CHAPTER-6

DISTRIBUTION PATTERN OF HOUSEHOLD’S INCOME IN THE STUDY REGIONS OF THE HIMACHAL PRADESH

The present chapter deals with the distribution pattern of household’s income from various enterprises undertaken by the households preceding to the period of investigation from various sources like farms, horticulture, livestock, other non-farm sources such as service (Government or Private), business, household industry, wage works, pensions (service and old age pensions) and from rest of the sources including performance of religious work, plying of commercial vehicles, tutoring of children etc. 

Furthermore, in order to work out income from farm and allied enterprises i.e. horticulture, livestock etc. standard cost concepts have been used. Although, income from these enterprises have been obtained over paid out cost only because these are the costs which have been paid to outside sources in lieu of their services and directly related to household’s consumable income, living standard and food security.

Food insecurity among agrarian population in general and of marginal, small and large households particularly is being worked out on the basis of farm production, employment and income from other non-farm sources. The employment and income structure in farming business depends upon the prevailing cropping pattern and cropping intensity in any specific region. Moreover the situation varies from region to region depending up on soil texture, rainfall, agro-climatic conditions, and availability of credit facilities and infrastructural facilities etc. Thus, these factors have direct bearing on the employment and income.

Hence, farm business income has been gauged on the basis of input–output relationship. The main components of farm inputs are labour (family and hired, labour) cost of bullock, value of seeds, manure, fertilizer, rent paid on leased-in land, irrigation charges, cost of hiring bullock labour etc. involving direct expenditure. Therefore income from cultivation is being calculated through deduction of farm input expenditure from farm income.
6.1 COSTS OF CULTIVATION

In simplest term, cost of cultivation may be understood in the form of various direct and indirect costs involved in cultivation of a particular crop on a unit of land. In this chapter cost of crops grown by sampled households have been presented for the following crops i.e. maize, wheat, paddy, barley, pulses and orchards (apple production) livestock rearing in detail for both the regions (Cost A1, A2, Cost B, cost C) along with their returns. In subsistence farming region cost A1 and A2 are same and one whereas in commercial farming region numbers of the cases of leased-in land were notable, which have also been considered in the cost of cultivation separately.

6.1.1 Maize

Maize is the most important Kharif crop and area wise it is second next to wheat in the state. In terms of production it maintained the top rank. It is mostly cultivated in rain fed conditions. Moreover, the Kharif crop in the state fully depends on the behavior of South-West monsoon. It is major crop grown in sampled areas, firstly, because of its high yield even under rain fed regions and secondly being staple diet of majority of people. A detailed portrait of cost of cultivation and returns of maize crop are being presented in table 6.1. It may be seen from the table that overall cost of cultivation of maize in both region was Rs. 3209 A1 as well as and A2 cost and Rs. 3739 cost B, and Rs. 5645 Cost C. These costs were higher in commercial farming region as compared to subsistence farming region of the state. It was found that the modern inputs i.e. fertilizers, seeds etc. were more in use in commercial farming region than to subsistence farming region. The net return was also higher in commercial farming region i.e. Rs. 7295 as compared to Rs. 6500 per farm over paid out cost and similar trends were noticed over B and C cost per farm. Interestingly, net returns from maize crops were recorded highly positive.
Table 6.1
Cost of Cultivation (Maize Crop)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Subsistence Farming Region Chamba</th>
<th>Commercial Farming Region Shimla</th>
<th>UNIT: Rs. /Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>2147</td>
<td>4038</td>
<td>5811</td>
</tr>
<tr>
<td>Cost A2</td>
<td>2147</td>
<td>4038</td>
<td>5811</td>
</tr>
<tr>
<td>Cost B</td>
<td>2685</td>
<td>4730</td>
<td>6919</td>
</tr>
<tr>
<td>Cost C</td>
<td>4226</td>
<td>7660</td>
<td>8815</td>
</tr>
</tbody>
</table>

Gross return

<table>
<thead>
<tr>
<th></th>
<th>Subsistence Farming Region Chamba</th>
<th>Commercial Farming Region Shimla</th>
<th>Net Return Over</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>6735</td>
<td>13951</td>
<td>16435</td>
</tr>
<tr>
<td>Cost A2</td>
<td>4588</td>
<td>9913</td>
<td>10624</td>
</tr>
<tr>
<td>Cost B</td>
<td>4588</td>
<td>9913</td>
<td>10624</td>
</tr>
<tr>
<td>Cost C</td>
<td>4050</td>
<td>9221</td>
<td>9516</td>
</tr>
</tbody>
</table>

6.1.2 Wheat

Rabi crop is the most important crop grown in both the study regions. Thus, the analysis of various costs incurred per farm on the crop cultivation being raised by sampled agrarian population has been presented in table 6.2 along with returns over from the crop. It is depicted in the table that at over all level the average cost of cultivation was turned to Rs. 5316 per farm, while it was Rs. 5219 and Rs. 5503 per farm in subsistence farming and commercial farming regions. The cost incurred on human labour followed by bullock labour and material cost, have been observed as the main cost components. Therefore, the cost of cultivation incurred in subsistence farming region especially by marginal category of farms was observed to be below the overall average cost as well as in the commercial farming region. Table further reveals that net return over, in subsistence farming region was negative far all farms while in commercial farming region, it was negative only for small farms and nominal positive for marginal category. Hence, overall net return was observed to be positive.
Table 6.2
Cost of Cultivation (Wheat Crop)

<table>
<thead>
<tr>
<th>Crop Wheat</th>
<th>Subsistence Farming Region Chamba</th>
<th>Commercial Farming Region Shimla</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>2483</td>
<td>3734</td>
<td>4133</td>
</tr>
<tr>
<td>Cost A2</td>
<td>2483</td>
<td>3734</td>
<td>4133</td>
</tr>
<tr>
<td>Cost B</td>
<td>3072</td>
<td>4360</td>
<td>4667</td>
</tr>
<tr>
<td>Cost C</td>
<td>4327</td>
<td>6513</td>
<td>7511</td>
</tr>
<tr>
<td>Gross return</td>
<td>4180</td>
<td>5160</td>
<td>6133</td>
</tr>
<tr>
<td>Net Return Over</td>
<td>Cost A1</td>
<td>1697</td>
<td>1426</td>
</tr>
<tr>
<td></td>
<td>Cost A2</td>
<td>1697</td>
<td>1426</td>
</tr>
<tr>
<td></td>
<td>Cost B</td>
<td>1108</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>Cost C</td>
<td>-147</td>
<td>-1353</td>
</tr>
</tbody>
</table>

6.1.3 Paddy

Paddy is among the main food grains grown in the state and it is raised only in the irrigated area as it is ranked third after wheat and maize. It’s sowing or transplantation starts with on set of monsoons and harvested by October-November. Therefore, the area under paddy crop in the sampled areas has been rapidly declined over the recent past. The cost of cultivation of paddy is being presented in table 6.3. Cost of cultivation of paddy was found noticeable only in commercial farming region, it was negligible in sampled subsistence farming region. The table shows that over-all cost of paddy cultivation was found Rs. 827 per form in the whole study areas, while it was 1282 for marginal farmers, Rs. 1758 and Rs. 4800 per form far small and marginal farmers respectively. The table further reveals that paddy cultivation resulted, about even nil return that is Rs. 7.99 per farm at aggregate level. The net return over cost B was Rs. -326 per farm and Rs. -979 per farm over cost C far marginal farmers, accompanied by a negative over-all return off Rs. -108, in the commercial farming region.
### Table 6.3
Cost of Cultivation (Paddy Crop)

<table>
<thead>
<tr>
<th>Crop Paddy</th>
<th>Subsistence Farming Region</th>
<th>Commercial Farming Region</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chamba</td>
<td>Shimla</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost A2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost B</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost C</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gross</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Return</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Table 6.4
Cost of Cultivation (Barley Crop)

<table>
<thead>
<tr>
<th>Crop Barley</th>
<th>Subsistence Farming Region</th>
<th>Commercial Farming Region</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chamba</td>
<td>Shimla</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost A2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost B</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost C</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gross</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Return</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 6.1.4 Barley

Barley is another important Rabi crop next to wheat grown in commercial farming region, while its cultivation in subsistence farming region was almost stopped and area under barley crops has been rapidly declined over the last one and half decades. The area under barley was gradually transferred to some other superior crops like wheat and some off-season vegetables. The cost of Barley cultivation has been presented in Table 6.4 and was worked out to be Rs. 625 per farm at aggregate level. This cost was found Rs. 583, Rs. 622, and Rs. 1300 per farm for marginal, small and large agriculturist at overall level. On the pattern of other crops, family human labour was found as the major cost component followed by bullock labour and input material costs. The table further reveals that agrarian population was incurring a meager net return over of Rs. 161 at overall level per farm over cost C. The net return over was highest for large farmer i.e. Rs. 479, followed by Rs. 198 for marginal farmers and just Rs. 32 for small farmers per farm respectively.
6.1.5 Rajmah (Pulses)

Rajmah was an important Kharif pulse among other pulses grown in the study regions by sampled agrarian population. The cultivation of Rajmah has popular among marginal and small farmers in both regions except large farmers. In addition to Rajmah crop, many other pulses were grown in both selected regions but they occupy very insignificant area as well as yield, hence their cost and yield has been included in Rajmah crop. Table 6.5 shows that over-all cost of cultivation was found to be Rs. 1242 per farm for sampled agrarian population. Here, again human labour was the major cost component followed by bullock labour and input material cost. A category wise cost analysis shows that cultivation cost was higher for small farmer than to marginal farmers in both regions i.e. Rs. 2017 and Rs. 2872 per farm as compared to Rs. 816 and Rs. 1049 per farm respectively. The analysis reveals that the agrarian population was incurring a (meager) slight net return of Rs. 334 over cost C at overall level while net return over of marginal farmers in subsistence farming region was Rs. -27 as compared to a positive return over of Rs. 266 of their counter partner of commercial farming region. On other hand, small farmers of subsistence farming region was incurring a positive return over of Rs. 330 per farm as compared to Rs. 266 per farm of commercial farming region. The overall net return was found about seven times higher for small farmers as compared marginal farmers. Marginal farmers were found with least area and yield under this particular crops and growing the crop for their home consumption only in both the studied regions.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Subsistence Farming Region</th>
<th>Commercial Farming Region</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chamba</td>
<td>Shimla</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>311</td>
<td>876</td>
<td>-</td>
</tr>
<tr>
<td>Cost A2</td>
<td>311</td>
<td>876</td>
<td>-</td>
</tr>
<tr>
<td>Cost B</td>
<td>808</td>
<td>1396</td>
<td>-</td>
</tr>
<tr>
<td>Cost C</td>
<td>843</td>
<td>1687</td>
<td>-</td>
</tr>
<tr>
<td>Gross return</td>
<td>816</td>
<td>2017</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Return Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost A1</td>
</tr>
<tr>
<td>Cost A2</td>
</tr>
<tr>
<td>Cost B</td>
</tr>
<tr>
<td>Cost C</td>
</tr>
</tbody>
</table>

Note: Pulses cost of cultivation includes all other pulses being grown in the regions.
6.1.6 Horticulture

Apple is main fruit grown in Himachal Pradesh, the investment and cost pattern is entirely different than to normal field crops. The growers has to incur substantial cost for establishing orchards and for subsequent seven to eight years has to incur cost for maintaining the orchard without any return. Meanwhile for initial 3-4 years (non-bearing age) of orchard establishment, some inter crops may be grown consequently some income may be generated. It is after 7-8 years that apple plants starts bearing fruits and return starts in pouring in. Thus, here cost of apple cultivations has been analyzed in three phases viz. initial cost of plantation, maintenance cost or non-bearing cost and maintenance cost during the bearing phase. The costs incurred during first two stages are to be recovered from the returns during third stage that is bearing stage. Thus the cost incurred during these two stages (first two) is amortized and added to the cost of cultivation of third stage. The cost of apple cultivation on these considerations has been represented in table 6.6 along with gross return and net return thereof. Apples are being produced in almost all districts of the state except districts Bilaspur, Hamirpur and Una. It is district Shimla which accounts for about 37 percent of total areas followed by Kullu and Mandi respectively. It was also observed that among apple producing districts Shimla ranked first in production too.

But the growth in area over the years is highest in district Lahaul & Spiti followed by Chamba i.e. about 10 percent. Thus, the apple orchard has found in both the sampled regions due to high altitude and favourable climatic conditions. It may be noticed from the table that sampled households of subsistence farming region were just able to realises a net of Rs. 461 at over all level. The net return over of commercial farming regions accounted to Rs. 6007 per farm. Although, the average returns from horticulture in the state has been worked out Rs. 3235 per farm.
Table 6.6
Cost of Cultivation of Horticulture

<table>
<thead>
<tr>
<th>Crop Horticulture</th>
<th>Subsistence Farming Region Chamba</th>
<th>Commercial Farming Region Shimla</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Cost A1</td>
<td>2300</td>
<td>4501</td>
<td>17311</td>
</tr>
<tr>
<td>Cost A2</td>
<td>2300</td>
<td>4501</td>
<td>17311</td>
</tr>
<tr>
<td>Cost B</td>
<td>3050</td>
<td>7634</td>
<td>23411</td>
</tr>
<tr>
<td>Cost C</td>
<td>3800</td>
<td>9411</td>
<td>25917</td>
</tr>
<tr>
<td>Gross return</td>
<td>4130</td>
<td>9795</td>
<td>34116</td>
</tr>
</tbody>
</table>

| Net Return Over   | Cost A1 | 1830 | 5294 | 16805 | 3231| 9862     | 17676 | 20092 | 12602| 5934     | 10601 | 19544 | 7917 |
|                   | Cost A2 | 1830 | 5294 | 16805 | 3231| 9462     | 17676 | 20092 | 12602| 5729     | 10601 | 19544 | 7917 |
|                   | Cost B  | 1080 | 2161 | 10705 | 1588| 8162     | 13499 | 15319 | 10045| 4698     | 7020  | 14550 | 5817 |
|                   | Cost C  | 330  | 384  | 8199  | 461 | 3962     | 9794  | 11613 | 6007 | 2186     | 4417  | 11044 | 3235 |

It was recorded that sampled marginal category of households had almost newly established non-bearing orchard in subsistence farming region Chamba and the total area under orchard was also growing rapidly. No case of leased in/on leased out was reported. It may be seen from the table that apple grower households in subsistence farming region incur an average cost of Rs. 6039 per farm. The cost C incurred by marginal households is Rs. 3800 which above two and half times less than to the cost of incurred by the large households. The cost incurred in the commercial farming region on an average was Rs. 18213 per farm. It was much higher than to their counter partner of subsistence farming region. The growers were able to realises a gross return of Rs. 6500 and Rs. 24,220 in the subsistence and commercial farming region respectively as compared to over all gross return of Rs. 15360 per farm.

6.2 COST AND RETURN FROM LIVESTOCK

Livestock profile of sampled households has been part and parcel of rural economy, as it provides the basic dietary nutrients by the way of milk produce and mutton. It also provides drought power for farm activities. Organic manure for crop husbandry is also provided by livestock husbandry. Crop husbandry in most of areas is not well developed and suffers from poor productive base. Thus, households have adopted livestock enterprise as a subsidiary occupation to generate new avenues of family income. Moreover without application of farm yards manure to the production on poor soils in hilly regions could not said to be sustainable. Crop husbandry in most of areas is not well developed and consequently suffers from poor productive base. Thus farmers have adopted livestock enterprise as a subsidiary occupation in
both the regions. Therefore, drought cattle have been major source of drought power
for farm activities as well as carriage in tough terrain. Thus some milk and other
cattle viz. calves, sheep, goats, ponies etc. are also maintained in the farms for various
purpose. Overall rearing of sheep and goats is still the most important occupation in
both the region since long. The livestock cost and returns there from in both the
selected regions have been presented in table 6.7. This table shows that at overall
level, the farmers in the state were able to realize a net return of Rs. 3709 per farm,
net returns of large and small categories of farmers were much higher than to over all
average returns while only marginal farmers were legging behind to overall average
returns. The overall net return in commercial farming region was also recorded higher
than to subsistence farming region amounted to Rs. 4923 and Rs. 2495 per farm
respectively. It was observed that net returns from other animal categories were
higher for marginal and small farmer as compare to large farmer in subsistence
farming region as well as in commercial farming region. Overall average returns of
same category were almost twice in commercial farming region than to subsistence
farming region. It revealed that sheep and goats rearing among marginal and small
farm categories in both the regions have been the major income component and larger
contributor.

<table>
<thead>
<tr>
<th>Livestock</th>
<th>Subsistence Farming Region</th>
<th>Commercial Farming Region Shimla</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Milch Animals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cost</td>
<td>1667</td>
<td>3019</td>
<td>4767</td>
</tr>
<tr>
<td>(ii) gross return</td>
<td>2703</td>
<td>5217</td>
<td>7014</td>
</tr>
<tr>
<td>(iii) net return</td>
<td>1036</td>
<td>2198</td>
<td>2247</td>
</tr>
<tr>
<td>Drought Animals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cost</td>
<td>890</td>
<td>1470</td>
<td>1877</td>
</tr>
<tr>
<td>(ii) gross return</td>
<td>1373</td>
<td>2169</td>
<td>3235</td>
</tr>
<tr>
<td>(iii) net return</td>
<td>483</td>
<td>699</td>
<td>1358</td>
</tr>
<tr>
<td>Other Animals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cost</td>
<td>2163</td>
<td>3391</td>
<td>1971</td>
</tr>
<tr>
<td>(ii) gross return</td>
<td>3511</td>
<td>5224</td>
<td>3217</td>
</tr>
<tr>
<td>(iii) net return</td>
<td>1348</td>
<td>1833</td>
<td>1246</td>
</tr>
<tr>
<td>Over - All (A+B+C)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cost</td>
<td>4720</td>
<td>7880</td>
<td>8615</td>
</tr>
<tr>
<td>(ii) gross return</td>
<td>7587</td>
<td>9580</td>
<td>13466</td>
</tr>
<tr>
<td>(iii) net return</td>
<td>2867</td>
<td>4700</td>
<td>4851</td>
</tr>
</tbody>
</table>

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The net returns from drought animal was Rs. 965 per farm at overall level in the state while it was Rs. 1361 in commercial farming region and of Rs. 569 in subsistence farming region per farm. From milk cattle's it was Rs. 1452 and Rs. 1698 in the respective farming regions. Thus overall highest return from livestock was Rs. 2331 per farm from other category followed by Rs. 1575 from milk cattle’s and least return recorded from drought animals i.e. Rs. 965 per farm.

6.3 TOTAL FARM INCOME OVER PAID OUT COST (A1)

In the analysis if only the paid out costs are considered, as has been done presently. The net income generated is positive for all the recorded categories in both the study regions. Hence, these categories of marginal, small, and large agriculturists were financially able to repay the paid out costs, and can be considered financially viable, as have been capable to generate enough income over paid out costs. The table 6.8 depicts total income generated from different enterprises undertaken by the studied agrarian population in the state. The table shows that at over all level in the state an average income of Rs. 23,050 is being generated annually per farm while it is Rs. 32234 per annum per farm in commercial farming region of the state i.e. Shimla and Rs 13864 per annum per farm in subsistence farming region Chamba. Further at overall level, the major component of farm income was field crops which accounted about 49.56 percent share, horticulture accounted 34.34 percent followed by 17.72 percent from livestock. In subsistence farming region income from field crops has been remained major contributor to the farm income, i.e. 58.69 percent followed by 23.30 percent from horticulture and 18.82 percent from livestock. While in commercial farming region share of field crops in farm income was 45.63 percent, followed by horticulture with 39.09 percent and livestock with 15.27 percent ranked third. It is due to rising trend towards vegetable and other cash crops especially at marginal and small holdings in the commercial farming region Shimla because most of such holdings are low lands and fragmented ones which are mostly non-economic for horticulture.
Table 6.8
Total Farm Income over Paid Out Cost

<table>
<thead>
<tr>
<th>Particular</th>
<th>Subsistence Farming Region</th>
<th>Commercial Farming Region</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chamba</td>
<td>Shimla</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Field crops</td>
<td>6790</td>
<td>10480</td>
<td>12624</td>
</tr>
<tr>
<td></td>
<td>(59.11)</td>
<td>(59.97)</td>
<td>(36.83)</td>
</tr>
<tr>
<td>Horticulture</td>
<td>1830</td>
<td>5294</td>
<td>16805</td>
</tr>
<tr>
<td></td>
<td>(15.93)</td>
<td>(30.23)</td>
<td>(49.03)</td>
</tr>
<tr>
<td>Livestock</td>
<td>2867</td>
<td>1700</td>
<td>4851</td>
</tr>
<tr>
<td></td>
<td>(24.95)</td>
<td>(9.72)</td>
<td>(14.15)</td>
</tr>
<tr>
<td>Total farm income</td>
<td>11487</td>
<td>17474</td>
<td>34280</td>
</tr>
<tr>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

UNIT: Rs. /Farm

Note: Figures in Parenthesis are percentages to the column total.

6.4 NON FARM INCOME

Non-farm income being an important component of farm family income is not at all directly correlated with the farm or holding size as well as to its viability. However, it can be taken as a source of investment on farms. It is only the non farm income which is responsible for wiping out the income deficit between farm income and consumption expenditure. Agrarian populations in the state derived their income from agriculture and allied sector along-with government as well as private services, business and non-agricultural labour. Most of the agriculturist reported to migrate to adjoining areas to perform agricultural and non-agricultural (construction works) unskilled works, during slack season or off form season in Chamba region as well as in the Shimla region. It was observed that in the Chamba region i.e. main destination was Kala-ban (Border area with J & K) for herbs collection and Pangi-Killar for construction labour works. In Shimla region, the popular destinations were Kotkhai, Rohru especially during apple harvesting season to perform works like plucking, grading, packing, trading of apple. It was found that migration during harvesting season enables agriculturist population managed to fetch higher wages as compare to routine wage rate in the domestic labour market.

On the other hand, industrialization is almost negligible in these regions, but Public Works Department, Electricity Department and Forestry Departments have remained main source of non-farm income and employment. A source wise analysis
of non-farm income of the sampled agrarian population is being presented in Table 6.9. This table shows that government service, private service, labour and business, were among the major sources from which the agrarian population was drawing income for their livelihood. The distribution of income from enlisted sources indicates that at over-all farm level agriculturist were drawing a total income of Rs. 24127. This income has been recorded Rs. 21594, Rs. 26661 in Chamba and Shimla regions respectively. In Chamba region as well as in Shimla study region highest non-farm income was drawn from Govt. services i.e. Rs. 32150 and Rs. 23350 respectively by large category of farmers. In Chamba region marginal agriculturist were drawing highest income from non-agricultural labour followed by government service and others, small agriculturists highest income was from government services followed by non-agricultural labour. The table reveals that in Chamba region highest income was drawn from government services irrespective of categories of farms. This fact makes distinction between the two study regions of the state.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Subsistence Farming Region Chamba</th>
<th>Commercial Farming Region Shimla</th>
<th>Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Non-Agri. labour</td>
<td>9654</td>
<td>9700</td>
<td>1750</td>
</tr>
<tr>
<td></td>
<td>(45.60)</td>
<td>(42.52)</td>
<td>(3.95)</td>
</tr>
<tr>
<td>Govt. Service</td>
<td>5170</td>
<td>6167</td>
<td>32150</td>
</tr>
<tr>
<td>Pvt. Service</td>
<td>3350</td>
<td>4870</td>
<td>32150</td>
</tr>
<tr>
<td></td>
<td>(15.82)</td>
<td>(21.35)</td>
<td>(42.57)</td>
</tr>
<tr>
<td>Business</td>
<td>-</td>
<td>1005</td>
<td>10400</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4.41)</td>
<td>(23.47)</td>
</tr>
<tr>
<td>Rural</td>
<td>1170</td>
<td>-</td>
<td>752</td>
</tr>
<tr>
<td></td>
<td>(5.53)</td>
<td></td>
<td>(3.48)</td>
</tr>
<tr>
<td>Others*</td>
<td>1097</td>
<td>1070</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(5.18)</td>
<td>(4.69)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20441</td>
<td>22812</td>
<td>44300</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

Note: Figures in parenthesis denote percentage to the column total
* includes income from religious work, tutorial of children etc.
6.5 PER HOUSEHOLD PER MONTH AVERAGE INCOME AMONG SAMPLE AGRARIAN POPULATION

In this section per household per month average income from (farm and non-farm) all sources has been presented in the table 6.10. It is evident from the table that marginal household’s per month income from farm and non-farm sources have been 35.98 percent and 64.02 percent, at small farm level it has been 43.37 and 56.63 percent, while at large farms it has been 43.62 and 56.38 percent. Among all households of Chamba region it has been 39.10 and 60.90 percent respectively. The marginal households have been drawing 39.46 and 60.54 percent income and 56.87 and 43.13 percent income by small households respectively from farm and non-farm sources. The income of large farm households has been 52.26 and 47.74 percent from farm and non-farm sources respectively, whereas the overall income of households in Shimla region has been recorded 47.16 and 52.84 percent. In the whole study region overall income among all farm household categories has been Rs. 3579 per household per month. Out of which the percentage of farm and non-farm income has been 43.84 and 56.16 percent respectively. While the income of marginal households has been Rs. 2946. (37.91 and 62.09 percent farm and non-farm income). At small households level it has been Rs. 4192(50.69 and 49.31 percent) and from farm and non-farm. The income of large farm households has been Rs. 9011 with 51.22 percent and 48.78 percent from farm and non-farm sources.

It may be seen from the table 6.10 that the total per household per month income among marginal households in both the subsistence and commercial farming region has been lowest among all farms and therefore non-agriculture sector has emerged as the major income (i.e. non-farm labour works). The income of small households from agriculture sector has been highest then to non-agriculture income. This fact indicates that holding size is directly correlated with farm productivity, and employment which leads to increase in household’s income in both areas. Although among all farm, large households income from non-farm sector is again highest in subsistence farming region while it is highest from farm sector among the large household in commercial farming region Shimla.
The table shows that share of farm income has been remained smaller as compare to non-farm income in the total farm family income, due to facts like less productivity, fragmented and miniscule holdings, less payment in farm sector, and lacking employment generation around the year except harvesting season, while non-farm sector also provides un-skilled labour work throughout the year with higher wages and low risk.

Table 6.10
Per Household Per Month Average Income of Sampled Households

<table>
<thead>
<tr>
<th>Items</th>
<th>Subsistence Farming Region</th>
<th></th>
<th>Commercial Farming Region</th>
<th></th>
<th>Over All</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chamba</td>
<td></td>
<td>Shimla</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marginal</td>
<td>Small</td>
<td>Large</td>
<td>All</td>
<td>Marginal</td>
<td>Small</td>
</tr>
<tr>
<td>Farm Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marginal</td>
<td>957</td>
<td>1456</td>
<td>2856</td>
<td>1155</td>
<td>1271</td>
<td>3017</td>
</tr>
<tr>
<td>(35.98)</td>
<td>(43.37)</td>
<td>(43.62)</td>
<td>(39.10)</td>
<td>(39.46)</td>
<td>(56.87)</td>
<td>(52.26)</td>
</tr>
<tr>
<td>Small</td>
<td>1703</td>
<td>1901</td>
<td>3691</td>
<td>17999</td>
<td>1950</td>
<td>2288</td>
</tr>
<tr>
<td>(64.02)</td>
<td>(56.63)</td>
<td>(56.38)</td>
<td>(60.90)</td>
<td>(60.54)</td>
<td>(43.13)</td>
<td>(47.74)</td>
</tr>
<tr>
<td>Large</td>
<td>2660</td>
<td>3357</td>
<td>6547</td>
<td>2954</td>
<td>3221</td>
<td>5305</td>
</tr>
<tr>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
<tr>
<td>Non-Farm Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marginal</td>
<td>1177</td>
<td>2125</td>
<td>4615</td>
<td>1569</td>
<td>1117</td>
<td>2125</td>
</tr>
<tr>
<td>(37.91)</td>
<td>(50.69)</td>
<td>(51.22)</td>
<td>(43.84)</td>
<td>(37.91)</td>
<td>(50.69)</td>
<td>(51.22)</td>
</tr>
<tr>
<td>Small</td>
<td>1829</td>
<td>2067</td>
<td>4396</td>
<td>2010</td>
<td>1829</td>
<td>2067</td>
</tr>
<tr>
<td>(62.09)</td>
<td>(49.31)</td>
<td>(48.78)</td>
<td>(56.16)</td>
<td>(62.09)</td>
<td>(49.31)</td>
<td>(48.78)</td>
</tr>
<tr>
<td>Large</td>
<td>2946</td>
<td>4192</td>
<td>9011</td>
<td>3579</td>
<td>2946</td>
<td>4192</td>
</tr>
<tr>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Note: Figure in Parenthesis denote percentage to the column
6.6 SUMMING UP

On the basis of holding-wise analysis it was observed that with the increasing holding size, per farm household income has been increased in both the study regions irrespective of prevailing farming system in the regions. It was also found that among all household, income from field crops was major component of farm family income. Among small households of subsistence farming region the share of field crops income was highest followed by marginal and large household respectively whereas horticulture income was highest on large farm holdings. Livestock or animal husbandry being traditional occupation of rural households was also contributing income up to significant level. Households of commercial farming region were also drawing a bulk of family income from field crops it was highest among small household followed by large and marginal households. It is due to gradual changes in cropping system and commercialization of agriculture.

Therefore, horticulture sector income was also recorded higher among all categories of households in this region as compared to the subsistence farming region. Income from animal husbandry was highest among marginal farmer, showing their heavy dependence and its importance in household economy. Non-farm income is the major income which is supplementing farm family income to mitigate income deficit if any. Income derived from agriculture and non-agriculture labour works has remained major sources of non form income among all sampled categories followed by government and private services income. The share of income from business activities, rural artisans and religious works etc. was very minute but still significant. Among all household categories share of non-farm income was dominating in total per household monthly average family income, especially, among the households of subsistence farming region i.e. Chamba as compare to household of commercial farming region Shimla.
REFERENCES


