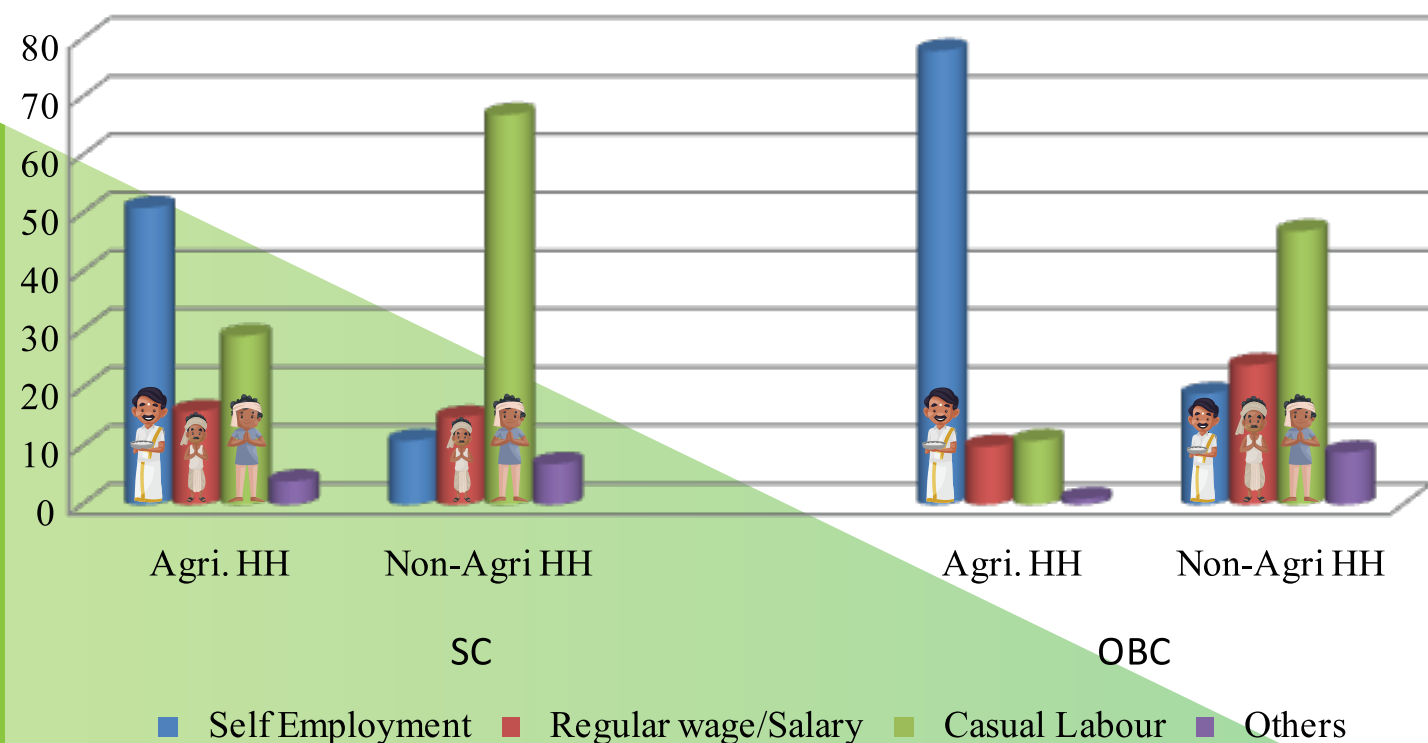
Classifying the households by type of employment, it is clear that among the agricultural households, self-employment is the predominant type of employment while among the non-agricultural households casual labour is the most important type³. This is so across both the social groups-SC and OBC.

Among the self-employed agricultural households, within the SC social group, 67% are engaged in crop production while 26% are engaged in livestock farming; within the OBC 79% are engaged in crop production and 15% in livestock farming⁴. Livestock farming as an economic activity is much more prominent among the SC households. Considering agricultural and non-agricultural households, casual labour is the predominant type of employment among the SC.

³ “A household was first categorised as self- employed, regular wage/salary earning or casual labour depending on the major source of its income during last 365 days from self -employment, regular wage/salaried employment or casual labour employment, respectively.” (*ibid*)

⁴ Based on data in Table 5, Appendix A , *ibid*

Classification of Households by Type of Employment



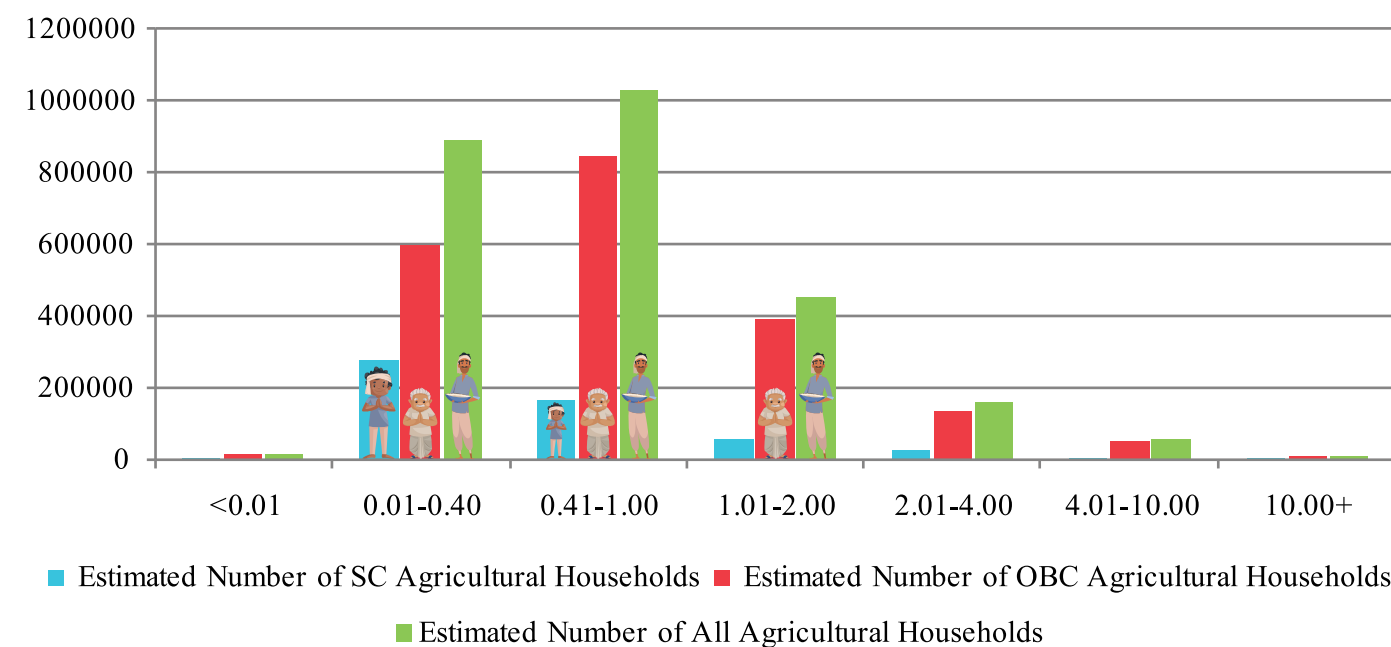
Some Aspects of Farming

Table 6: Classification of Agricultural Households, Tamil Nadu 2018-19

Size Class of Land possessed (Ha)	Estimated Number of SC Agricultural Households	Estimated Number of OBC Agricultural Households	Estimated Number of All Agricultural Households
< .01	300 (0)	10500 (1)	10800 (0)
0.01 - 0.40	272400 (52)	599500 (29)	886900 (34)
0.41 - 1.00	166400 (32)	848200 (42)	1027400 (40)
1.01 - 2.00	57600 (11)	389100 (19)	451200 (17)
2.01 - 4.00	22100 (4)	132500 (6)	161000 (6)
4.01 - 10.00	700 (0)	51300 (3)	52600 (2)
10.00+	200 (0)	7500 (0)	7700 (0)
All Sizes	519600 (100)	2038600 (100)	2597700 (100)

Note: Figures in brackets provide column percentages; Total number of HHs given in this table does not match with the figures in previous tables. This is related to the fact that, "estimated number of households given in this Table are design based estimates and may be used as control totals for combining and arriving at rates and ratios. These figures are not intended for providing the number of households." Source: Table 23 A, Appendix A, ibid

Classification of Agricultural Households, Tamil Nadu, 2018-19



Regarding the educational qualification of males and females above age 7 years in rural households in Tamil Nadu, the Report notes that 85.5% of males and 74% of females are among literates⁵.

Classifying the agricultural households among different social groups, it is clear that 84% of Scheduled Castes households possess less than one hectare of land, that is, marginal holders in 2018-19 (see table 6). Another 11% of Scheduled Castes agricultural households are small holders. Thus, 95% of agricultural households among Scheduled Castes possess small or marginal holdings. Among agricultural households belonging to OBC, it is seen that 72% possess marginal holdings; 19% possess small holdings; 9% possess semi-medium or medium holdings; and less than 1% possess large holdings above 10 ha. Considering all agricultural households in Tamil Nadu, 74% possess marginal holdings while 17% possess small holdings.

⁵ Based on Table 6, Appendix A, ibid

Examining the ownership holdings of households by kind of possession, it is seen that 89% of land area is classified as ‘owned and possessed’ while 9% as ‘leased in’, and about 1% as ‘leased-out’, in 2018-19⁶.

Average leased out area per reporting household is 0.408 ha, for the SC households it is 0.421 and for OBC households it is 0.407 in 2018-19 in Tamil Nadu⁷. Average leased in area per reporting household is 0.334 ha, for SC households 0.169 and OBC households 0.394 ha., in 2018-19 in Tamil Nadu⁸.

As per the Report during July 2018 to June 2019, average area per operational holding of Scheduled Castes; agricultural households was reported as 0.498 ha or 1.23 acres; for OBC agricultural households it is 0.913 ha. or 2.26 acres; and for all agricultural households (all social groups together) it is 0.831 ha. or 2.05 acres.⁹ That is, the size of operational holding among OBC households is twice the size of SC households.

39.5% of all operational holdings in Tamil Nadu, in 2018-19, are used for crop production; 25.1% for farming of animals/fishery and 33.3% for both crop production and farming of animals/fishery¹⁰. 90% of all operational holdings in Tamil Nadu are entirely owned by households, 6% are both owned and leased in while 3% are entirely leased in¹¹. That is, leasing in land for cultivation is not a very important practice in Tamil Nadu’s agricultural scenario. Terms of lease for leased in area is predominantly ‘fixed money’ with respect to 45% of leased in area in July to December 2018 and 60% of leased in area in January to June 2019. Fixed produce as terms of lease is the second most important term accounting for 25% of leased area in 2018 season and 30% of leased in area in 2019 season¹².

About 51% operational holdings of SC agricultural households report harvest of one crop while multiple cropping is reported in 8% of operational holdings-in 4% of operational holdings two crops and in another 4% of holdings three crops -were harvested, during July to December 2018¹³. Nearly 40 % of operational holdings report no harvest indicating either non-cultivation or crop failure. That is, nearly half of the holdings have harvested just one crop while two fifths of holdings have not harvested any crop in the State’s main agricultural season. As regards OBC agricultural households, 54% of operational holdings report harvest of one crop; 12% report harvest of two crops; and 2% report harvest of three crops during July-December 2018¹⁴. However, 32% of operational holdings report no harvest.

As regards availability of irrigation for crop production in Tamil Nadu, it is seen that 59% of households with operational holdings report use of irrigation, accounting for 43% of total area under cultivation, during July to December 2018¹⁵. Ground water is the major source of irrigation followed by canal irrigation and the former has accounted for 68% of irrigated area while the latter contributes to 28% of irrigated area.

Three fourths of all operational holdings are cultivated the year around, in both seasons- July to December as also in January to June- during 2018-19, indicating a cropping intensity of more than 1¹⁶.

⁶ Based on table 32, Appendix A, *ibid*

¹¹ Based on table 39, Appendix A, *ibid*;

⁷ Based on table 33, Appendix A, *ibid*

¹² Based on table 41, Appendix A, *ibid*

⁸ Based on table 34, Appendix A, *ibid*

¹³ Based on table 36, Appendix A, *ibid*

⁹ Based on table 36, Appendix A, *ibid*

¹⁴ Based on table 36, Appendix A, *ibid*

¹⁰ Based on table 38, Appendix A, *ibid*



Average number of livestock owned per 1000 households is 790 among the SCs and 853 among the OBCs, while average number poultry birds owned per 1000 households is 369 for SC and 528 for OBC.

Among the Scheduled Castes, 16% of households report ownership of livestock while 8% of households report owning poultry birds while among the OBC the corresponding percentages are 17 and 9.9, in 2018¹⁷. Average number of livestock owned per 1000 households is 790 among the SCs and 853 among the OBCs, while average number poultry birds owned per 1000 households is 369 for SC and 528 for OBC¹⁸.

Agricultural households engaged in crop production account for 64% in rural Tamil Nadu¹⁹, while the corresponding percentage in India is 93, in 2018. This perhaps is an indication of the relatively higher extent of diversification in the agricultural economy of Tamil Nadu. While 64% of agricultural households are engaged in crop production, the remaining 36% of agricultural households appear to have diversified into other types of agricultural activities such as animal husbandry,



poultry, fishery, piggery, bee keeping, vermiculture, sericulture etc.

In the agricultural season between July to December 2018, paddy, maize, groundnut and coconut were the major crops in Tamil Nadu, while in the season, January to June 2019, paddy, groundnut and coconut were the major crops. Local market was the predominant agency where agricultural households sold their crops, in both seasons in Tamil Nadu²⁰. 80% or more of the agricultural households sold in the local market. However, in 2019, only 64% of agricultural households that cultivated paddy sold it in the local market while 28% sold paddy to government agency. Analysing the quantity of crop produce sold to different agencies also it is clear that 80% or more of the total quantity sold were at the local market: 80% of paddy produce, 89% of maize, 88% of groundnut and 82% of coconut in 2018, among agricultural households of Tamil Nadu were sold in the local market. Again, in 2019, only 62% of paddy produce was sold in the local market while 32% was sold to a government agency.

Table 13 of Appendix A of the Report indicates that 42-43% of agricultural households, with regard to both seasons, are not satisfied with the sale outcome of paddy produce. Main reason reported for non-satisfaction is lower than the market price they received.

¹⁵ Based on table 43, Appendix A, *ibid*;

¹⁶ Based on table 44, Appendix A, *ibid*

¹⁷ Based on table 45, Appendix A, *ibid*

¹⁸ Based on table 46, Appendix A, *ibid*;

¹⁹ Based on table 11, Appendix A, *ibid*

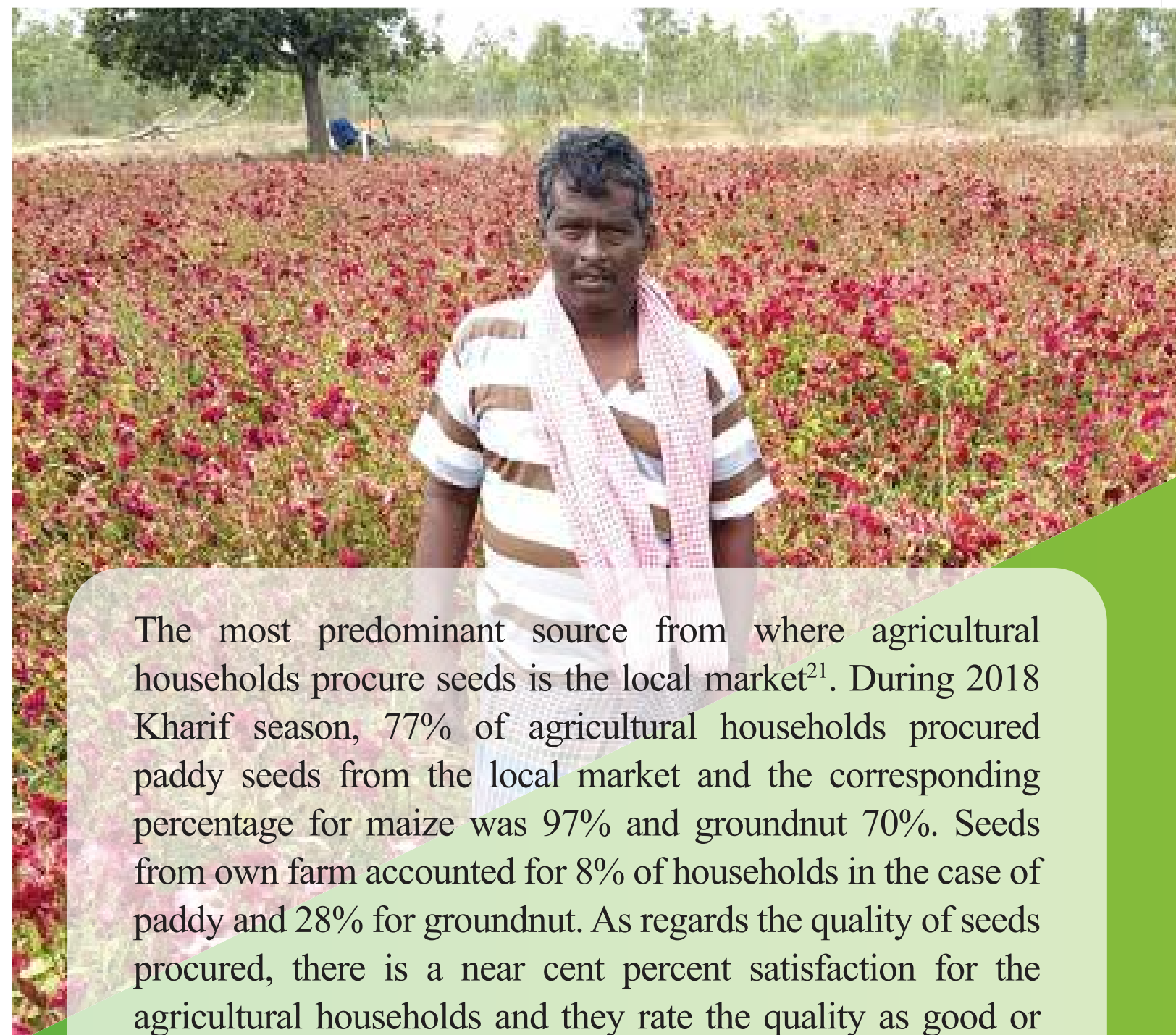
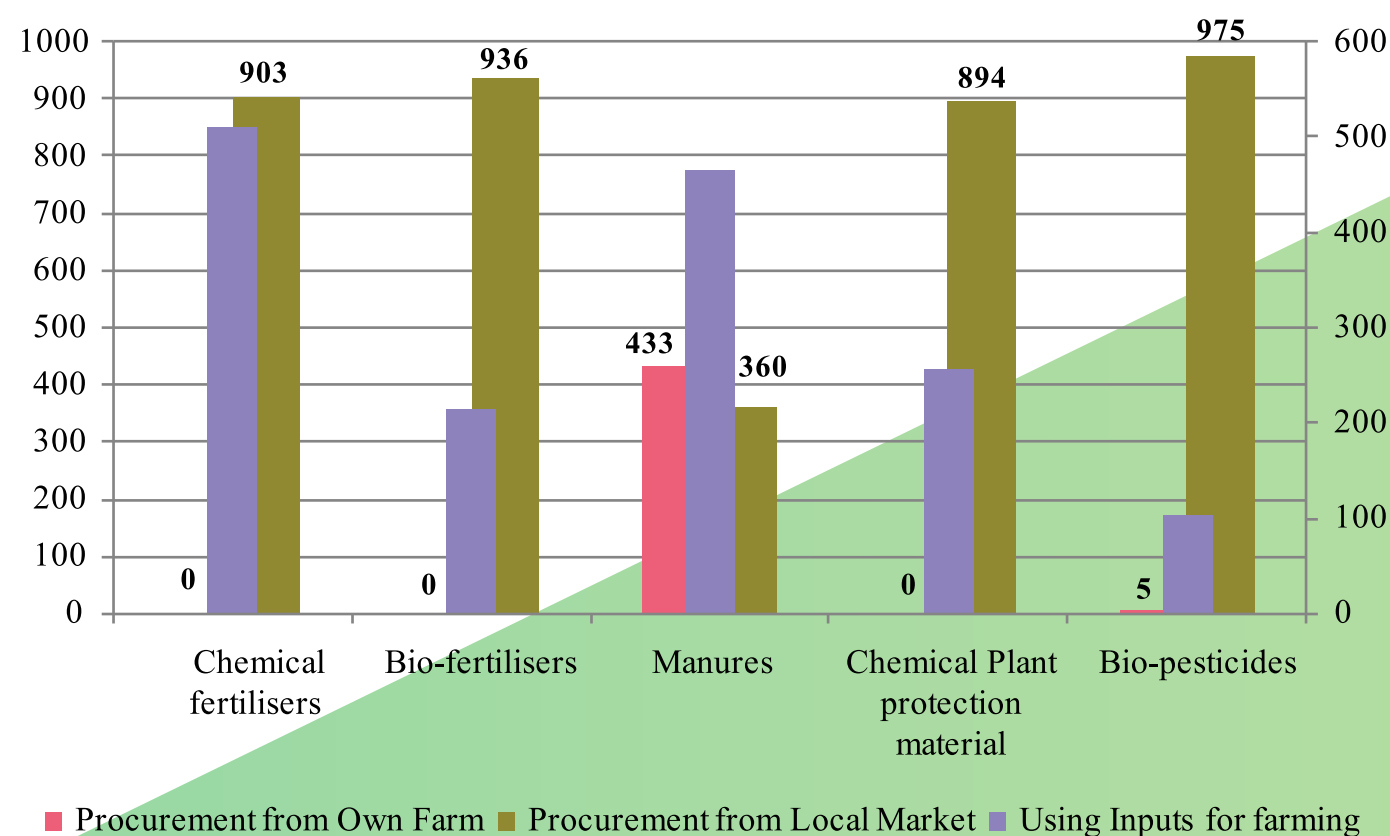
²⁰ Based on table 12, Appendix A, *ibid*

Table 7: Use and Procurement of Farm Inputs by Agricultural Households, Tamil Nadu 2018

Inputs	Number of HHs per 1000 Agricultural Households		
	Using Inputs for Farming	Reporting Agency of Procurement of Farming Input	
		Own Farm	Local Market
<i>Chemical Fertilisers</i>	511	0	903
<i>Bio - fertilisers</i>	214	0	936
<i>Manures</i>	464	433	360
<i>Chemical Plant Protection Material</i>	256	0	894
<i>Bio - pesticides</i>	103	5	975

Source: Table 15, Appendix A, *ibid*

Use and Procurement of Farm Inputs by Agricultural Households, Tamil Nadu 2018



The most predominant source from where agricultural households procure seeds is the local market²¹. During 2018 Kharif season, 77% of agricultural households procured paddy seeds from the local market and the corresponding percentage for maize was 97% and groundnut 70%. Seeds from own farm accounted for 8% of households in the case of paddy and 28% for groundnut. As regards the quality of seeds procured, there is a near cent percent satisfaction for the agricultural households and they rate the quality as good or satisfactory with regard to all major crops²².

Table 7 further brings out the importance of local markets in the agricultural economy of Tamil Nadu. All the major agricultural inputs, except manure, are procured from the local markets. Thus, local markets are important for purchase of seeds, other major agricultural inputs as also sales of crop produce. Bio-inputs are used by a considerable section of agricultural households-bio fertilisers by 20%, bio-pesticides by 10% and manure by 46%.

²¹ Based on table 14, Appendix A, *ibid*

²³ Based on table 18, *ibid*

²² Based on table 16, Appendix A, *ibid*

²⁴ Based on table 19, *ibid*

As regards awareness on Minimum Support Price (MSP) with regard to paddy, a crop for which MSP is announced and the produce is procured, 68% of agricultural households in Tamil Nadu report being unaware. With reference to MSP for maize, groundnut and coconut, a high percentage of agricultural households-more than 90% - report being unaware²³.

Crop insurance is not very popular among agricultural households in Tamil Nadu²⁴. About 26% of households cultivating paddy have insured their crop while the corresponding percentage for maize is 10%. For the other two major crops, coconut and groundnut incidence of insurance is negligible. Major reasons given by agricultural households for not insuring their crops are lack of awareness of the concept, lack of awareness of facilities available for insurance and lack of interest to insure. Considerable section of agricultural households report crop loss with regard to selected crops - paddy, maize, ground nut and coconut, in Tamil Nadu in 2018²⁵. Percentage of agricultural households experiencing crop loss is lowest for groundnut crop at 23%, followed by paddy and coconut at 39%, while it is the highest for maize at 60%. Most households report inadequate rainfall or drought or other natural causes as the major cause for crop loss, with the exception of 20% of households in the case of groundnut, who attribute crop loss due to disease or insect infestation or animals. Of the agricultural households that insured against crop loss, just about 8% of households received their full claim when their paddy crop failed²⁶. For groundnut and coconut, not a single agricultural household received their full claim when there was a crop loss.

The Report shows that among persons above 15 years, from

agricultural households in Tamil Nadu, 4.1% of males and 0.9% of females have attended formal training in agriculture²⁷. That is, access to any formal training in agriculture is limited to a very small section.

On the practice of agricultural households accessing technical advice on cultivation²⁸, the Report notes that 79% of agricultural households accessed technical advice from one source or the other. Majority of agricultural households in Tamil Nadu have sought advice from 'progressive farmers'. 333 per 1000 households use progressive farmers as their source for technical advice while 265 per 1000 households use information broadcasted on radio or television and 116 per 1000 households take advice from input dealers. Technical advice that is sought is mostly related to improved seed varieties and plant protection methods; advice sought from input dealers is however largely related to fertiliser application. State funded sources such as government extension agents, ATMA, Krishi Vigyan Kendra, and Agriculture university/colleges that are capable of providing authentic technical information do not appear to play a significant role in reaching out to agricultural households with technical advice on cultivation. Extremely small number of agricultural households in Tamil Nadu access technical advice from these state sources. NGOs and FPOs are also not popular sources to access technical advice by the agricultural households. However, agricultural households that are engaged in rearing animals do seek advice from the Veterinary Department (about 304 per 1000 households) and essentially in the area of health care.

²⁵ Based on table 21, *ibid*

²⁶ Based on table 22, *ibid*

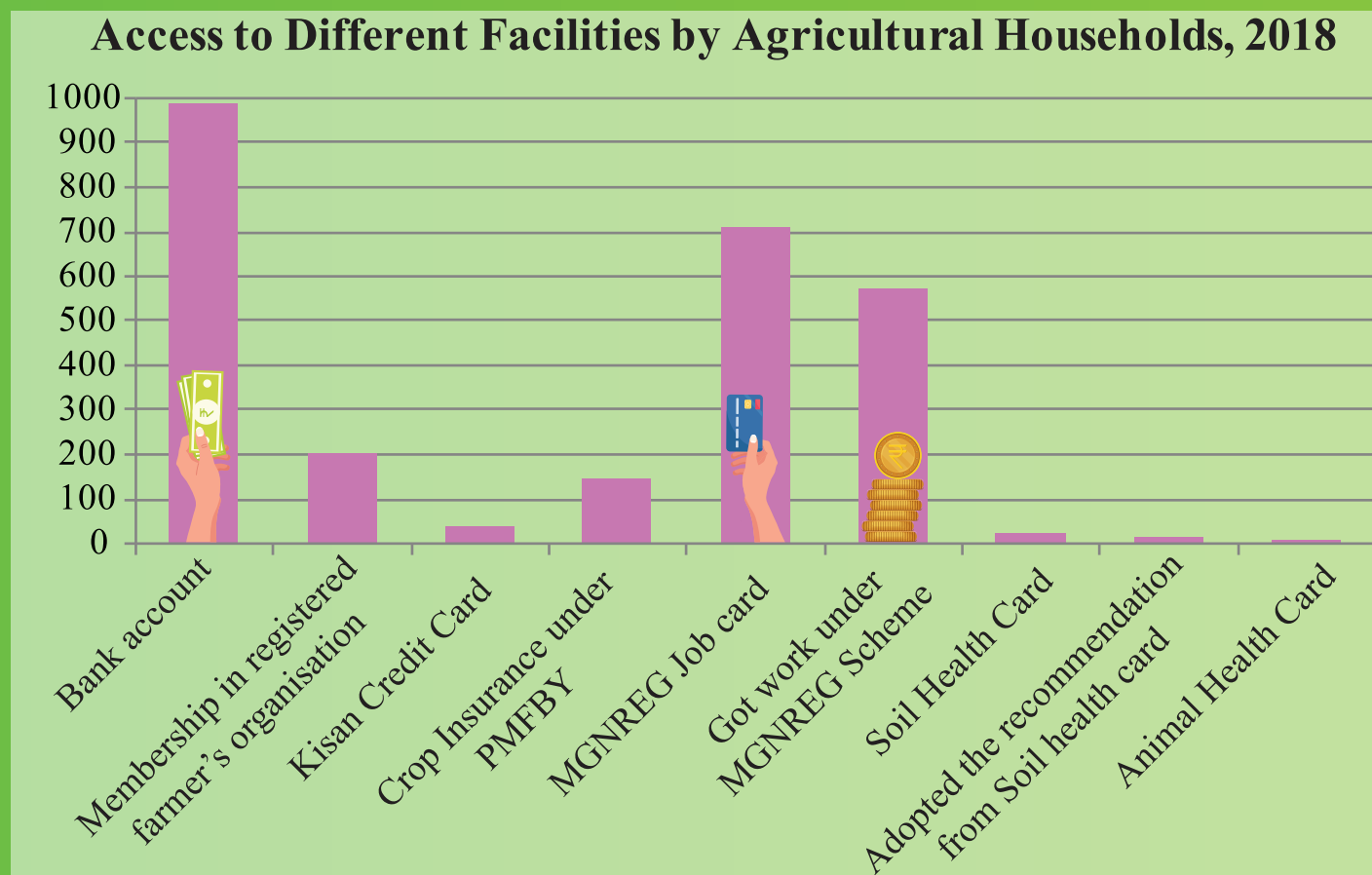
²⁷ Based on table 6, Appendix A, *ibid*

²⁸ Based on table 9, Appendix A, *ibid*

Table 8: Access to Different Facilities by Agricultural Households, 2018

Facilities/ Schemes	Number per 1000 Agricultural Households that have Access to different facilities/ scheme
Bank Account	991
Membership in registered Farmer's organisation	202
Kisan Credit Card	39
Crop Insurance under PMFBY	148
MGNREG job card	714
Got Work under MGNREG	571
Soil Health Card	27
Adopted the recommendation from Soil Health Card	16
Animal Health Card	8

Source: table 49, Appendix A, *ibid*



From Table 8 it is seen that while access to bank account, MGNREG job card etc., is quite large, membership in farmers organisation, access to soil health card etc., are quite poor.



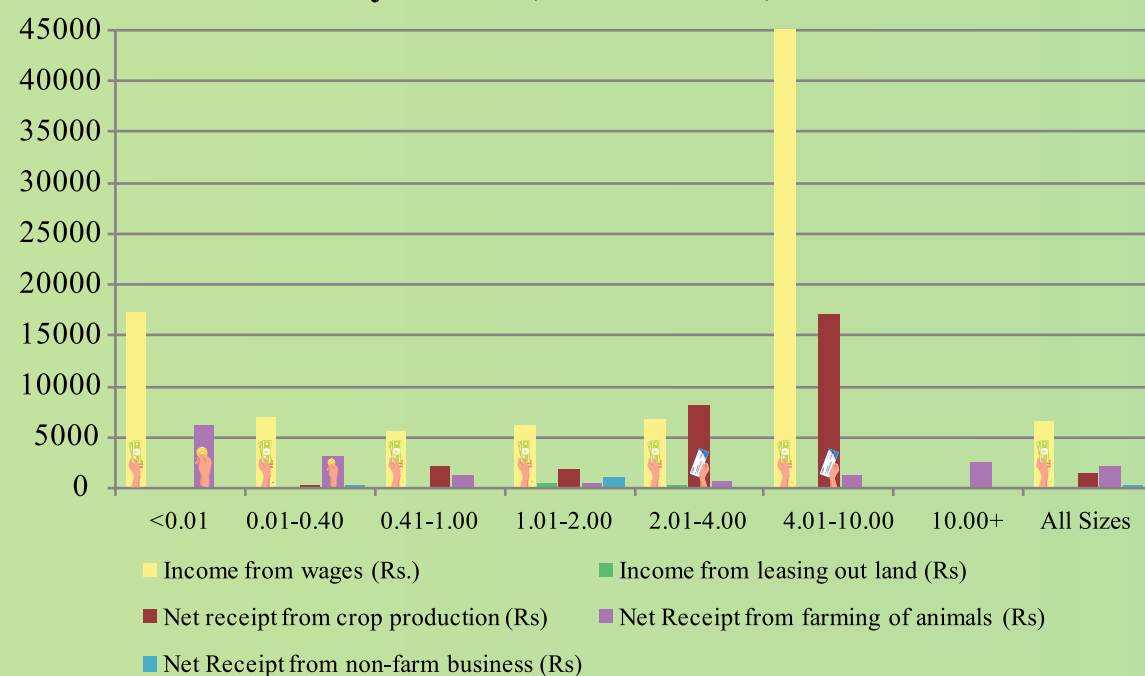
Details on Income and Expenditure

Table 9: Classification of SC Agricultural Household by Average Monthly Income, Tamil Nadu 2018-19

Size class of Land Possessed (ha)	Average Monthly Income (in Rs) per Scheduled Caste agricultural household					
	Income from wages (Rs)	Income from leasing out land (Rs)	Net receipt from crop production (Rs)	Net receipt from farming of animals (Rs)	Net receipt from non-farm business (Rs)	Total Income (Rs)
< .01	17308	0	0	6167	0	23475
0.01 - 0.40	6954	45	263	3173	280	10715
0.41 - 1.00	5625	156	2125	1126	159	9191
1.01 - 2.00	6099	393	1705	407	1074	9678
2.01 - 4.00	6670	170	8094	643	88	15665
4.01 - 10.00	45073	0	16994	1179	0	63246
10.00 +	0	0	0	2633	0	2633
All Sizes	6475	124	1373	2103	321	10396

Note: Data on income considers only paid-out expenditure Source: Table 23A, Appendix A, *ibid*

Classification of SC Agricultural Household by Average Monthly Income, Tamil Nadu, 2018-19



An examination of average monthly income for the Scheduled Caste agricultural households show that 85% of households report income from wages; 86% of households report income from crop production; and 74% from farming of animals²⁹. However, crop production as an important income earning activity is predominant only among households possessing above 2 ha while wage labour appears to be the predominant income earning activity across all size classes of Scheduled Caste agricultural households of Tamil Nadu during 2018-19. This is further corroborated by estimation of income from different sources, as presented in (Table 9).

The average monthly income of Scheduled Caste agricultural household is estimated at Rs.10396, in 2018-19. A small section of SC households possessing meagre land holdings, <.01 ha, however reports an income that is twice this average, essentially through wages and income from farming animals. Highest average income is reported by a very small section of households possessing land in the range of 4 to 10 hectares, at Rs.63246/month. In general, income accruing from wages is the most important component of total income for all Scheduled Caste agricultural households, except those possessing holdings in the range of 2 to 4 ha.

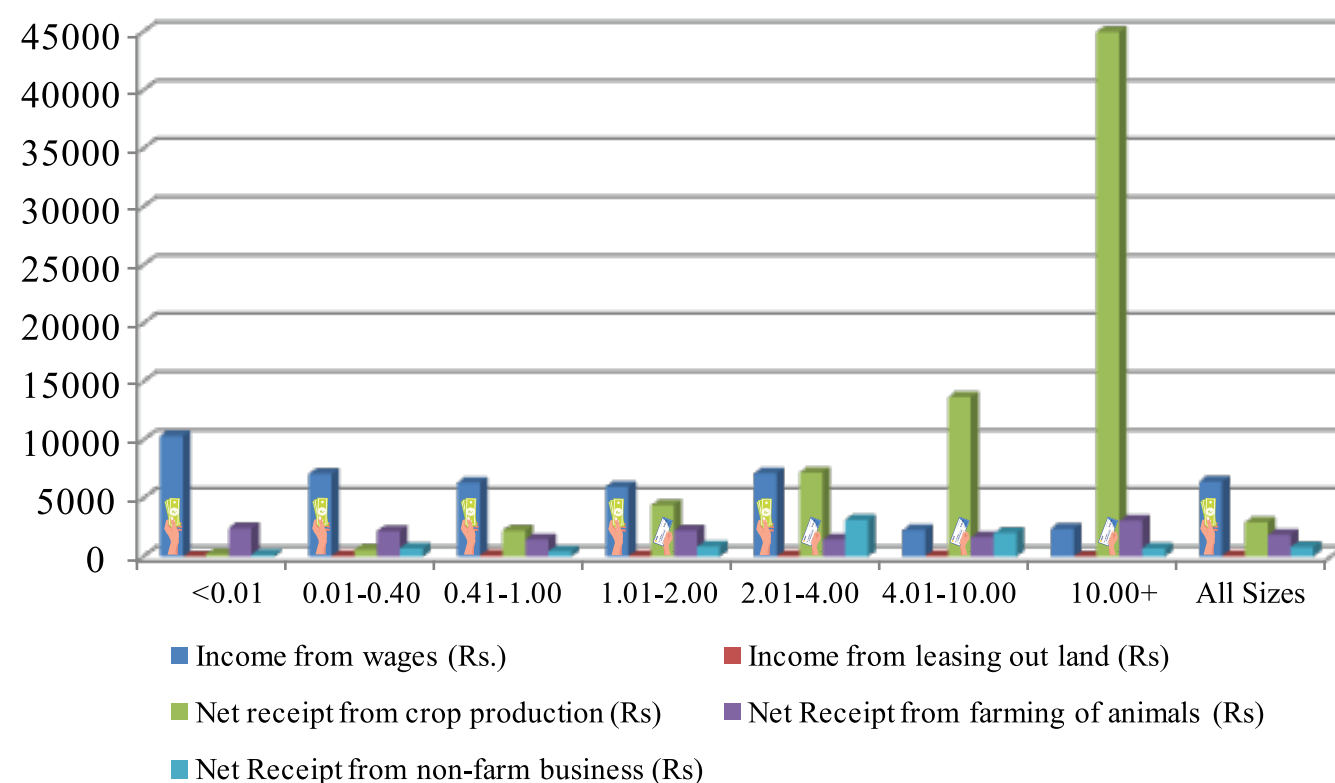


Table 10: Classification of OBC Agricultural Households by Average Monthly Income, Tamil Nadu 2018-19

Size class of Land Possessed (ha)	Average Monthly Income (in Rs) per Scheduled Caste agricultural household					Total Income (Rs)
	Income from wages (Rs)	Income from leasing out land (Rs)	Net receipt from crop production (Rs)	Net receipt from farming of animals (Rs)	Net receipt from non-farm business (Rs)	
< .01	10361	0	223	2449	161	13193
0.01 - 0.40	7083	50	591	2196	719	10639
0.41 - 1.00	6349	81	2245	1496	466	10639
1.01 - 2.00	5996	39	4417	2253	851	13557
2.01 - 4.00	7153	35	7214	1452	3144	18997
4.01 - 10.00	2268	50	13674	1656	2025	19672
10.00 +	2400	0	45019	3077	692	51188
All Sizes	6453	60	2932	1859	827	12129

Note: Data on income considers only paid-out expenditure Source: Table 23A, Appendix A, *ibid*

Classification of OBC Agricultural Household by Average Monthly Income, Tamil Nadu 2018-19



Considering all OBC agricultural households, 53% of average monthly income comes from wages while 24% is from crop production and 15% is from farming of animals.

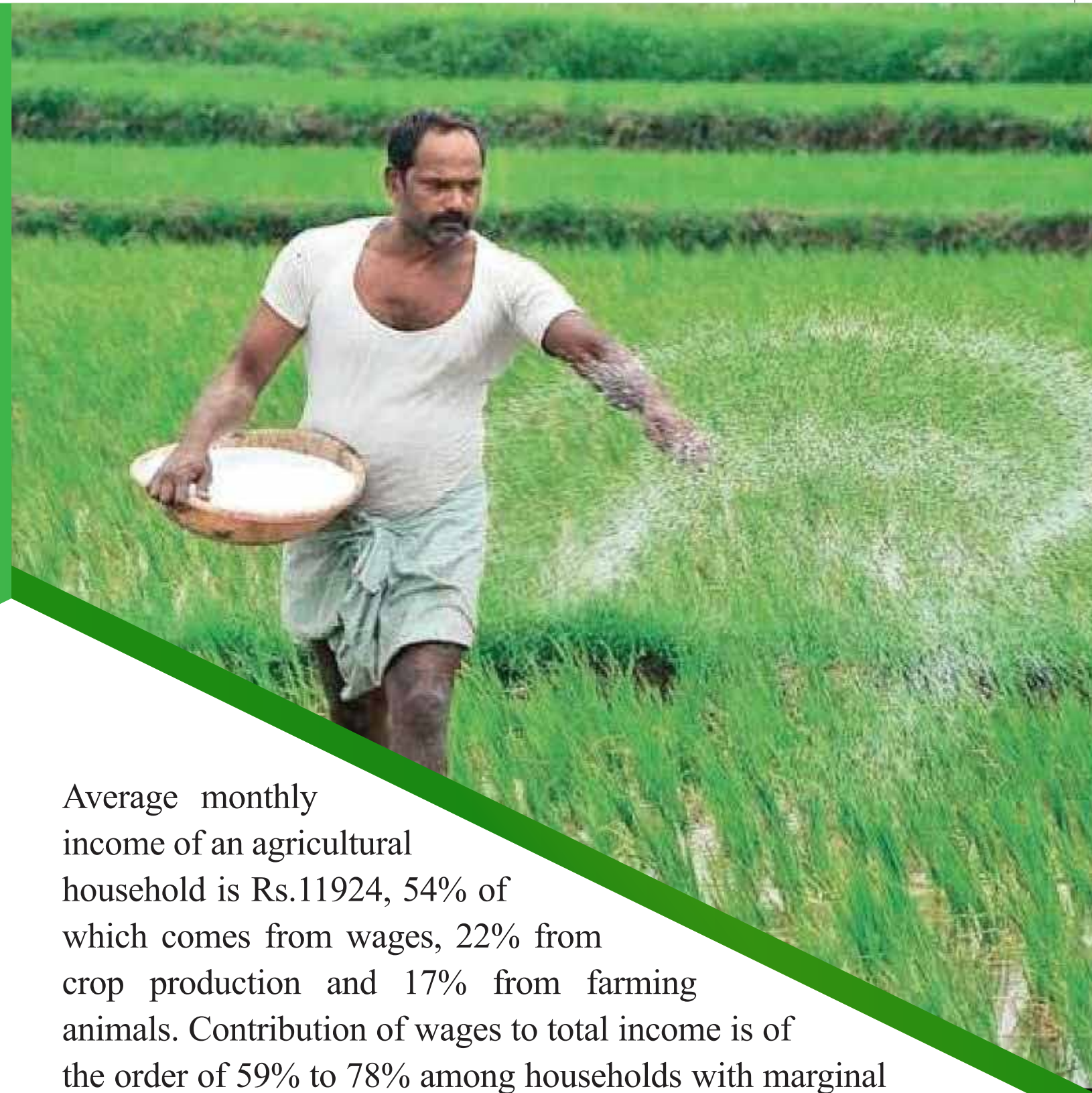
Average monthly income of an agricultural household belonging to OBC is Rs.12129 (Table 10), in 2018-19. For households that possess marginal land holdings, below 1 ha, income from wages is the main source of income, accounting for 60% to 79% of total income across the three size classes of marginal holdings. For households that possess above 4 ha of land, income from crop production is the most important component of total income. Considering all OBC agricultural households, 53% of average monthly income comes from wages while 24% is from crop production and 15% is from farming of animals.

29 Based on table 23A, *ibid*

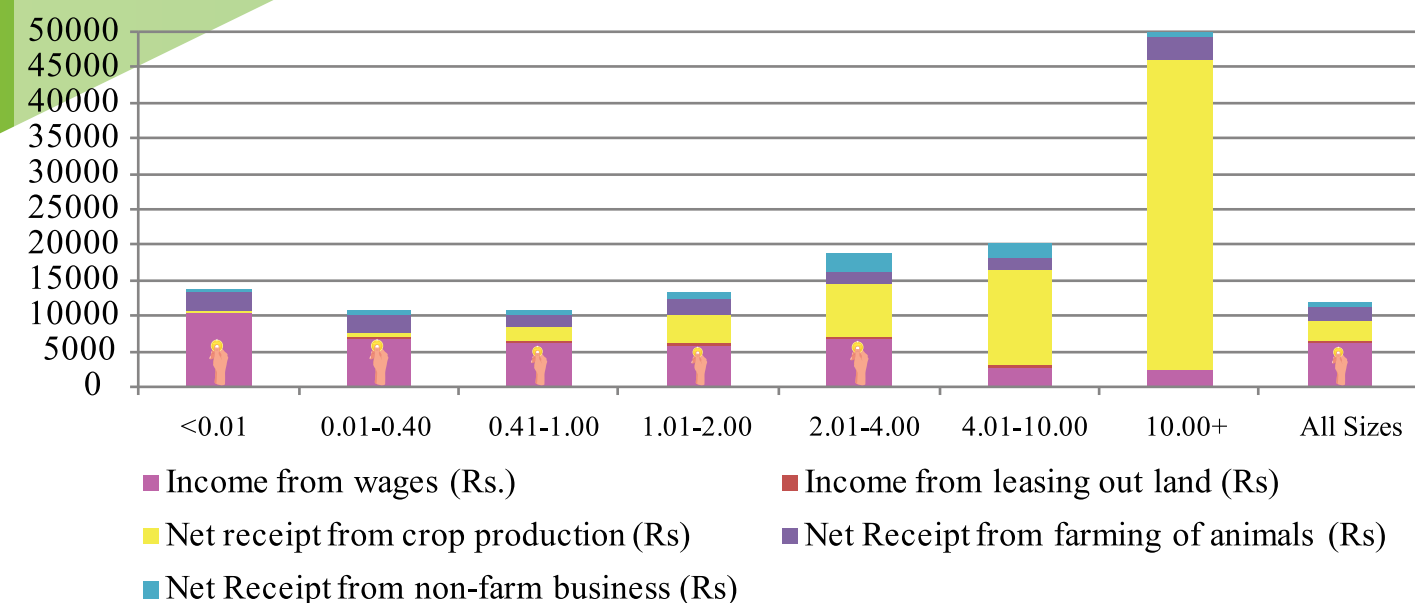
Table 11: Classification of All Agricultural Households by Average Monthly Income, Tamil Nadu 2018-19

Size class of Land Possessed (ha)	Average Monthly Income (in Rs) per agricultural household (All Social Group)					
	Income from wages (Rs)	Income from leasing out land (Rs)	Net receipt from crop production (Rs)	Net receipt from farming of animals (Rs)	Net receipt from non-farm business (Rs)	Total Income (Rs)
< .01	10573	0	216	2562	156	13507
0.01 - 0.40	7083	47	479	2484	579	10672
0.41 - 1.00	6271	93	2222	1633	411	10630
1.01 - 2.00	6068	84	4178	2058	871	13259
2.01 - 4.00	7046	52	7487	1537	2599	18721
4.01 - 10.00	2796	49	13695	1636	1976	20153
10.00 +	2338	0	43860	3065	675	49938
All Sizes	6497	72	2641	2000	715	11924

Note: Data on income considers only paid-out expenditure Source: Table 23 A, Appendix A, ibid



Classification of All Agricultural Households by Average Monthly Income, Tamil Nadu 2018-19



Average monthly income of an agricultural household is Rs.11924, 54% of which comes from wages, 22% from crop production and 17% from farming animals. Contribution of wages to total income is of the order of 59% to 78% among households with marginal holdings. For households that possess holdings above 4 ha, income from crop production is the most important component of total income. Income from non-farm business contributes 6 % of total income of an agricultural household.

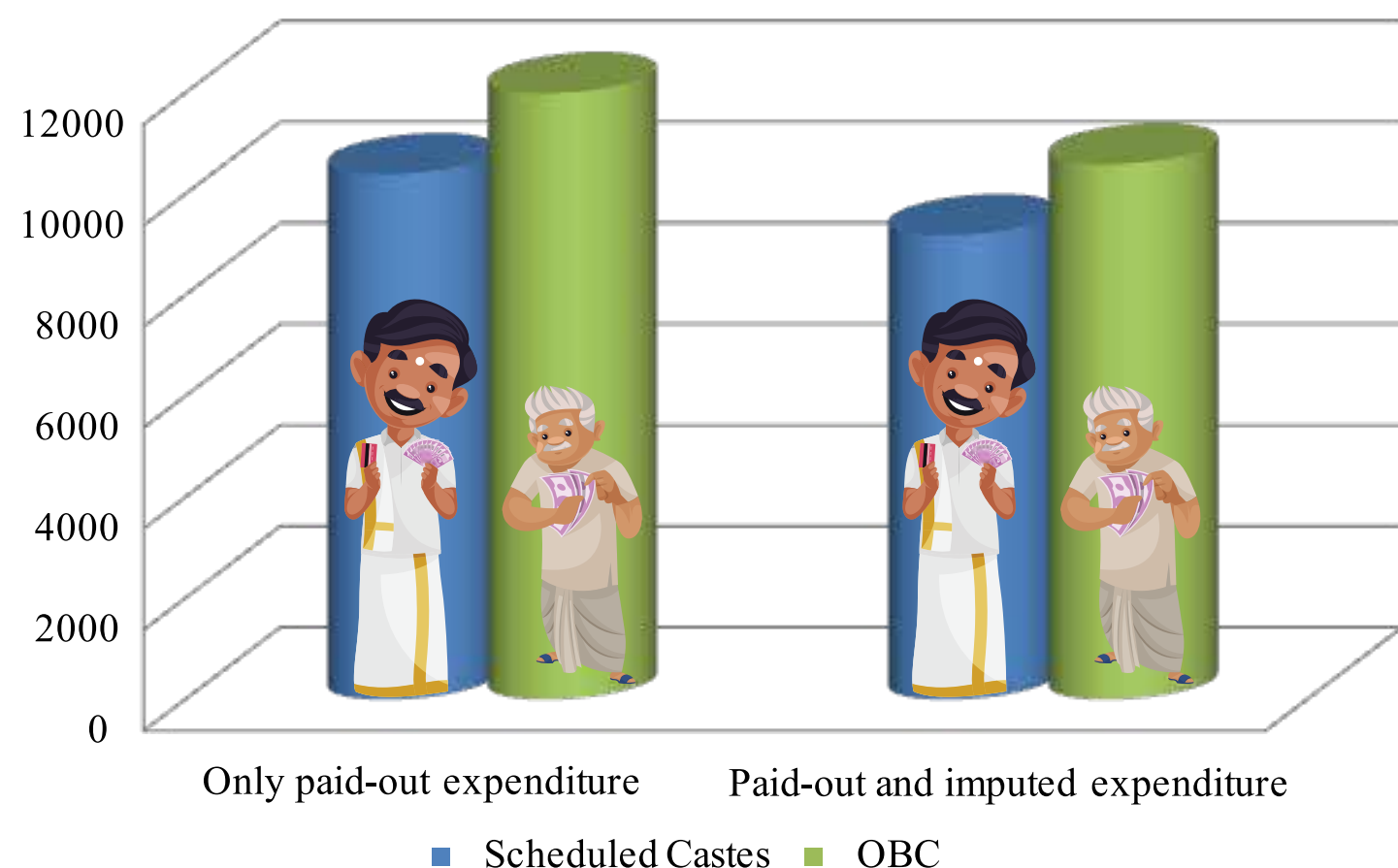
The above discussion on income considers only the paid out expenditure, that is, the total out of pocket expenditure incurred for each input. A slightly more comprehensive cost calculation involves an estimation of imputed expenses in addition to paid out expenditure³⁰.

Table 12: Average Monthly Income, in Rupees, per Agricultural Household, 2018-19

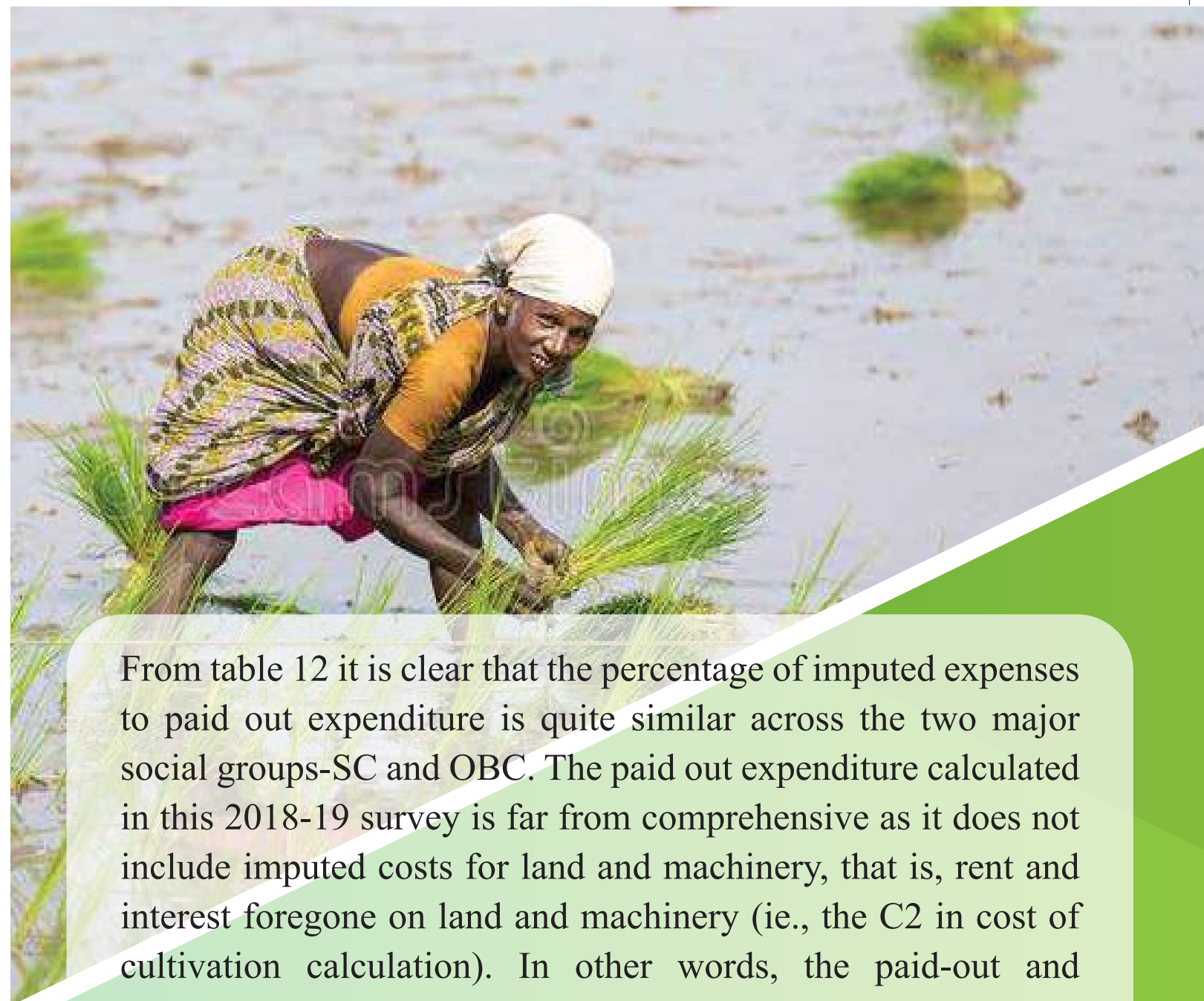
Classification of Agricultural Households	Average Monthly Income Considering	
	Only Paid-out expenditure	Paid-out and imputed expenditure
Scheduled Castes	10396	9189
OBC	12129	10596
All	11924	10448

Source: Tables 23 A and B, Appendix A, *ibid*

Average Monthly Income, in Rupees, per Agricultural Household, 2018-19



³⁰ In cases where no actual expenses were incurred by the household for any particular input (ie. Input used from home stock or from fee collection, eg. Seeds from own stock, self and unpaid family labour, owned animal and machine labour etc) imputed expenses were reported.



From table 12 it is clear that the percentage of imputed expenses to paid out expenditure is quite similar across the two major social groups-SC and OBC. The paid out expenditure calculated in this 2018-19 survey is far from comprehensive as it does not include imputed costs for land and machinery, that is, rent and interest foregone on land and machinery (ie., the C2 in cost of cultivation calculation). In other words, the paid-out and imputed expenditure computed here is lower than the C2 formula used in cost of cultivation calculation.

On an average, an agricultural household that is engaged in crop production spends Rs.3501 for crop production and the bulk of this expenditure is on labour costs (Table 13). About 39% of total expenses were towards labour, followed by expenses on fertilisers and manure accounting for 19% and seeds 12%. Cost of hiring machinery also appears to be a substantial expense, indicated by 'all other expenses'. In 2018-19, the average monthly expenses (imputed + paid out costs) for an agricultural household engaged in farming of animals is Rs.3390³¹. Of this 64% is towards animal feed and 22% towards labour charges.

Table 13: Average Monthly Expenses for Crop Production per Agricultural Household Reporting Crop Production, 2018 - 19

Components of Expenditure for Crop Production	Average Monthly expenditure (both paid-out & imputed, in Rs.) per agricultural household	Percentage of average monthly expenses
Seeds	404	11.54
Fertiliser/Manure	681	19.45
Plant protection material	183	5.23
Irrigation	83	2.37
Minor repair and maintenance of machinery & equipment	40	1.14
Interest	53	1.51
Lease rent for land	57	1.63
Labour - Human	1349	38.53
Labour - Animal	27	0.77
Diesel	26	0.74
Electricity	28	0.8
All other expenses	571	16.31
Total expenses	3501	100

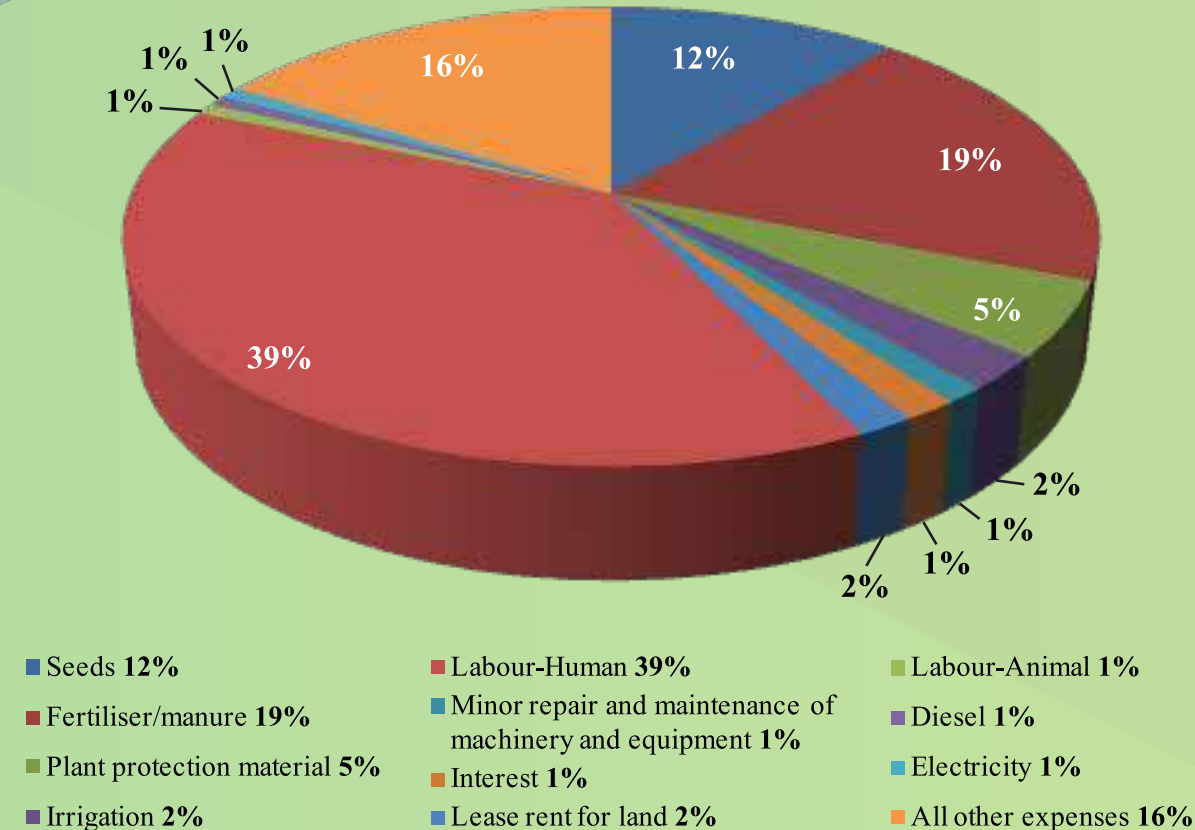
Note: 'All other expenses', includes cost of hiring machinery and equipment, cost of crop insurance etc

Source: Table 26 B, Appendix A, ibid

³¹ Based on Table 27B, Appendix A, ibid



Average Monthly Expenses for Crop Production per Agricultural Household Reporting Crop Production, 2018-19



According to Report, an agricultural household engaged in non-farm business on an averaged earned Rs.10415, in 2018-19, during a period of 30 days³². Net receipt/earnings from non-farm income is highest among households possessing land in the range of 2 to 4 hectares, at Rs.71675 followed by households with large land holdings above 10 hectares at Rs.55167. Households with marginal holdings earn below the average of Rs.10415.

The survey conducted during July to December 2018 indicates that 651 out of 1000 agricultural households, that is, about two third of all agricultural households, report indebtedness (Table 14). Further the average amount of outstanding loan per agricultural household is Rs.106553. There is a direct relationship between size of land holding and amount of outstanding loan. An agricultural household with large land holdings, above 10 ha has a loan outstanding that is nearly 10 times greater than an agricultural household with small landholdings of 1 to 2 ha. Examining the source of loan, commercial banks are the most important source for agricultural households across all size classes of land, except those with less than 0.01 hectare³³. 65% of agricultural households report outstanding loans from commercial banks; 36% from professional money lenders; 21% from cooperative society and 19% from NBFC/ microfinance.

Table 14: Details of Indebtedness Among Agricultural Households, 2018

Size Class of Land Possessed (in hectares)	Percentage of indebted agricultural household	Average amount of outstanding loan per agricultural household (Rs.)
< .01	71.1	39415
0.01 - 0.04	62	70158
0.41 - 1.00	62.9	71018
1.01 - 2.00	70.5	170897
2.01 - 4.00	76	202109
4.01 - 10.00	76.7	340924
10.01 +	96.2	1668748
All Sizes	65.1	106553

Source: Table 29, Appendix A, *ibid*

Details of Indebtedness Among Agricultural Households, 2018

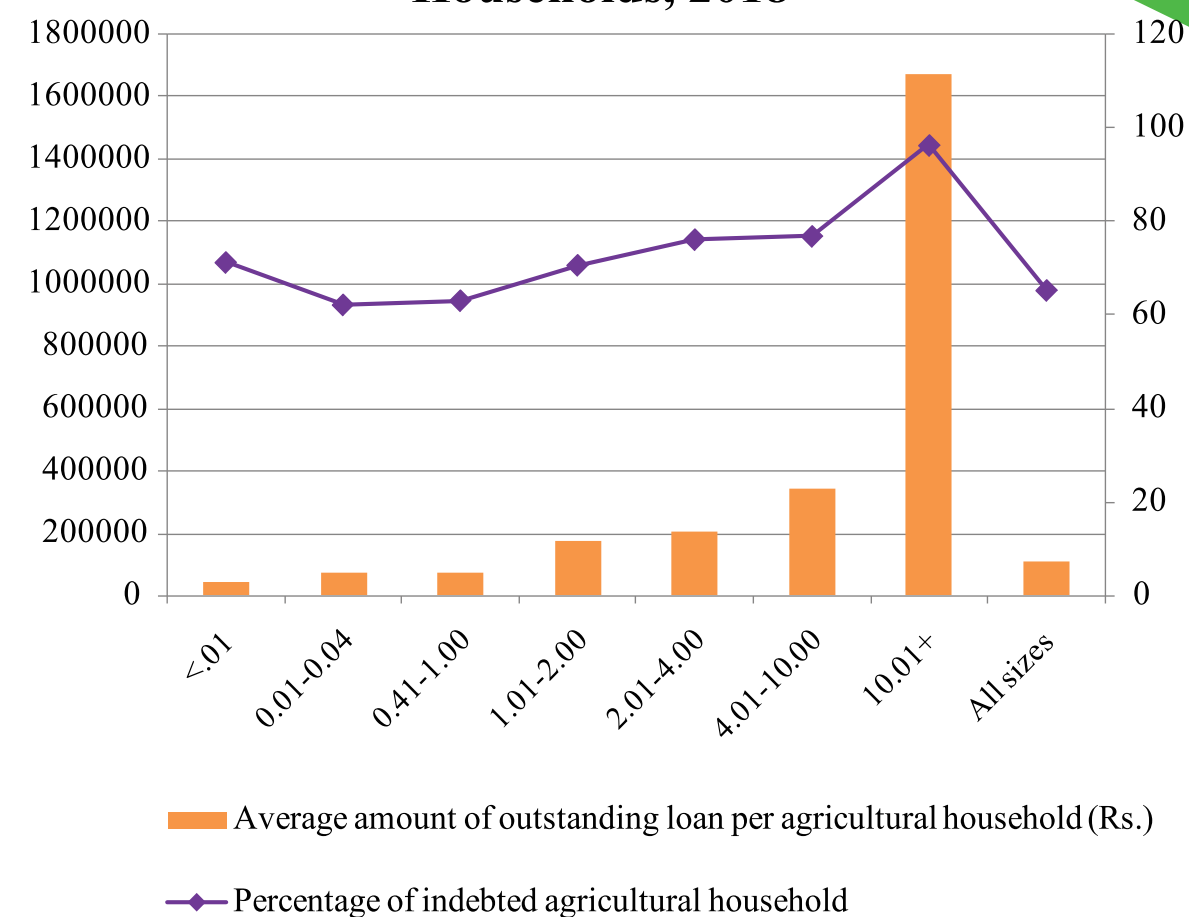


Table 15: Details on Purpose of Loan of Agricultural Households, 2018

Purpose of Loan	Estimated number of agricultural households by purpose for which loan was taken	Percentage of agricultural households by purpose for which loan was taken
Capital Expenditure in Farm Business	750900	44.66
Revenue Expenditure	764100	45.45
Non-Farm Business	58200	3.46
For housing	255800	15.21
Marriages & ceremonies	93900	5.58
Education	122100	7.26
Medical	233900	13.91
Other Consumption expenditure	695000	41.34
Others	144200	8.58
All	1681300	100

Source: Table 30, Appendix A, *ibid*

Expenditure for farm business-capital or revenue-is the most predominant purpose for which loans are taken by agricultural households (see Table 15). 45% of agricultural households in Tamil Nadu, in 2018 have borrowed to incur capital expenditure in farms while another 45% have borrowed to meet day to day farm expenditure. 41% of households report borrowing to meet other consumption expenditure followed by households borrowing for specific purposes such as housing, medical and education.



32 Based on table 28, Appendix A, *ibid* 33 Based on table 29, Appendix A, *ibid*

Details on Purpose of Loan of Agricultural Households, 2018

