AN ANALYSIS OF CONSUMPTION EXPENDITURE OF MARGINAL AND SMALL FARMERS IN RURAL HARYANA

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ABSTRACT

The objective of present paper is to study the levels, pattern and distributio of consumption expenditure of the marginal and small farm-size categories in rural Haryana. The study reveals that annual consumption expenditure of an average sampled farm household is Rs. 76704.20. The consumption expenditure increases with the increase in farm size. The consumption expenditure on non-durables account for the major proportion of the total consumption expenditure of both the farm-size categories followed by the expenditure on durables, services, and socio-religious ceremonies. Among non-durables, food grains are the most important item of consumption. The concentration of household consumption expenditure and per capita consumption expenditure is greater for the small farm households. The average propensity to consume is greater than one for both the farm size categories.

Keywords: Farmers, marginal, small, consumption expenditure, per capita, distribution.

JEL C**odes**: C81, E21, Q01, Q12,

INTRODUCTION

Indian agriculture currently faces a lot of challenges due to the rapidly population growth, increasing food and fodder needs, degradation of natural resources and higher costs of inputs and concern of climatic change. The urban population has been increasing in India but still according to the 2011 census of India, 68.84 per cent of our population is living in the rural areas. Indian agriculture is the home of small land holders. Therefore, the food security and the growth of agriculture in India depend upon the performance of these small land holders (Dev, 2012).

Haryana has made enormous progress in agriculture sector as it has turned from food deficit to surplus and has become one of the major contributors to Central Pool. But the new farm technology is capital intensive (Vatta and Sidhu, 2007), and it widens the income inequality among the different sections of farming population and provides large benefits to the big farmers as compared to the small farmers, because the small farmers are not capable to make heavy investment for better irrigation facilities, seeds, fertilizers and machinery (Chowdhary, 1970). Human life is sustained by consumption. Consumption contributes to human development by enlarging the capabilities and enriches the life of people (Geetha, 2011). The pattern of consumption indicates the living standard, poverty level and human development and nature of economic growth. The qualities of consumption budget clearly reveal the level of welfare of the household (Sethi and Pradhan, 2012). After the economic reforms, there was widespread change in consumption pattern of farmers as most of the people were shifting from food items to non-food items. The increase in consumer income tend to induce greater change in the composition of food consumption (Kaur and Verma, 2018). During 2004–05 and 2009–10, per capita monthly consumption expenditure on nutritional food declined for landless and marginal farming households, due to rise in the food prices (Singh and Vatta, 2013). The rising prices have adversely affected food consumption of poor and endangers their food security. The per capita consumption on food items by the large farmers is significantly higher than that of the medium and small farmers (Kaur *et al*., 2016). The large farm households spent more on marriages and socio-religious ceremonies whereas, the small farm households spend more on non-durable items. The lower-income households spent very less amount on the clothing and bedding, education, health, etc. (Singh and Singh, 2020). Despite the success of Green revolution, the food security of rural poor continues to be a cause of serious concern. The stagnation in agricultural production since mid-nineties also results in food and nutritional insecurity (Hedge, 2013). The present paper is an attempt to analyse the levels, pattern and distribution of consumption expenditure of the marginal and small farm-size categories in rural Haryana.

METHODOLOGY

The whole state on the basis of levels of agricultural productivity has been divided into three regions, viz. low, medium and high productivity regions. Agricultural productivity is estimated by

aggregation of the output of ten major crops of the state for the year 2012-13 (GoH, 2013). On the basis of this criterion, the districts of Rohtak, Rewari, Jhajjar, Mewat, Panchkula, Bhiwani and Mahendragarh form the low productivity region. The districts of Palwal, Jind, Yamunanagar, Panipat, Sonipat, Faridabad, Gurgaon form the medium productivity region, whereas, the districts of Fatehabad, Sirsa, Kurukshetra, Karnal, Ambala, Hisar, Kaithal comprise the high productivity region. Keeping in view the differences in productivity of regions, it is deemed fit to select, Mahendragarh from the low productivity region, Panipat from the medium productivity region and Fatehabad from the high productivity region. One village has been selected from each development block of the selected districts. Thus, in all, 19 villages were selected for the survey from the three selected districts. These included eight villages from Mahendragarh district, five villages from Panipat district and six villages from Fatehabad district. A representative proportional sample of farm households comprising marginal and small farmers have been taken up for the survey. As many as 20 per cent farm households out of the total marginal and small farmers formed the sample for the survey. Out of 19 villages, 554 households were selected for the survey. Out of total 554 households, 257 households were from the marginal farm-size category and 297 households from the small farm-size category.

RESULTS AND DISCUSSION

Levels of Household Consumption Expenditure

The mean values of household consumption expenditure of the marginal and small farm-size categories are exhibited in Table 1. The table shows that annual consumption expenditure of an average sampled farm household is Rs.76704.20. However, there are considerable differences in the levels of consumption expenditure of the marginal and small farm-size categories. For example, an average sampled farm household of the marginal farm-size category spends Rs. 64318.44 and the small farm-size category spend Rs. 87421.84 annually. While observing the various items of consumption expenditure of the marginal and small farmers, we find that out of the total consumption expenditure, Rs. 46058.15 is spent on non-durable items. This amount is Rs. 40964.78 for the marginal farm-size category and Rs. 50465.54 for the small farm-size category. An average sampled farm-size household spends 11912.17, Rs. 9607.37, Rs. 9126.51 on durables items, services and other socio-religious ceremonies, respectively. The table reveals that

consumption expenditure on durables, non-durables, services and social-religious ceremonies is higher for the small farm-size category as compared to the marginal farm-size category. The consumption expenditure of the small farm-size category is found to be 1.36 times of the consumption expenditure of the marginal farm-size category. The highest expenditure on all the items in the case of small farmers reveals that ownership of means of production has its significant role in determining the level of livings.

Table 1: Levels of Consumption Expenditure of Marginal and Small Farmers

(Mean Values, In Rs., Per Annum)

Sr. No.	Items of Consumption	Marginal Farmers	Small Farmers	All Sampled Farmers
I	**Non-durables**			
1.	Food grains	11378.09	14881.88	13256.48
	(a) Cereals	9778.6	12740.74	11366.61
	(b) Pulses	1599.49	2141.14	1889.87
2	Condiments and Spices	1061.91	1362.9	1223.27
3	Fruits	583.97	775.49	686.64
4	Vegetables	680.23	953.54	826.75
5	Milk and milk products	8503.5	10327.61	9481.41
6	Edible oils	1391.44	1692.09	1552.62
7	Sugarcane products	2992.99	3360.61	3190.07
8	Meat and eggs	693.77	996.97	856.32
9	Tea leaves	1571.21	1896.97	1745.85
10	Biscuit/bread/sweets	474.71	770.91	633.50
11	Pickle/jams/juices	279.77	377.21	332.01
12	Intoxicant and drugs	1874.32	2295.29	2100.00
13	Fuel and electricity	2795.72	3130.30	2975.09

14	Clothing and bedding	3559.53	3630.64	3597.65
15	Washing and toilet articles	1659.53	2024.92	1855.42
16	Footwear	1464.09	1988.21	1745.07
	Sub-total	**40964.78**	**50465.54**	**46058.15**
II	**Durables**			
1	House construction, addition of rooms and major repairs	5198.44	6969.70	6148.01
2	Radios/TV/LCD	174.26	270.10	225.64
3	Watches	81.71	145.79	116.06
4	Electronic fans/coolers/AC	162.1	277.88	224.17
5	Furniture	250.89	552.69	412.69
6	Utensils	221.71	391.21	312.58
7	Car and jeeps	-	841.75	451.26
8	Scooters/mopeds/motorcycles	1230.74	1681.48	1472.38
9	Refrigerators	187.78	284.38	239.57
10	Washing machines	94.28	192.93	147.17
11	Gas	114.01	280.34	203.18
12	Geysers	98.83	141.75	121.84
13	Almirah (wooden/steal)	818.87	1287.54	1070.12
14	Power inverter	70.82	247.47	165.52
15	Sewing machine	154.55	455.12	315.69
16	Computer/laptop/printers	-	-	-
17	Others	167.32	389.23	286.29

	Sub-total	**9026.31**	**14409.36**	**11912.17**
III	**Services**			
1	Education	2351.36	4298.65	3395.30
2	Healthcare	2246.69	3037.71	2670.76
3	Conveyance	1978.6	2788.89	2413
4	Communication	775.49	1231.82	1020.13
5	Entertainment	61.87	148.25	108.18
	Sub-total	**7414.01**	**11505.32**	**9607.37**
IV	**Socio-religious ceremonies**			
1	Marriages & other social ceremonies	6420.23	10404.04	8555.95
2	Religious ceremonies	493.11	637.58	570.56
	Sub-total	**6913.34**	**11041.62**	**9126.51**
	Total	**64318.44**	**87421.84**	**76704.20**

Source: Field Survey, 2014-15.

Pattern of Consumption Expenditure

The above analysis is in absolute terms. Since the average consumption levels of the marginal and small farm-size categories are different, consumption pattern can be better studied by comparing the relative shares of individual items of consumption in the total consumption expenditure of the respective farm-size categories. Table 2 contains the relative share of different items of consumption in the total consumption expenditure of the different farm-size categories. The table reveals that for an average sampled farm household the consumption expenditure on non-durables account for the major proportion of the total consumption expenditure followed by the expenditure on durables, services, and socio-religious ceremonies. The table further reveals that an average sampled farm household spends 60.05 per cent on non-durables items. The marginal farm-size

category spends 63.68 per cent and the small farm-size category spends 57.73 per cent of the total consumption expenditure on non-durables.

Among non-durables, food grains are the most important item of consumption and an average sampled farm household spends 17.28 per cent of the total consumption expenditure on this item. Results obtained are similar to the results of wherein they observed that the rural households allocated more of the income spent on consumption of food grains (Bonkalwar *et al.*, 2014). This proportional share is 17.69 per cent for the marginal farm-size category and 17.02 per cent for the small farm-size category. This proportional share decreases as the farm size increases. The second important item is milk and milk products. An average sampled farm household spends 12.36 per cent on this item. This proportional share also decreases as the farm-size increases. This proportion is 13.22 and 11.81 per cent for the marginal and small farm-size categories, respectively.

Table 2: Consumption Pattern of Marginal and Small Farmers (Percentage of the Total Consumption Expenditure)

Sr. No.	Items of Consumption	Marginal Farmers	Small Farmers	All Sampled Farmers
I	**Non-durables**			
1.	Food Grains	17.69	17.02	17.28
	(a) Cereals	15.20	14.57	14.82
	(b) Pulses	2.49	2.45	2.46
2	Condiments and spices	1.65	1.56	1.59
3	Fruits	0.91	0.89	0.90
4	Vegetables	1.06	1.09	1.08
5	Milk and milk products	13.22	11.81	12.36
6	Edible oils	2.16	1.94	2.02
7	Sugarcane products	4.65	3.84	4.16
8	Meat and eggs	1.08	1.14	1.12
9	Tea leaves	2.44	2.17	2.28

10	Biscuit/bread/sweets	0.74	0.88	0.83
11	Pickle/jams/juices	0.43	0.43	0.43
12	Intoxicant and drugs	2.91	2.63	2.74
13	Fuel and electricity	4.35	3.59	3.88
14	Clothing and bedding	5.53	4.15	4.69
15	Washing articles	2.58	2.32	2.42
16	Footwear	2.28	2.27	2.28
	Sub-total	**63.68**	**57.73**	**60.05**
II	**Durables**			
1	House construction, addition of rooms and major repairs	8.08	7.97	8.02
2	Radios/TV/LCD	0.27	0.31	0.29
3	Watches	0.13	0.17	0.15
4	Electronic fans/coolers/AC	0.25	0.32	0.29
5	Furniture	0.39	0.63	0.54
6	Utensils	0.34	0.45	0.41
7	Car and jeeps	-	0.96	0.59
8	Scooters/mopeds/motorcycles	1.91	1.92	1.92
9	Refrigerators	0.29	0.33	0.31
10	Washing machine	0.15	0.22	0.19
11	Gas	0.18	0.32	0.26
12	Geysers	0.15	0.16	0.16
13	Almirah (wooden/steal)	1.27	1.48	1.40

14	Power inverter	0.11	0.28	0.22
15	Sewing machine	0.24	0.52	0.41
16	Computer/laptop/printer	-	-	-
17	Others	0.26	0.44	0.37
	Sub-total	**14.02**	**16.48**	**15.53**
III	**Services**			
1	Education	3.66	4.92	4.43
2	Healthcare	3.49	3.47	3.48
3	Conveyance	3.08	3.19	3.15
4	Communication	1.21	1.41	1.33
5	Entertainment	0.10	0.17	0.14
IV	**Sub-total**	**11.55**	**13.16**	**12.53**
	Socio-religious ceremonies			
1	Marriages & other social ceremonies	9.98	11.90	11.15
2	Religious ceremonies	0.77	0.73	0.74
	Sub-total	**10.75**	**12.63**	**11.89**
	Total	**100**	**100**	**100**

Source: Computed from Table 1.

An average sampled farm household spends 4.69 per cent on clothing and beddings. This proportion is the highest for the marginal farm-size category followed by the small farm-size category. Slightly more than 4 per cent of the total consumption expenditure is incurred on sugarcane products by an average sampled farm household. This proportion is 4.65 per cent for the marginal farm-size category and 3.84 per cent for the small farm-size category. Next comes fuel and electricity contributing 3.88 per cent to the total consumption expenditure. This proportion is

the highest for the marginal farm-size category and the lowest for the small farm-size category. The expenditure on intoxicants and drugs contribute 2.74 per cent to the total consumption expenditure for an average sampled farm household. This proportional share is 2.91 and 2.63 per cent for the marginal and small farm-size categories respectively. Next important item is washing articles which contribute 2.42 per cent to the total consumption expenditure of an average sampled farm household. The expenditure on tea leaves and footwear both contribute 2.28 per cent to the total consumption expenditure of an average sampled farm household. The expenditure on edible oils, condiments and spices, meat and eggs and vegetables come next in magnitude contributing 2.02, 1.59, 1.12 and 1.08 per cent respectively to the total consumption expenditure of an average sampled farm household. Other items like fruits, biscuits/bread/sweets, pickle/jam/juices, have meager share in the total consumption expenditure of an average sampled farm household. This implies that the marginal and small farmers spend most of their income for feeding their families.

For an average sampled farm household 15.53 per cent of the total consumption expenditure is incurred on durable items. This proportion is 14.02 for the marginal farm-size category and 16.48 for the small farm-size category. Among durables major share goes to house construction, addition of rooms and major repairs accounting 8.02 per cent for an average sampled farm household. This proportion is the highest for the marginal farm-size category and the lowest for the small farm-size category. The expenditure on scooter/mopeds/motorcycles contribute 1.92 per cent of the total consumption expenditure for an average sampled farm household. This proportional share is the 1.92 and 1.91 per cent for the small and marginal farm-size categories respectively. The expenditure on car/jeeps is found only for small farm-size category. Other durable items have marginal share in the total consumption expenditure of the marginal and small farm-size categories.

The expenditure on services account for 12.53 per cent of the total consumption expenditure for an average sampled farm household. This proportion shows a positive relationship with the farm-size. This proportion is the highest for the small farm-size category, i.e., 13.16 per cent and 11.55 per cent for the marginal farm-size category. Among the different services, the percentage share of consumption expenditure on education is the highest, i.e., 4.43 per cent followed by the expenditure on healthcare, conveyance, communication and entertainment. The percentage share of consumption expenditure on education is the highest (4.92 per cent) for the small farm-size

category followed by the marginal farm-size category, i.e., 3.66 per cent. Next important service is healthcare contributing 3.48 per cent of the total consumption expenditure for an average sampled farm household. This proportional share is 3.49 per cent for the marginal farm-size category and 3.47 per cent for the small farm-size category. Av average sampled farm household spends 3.15 per cent of the total consumption expenditure on conveyance. Next in order of magnitude is expenditure on communication and entertainment.

The expenditure on socio-religious ceremonies account 11.89 per cent for an average sampled farm household. This proportion is 12.63 per cent for the small farm-size category and 10.75 per cent for the marginal farm-size category. An average sampled farm household spends 11.15 per cent on marriages and other social ceremonies, and 0.74 per cent on religious ceremonies.

The above analysis depict that the consumption pattern of the marginal and small farm-size categories is of subsistence nature because these two categories spend more than 50 per cent of their total consumption expenditure on non-durable items. The second, third and fourth rank goes to non-durables, services and socio-religious ceremonies respectively.

Per Capita Consumption Expenditure

In the above analysis the emphasis has been on the analysis of the levels of household consumption expenditure and consumption pattern of the different farm-size categories in the rural areas of Haryana. Since the family size of both the farm-size categories varies, it becomes relevant to look into the per capita consumption expenditure across the different farm-size categories due to difference in the family size of both the farm-size categories in the rural areas of Haryana. The data regarding this is presented in Table 3. The table shows that the per capita consumption expenditure of an average sampled farm household is Rs. 15718.11. However, there are considerable variations in the per capita consumption expenditure across the different farm-size categories. For example, the per capita consumption expenditure is the highest for the small farm-size category followed by the marginal farm-size category. This phenomenon highlights the fact that there is a positive relationship between farm size and per capita consumption expenditure.

The table further shows that as the farm size increases, the per capita consumption expenditure on most of the items also increases, except clothing and bedding. The per capita consumption on this

item shows the negative relationship with farm size. The marginal farm-size category has reported no per capita consumption on cars and jeeps. The per capita consumption expenditure pattern of the farm households is closely related to the household consumption expenditure pattern across the different farm-size categories.

Table 3: Per Capita Consumption Expenditure of Marginal and Small Farmers

(In Rs., Per Annum)

Sr. No.	Items of Consumption	Marginal Farmers	Small Farmers	All Sampled Farmers
I	**Non-durables**			
1.	Food Grains	2365.50	3013.53	2716.49
	(a) Cereals	2032.97	2579.10	2329.22
	(b) Pulses	332.53	434.43	387.27
2	Condiments and spices	220.77	275.89	250.67
3	Fruits	121.41	156.98	140.70
4	Vegetables	141.42	193.02	169.42
5	Milk and milk products	1767.88	2090.61	1942.91
6	Edible oils	289.28	342.53	318.16
7	Sugarcane products	622.24	680.29	653.62
8	Meat and eggs	144.23	201.82	175.48
9	Tea leaves	326.65	384.00	357.76
10	Biscuit/bread/sweets	98.69	156.05	129.82
11	Pickle/jams/juices	58.16	76.36	68.03
12	Intoxicant and drugs	389.67	464.63	430.33
13	Fuel and electricity	581.23	633.66	609.65

14	Clothing and bedding	740.03	734.95	737.22
15	Washing articles	345.01	409.90	380.21
16	Footwear	304.38	402.47	357.60
	Sub-total	**8516.55**	**10215.69**	**9438.15**
II	**Durables**			
1	House construction, addition of rooms and major repairs	1080.76	1410.87	1259.84
2	Radio/TV/LCD	36.23	54.68	46.24
3	Watches	16.99	29.51	23.78
4	Electronic fans/coolers/AC	33.70	56.25	45.94
5	Furniture	52.16	111.88	84.57
6	Utensils	46.09	79.19	64.05
7	Car and jeeps	-	170.39	92.47
8	Scooters/mopeds/motorcycles	255.87	340.38	301.72
9	Refrigerators	39.04	57.57	49.09
10	Washing machines	19.60	39.05	30.16
11	Gas	23.70	56.75	41.64
12	Geysers	20.55	28.69	24.97
13	Almirah (wooden/steal)	170.24	260.64	219.29
14	Power inverter	14.72	50.10	33.92
15	Sewing machine	32.13	92.13	64.69
16	Computer/laptop/printer	-	-	-
17	Others	34.79	78.79	58.67
	Sub-total	**1876.57**	**2860.62**	**2441.04**
	Services			

1	Education	488.85	870.17	695.76
2	Healthcare	467.09	614.92	547.29
3	Conveyance	411.35	564.55	494.47
4	Communication	161.22	249.36	209.04
5	Entertainment	12.86	30.01	22.17
	Sub-total	**1541.37**	**2329.01**	**1968.73**
III	**Socio-religious ceremonies**			
1	Marriages & other social ceremonies	1334.77	2106.08	1753.27
2	Religious ceremonies	102.52	129.06	116.92
	Sub-total	**1437.29**	**2235.14**	**1870.19**
	Total	**13371.78**	**17657.06**	**15718.11**

Source: Calculated from Table 1

Since the family size varies from one category to the other, there are some differences in the range of per capita and per household consumption expenditure. The per capita consumption expenditure of the small farm-size category is 1.32 times the per capita consumption expenditure of the marginal farm-size category but the per household consumption expenditure of the small farm-size category is 1.36 times the per household consumption expenditure of the marginal farm-size category. Although the family size increases as the farm size increases even then per capita consumption expenditure is positively related with farm size.

Distribution of Household Consumption Expenditure

The distribution of household consumption expenditure among the marginal and small farm-size categories in the rural areas of Haryana is shown in Table 4. There are inequalities in the distribution of household consumption expenditure. For example, the bottom 10 per cent households share only 3.76 per cent of the total consumption expenditure of sampled farm households. On the other hand, the top 10 per cent households share 28.98 per cent of the total

consumption expenditure of sampled farm households. Almost similar picture can be seen among the marginal and small farm-size categories.

Whereas the bottom 10 per cent of the marginal farm households claim 4.58 per cent of the total consumption expenditure, the corresponding figure for the small farm households stands at 3.70 per cent. The top 10 per cent of the marginal farm households claim 29.43 per cent, the corresponding figure for the small farm households 28.59 per cent. The share of the bottom 40 per cent households is less than the top 10 per cent households. The value of Gini coefficient is 0.28 for the marginal farm-size category and 0.30 for the small farm-size category. This shows that the concentration of household consumption expenditure is greater for the small farm households. The value of Gini Coefficient is 0.31 for all the sampled farm households taken together.

Table 4: Distribution of Household Consumption Expenditure of Marginal and Small Farmers

Cumulative Percentage of Households	Cumulative Percentage of Household Consumption Expenditure of		
	Marginal Farmers	Small Farmers	All Sampled Farmers
10	4.58	3.70	3.76
20	9.92	10.04	9.17
30	16.82	16.96	15.61
40	23.92	24.01	22.93
50	32.06	31.23	30.63
60	40.25	38.92	38.58
70	49.20	47.64	47.40
80	59.12	57.71	57.24
90	70.57	71.41	71.02
100	100	100	100
Gini Coefficient	**0.28**	**0.30**	**0.31**

Source: Field Survey, 2014-15.

Distribution of Per Capita Consumption Expenditure

The distribution of per capita consumption expenditure for the marginal and small farm-size categories is given in Table 5.5. The table shows that bottom 10 per cent of the farm population share only 4.41 per cent of the total per capita consumption expenditure. On the other hand, the top 10 per cent of farm population share 23.66 per cent of the total per capita consumption expenditure of farm households. When we further compare the shares of bottom and top, it is clear that the bottom 40 per cent account for only 24.41 per cent of the total per capita consumption expenditure, whereas top 10 per cent account 23.66 per cent of the total per capita consumption expenditure.

Table 5: Distribution of Per Capita Consumption Expenditure among Marginal and Small Farmers

Cumulative Percentage of Persons	Cumulative Percentage of Per Capita Consumption Expenditure of		
	Marginal Farmers	Small Farmers	All Sampled Farmers
10	4.67	4.96	4.41
20	10.45	11.19	10.22
30	17.17	17.90	17.00
40	24.76	25.18	24.41
50	33.13	33.14	32.36
60	42.07	41.85	40.95
70	51.70	51.72	50.53
80	62.14	63.06	61.86
90	75.53	77.56	76.34
100	100	100	100

Gini Coefficient	**0.26**	**0.25**	**0.26**

Source: Field Survey, 2014-15

A similar picture can be seen from the marginal and small farm-size categories. The bottom 10 per cent of the marginal farm population claims 4.67 per cent of the total per capita consumption expenditure, whereas the corresponding figure for the small farm-size category is 4.96 per cent. The top 10 per cent of marginal farm population consume 24.47 per cent and the corresponding figure is 22.44 per cent for the small farm-size category. The value of Gini coefficient is 0.26 for the marginal farm-size category, 0.25 for the small farm-size category and it is 0.26 for all the sampled farm households taken together. The concentration of per capita consumption expenditure is less than the per household consumption expenditure among both the farm-size categories.

Average Propensity to Consume

The average propensity to consume defined as the proportion of income spent on consumption is worked out for the sampled farm households in rural Haryana. A detailed profile of average propensity to consume of both the farm-size categories is presented in Table 6. For an average sampled farm household, the average propensity to consume comes to 1.15. The average propensity to consume is the highest (1.15) in the case of small farm-size category and the lowest (1.14) for the marginal farm-size category.

Table 6: Average Propensity to Consume of Marginal and Small Farmers

Farm-size categories	Average Consumption Expenditure (Rs.)	Average Income (Rs.)	Average Propensity to Consume
Marginal Farmers	64318.44	56186.19	1.14
Small Farmers	87421.84	76124.55	1.15
All Sampled Farmers	76704.20	66875.17	1.15

Source: Field Survey, 2014-15.

The value of average propensity to consume is greater than unity for the two farm-size categories, both the categories incurred annual deficit. An average sampled farm household incurs an annual deficit of Rs. 9829.03. The highest deficit of Rs. 11297.29 is incurred by the small farm-size category. The marginal farm-size category incurs a deficit of Rs. 8132.25. This has an important implication that the marginal and small farm-size categories in the rural areas of Haryana are trying to keep a minimum level of consumption whether they can afford it or not. In order to maintain a minimum level of consumption, they have to obtain loans from both institutional and non-institutional sources.

CONCLUSION AND POLICY IMPLICATIONS

The forgoing analysis concludes that annual consumption expenditure of an average sampled farm household is Rs. 76704.20. The analysis brings out that the consumption expenditure on non-durables, durables, services and socio-religious ceremonies has a tendency to increase from the marginal to small farm-size category. The consumption expenditure of the small farm-size category is found to be 1.36 times the consumption expenditure of the marginal farm-size category. The per capita consumption expenditure of an average sampled farm household is Rs. 15718.11. The annual per capita consumption expenditure of the small farm-size category is 1.32 times of the per capita consumption expenditure of the marginal farm-size category. The concentration of household consumption expenditure is relatively more in the case of small farm-size category as compared to the marginal farm-size category.

The consumption pattern of the marginal and small farm-size categories is of subsistence nature because these two categories spend more than 50 per cent of their total consumption expenditure on non-durable items. In the case of both the farm categories the propensity to consume is more than unity. These farmers spend most of their income on food grains. The essential goods like cereals, pulses should be provided at subsidized rates to these farm-size categories. For the benefits of these farmers' social security measures should be implemented. There is also need to launch a mass movement against the use of intoxicants and drugs, and conservative social values that lead to more expenditure on marriages and other social ceremonies. All the poverty alleviation programmes should be implemented properly so that every eligible farmer will be benefited. The

agro-based industries can help to generate different employment opportunities for the farmers. There is need to encourage the marginal and small farmers in the diversification of agriculture so that their income base is widened. Agriculture universities can help to the farmers to switch over to other crops.

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