

**INCOMES SAVINGS AND INVESTMENTS IN
AN AGRICULTURALLY PROGRESSIVE AREA**

**A STUDY
IN
BANGALORE DISTRICT (KARNATAKA STATE)**

**A COMBINED REPORT
FOR THE YEARS 1970-71 AND 1971-72**

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CHAPTER I

INTRODUCTION

The present study, undertaken at the instance of the Directorate of Economics and Statistics of the Union Ministry of Food and Agriculture, is a consolidated account of the two earlier reports that were based on the survey data in respect of the years 1970-71 and 1971-72. At the outset, it may be stated that because of nonavailability of the investigational staff, the launching of the survey in Karnataka was delayed by a year, and for the same reason, the inquiry was restricted to one block. Apart from this partial coverage, in the two earlier reports as also the present one we have attempted to fulfil the minimum requirement of approach to the study, methodology, tabulation design etc., as envisaged by the Ministry for an all-India common pattern of study. However, despite the partial coverage, the present study is expected to meet the purpose for which such studies are initiated. The present report which consolidates the two year data, as per the requirement of the common pattern, may be considered as an independent study by itself. Hence the need for brief reiteration of importance of the study, objectives, methodology, concepts and definition, limitations of data and so on.

Importance of the Study

The recent technological break through, in the form of seed-fertiliser revolution, the innovation in improved farm practices and infra-structure facilities to provide easy credit, marketing etc., was obviously expected to result in rapid progress of agricultural sector. The generation of larger incomes, as a consequence of increased production, is generally expected to contribute to capital formation in the rural sector.

Although, quite a number of studies have gone into various aspects of capital formation, mostly at the macro-level, there is, as yet, need for closer understanding of the many facets of the problem at the micro-level. This necessitates undertaking a cross-sectional study of farmers based on empirical data. The importance of the study is underlined by its attempt to inquire into levels and interaction of incomes, savings and investments in the areas known to be agriculturally progressive.

Objectives

Briefly, the objectives of the study are as follows :

- (a) To study the effects of increase in income on saving and investment pattern of different classes of cultivators, as well as, agricultural labourers.
- (b) To study the impact of increase in income on consumption patterns of the different categories of households, including conspicuous consumption.
- (c) To study the factors affecting the level and pattern of consumption, saving and investment of the selected farmers and agricultural labourers.

Coverage and Sampling Design

In Mysore State, the district of Bangalore was selected with due regard to criteria of progressiveness. Further, in consultation with the officials, Hoskote block was selected as the most suitable for our purpose. It is characterised by extensive irrigation wells, mostly energised by pump sets, the cropping pattern oriented to varied cash crops like mulberry, grapes and vegetables and generally regarded as the most progressive block.

Applying the random process of selection, a sample of ten farmers and four landless labour households were drawn from each of the five selected villages. Altogether, the

sample comprised 50 cultivators and 20 agricultural labour households. The selected villages were (1) Alappana Halli, (2) Bendigana Halli, (3) Kammasandra, (4) Timmasandra and (5) Yenigunte.

Method of Enquiry

The survey method was adopted for the collection of required data. The sample households were interviewed four times a year and altogether four different kinds of questionnaire-schedules were canvassed among them. The general family schedule and family budget schedule were common to all the 70 households. Besides, the agricultural enterprise schedule was exclusively canvassed among cultivating households to elicit the farm business details. Lastly, the Labour Schedule obtained the relevant details on employment in respect of the 20 labour households.

Concepts and Definitions

The most widely accepted concepts and definitions are adopted for our purpose. In the present study household income includes incomes from cultivation, subsidiary occupation, salaries, wages and other sources. Income is the total receipts minus operating expenses residual. Net income is income as stated above net of depreciation. Investment includes both capital goods and consumer durables. Saving is derived by balance-sheet approach, and it is regarded as the difference between changes in physical and financial assets minus change in liabilities adjusted for net capital gains and capital transfers.

Limitations of Data

In addition to the limitation in the coverage (area and size of the sample) the survey data suffer from the limitations

which are inherent in the methods itself. Much of the information is invariably stated from the memory and particularly so in the case of cost of cultivation, expenditure on consumption and so on. While details of land holdings, crop pattern and assets are generally accurate, the values of assets are only approximation. The expenditure of any kind is generally exaggerated and incomes are invariably under reported. The information on financial assets may not be satisfactory and possession of gold and silver ornaments not available at all. Some difficulties on the part of the informants to furnish accurate details are understandable. However, by making as many as four visits a year, some difficulties are minimised. The degree of concealing production, returns, non-farm business activities, financial transactions and exaggeration of expenditure is greater in the case of very influential and really progressive farmers rather than the small cultivators. The sample, though, based on size of holding, may not reflect the income levels of the selected villages. Nevertheless, the study provides qualitative assessment of the situation, rather than it being strictly amenable to statistical estimates.

It may not be out of place to mention here the method of analysing the two year data for the purpose of consolidation. As per the common instruction, we have used the weighted averages wherever necessary in the present report. In other words, the statistical tables, based on field data in respect of sample households, give the account for twelve month period, which in fact, is the average of two year data (1970-71 and 1971-72) suitably weighted. Consequently, in several places we have to contend with the households appearing in fractions owing to changes in the size groups. Also due to averaging and rounding of process there is some likelihood of very slight but quite inconsequential discrepancy appearing in a few cases.

CHAPTER IIAGRICULTURAL ECONOMY OF THE DISTRICT

A brief outline of the broad features of the agricultural economy of the district and the block selected for the study is presented in this chapter. The object is to provide, by way of background information, some relevant particulars regarding the land use pattern, soil types, irrigation, crop pattern, size of holdings, infrastructure facilities etc.

Physical Features

Bangalore district is situated in the south-eastern part of the State. It is one of the seven districts which constitute 'Southern Maidan' or plain land in the southern half of Mysore State. The district is generally flat without any major hill range nor any perennial river flowing through it. The absence of any major river is mitigated by the presence of large and medium tanks in the district. The lakes constitute an important source of water for urban needs and irrigation. A well known feature of the district is its climatic condition. It enjoys a salubrious climate, almost round the year, in view of its location at a fairly high altitude, the average elevation being a little over 3,000 feet above mean sea level. The normal rainfall is 794 millimetres per annum. Normally, the district receives about 52 per cent of its total rainfall from the south-west monsoon, nearly 27 per cent from the north-east monsoon and the rest in summer seasons. Generally, September and October are the wettest months. The soil profile is almost uniformly red in colour and sandy loam in texture. The soil-climatic factor in the district is well suited for the cultivation of various kinds of fruits and vegetables.

Land Utilization and Cropping Pattern

The total geographical area of the district (according to village papers) is 7,46,785 hectares. During 1968-69, nearly the 59 per cent of this area was available for cultivation. However, the net sown area forms 50.10 per cent of the total geographical area while current and other fallow lands account for 7.66 per cent and 1.08 per cent respectively. The area under forests and pastures together was nearly 24 per cent of the total geographical area. Land put to non-agricultural uses accounted for 8.74 per cent and incidentally this proportion was the highest for any district in the State. Gross cropped area in the district was 3,82,202 hectares with the area sown more than once being 8,050 hectares.

The land use pattern in Hoskote Block is almost similar. The net area sown and current fallows together accounted for 60 per cent of the total geographical area. Land put to non-agricultural use including area under tanks accounted for 10.25 per cent. The area under forest was very negligible. During 1970-71, the area sown more than once was 5,067 acres and the gross cropped area was 93,964 acres. The details of classification of geographical area in Bangalore district and Hoskote Taluk are shown in Tables 2.1 and 2.2 respectively.

The cropping pattern of the district as well as the selected block reveals that food crops dominate the scene. In the district, the cereals, comprising mainly ragi and rice, account for three-fourths of the gross cropped area. The cereals and pulses together form nearly 86 per cent of the total cropped area. The area under fruits, vegetables and spices among food crops is about 20,200 hectares and forms roughly five per cent of the gross cropped area. Among the non-food crops, the oilseeds and mulberry occupy major extent of land. In Hoskote Taluk the foodgrains including ragi,

Table 2.1 : Classification of area in Bangalore district during 1968-69

	(area in hectares)	
	Area in hectares	Percentage
1. Forest	70,297	9.41
2. Barren and uncultivable land	29,044	3.89
3. Land put to non-agricultural use	65,252	8.74
4. Cultivable waste land	14,729	1.97
5. Permanent pastures and other grazing lands	1,08,776	14.57
6. Land under miscellaneous tree crops & groves not included in sown area	19,289	2.58
7. Current fallows	57,185	7.66
8. Other fallow land	8,061	1.08
9. Net area sown	3,74,152	50.10
10. Total Geographical Area (according to village papers)	7,46,785	100.00
11. Gross cropped area	3,82,202	
12. Area sown more than once	8,050	

(Source : Annual Season and Crop Report 1968-69, p. 31.)

rice and horsegram account for 80.6 per cent of the total cropped area. The area under cash crops like fruits, vegetables and spices among food crops forms nearly eight per cent of the total area. Mulberry is an important non-food crop and it accounts for about five per cent of the total area.

The proportions of area under fruits, vegetables, spices and mulberry are relatively greater in Hoskote than in the district as a whole. The important crops in the district, as well as, selected block are rice, ragi, horsegram, mango, grapes, potato, fresh vegetables and mulberry. The relevant details of cropping pattern are presented in Tables 2.3 and 2.4 for Bangalore district and Hoskote Block respectively.

Table 2.2 : Land utilization in Hoskote Taluk (1970-71)
(area in acres)

	Area in acres	Percen- tage
1. Forest	3,026	1.89
2. Barren and uncultivable land	4,238	2.64
3. Land put to non-agricultural use	16,454	10.25
4. Cultivable waste land	6,316	3.93
5. Permanent pastures and other grazing lands	22,280	13.88
6. Land under miscellaneous tree crops & groves not included in sown area	11,899	7.41
7. Current fallows	7,420	4.62
8. Other fallow land	-	-
9. Net area sown	88,897	55.38
10. Total Geographical Area (according to village papers)	1,60,530	100.00
11. Gross cropped area	93,964	
12. Area sown more than once	5,067	

Table 2.3 : Area under different crops in Bangalore District, 1968-69

C r o p	Area in hectares	Percen- tage
Food crops :		
Rice	37,957	9.33
Jowar	4,222	1.04
Maize	6,380	1.57
Hagi	2,42,422	59.58
Others	10,135	2.49
Total Cereals	3,01,116	74.01
Pulses :		
Horse gram	27,962	6.87
Other pulses	20,498	5.04
Total Pulses	48,460	11.91
Total foodgrains	3,49,576	85.92
Sugarcane	3,373	0.83
Fresh and dry fruits :		
Grapes	998	0.25
Mangoes	2,951	0.72
Other fresh and dry fruits	1,420	0.35
Total fresh and dry fruits	5,369	1.32
Vegetables :		
Potato	1,587	0.39
Other vegetables	2,434	0.60
Total vegetables	4,021	0.99
Total Fruits and Vegetables	9,390	2.31
Spices	3,591	0.88

contd.

Table 2.3 : (contd.)

	Area in hectares	Percen- tage
Other Miscellaneous crops	3,850	0.95
Total food crops	3,69,780	90.89
Edible oilseeds:		
Groundnut	9,296	2.28
Others	7,644	1.88
Total oilseeds	16,940	4.16
Total non-edible oilseeds	4,180	1.03
Total of edible and non-edible oilseeds	21,120	5.19
Other non-food crops	15,963	3.92
Total non-food crops	37,083	9.11
Total food and non-food crops	4,06,863	100.00

Table 2.4 : Area under different crops in Hoskote Block
(1970-71)

C r o p	Area in acres	Percen- tage
I. <u>Food crop</u>		
1) <u>Cereals</u>		
a) Rice	9,860	10.49
b) Jowar	232	0.25
c) Maize	3,520	3.75
d) Ragi	47,808	50.88
e) Other Cereals and millets	2,841	3.02
Total cereals	64,261	68.39
2) <u>Pulses</u>		
a) Horse-gram	7,499	7.98
b) Field Beans	3,766	4.01
c) Other pulses	185	0.20
Total pulses	11,450	12.19
Total Foodgrains	75,711	80.58
3) <u>Spices</u>		
a) Chillies	379	0.40
b) Tamarind	910	0.97
c) Other	142	0.15
Total spices	1,431	1.52

contd.

Table 2.4 : (contd.)

C r o p	Areas in acres	Percen- tage
4) <u>Fruits and Vegetables</u>		
a) Grapes	751	0.80
b) Other fruits	1,359	1.45
c) Potato	457	0.48
d) Fresh vegetables	3,272	3.48
Total fruits and vegetables	5,839	6.21
5) Other Food Crops	92	0.10
Total Food Crops	83,073	88.41
II. <u>Non-Food Crops</u>		
a) Total oilseeds	1,754	1.87
b) Mulberry	4,589	4.88
c) Other non-food crops	4,548	4.84
Total Non-food crops	10,891	11.59
Total Food and Non-food crops	93,964	100.00

Although the district lacks major irrigation works with canal system, the area irrigated, chiefly by wells and tanks, forms nearly a fifth of the total cropped area. During 1968-69, the extent of irrigated area was 77,012 hectares. The cereals, especially, rice, hybrid maize, Kar ragi (irrigated variety) accounted for a little more than 60 per cent of total irrigated area. Among other irrigated crops, sugarcane, fruits other than mangoes, vegetables and mulberry accounted for substantial proportion of the irrigated area. The crops like sugarcane, rice, grapes and mulberry are highly irrigated requiring assured water supply. The details of crops irrigated in the district are presented in Table 2.5.

The irrigated crops in Hoskote Taluk accounted for 25.85 per cent of the total cropped area. Among the important crops rice, hybrid maize, vegetables, grapes, potato, sugarcane

Table 2.5 : Gross area of crops irrigated in Bangalore district (1968-69)

(Area in hectares)

C r o p s	Total area(in hectares)	Irriga- ted area	Percen- tage to total irriga- ted area	Percentage of irriga- ted area to area of the crop
1	2	3	4	5
1. Rice	37,957	35,199	45.71	92.73
2. Jowar	4,222	1,582	2.05	37.47
3. Maize	6,380	5,930	7.70	92.95
4. Ragi	2,42,422	5,858	7.61	2.42
5. Total cereals	3,01,116	49,280	63.99	16.37
5. Pulses	48,460	20	0.03	0.41
Total foodgrains	3,49,576	49,300	64.02	14.10
6. Sugarcane	3,373	3,373	4.38	100.00
7. Other food crops	16,831	9,869	12.81	58.64
Total food crops	3,69,780	62,542	81.21	16.91
8. Total non-food crops	37,083	14,470	18.79	39.02
Total Area (Food and Non-food)	4,06,863	77,012	100.00	18.93

and mulberry are fully irrigated in the Taluk. In all, 24,290 acres were irrigated in Hoskote Taluk during the year 1970-71. About 80 per cent of the total irrigated area was devoted for food crops including fruits and vegetables.

Source of Irrigation

In the district, the net area irrigated during 1968-69 was 72,805 hectares. Wells constituted the most important source of irrigation in terms of area. In all, 27,966 wells irrigated 34,768 hectares of land, the average extent of land irrigated by each well being 1.24 hectares. The land irrigated by wells forms nearly 48 per cent of the total area irrigated in the district. The tanks numbered 1,377 in all, with a command area of 29,754 hectares. The tanks capable of irrigating more than 40 hectares each numbered 542. The net area

irrigated by all types of tanks formed 41 per cent of the total irrigated lands. The average extent of land served by each tank works out to 21.61 hectares. The relevant details are presented in Table 2.6.

Table 2.6 : Sourcewise distribution of net area irrigated in Bangalore District during 1968-69

(Area in hectares)

	Number	Net area irrigated	Percentage to total irrigated area
Canals (Government)	N.A.	5,087	6.99
Canals (Private)	NIL	-	-
Irrigation/wells	27,966	34,768	47.75
a) Tanks (big) irrigable more than 40 hectares	542	-	-
b) Tanks (small)	835		
Total (Tanks)	1,377	29,754	40.87
Other Sources	-	3,196	4.39
Total		72,805	100.00
Area irrigated more than once in the same year		4,207	
Gross Area Irrigated		77,012	

Size of Holdings

An important feature of the agricultural economy of the district is the predominance of smaller holdings of land. Actually 66.39 per cent of total holdings measure less than 2 hectares each. The holdings in the size groups above four hectares account for hardly 13 per cent. The large holdings, especially those measuring above 12 hectares, form less than 2 per cent. The sizewise distribution of holdings in Bangalore district is as follows :

<u>Size of holding</u>	<u>No.</u>	<u>Percentage</u>
Upto 2 hectares	75,700	66.39
2 - 4 hectares	23,700	20.78
4 - 6 "	7,000	6.14
6 - 12 "	5,600	4.91
12 - 24 "	1,600	1.40
24 - 40 "	300	0.26
40 - 80 "	100	0.09
80 & above "	30	0.03
	<u>1,14,030</u>	<u>100.00</u>

Yield Rates of Main Crops

The available data, though limited to some principal crops, point out that the performance of the District was fairly good in respect of yield rates in 1968-69. Bangalore has obtained greater yield rates than the average for entire State in respect of ragi, potato, maize and jowar. Maize and jowar have done especially well, being new crops recently introduced to the district. However, mostly high yielding varieties of both the crops are raised in the district.

Yield per hectare of some of the main crops (1968-69) in the district, as well as, the State is presented below.

<u>C r o p</u>	<u>Yield per hectare (in kgs.)</u>	
	<u>Bangalore District</u>	<u>Mysore State</u>
1) Rice	1,177	1,893
2) Ragi	561	552
3) Maize	4,012	2,032
4) Jowar	4,636	684
5) Horse-gram	151	295
6) Potato	9,959	4,974
7) Groundnut	692	716

Other Aspects of the Economy

(1) District

Bangalore is among the top five progressive districts in the State so far as the alround development is concerned. It has the highest density of population in the State with 418 per sq.km. According to 1971 Census, the total population was 33,46,405. The urban population formed 55.6 per cent of the total. The total working population was 10.71 lakhs, the

non-agricultural sector accounting for major share with 6.55 lakhs and the agricultural sector with only 4.16 lakhs. The distribution of working force according to types of economic activity (1961) is presented in Table 2.7.

Table 2.7 : Distribution of working force according to types of economic activity (1961) District : Bangalore

Type of activity	Working force	
	No.	Percentage
As cultivators	4,38,079	44.1
As agricultural labourers	63,230	6.4
In mining, forestry etc.	12,660	1.3
In household industry	57,103	5.7
In manufacturing industry	1,31,975	13.3
In construction	25,767	2.6
In trade and commerce	64,501	6.5
In transport, communication, etc.	21,996	2.2
In other services	1,77,807	17.9
Total workers	9,93,118	100.0
Non-workers	15,11,344	
Total Population	25,04,462	

Regarding the improved farm machinery and irrigation equipment the district possessed 210 tractors in 1968, ranking fifth in terms of number and third in terms of average net sown area per tractor. In respect of irrigation pump sets, the district stood second in the State with 18,074 wells emergised upto 1970-71.

The fix infrastructure facilities are fairly well developed in the district. Briefly speaking, the rural areas are well served by a network of good roads, transport conveniences and the communication facilities like post and telegraphs. In the matter of rural electrification, the district stands second in the State with 1,160 villages electrified so far.

The marketing facilities for general merchandise and agricultural produces are fairly well developed. During 1966-67, the three regulated markets in the district reported a combined

turnover of Rs.2,806.06 lakhs. Every taluk is served by a Taluk Agricultural Produce Cooperative Marketing Society.

The credit facilities are also well developed in the district. During 1968-69, 114 offices of commercial banks and 28 cooperative banks were operating in the district. The rural areas are well served by branches of District Central Cooperative Banks, Primary Land Development Banks at taluk level and Primary Credit Societies at village levels.

(2) Hoskote Taluk

Hoskote Taluk is situated in the eastern part of the Bangalore district. It occupies an area of 253.7 sq.miles. It consists of 356 villages and one municipal town. The average annual rainfall is 622 millimetres. The total population, as per 1971 Census, was 1,53,741 - including an urban population of 12,163.

Hoskote taluk is well known for cultivation of irrigated crops like fruits, vegetables, mulberry, potato and rice. It ranks first among the eleven taluks of the district as far as irrigation facilities are concerned. The gross area irrigated forms nearly 26 per cent of the gross cropped area. Tanks and wells constitute major sources of irrigation. There are 161 tanks and 7,225 irrigation wells commanding 11,489 acres and 7,750 acres respectively.

The reporting of modern agricultural machinery and irrigation equipment indicates a fair measure of progress in the agricultural economy. To mention a few, there are 130 tractors, 2 power tillers, 1,062 sprayers, 3,225 I.P. sets and 90 diesel pumps. Besides, the number of villages electrified so far is 195 which accounts for 55 per cent of the total villages in the taluk. In addition to 107 cooperative credit institutions, there are six commercial banks operating in the Taluk.

CHAPTER III
ECONOMY OF SELECTED VILLAGES

A brief description of the several aspects of economy of the selected villages is provided in the present chapter. The scope of the chapter is limited to general information about the location, population characteristics, land utilization and cropping pattern, infrastructure facilities and such other aspects pertaining to the villages from which sample households are drawn. The relevant details concerning the sample farmers and their economy, however, will be discussed in the next chapter.

3.1 Location

All the five selected villages are situated on the eastern fore-shore of a large lake, called Hosakote Amani Kere, the water spread of which admeasures nearly 4,000 acres. All the villages are located on Hosakote-Sidlaghatta route, a tar surfaced road, branching off from Bangalore-Madras National Highway at Hosakote. The villages are lying at a distance of four to 22 kilometres away from Hosakote, the block headquarters. All the five being road-side villages, these are well served by transport facilities.

3.2 Population Characteristics

The selected villages, like most other habitats in the rural part of the district, are small to medium in size. The total number of households varied from 56 at Timmasandra to 132 at Yenigunte. Similarly, the total population ranged from 553 at Timmasandra to 1,133 souls at Alappanahalli. The average size of household varied from 6.3 at Yenigunte to 10.6 at Alappanahalli. The proportion of total workers to the total population varied from 47 per cent at Timmasandra to 67 per cent at Alappanahalli. The working force is predominantly engaged in agriculture, over 90 per cent in all

the villages, except Bendiganahalli, where, about 17 per cent is engaged in non-agricultural sector. The literacy level is between 25 and 40 per cent of the total population and varied from 26 per cent at Kammasandra to 39 per cent at Bendiganahalli. The villagewise relevant details are presented in Table 3.1.

Table 3.1 : Population details of the selected villages

Particulars	Alappa- nahalli	Timma- sandra	Kamma- sandra	Yeni- gunte	Bendi- ganna- halli
1. Number of households	<u>107</u>	<u>56</u>	<u>109</u>	<u>132</u>	<u>98</u>
2. Population					
Male	559	276	411	417	356
Female	574	277	402	412	366
Total	<u>1133</u>	<u>553</u>	<u>813</u>	<u>829</u>	<u>722</u>
3. Workers engaged in :					
a) Agriculture:					
Male	317	138	207	146	154
Female	<u>320</u>	<u>124</u>	<u>222</u>	<u>138</u>	<u>126</u>
Total	637	262	429	284	280
b) Labour:					
Male	-	-	-	70	12
Female	-	-	-	75	18
Total	-	-	-	<u>145</u>	<u>30</u>
c) Non-Agricultural Sector :					
Male	5	-	-	2	42
Female	<u>4</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>23</u>
Total	9	-	-	5	65
4. Total workers :					
Male	322	138	207	218	208
Female	<u>324</u>	<u>124</u>	<u>222</u>	<u>216</u>	<u>167</u>
Total	646	262	429	434	375
5. Total non-working population	487	291	384	395	347
6. Literacy percentage	33.4	38.2	26.0	33.5	39.0

3.3 Land Utilization and Cropping Pattern

The total geographical area varied from 261 acres at Timmasandra to 724 acres in respect of Kammasandra village. The land use pattern of 1900-71 shows that the net sown area forms around 50 per cent in each village. However, none of the selected villages has any land under forest. In Alappanahalli and Timmasandra, a little more than a third of the total geographical area is put to non-agricultural use. However,

in these two villages, pasture land forms less than one per cent, whereas, the other three villages show over 15 per cent of area each. By and large, net area sown, land put to non-agricultural use, current fallows and pasture land account for major proportion of the total area in all the villages. The pattern of land use in each of the selected villages is presented in Table 3.2.

The cropping pattern, as obtained during 1970-71, in each of the selected villages is shown in Table 3.3. Broadly speaking, the cereals (ragi and rice) dominate the cropping pattern in all the villages. The cereals account for more than 50 per cent of the cropped area in every village. Area under fruits and vegetables (grapes, guava, potato and fresh vegetables) occupy second important place in most of the villages. In all, total food crops account for around 80 per cent in every village. Among the non-food crops, mulberry occupies a prominent place in all the villages.

3.4 Infrastructure and Other Facilities

All the selected villages are well endowed with some infrastructure facilities. Mostly, the facilities are available either at the village site itself or in close proximity. A number of facilities like marketing, banking, communicational, educational (higher) custom service, etc., is concentrated at Hosakote town and to a lesser extent at Sulabele, a small town, and both serve the needs of the selected villages. Besides, the road transport facility is so well developed that Bangalore city is directly accessible to the selected villages for marketing the produces like fruits, vegetables, cocoons, etc. and to obtain the farm inputs and modern consumer durables.

The availability of electricity for power and light at the villages, the number of irrigation pump sets, tractors and other modern farm machinery speak for general progressiveness

Table 3.2: Land utilization in selected villages (1970-71)

	(Area in acres)									
	Alappanahalli		Timmasandra		Kannasandra		Yenagunte		Bendiganahalli	
	Area	Percentage	Area	Percentage	Area	Percentage	Area	Percentage	Area	Percentage
1. Forest	-	-	-	-	-	-	-	-	-	-
2. Barren and cultivable	3.98	1.20	4.30	1.64	7.11	0.98	5.37	0.81	10.63	1.70
3. Land put to non-agricultural use	121.05	36.59	117.00	44.76	91.70	12.67	56.56	8.57	35.69	5.70
4. Cultivable waste	-	-	-	-	-	-	37.07	5.62	3.70	0.59
5. Pasture and grazing	1.72	0.52	0.52	0.20	104.58	14.46	243.78	36.93	129.58	20.68
6. Miscellaneous tree crops and groves not included in area sown	1.33	0.40	0.40	0.15	2.03	0.28	0.92	0.14	7.35	1.17
7. Current fallows	37.22	11.25	31.18	11.93	81.63	11.28	24.25	3.67	48.40	7.72
8. Net area sown	165.58	50.04	108.00	41.32	436.50	60.33	292.23	44.26	391.25	62.44
9. Total geographical area	330.88	100.00	261.40	100.00	723.55	100.00	660.18	100.00	626.60	100.00

Table 3.3: Area under different crops in each of the selected villages (1970-71)

Crop	(Area in acres)									
	Alappanahalli		Timmasandra		Kammasandra		Yenagunte		Bendiganahalli	
	Area	Percentage	Area	Percentage	Area	Percentage	Area	Percentage	Area	Percentage
1) Rice	10.73	6.11	2.10	2.18	86.25	19.83	22.16	5.61	26.05	6.12
2) Ragi	66.03	37.56	42.62	44.16	187.35	43.08	214.72	54.34	116.67	27.39
3) Other cereals	12.20	6.94	10.20	10.57	17.60	4.05	28.65	7.25	53.65	12.59
4) Horse-gram	0.90	0.51	0.52	0.54	26.75	6.15	10.18	2.57	7.80	1.83
5) Field beans	5.25	2.99	1.75	1.81	5.50	1.27	18.13	4.59	21.13	4.96
6) Other pulses	-	-	-	-	2.28	0.52	-	-	2.00	0.47
7) Total pulses & cereals	95.11	54.11	57.19	59.26	325.73	74.90	293.84	74.36	227.30	53.36
8) Fruits: Grapes	22.58	12.84	10.78	11.17	3.13	0.72	2.05	0.52	6.25	1.47
9) Other fruits	2.00	1.14	-	-	-	-	-	-	137.00	32.16
10) Potato	9.13	5.19	0.90	0.93	34.57	7.95	11.00	2.79	4.33	1.01
11) Fresh vegetables	24.77	14.09	11.25	11.66	5.58	1.28	3.65	0.92	3.03	0.71
12) Total fruits & vegetables	58.48	33.27	22.93	23.76	43.28	9.95	16.70	4.23	150.61	35.35
13) Spices	2.47	1.40	0.75	0.78	6.25	1.44	9.38	2.38	1.10	0.26
14) Other food crops	0.10	0.06	-	-	0.58	0.14	0.38	0.09	1.00	0.23
15) Total food crops	156.16	88.84	80.87	83.80	375.84	86.43	320.30	81.06	380.01	89.20
16) Oilseeds	1.15	0.65	0.38	0.40	3.08	0.71	7.35	1.86	21.92	5.15
17) Mulberry	9.15	5.21	15.25	15.80	42.10	9.68	42.03	10.64	22.08	5.18
18) Other non-food crops	9.32	5.30	-	-	13.85	3.18	25.48	6.44	2.00	0.47
19) Total non-food	19.62	11.16	15.63	16.20	59.03	13.57	74.86	18.94	46.00	10.80
20) Grand Total	175.78	100.00	96.50	100.00	434.87	100.00	395.16	100.00	426.01	100.00

of the selected villages. The details of infrastructure and other facilities available at each of the selected villages or proximity to the nearest centre are presented in Table 3.4.

Table 3.4 : Infrastructure and institutional facilities available to the selected villages

Particulars	Alappa- nahalli	Timma- sandra	Kamma- sandra	Yena- gunte	Bendi- gana- halli
1. Distance from the village (km.):					
i) Block headquarters	4	6	8	10	23
ii) Nearest railway station	19	21	23	25	38
iii) Post office	4	3	1	5	Inside village
iv) Branch of co-operative bank	4	6	8	10	23
v) Branch of any commercial bank	4	1	1	3	15
vi) Primary co-operative society	Inside	2	Inside	2	Inside
vii) Village Panchayat H.O.	Inside	3	1	2	Inside
viii) V.L.W. Headquarters	Inside	3	1	2	Inside
ix) Nearest Health Centre or Hospital	4	3	1	5	Inside
x) Nearest Higher Secondary School	4	6	6	4	8
xi) Nearest weekly market	4	6	6	4	5
2. Availability of Electric power & light in the village	Avail- able	Avail- able	Avail- able	Avail- able	Avail- able
3. No. of irrigation wells	80	60	63	106	48
4. No. of wells fitted with I.P. sets	30	39	42	65	32
5. No. of tractors	2	3	-	4	3
6. Silkworm Grainage Centre-Distance (km.)	4	6	6	4	8

CHAPTER IV

SAMPLE CULTIVATORS AND THEIR ECONOMY

In the present chapter we make only a brief reference to the socio-economic characteristics, resource endowments and production activities before taking up the pattern of incomes of sample cultivators. At the outset, it may be mentioned that in view of the distribution of farmers into broad operational holding groups remaining nearly same in both years of the survey, the detailed account by size of holdings is not presented here. Broadly speaking, the changes in the operational holdings of the sample farmers are somewhat marginal and only a few farmers are involved in shifting from one group to another.

The distribution of sample farmers according to broad operational holding groups in 1970-71 and 1971-72 and, the consolidated average for both these years reveals that the selected farmers, by and large, remain unchanged (Table 4.1). While no change is seen in respect of larger holdings, only two farms among the smaller holding groups are involved in the change. The small and medium farms upto five hectare holdings dominate the scene with nearly two-thirds of the sample farms.

Table 4.1 : Distribution of sample farmers according to broad operational holding groups.

Size of operational holding groups (hectares)	No. of farmers in		Consolidated average for both years
	1970-71	1971-72	
Upto 2.00 (small)	15	13	14
2.01 - 5.00 (Medium)	16	18	17
5.01 - 15.00 (Large)	13	13	13
15.01 and above (Big)	6	6	6
Total	50	50	50

Socio-Economic Characteristics

The caste composition of sample farmers reveals that the 'Okkaliga' traditionally a cultivating community, accounts for three-fourths of the total households and the other castes together account for just 24.0 per cent. All the selected farmers are Hindus and the scheduled castes form only eight per cent. The non-okkaliga castes, however, operate mostly the small holdings below two hectares. The large and big farms are almost entirely operated by the okkaligas. As far as the level of literacy is concerned, 52 per cent of the heads of households are literates and all of them below the level of matriculation. Although, illiterates come from almost all classes of farmers, they are largely confined to households mainly operating farms upto five hectares. By and large, the relationship between the educational attainment and the size of operated holding is quite marked. Among the small holders below five hectares 52 per cent are illiterates and the majority of literates has attained literacy level of just primary standard. On the other hand, among the large and big farmers the literates form nearly 60 per cent with most of them having received education above 4th standard. The data for the entire adult population (above the age of 14 years) show that illiteracy is proportionately greater among the small farmers while literacy attainment is more pronounced in the households cultivating farms above five hectares. In all, the literates form 48 per cent of the total adult population. Among smaller cultivators only 40 per cent of adults are literates. In the case of other households the literacy proportion goes upto 57 per cent.

The extent of dependence on subsidiary occupation is very high among the sample farmers. In all, 78 per cent of households are engaged in secondary occupation besides farming.

Pursuit of subsidiary occupation is reported, in varying proportions, in all the operational holding groups. Households entirely depending on main occupation form 22 per cent of the total sample. Nearly a third of the large farmers (5-15 hectares) is wholly dependent on farming. The types of subsidiary occupations pursued, however, are not many. Inclusive of those engaged in more than one subsidiary occupation, the sericulture by far, is the most widely prevalent among the households in all the size groups. The farm labour as a subsidiary occupation is pursued by only the smaller farmers in the size groups below five hectares. The medium and bigger holdings report pursuit of 'other' occupations like flour milling and trading. The relevant details are presented in Table 4.2.

Table 4.2 : Occupational diversification of sample farmers

Operational holding group (hectares)	No. of farmers	Farmers having		Type of subsidiary occupation		
		Only main occupation	Subsidiary occupation	Seri-cul-ture	Farm labour	Non-agri-cultural occupations
Upto 2.0 (small)	14	2	12	6	6	1
2.1 - 5.0 (medium)	17	4	13	12	2	3
5.1 - 15.0 (large)	13	4	9	8	-	2
15.1 & above (big)	6	1	5	5	-	3
All size groups	50	11	39	31	8	9

Resource Endowments

The detailed analysis of the resources will be taken up when we deal with the asset structure of the sample cultivators.

Presently, a general picture of the resources, excepting non-agricultural land and machinery, consumer durables and financial assets is shown here (Table 4.3). The total value of owned resources amounts to nearly Rs.55.60 lakhs. Among the broad resource groups land, inclusive of orchards and wells, if any, constitutes the major resource at the disposal of the sample farmers. At the aggregate level it forms 78.30 per cent of the total value of the owned resources. In terms of value, the resource in the form of buildings, residential or otherwise, is the second most important accounting for 14.39 per cent of the total. The irrigation equipment like electric pump sets and pipelines, and farm tools and machinery together account for nearly five per cent of the total resources. The possession of modern farm machinery like tractors, power tillers, sprayers, etc., are owned mainly by large and big cultivators. All but six farms report owning pumpsets. Excepting the small holdings, a considerable number of farms reports owning more than one pumpset each. Livestock holding forms next important resource - accounting for 2.04 per cent of the total value of resources. In terms of value, the bullocks account for half of the total value of livestock. The summary picture at the aggregate level is shown in Table 4.4.

Table 4.4 : Value of the resources owned by the sample farmers

Main resource groups	Value	As per cent of total
1. Agricultural land	4352150	78.30
2. Livestock	113377	2.04
3. Farm tools & machinery	90226	1.62
4. Irrigation equipment	185552	3.34
5. Transport equipment	17041	0.31
6. Buildings	799727	14.39
	5558073	100

Table 4.3: Itemwise distribution of resources according to size of operational holding groups

Size of operational group (hectare)	No. of households	Total operated area (in hectare)	Owned land				Livestock			Operational area per pair of bullocks (in hectare)	Agricultural implements traditional		
			Irrigated	Non-irrigated	Total	Value in (Rs.)	Bullocks	Milch cattle	Other livestock		Wooden plough	Iron plough	Others
Upto 2.00	14	16.87	6.66	10.82	17.48	312157	7335	3266	1191	1.87	134	144	983
2.01 - 5.00	17	46.23	17.59	39.91	57.50	780603	13634	10102	3275	2.98	228	566	2412
5.01- 15.00	13	77.05	31.23	86.52	117.75	1411305	19090	10817	3541	4.82	255	563	3737
15.01 & above	6	113.79	43.01	358.92	401.93	1848085	18159	14962	8005	5.69	316	775	4627
Total	50	253.94	98.49	496.17	594.66	4352150	58218	39147	16012	4.20	933	2048	11759

Contd...

Table 4.3: (Contd.)

Size of operational group (hectares)	Agricultural implements modern			Irrigation		Transport carts	Residential house		Farm house	Cattle shed	Pump set house	Other structures
	Tractor	Sprayer	Others	Pump sets	Pipe line		Pukka	Kutchha				
Upto 2.00	-	296	-	13316	-	1622	45442	8215	-	975	2967	3600
2.01 - 5.00	14400	290	-	40475	2550	4713	56790	25802	-	11308	9474	20385
5.01 -15.00	11250	885	108	57845	3060	4390	131765	22840	3960	14770	13021	55100
15.01 & above	45450	907	1900	64031	4275	6316	144098	-	11820	23940	9530	183925
Total	71100	2378	2008	175667	9885	17041	378095	56857	15780	50993	34992	263010

Production Activities

Land use and cropping patterns

The land use pattern available from the data set in Table 4.5 gives the extent of area owned, leasing pattern, operational area, net and gross cropped area and such other details. The sample farmers are predominantly operators of small and medium sized holdings. Nearly two-thirds of the selected farms are small and medium holdings upto five hectares in size. The pattern of selected holdings, vis-a-vis, the predominance of smaller holdings confirms to the general pattern of size of holdings in the region. The sample farmers are largely the cultivators of mainly owned land. No farmer in our sample is reported to be mainly a tenant cultivator. The total area involved in leasing is very meagre in extent. The irrigable area forms around 40.0 per cent of the total operational area. However, out of the total gross cropped area, the area irrigated forms 48.6 per cent. This proportion is relatively greater in the small and medium farms than the larger holdings above five hectares. By and large, the intensity of cropping is slightly greater in the smaller holdings upto five hectares than is the case with the larger farms.

The net sown area of the 50 sample farmers is 237.71 hectares. The extent of area sown more than once is 28 hectares. The total gross cropped area is 265.71 hectares of which the area irrigated measures 129.10 hectares. The seasonwise pattern shows that kharif is the dominating season accounting for 71.23 per cent of the total gross cropped area. The area under different seasons including perennials is as follows :

<u>Season</u>	<u>Area in hectares</u>	<u>As per cent of total</u>
Kharif	189.42	71.29
Rabi	26.50	9.97
Summer	16.46	6.19
Perennial	33.33	12.55
Total	265.71	100.00

Table 4.5: Land use pattern according to Broad Operational Holding Groups

Size of operational holding group (hectares)	No. of household	Owned area			Leased in area	Leased out area	Operational area		Current fallow	Net sown area	Area sown more than once	Gross cropped area	
		Irrigable (wet)	Unirrigable (dry)	Waste			Irrigable (wet)	Unirrigable (dry)				Irrigable (wet)	Unirrigable
Upto 2.00 (small)	14	6.67	10.07	0.75	1.03	0.15	7.04	9.83	0.31	16.56	2.11	9.15	9.52
2.01 - 5.00 (medium)	17	17.59	34.76	5.15	2.75	3.71	18.29	27.95	0.99	45.25	8.25	26.54	26.96
5.01 -15.00 (large)	13	31.23	62.47	24.05	7.93	0.53	31.92	45.13	1.52	75.52	11.59	43.51	43.60
15.01 & above (big)	6	43.00	210.63	148.29	8.45	-	43.85	69.94	13.41	100.38	6.05	49.90	56.53
Total	50	98.49	317.93	178.24	20.16	4.39	101.10	152.85	16.23	237.71	28.00	129.10	136.61

The distribution of area under different crops reveals that cereals and pulses dominate the crop pattern by covering 75 per cent of the gross cropped area. The cash crops comprising mainly vegetables, potato, grapes and mulberry are quite substantial forming 25 per cent of the total cropped area. As far as the area is concerned, ragi with 53.36 per cent and rice with 11.91 per cent emerge as major crops. Among cash crops potato, grapes, fresh vegetables and mulberry are quite significant. By and large, the small and medium cultivators (upto five hectare operational holding) show proportionately larger areas under ragi, vegetables, potato and mulberry as compared to the other farmers. In all, the small and medium holdings show nearly 28 per cent of their cropped area under cash crops while the larger holdings report about 24 per cent. Table 4.6 gives the area under major crops between the two broad groups of sample farmers.

Table 4.6 : Area under major crops

c r o p	Upto 5 hectares		Above 5hectares		All sizes	
	Area (ha.)	Percent	Area (ha.)	Percent	Area (ha.)	Percent
Ragi	29.92	55.31	101.85	52.62	141.77	53.36
Rice	6.48	8.98	25.17	13.00	31.65	11.91
Other millets and pulses	5.89	8.16	20.21	10.45	26.10	9.82
Total cereals, pulses, etc.	52.29	72.45	147.23	76.07	199.52	75.09
Vegetables	4.55	6.30	9.07	4.67	13.62	5.13
Potato	5.75	7.97	12.80	6.61	18.55	6.98
Grapes	3.51	4.86	12.64	6.53	16.15	6.08
Mulberry	6.05	8.39	7.42	3.84	13.47	5.07
Other cash crops	0.02	0.03	4.38	2.28	4.40	1.65
Total cash crops	19.88	27.55	46.31	23.93	66.19	24.91
Total all crops	72.17	100.00	193.54	100.00	265.71	100.00

Inputs and Yield

The analysis of data on farm inputs is limited to average per hectare cost of inputs and other farm expenses incurred by the sample farmers. The major purpose of this exercise is to derive the net incomes from farming as a whole rather than to go into cropwise and operationwise details. For the entire sample the average expenditure works out to Rs.2,448 per hectare. This expenditure is made up by 64.3 per cent of cash paid out, 19.2 per cent of kind component, incurred towards part of wages etc. and 16.5 per cent of imputed value of own resources like seed, organic manure and so on. In all, the direct material inputs consisting of seed, organic manure, fertilizer and P.P. chemicals form major expenditure by accounting for 43.3 per cent of the total cost of cultivation. The cash and kind payment incurred in respect of hired bullock and human labour together form nearly 29 per cent of the total cost. Among the other items of importance mention may be made of expenditure on owned bullocks - 5.1 per cent; depreciation - 5.9 per cent; selling cost - 5.2 per cent and electric power charges for I.P. sets - 4.8 per cent. The proportions of total expenditure on different items at the aggregate level are shown in Table 4.7.

The pattern of yield rates of major crops does not reveal any uniform trend in relation to varying size of holdings. At the aggregate level, the per hectare average yield of improved varieties of ragi is three times that of the local variety. No such comparison could be made in respect of maize as only the hybrid variety is cultivated in these parts. Table 4.8 gives a general idea about the per hectare average yield of the main crops at the aggregate level. Vegetable crops are excluded because these

Table 4.7 : Percentage distribution of per hectare farm cost

Item of expenditure	Percentage of total cost
1. Seed and seedlings	11.15
2. Organic manure	17.52
3. Fertiliser	12.75
4. P.P. chemicals	1.92
5. Expenditure on farm machinery	0.41
6. Electric power charges	4.82
7. Hiring of bullock and human labour	28.80
8. Expenditure on owned bullocks	5.11
9. Land revenue	0.65
10. Rent on leased-in land	0.82
11. Depreciation	5.92
12. Repairs and maintenance	1.02
13. Payment to village functionaries	1.63
14. Interest on borrowed capital	1.88
15. Selling cost	5.19
16. Other	0.41
Total	100
Actual (per hectare) cost	Rs. 2448

comprise many types and are sold in heaps as and when harvested. The mulberry yields are expressed only in money terms as the harvested leaves are not weighed at all.

Table 4.8 : Yield rates of important crops

C r o p	Average yield per hectare (kg.)
Ragi (local)	986
Ragi (improved)	2975
Paddy	1275
Hybrid maize	2557
Potato	17485
Grapes	13404
Mulberry (in rupees)	4578

Household Incomes

At the aggregate level of the sample households the major sources of net incomes are cultivation, dairying and

livestock and silk cocoon breeding (sericulture). These three sources together form 88.8 per cent of the total household incomes. Incomes from non-agricultural sources like trade, salaried profession etc. account for a little less than 10 per cent (Table 4.9). Apart from cultivation, dairying and livestock and sericulture are reported in all the size of holding groups. Income from farm labour is reported only in the holdings upto five hectares. Income from other sources are mainly reported in medium and larger holding groups. Income from cultivation forms just about one-fifth of the total income in respect of small and medium holdings. Dairy and livestock and sericulture, on the other hand, provide major shares of income in these holdings. In the case of medium size group dairying and sericulture together account for 72 per cent of the total income. It is only in the case of big holding group the income from cultivation forms nearly 52 per cent. However, dairying and sericulture contribute substantially even though cultivation remains the single largest source in respect of large and big holdings. The relevant details are presented in Table 4.10.

Table 4.10 : Sourcewise net incomes of the sample farmers

Source of income	Net income (Rs.)	As per cent of total
1. Cultivation	145100	40.14
2. Dairying and livestock	102227	28.28
3. Sericulture	73525	20.34
4. Farm labour	6610	1.83
5. Trade	7000	1.94
6. Profession and industry	8590	2.38
7. Unearned	18420	5.09
Total	361472	100

At the overall level the average net income works out to Rs.7,229 per sample household. It varies from Rs. 2,318 in the small holdings to a maximum of Rs.24,243 in respect of

Table 4.9: Income and receipts (in the nature of income) from different sources by size of operational holding groups

Size of operational holding group (hectares)	No. of households	Net income from cultivation	Dairy and livestock	Net income from other sources					Total net income	Average net income per household
				Agricultural labour	Sericulture	Trade	Profession and industry	Rent and other unearned income		
Upto 2.00 (small)	14	5933 (18.3)	9652 (29.7)	6210 (19.1)	8660 (26.7)	2000 (6.2)	-	-	32455 (100)	2318
2.01 - 5.00 (medium)	17	13772 (20.8)	24286 (36.8)	400 (0.6)	23365 (35.3)	750 (1.1)	3050 (4.6)	500 (0.8)	66123 (100)	3890
5.01 - 15.00 (large)	13	50183 (42.7)	36781 (31.3)	-	26350 (22.5)	750 (0.6)	3250 (2.8)	120 (0.1)	117434 (100)	9033
15.01 & above (big)	6	75212 (51.7)	31508 (21.7)	-	15150 (10.4)	3500 (2.4)	2290 (1.6)	17800 (12.2)	145460 (100)	24243
Total	50	145100	102227	6610	73525	7000	8590	18420	361472	7229

(Figures in parentheses refer to percentages)

the big holdings. By and large, the average net income increases with the increase in the size of broad operational holding groups.

Further, the broad pattern emerging from the distribution of sample farmers in size of operational holding into broad income groups reveals that larger proportion of farmers fall in higher income groups as the size of holding increases. In the case of operators of small and medium holdings the major proportions fall under the income ranges of Rs.1,000 - 6,000 and Rs. 2,500 - 15,000 respectively. Similarly in respect of large holdings, the majority is found in the income range above Rs.6,000 and that of big holdings Rs.15,000 and above. Among those in the smallest income group, three farmers (six per cent) actually report negative incomes. Apart from this 10 per cent of households derive net incomes upto Rs.1,000; 21 per cent fall in the range of Rs.1,000 - 2,500; 31 per cent come under Rs.2,500 - 6,000; and 22 per cent and 10 per cent in the two higher income groups of Rs.6,000 - 15,000 and over Rs.15,000 respectively. The relevant details are presented in Table 4.11.

Table 4.11 : Distribution of sample farmers according to total income groups by size of Broad Operational Holdings.

Size of operational holding group (hectares)	No. of households	Total income (net) groups (Amount in Rs.)				
		Upto 1000	1001 to 2500	2501 to 6000	6001 to 15000	15001 & above
Upto 2.00 (small)	14	3.0	5.5	5.0	0.5	-
2.01-5.00 (medium)	17	2.5	4.0	7.0	3.5	-
5.01-15.00 (large)	13	2.0	1.0	2.0	6.0	2.0
15.01 & above (big)	6	0.5	-	1.5	1.0	3.0
All size group	50	8.0	10.5	15.5	11.0	5.0

CHAPTER V

CONSUMPTION, PATTERN AND LEVELS OF LIVING

Broad patterns of household consumption, possession of consumer durable articles and general living conditions of the sample farmers are presented in this chapter. The data pertaining to family budget, however, are not very reliable. Apparently, the stated expenditure on food and other items is rather exaggerated and, in many a case, it does not bear any relation with the income of the household. Since we prefer asset account method to current account method in order to estimate the household savings, the consumption data are presented here mainly to indicate the relative importance of various items of family budget.

5.1 Household Expenditure

The expenditure on household maintenance covers all the regular family budget items like food, clothing, house rent or repairs, education, travel, medicine, recreation, etc. The details of average expenditure per household in each income group in respect of all the items, groups under fifteen major heads, are presented in Table 5.1.

Generally speaking, the pattern reveals that cereals and clothing are the major items that account for half of the total family budget in almost every income group. The expenditure on food items, like cereals, pulses, meat, milk products and other protective food and beverages, accounts for 50-60 per cent of the total budget in low income groups upto Rs.2,500; about 40-50 per cent in middle income groups in the range of Rs.2,501 - 10,000 and 60-65 per cent in high income groups over Rs.10,000 except the highest income group (Rs.25,000 and above) where it forms only 31 per cent. The

Table 5.1 : Per household expenditure on household maintenance according to size of income of the family

Income group	No. of households	Per household expenditure															Total Expenditure
		Cereals	Pulses	Milk and milk products	Poultry, meat etc.	Other Protective food	Drinks and narcotics	Fuel and Lighting	Cosmetics	Clothing and bedding	House rent and repairs	Education	Traveling	Recreation	News-paper, Radio Licence	Others	
Upto 500	2	850	115	108	129	277	222	138	63	968	255	14	100	13	-	80	3332
		(25.50)	(3.45)	(3.28)	(3.87)	(8.30)	(6.66)	(4.14)	(1.89)	(29.05)	(7.65)	(0.42)	(3.00)	(0.39)		(2.40)	(100.00)
501 - 1000	3	972	93	110	130	227	244	116	53	923	29	37	99	15	-	100	3148
		(30.88)	(2.95)	(3.49)	(4.13)	(7.22)	(7.75)	(3.68)	(1.68)	(29.32)	(0.92)	(1.18)	(3.14)	(0.48)		(3.18)	(100.00)
1001 - 1500	2.5	686	66	98	67	162	190	88	42	427	4	7	35	8	-	48	1928
		(35.58)	(3.42)	(5.08)	(3.48)	(8.40)	(9.85)	(4.56)	(2.18)	(22.16)	(0.21)	(0.36)	(1.82)	(0.41)		(2.49)	(100.00)
1501 - 2500	8	1066	147	115	113	200	251	75	59	689	51	126	199	15	2	159	3267
		(32.63)	(4.50)	(3.52)	(3.46)	(6.12)	(7.68)	(2.30)	(1.81)	(21.08)	(1.56)	(3.86)	(6.09)	(0.46)	(0.06)	(4.87)	(100.00)
2501 - 4000	6.5	945	102	147	159	301	398	94	76	1565	69	209	200	16	-	197	4478
		(21.10)	(2.28)	(3.28)	(3.55)	(6.72)	(8.89)	(2.10)	(1.70)	(34.95)	(1.54)	(4.67)	(4.46)	(0.36)		(4.40)	(100.00)
4001 - 6000	9	976	122	132	130	282	378	107	84	1125	57	49	142	24	-	169	3777
		(25.84)	(3.23)	(3.49)	(3.44)	(7.47)	(10.01)	(2.83)	(2.22)	(29.79)	(1.51)	(1.30)	(3.76)	(0.64)		(4.47)	(100.00)
6001 - 10000	6	1437	147	166	121	307	371	119	90	1065	69	494	308	25	4	191	4914
		(29.25)	(2.99)	(3.38)	(2.46)	(6.25)	(7.55)	(2.42)	(1.83)	(21.67)	(1.40)	(10.05)	(6.27)	(0.51)	(0.08)	(3.89)	(100.00)
10001 - 15000	5	1833	253	253	160	463	508	143	144	1219	26	154	299	64	16	319	5854
		(31.32)	(4.32)	(4.32)	(2.73)	(7.91)	(8.68)	(2.44)	(2.46)	(20.83)	(0.44)	(2.63)	(5.11)	(1.09)	(0.27)	(5.45)	(100.00)
15001 - 25000	2	3077	339	377	281	780	910	135	186	2036	5	74	463	37	3	255	8958
		(34.34)	(3.78)	(4.21)	(3.14)	(8.71)	(10.16)	(1.51)	(2.08)	(22.72)	(0.06)	(0.83)	(5.17)	(0.41)	(0.03)	(2.85)	(100.00)
25001 and above	3	2914	387	454	282	649	683	189	143	5093	2016	2246	1152	104	62	880	17254
		(16.89)	(2.24)	(2.63)	(1.63)	(3.76)	(3.96)	(1.10)	(0.83)	(29.52)	(11.68)	(13.02)	(6.68)	(0.60)	(0.36)	(5.10)	(100.00)
Negative income	3	1694	198	117	156	289	367	90	67	1339	170	1006	255	51	-	158	5957
		(28.44)	(3.32)	(1.96)	(2.62)	(4.86)	(6.16)	(1.51)	(1.12)	(22.48)	(2.85)	(16.89)	(4.28)	(0.86)		(2.65)	(100.00)
Total	50	1351	163	172	146	326	388	111	88	1349	182	332	265	31	6	218	5128
		(26.34)	(3.18)	(3.35)	(2.85)	(6.36)	(7.57)	(2.16)	(1.72)	(26.31)	(3.55)	(6.47)	(5.17)	(0.60)	(0.12)	(4.25)	(100.00)

non-food component, comprising clothing, house repair, fuel and lighting, education, cosmetics, recreation, etc., accounts for 50.35 per cent of the total budget. The middle range and the highest income groups spend relatively larger proportion on non-food items than the other income groups. It may be observed that among food items, the expenditure on drinks and narcotics is quite considerable and it forms second important item with nearly eight per cent of the total budget. Among the non-food items, on an average, a sum of Rs.90 is spent on cosmetics, Some expenditure on newspapers, radio licence, etc. is reported mainly in larger income groups.

By and large, households in smaller income groups (upto Rs.2,500) incur greater part of their expenditure on food items than the rest. On the other hand, households in some of the larger income groups are quite conspicuous in spending considerable amount on clothing, education, travelling recreation etc. The percentage distribution of average household expenditure in respect of seven broad groups of items may be seen in Table 5.2.

5.2 Consumer Durables

Consumer durables are divided into two broad categories, namely, traditional and modern. The traditional includes such articles as utensils made of aluminium, copper, brass, etc., wooden furniture of conventional types, bicycles, wrist-watches, clocks and other common items of use. On the other hand, the modern consumer durables include stainless steel utensils, modern furniture, electrical appliances, radio sets, sewing machines, automobiles, etc.

The total value of consumer durables of both categories is about Rs.89,500. The average per sample household works out to Rs.1,790. The average value of traditional articles per reporting household works out to Rs.887 and that of

Table 5.2 : Percentage distribution of average expenditure according to income groups in Hoskote Block

Income groups	Cereals	Pulses Milk products meat other protec- tive food	Beve- rages and Narco- tics	Total food	Cloth- ing	House- rent, fuel and light- ing	Educa- tion	Travel- ling, recrea- tion, cosme- tics, etc.	Total Non- food items	Grand Total	
										Percent	Actual Amount
Upto 500	25.50	18.90	6.66	51.06	29.05	11.79	0.42	7.68	48.94	100.00	3332
501 - 1000	30.88	17.79	7.75	56.42	29.32	4.60	1.18	8.48	43.58	100.00	3148
1001 - 1500	35.58	20.38	9.85	65.81	22.16	4.77	0.36	6.90	34.19	100.00	1928
1501 - 2500	32.63	17.60	7.68	57.91	21.08	3.86	3.86	13.29	42.09	100.00	3267
2501 - 4000	21.10	15.83	8.89	45.82	34.95	3.64	4.67	10.92	54.18	100.00	4478
4001 - 6000	25.84	17.63	10.01	53.48	29.79	4.34	1.30	11.09	46.52	100.00	3777
6001 - 10000	29.25	15.08	7.55	51.88	21.67	3.82	10.05	12.58	48.12	100.00	4914
10001 - 15000	31.32	19.28	8.68	59.28	20.83	2.88	2.63	14.38	40.72	100.00	5854
15001 - 25000	34.34	19.84	10.16	64.34	22.72	1.57	0.83	10.54	35.66	100.00	8958
25001 and above	16.89	10.26	3.96	31.11	29.52	12.78	13.02	13.57	68.89	100.00	17254
Negative income	28.44	12.76	6.16	47.36	22.48	4.36	16.89	8.91	52.64	100.00	5957
Total	26.34	15.74	7.57	49.65	26.31	5.71	6.47	11.86	50.35	100.00	5128

modern articles at Rs.902. The average value of consumer durables possessed by households in each of broad income groups reveals that the asset value of traditional articles is greater than that of modern durables in all the groups except the Rs.15,000 and above groups. Among the sample farmers, all but one report possession of some items of traditional articles while eight households do not possess any modern article. Households not reporting articles of either type mainly belong to lower income groups. Among the traditional articles, bicycles and watches are invariably reported by almost all the sample households. Regarding the use of modern types, stainless steel utensils are possessed by nearly 80 per cent of the households. Possession of either a radio or transistor set is reported by most of the households with income of Rs.1,000 and above. A few households in the higher income groups report owning electric appliances and automobiles.

The average value of consumer durables by size of income groups is as shown below :

Size of income	No. of households	Consumer durables		
		Traditional	Modern	Total
Upto Rs.1,000	8	481	232	713
1,001 - 2,500	10.5	377	369	746
2,501 - 6,000	15.5	528	208	736
6,001 -15,000	11	1204	581	1785
15,001 & above	5	3029	5959	8988
Total	50	887	902	1789

5.3 Levels of Living

A somewhat broad pattern of living conditions of the sample farmers is presented here. The data pertain to type of residential accommodation, total and per capita living space, present value of the dwelling place and conveniences like electricity for domestic lighting, drinking water and

toilet. The data set in Tables 5.3 and 5.4 present the relevant details according to size of income and asset holding groups respectively.

Table 5.3 : Living conditions of the sample farmers according to income group

Income group	No. of house-holds	Living area in sq. ft.	Per capita living area in sq.ft.	Present value -Rs-
Upto 500	2	1855	116	15525
501 - 1000	3	2513	97	14670
1001 - 1500	2.5	1071	63	12480
1501 - 2500	8	5816	89	53372
2501 - 4000	6.5	9855	142	48040
4001 - 6000	9	8308	88	51085
6001 - 10000	6	16465	225	29235
10001 - 15000	5	18037	286	54995
15001 - 25000	2	6402	229	42560
25001 & above	3	50150	1238	88060
Negative income	3	3130	101	20690
Total	50	123602	236	430712

Table 5.4 : Living conditions of the sample farmers according to asset groups

Asset group	No. of house-holds	Living area in sq.ft.	Per capita living area in sq.ft.	Present value -Rs-
Upto 5000	2	269	24	390
5001 - 10000	2	320	19	1657
10001 - 15000	1	291	49	975
15001 - 25000	2	1634	93	4905
25001 - 40000	4	1850	61	14595
40001 - 60000	11	11295	104	48003
60001 - 100000	11	14324	131	69702
100001 - 150000	5	6200	100	56765
150001 - 250000	7	26732	387	88090
250001 & above	5	60687	652	145630
Total	50	123602	236	430712

Regarding the living accommodation, it may be pointed out that residential buildings constitute second most valuable asset possessed by the sample farmers. Between the two broad

types of houses, exactly half of the households reside in 'Pucca' or buildings of superior construction. While households in low income groups mainly reside in 'Kuccha' type, those with income of over Rs.15,000 reside only in 'Pucca' type. The average living area per household works out to 2,472 sq. ft. irrespective of type of house. The per capita living space is 236 sq.ft. for the entire sample. It varies from as low as 63 sq.ft. in income group Rs.1001 - 1500 to a maximum of 1238 sq.ft. in the highest income group. Generally the larger income groups show greater living space. The pattern is almost similar in respect of per capita living space in relation to asset holding groups.

Regarding the conveniences available in the residential houses, it may be seen that electricity for domestic purpose is available in 82 per cent of the houses. Majority of those not possessing this facility belongs to negative and low income groups upto Rs.2500. The users of electricity mostly belongs to asset holding groups over Rs.25,000. The non-users ^{reside} ~~work~~ mainly in 'Kuccha' type of dwelling place. The exclusive arrangement for drinking water by well or tap is available in the case of only 28 per cent of sample households. Majority of these belongs to income groups over Rs.2,500. Separate bath-room arrangement is reported by 52 per cent of the sample households. The other toilet facility is available only in 20 per cent of the residential places. However, the majority of sample reporting these facilities belongs to larger income and asset holding groups. The conveniences as reported in broad income groups are presented in the following.

Broad income group -Rs-	No. of house-holds	Electri-city	Well or tap	Bath room	Latrine
Upto 2,500	18.5	13	3	7	3
2,501 - 10,000	21.5	18	5	10	3
10,001 - 15,000	10.0	10	6	9	4
All groups	50	41	14	26	10

CHAPTER VI
LEVELS AND PATTERN OF INVESTMENT

In order to ascertain the levels and pattern of investment of sample farmers the present chapter analyses the data on (a) ownership pattern, type and value of assets held by farmers at the beginning of the reference period; (b) increase or decrease of assets during the year and net addition to the assets, and (c) the changes in the liabilities of the farmers during the reference period.

Asset Structure

The value of assets of all descriptions owned by the sample cultivators forms the basis for determining the asset holdings. For the sake of convenience, the sample farmers are distributed into ten asset holding groups. Broadly speaking, the distribution reveals that farmers owning assets worth upto Rs.25,000 each account for 14 per cent of the total sample; those falling in the range of Rs.25,000 - 100,000 form 52 per cent; those owning assets between Rs.one lakh and 2.5 lakhs form 24 per cent and those worth over Rs.2.5 lakhs account for 10 per cent.

It may be recalled that the survey data in respect of both years (1970-71 and 1971-72) indicated a close relationship between asset groups and size of operational holding groups since the value of land formed about 75 per cent of the total value of all assets. In the present context too, we may assume that the value of asset holding generally increases with the increase in the size of holding. Similar relationship between asset holdings and income groups may also be assumed. Broadly speaking, households with larger asset holdings fall in the highest income groups with the minor exception of those reporting negative incomes (six per cent of the sample) and a few extreme cases.

The total value of all the assets held by the 50 sample farmers amounts to Rs.58.04 lakhs, at an average of Rs.1,16,089 per household. The principal assets are constituted by the agricultural land - 75 per cent, buildings - 13.6 per cent and farm machinery - five per cent, and these together form nearly 94 per cent of the total value of all assets. The non-agricultural lands and machinery, consumer durables and financial assets together account for about 4.5 per cent. The itemwise value of assets and the percentages at the aggregate level may be seen in Table 6.1.

Table 6.1 : Itemwise value of assets held by the 50 sample farmers

Item	Value of assets	As per cent of total
1. Agricultural land	4352150	74.98
2. Non-agricultural land	18500	0.32
3. Livestock	110589	1.90
4. Agricultural tools and machinery	292820	5.04
5. Non-agricultural tools and machinery	24700	0.43
6. Farm house and cattle shed	66772	1.15
7. Residential and other buildings	723705	12.47
8. Consumer durables	89481	1.54
9. Financial assets	125743	2.17
Total	5804460	100

In each of the size of income, as well as, the asset holding group the agricultural land constitutes, by far, the most important component. It is followed by the residential and other buildings. The non-residential structures, especially, the cattle shed and farm house are reported in middle and higher income groups whose asset holdings are above Rs. 25,000. In the smaller income and asset holding groups livestock and farm implements form the next important items of assets. The modern farm machinery is not possessed by the households having less than Rs.25,000 worth of assets. It is

the asset holding groups over Rs.40,000 that report various items and account for substantial proportion of assets like non-agricultural land, modern farm machinery, non-agricultural machinery, consumer durables of modern types, financial and others. It is needless to stress that the majority of this class of farmers is in the income brackets of over Rs.6,000. By and large, the assets of modern nature especially the farm machinery, pucca buildings, modern consumer durables, predominate at the aggregate level and reported substantially in the middle and large groups of income and asset holdings. Among the various kinds of assets only the residential houses and consumer durables may be regarded as unproductive (14 per cent of the total value of assets). Obviously, the assets of productive nature predominate in all the sample households. The relevant details of asset structure by size of income and asset holding groups are presented in Tables 6.2 and 6.3 respectively.

Another way of looking at the asset structure is to see the average per household asset values and relative proportions between land and non-land agricultural assets, and similarly the non-agricultural assets. The relevant details by broad asset groups and size of incomes are presented in Tables 6.4 and to 6.9. By and large, within the agricultural assets the land forms about 90 per cent of the total value of assets. The non-land assets, comprising livestock, farm machinery, cattle shed and farm house, account for about 10 per cent. However, in two asset groups, namely upto Rs.15,000 and Rs.100,000 - 150,000 whose incomes are below Rs.2,500, the proportion of non-land assets is relatively greater than is the case in other groups (Tables 6.4 and 6.5).

Further, we may see the relative proportions of non-land agricultural assets in Tables 6.6 and 6.7. In the smaller asset groups (upto Rs.25,000) a little more than 80 per cent

Table 6.2 : Asset structure by size of total income group

(Value in Rupees)

- Ownership of assets at the beginning of year -

Income group	No. of households	Land		Livestock		Agri. tools and implements		Nonagricultural tools and implements	
		Agricultural	Non-Agri.	Drought cattle	milch cattle	Traditional	modern	Traditional	Modern
Upto 500	2	49000	1250	1522	998	530	3066	-	-
500 - 1000	3	123262	-	2059	1421	751	6820	-	-
1001- 1500	2.5	59403	-	1715	1012	1059	4125	-	-
1501 -2500	8	348225	1250	4668	4500	2836	22478	-	3500
2501- 4000	6.5	410750	15000	5412	7127	4168	16646	-	5500
4001- 6000	9	411975	500	6105	6238	3203	29377	-	3150
6001 -10,000	6	453125	-	5787	6808	3072	24955	-	-
10,001-15,000	5	639825	-	7982	5980	4362	40482	-	-
15001-25000	2	345150	-	7300	3235	3684	13260	-	4950
25001 and above	3	1272685	-	8075	13797	5495	83051	-	7600
Negative Income	3	238750	500	4352	4496	2622	16778	-	-
Total	50	4352150	18500	54977	55612	31782	261038	-	24700

(continued)

Table 6.2 : Asset structure by size of total income group

(Value in Rupees)

continued

- Ownership of assets at the beginning of year -

Income group	Farm house	Cattle shed	Residential house and other structure	Consumer durables		Financial assets	Other finan. assets	Total assets value
				Tradit	modern			
				itional				
Upto 500	-	-	18325	635	520	155	-	76001
500 - 1000	2000	250	14605	671	511	45	2000	154395
1001 - 1500	--	500	13472	674	32	755	-	82747
1501 - 2500	-	8617	70255	3290	3834	1223	2417	477093
2501 - 4000	-	11215	56310	3454	1344	1407	250	538583
4001 - 6000	-	3345	64165	4708	1881	1801	6918	543366
6001 -10000	-	4645	44719	5054	4061	1822	13825	567873
10001 -15000	1960	5960	86818	8185	2324	1620	11575	817073
15001 -25000	-	8325	74823	5385	2602	12705	2000	483419
25001 and above	11820	4350	246443	9761	27192	64280	500	1755049
Negative income	-	3785	33770	2537	826	445	-	308861
Total	15780	50992	723705	44354	45127	86258	39485	5804460

Table 6.8 : Asset structure by size of asset holding group

Value in Rs.

- ownership of assets at the beginning of year -

Asset-holding group	No. of households	Land		Livestock		Agricultural tools and implements		Non-agricultural tools and implements	
		Agri-cultural	Non-agri-cultural	Drought cattle	Milch cattle	Traditional	Modern	Traditional	Modern
Upto 5000	2	5020	-	950	215	259	-	-	-
5001 - 10,000	2	7000	-	913	325	113	-	-	-
10001 - 15,000	1	9012	-	85	6	193	-	-	-
15001 - 25000	2	38000	-	2025	963	666	-	-	-
25001 - 40000	4	87000	-	965	1222	627	6297	-	-
40000 - 60000	11	422675	-	8126	6396	4322	24528	-	-
60000 -100000	11	643078	2250	8846	9191	5628	33448	-	-
100001 -150000	5	404300	1250	3407	5185	1797	39497	-	6650
150001 -250000	7	1004825	15000	15304	12014	7196	54502	-	-
250001 and above	5	1731240	-	14356	20095	10981	102766	-	18050
Total	50	4352150	18500	549772	55612	31782	261038	-	24700

(continued)

Table 6.4: Land and non-land agricultural assets per household by asset groups

(Weighted average of two years)						
Asset Group	No. of households	Land	Percentage share in each group	Non-land	Percentage share in each group	Total agricultural assets (100%)
Upto 15000	5	4207	87.31	611	12.69	4818
15001 - 25000	2	19000	91.22	1827	8.78	20827
25001 - 40000	4	21750	89.60	2522	10.40	24272
40001 - 60000	11	38425	90.08	4227	9.92	42652
60001 - 100000	11	58462	90.14	6391	9.86	64853
100001 - 150000	5	80860	87.88	11147	12.12	92007
150001 & above	12	228005	90.69	23405	9.31	251410
Total	50	87043	90.25	9403	9.75	96446

Table 6.5: Land and non-land agricultural assets per household according to broad income groups

Income group	No. of households	(Weighted average of two years)				
		Land	Percentage share in each group	Non-land	Percentage share in each group	Total agricultural assets (100%)
Upto 1000	8.0	51377	88.88	6431	11.12	57808
1001 - 2500	10.5	38822	88.78	4905	11.22	43727
2501 - 6000	15.5	53079	89.86	5989	10.14	59068
6001 - 15000	11.0	99359	90.70	10181	9.30	109540
15001 & above	5.0	323567	90.88	32478	9.12	356045
Total	50.0	87043	90.25	9403	9.75	96446

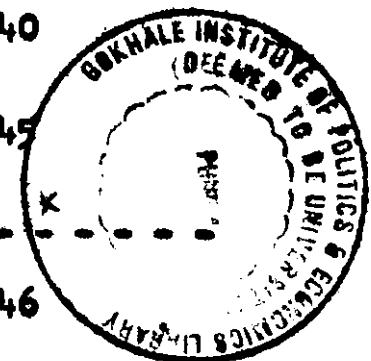


Table 6.6: Non-land agricultural assets per household according to asset groups

Asset group	No. of households	(Weighted average of two years)								
		Livestock			Agricultural tools & implements			Cattle shed	Farm house	Total
		Draught	Milch	Total	Traditional	Modern	Total			
Upto 15000	5	385 (63.68)	109 (17.83)	498 (81.51)	113 (18.49)	-	113 (18.49)	-	-	611 (100.00)
15001 - 25000	2	1012 (55.39)	482 (26.38)	1494 (81.77)	333 (18.23)	-	333 (18.23)	-	-	1827 (100.00)
25001 - 40000	4	241 (9.56)	306 (12.13)	547 (21.69)	157 (6.23)	1574 (62.41)	1731 (68.64)	244 (9.67)	-	2522 (100.00)
40001 - 60000	11	738 (17.46)	582 (13.77)	1320 (31.23)	393 (9.29)	2230 (52.76)	2623 (62.05)	284 (6.72)	-	4227 (100.00)
60001 - 100000	11	805 (12.60)	835 (13.07)	1640 (25.67)	511 (8.00)	3041 (47.59)	3552 (55.59)	838 (13.11)	360 (5.63)	6390 (100.00)
100001 - 150000	5	681 (6.11)	1037 (9.30)	1718 (15.41)	359 (3.22)	7900 (70.87)	8259 (74.09)	1170 (10.50)	-	11147 (100.00)
150001 & above	12	2472 (10.56)	2676 (11.43)	5148 (21.99)	1515 (6.47)	13105 (55.99)	14620 (62.46)	2652 (11.33)	985 (4.22)	23405 (100.00)
Total	50	1100 (11.70)	1112 (11.82)	2212 (23.52)	636 (6.76)	5220 (55.51)	5856 (62.27)	1020 (10.85)	316 (3.36)	9404 (100.00)

Table 6.7: Non-land agricultural assets by different categories per household by income group

(Weighted average of two years)										
Income group	No. of households	Livestock			Agricultural tools & implements			Cattle shed	Farm house	Total
		Draught cattle	Milch cattle	Total	Traditional	Modern	Total			
Upto 1000	8.0	991 (15.41)	864 (13.43)	1855 (28.84)	488 (7.59)	3333 (51.83)	3821 (59.42)	505 (7.85)	250 (3.89)	6431 (100.00)
1001 - 2500	10.5	608 (12.40)	525 (10.70)	1133 (23.10)	371 (7.56)	2533 (51.64)	2904 (59.20)	868 (17.70)	-	4905 (100.00)
2501 - 6000	15.5	743 (12.40)	862 (14.40)	1605 (26.80)	476 (7.95)	2969 (49.55)	3445 (57.50)	940 (15.70)		5990 (100.00)
6001 - 15000	11.0	1252 (12.30)	1163 (11.42)	2415 (23.72)	675 (6.63)	5949 (58.43)	6624 (65.06)	964 (9.47)	178 (1.75)	10181 (100.00)
15001 & above	5.0	3075 (9.47)	3406 (10.49)	6481 (19.96)	1836 (5.65)	19262 (59.31)	21098 (64.96)	2535 (7.80)	2364 (7.28)	32478 (100.00)
Total	50	1100 (11.70)	1112 (11.82)	2212 (23.52)	636 (6.76)	5220 (55.51)	5856 (62.27)	1020 (10.85)	316 (3.36)	9404 (100.00)

Table 6.8: Non-agricultural assets per household by asset groups

Asset groups	No. of households	Non-agricultural	Residential house & other structures	Consumer durables			Financial assets	Other financial assets	(Weighted average of two years)			Total non-agricultural assets
									Non-agricultural tools and implements			
				Traditional	Modern	Total			Traditional	Modern	Total	
Upto 15000	5	-	767 (91.42)	65 (7.75)	2 (0.24)	67 (7.99)	5 (0.59)	-	-	-	-	839 (100.00)
15001 - 25000	2	-	2899 (91.85)	185 (5.86)	17 (0.54)	202 (6.40)	55 (1.75)	-	-	-	-	3156 (100.00)
25001 - 40000	4	-	3945 (88.88)	150 (3.38)	69 (1.55)	219 (4.93)	275 (6.19)	-	-	-	-	4439 (100.00)
40001 - 60000	11	-	6215 (82.48)	451 (5.98)	214 (2.84)	665 (8.82)	155 (2.06)	500 (6.64)	-	-	-	7535 (100.00)
60001 - 100000	11	205 (2.08)	7302 (74.15)	440 (4.47)	528 (6.38)	1068 (10.85)	181 (1.84)	1091 (11.08)	-	-	-	9847 (100.00)
100001 - 150000	5	250 (1.52)	12519 (76.27)	1034 (6.30)	503 (3.06)	1537 (9.36)	410 (2.50)	367 (2.24)	-	1331 (8.11)	1331 (8.11)	16414 (100.00)
150001 & above	12	1250 (2.20)	40584 (71.56)	2339 (4.12)	2753 (4.86)	5092 (8.98)	6607 (11.65)	1679 (2.96)	-	1504 (2.65)	1504 (2.65)	56716 (100.00)
Total	50	370 (1.88)	14474 (73.69)	887 (4.52)	902 (4.59)	1789 (9.11)	1725 (8.78)	790 (4.02)	-	494 (2.52)	494 (2.52)	19642 (100.00)

Table 6.9: Non-agricultural assets per household by income groups

Income group	No. of households	Non-agricultural	Residential house & other structures	Consumer durables			Financial assets	Other financial assets	(Weighted average of two years)			Total non-agricultural assets
									Non-agricultural tools and implements			
				Traditional	Modern	Total			Traditional	Modern	Total	
Upto 1000	8.0	219 (2.28)	8337 (86.85)	481 (5.01)	232 (2.42)	713 (7.43)	81 (0.84)	250 (2.60)	-	-	-	9600 (100.00)
1001 - 2500	10.5	119 (1.24)	7974 (83.15)	377 (3.93)	369 (3.85)	746 (7.78)	188 (1.96)	230 (2.40)	-	333 (3.47)	333 (3.47)	9590 (100.00)
2501 - 6000	15.5	1000 (9.32)	7772 (72.40)	528 (4.92)	208 (1.94)	736 (6.86)	207 (1.93)	462 (4.30)	-	558 (5.19)	558 (5.19)	10735 (100.00)
6001 - 15000	11.0	-	11958 (73.07)	1204 (7.36)	581 (3.55)	1785 (10.91)	313 (1.91)	2309 (14.11)	-	-	-	16365 (100.00)
15001 & above	5.0	-	64253 (70.11)	3029 (3.30)	5959 (6.50)	8988 (9.80)	15397 (16.80)	500 (0.55)	-	2510 (2.74)	2510 (2.74)	91648 (100.00)
Total	50.0	370 (1.88)	14474 (73.69)	887 (4.52)	902 (4.59)	1789 (9.11)	1725 (8.78)	790 (4.02)	-	494 (2.52)	494 (2.52)	19642 (100.00)

is accounted by livestock, mainly in the form of draught cattle, and no asset is in the form of modern implements, cattleshed and farm house. In the middle and large asset groups, as well as, in almost all income groups, the major proportion of asset is in the form of agricultural implements, especially, the modern farm machinery.

In the case of non-agricultural assets, we find that the larger asset groups (above Rs. one lakh) possess all the kinds of assets, whereas, the smaller and middle groups have ~~has~~ mostly residential houses and to a little extent consumer durables. The financial assets form negligible proportion in all the groups except the larger ones. From the income point of view, it is only the larger groups that have substantial assets of most kinds. By and large, the average asset value reflects the size of income of the households. The details of non-agricultural assets by asset groups and size of incomes are shown in Tables 6.8 and 6.9 respectively.

Changes in Assets

Transactions in assets during the reference period are analysed in this section. The modes of transaction taken into account are : (a) decrease in assets by way of sale and depletion by means other than sale, and (b) increase in assets by purchase, by affecting improvement of the existing assets to enhance the value and other acquisitions. Also discussed briefly are some aspects like reasons for sale of assets and source of finance for investment. Finally the net change resulting from transactions, that is, the position of assets at the end of the reference period, and the broad aspects of acquisition and investment pattern are discussed. The data set in Tables give the distribution by the size of income and the asset holding groups separately. The analysis by size of operational holding is not attempted for the reasons of the differences in irrigation component, varying crop

pattern and farm income being secondary in many cases.

Decrease in Assets

The total value of all types of assets involved in sales amounts to Rs.75,141 and, that of depletion other than sales works out to Rs.31,483. The total value of decrease in assets (Rs.1,06,624) forms just 1.84 per cent of the total value of all assets. The depletion (other than sales) refers to mortality in the case of livestock, partition or gifting away in the case of other items (land and consumer durables). Except for a few articles of consumer durables, valued at Rs. 2,989, all the items involved in the process of decrement are agricultural assets. The decrease in the form of land by way of sales and partition amounts to Rs.46,075. The sales and partition have taken place mainly in the asset groups above Rs.60,000, falling in the middle and higher income groups. The sale of farm machinery is reported mainly in the highest income, as well as, asset group. As is the custom prevailing around these parts, three out of four sample farmers report sale of bullocks with a view to purchase new pairs. This annual feature is quite common and in our sample duly reported in almost all the classes of farmers. The decrease in milch cattle and other livestock by way of sale and depletion on account of mortality is reported by most of the size groups though, in terms of value, it is not very considerable. The relevant details of decrease in assets are presented in Tables 6.10 to 6.13.

Regarding the major reasons for sale of assets, land is sold to meet the repayment of debts, current expenses and purchase of other productive assets. The bullocks are sold mainly to buy new pair of bullocks; other livestock for the reasons of meeting the current expenditure and in some cases, the animals are aged and useless. The farm machinery is

Table 6.10: Sale of assets by asset holding group

Asset holding group	No. of households	Land agricultural	(Value in Rs.)						Total value
			Livestock		Agricultural tools & implements		Consumer durables		
			Draught cattle	Milch & other animals	Traditional	Modern	Traditional	Modern	
Upto 5000	2	-	450	-	-	-	-	-	450
5001 - 10000	2	-	300	50	-	-	-	-	350
10001 - 15000	1	-	-	8	-	-	-	-	8
15001 - 25000	2	-	855	60	-	-	-	-	915
25001 - 40000	4	-	1125	335	-	-	-	-	1460
40001 - 60000	11	-	8580	865	-	-	60	-	9505
60001 - 100000	11	12500	8255	429	250	-	50	-	21484
100001 - 150000	5	2500	2340	120	-	-	9	2250	7219
150001 - 250000	7	7125	9590	498	-	-	95	-	17308
250001 & above	5	-	9267	1800	-	5000	300	75	16442
Total	50	22125	40762	4165	250	5000	514	2325	75141

Table 6.11: Sale of assets by total income group

Income group	No. of households	Land agricultural	(Value in Rs.)						Total value
			Livestock		Agricultural tools & implements		Consumer durables		
			Draught cattle	Milch & other animals	Traditional	Modern	Traditional	Modern	
Upto 500	2	2500	1655	-	-	-	-	-	4155
500 - 1000	3	-	1865	57	250	-	-	-	2172
1001 - 1500	2.5	-	2175	34	-	-	-	-	2209
1501 - 2500	8	-	3410	480	-	-	9	75	3974
2501 - 4000	6.5	13500	4900	504	-	-	-	-	18904
4001 - 6000	9	-	6060	380	-	-	-	-	6440
6001 - 10000	6	1875	3155	662	-	-	60	-	5752
10001 - 15000	5	3000	7517	158	-	-	145	-	10820
15001 - 25000	2	1250	5860	75	-	-	-	-	7185
25001 & above	3	-	3465	1385	-	5000	300	2250	12400
Negative income	3	-	700	430	-	-	-	-	1130
Total	50	22125	40762	4165	250	5000	514	2325	75141

Table 6.12: Depletion of assets by modes other than sale by asset holding group

Asset holding group	No. of households	Land agricultural	(Value in Rs.)			Total value
			Livestock		Consumer durables (Modern)	
			Draught cattle	Milch and other animals		
Upto 5000	2	-	-	9	-	9
5001 - 10000	2	-	-	10	-	10
10001 - 15000	1	-	50	4	-	54
15001 - 25000	2	-	-	197	-	197
25001 - 40000	4	-	250	342	-	592
40001 - 60000	11	-	250	1022	-	1272
60001 - 100000	11	15125	950	1315	150	17540
100001 - 150000	5	8825	-	535	-	9360
150001 - 250000	7	-	-	1112	-	1112
250001 & above	5	-	-	1337	-	1337
Total	50	23950	1500	5883	150	31483



Table 6.13: Depletion of assets by modes other than sale by income group

Income group	No. of households	Landagri-cultural	Livestock		(Value in Rs.)	
			Draught cattle	Milch and other animals	Consumer durables (Modern)	Total value
Upto 500	2	-	250	114	-	364
500 - 1000	3	-	50	166	-	216
1001 - 1500	2.5	-	-	103	-	103
1501 - 2500	8	7162	-	319	-	7481
2501 - 4000	6.5	7963	600	1174	-	9737
4001 - 6000	9	-	350	544	-	894
6001 - 10000	6	-	250	1504	-	1754
10001 - 15000	5	-	-	300	-	300
15001 - 25000	2	-	-	345	-	345
25001 & above	3	8825	-	869	-	9694
Negative income	3	-	-	445	150	595
Total	50	23950	1500	5883	150	31483

disposed off because the machine has become obsolete. The consumer durables are sold for the miscellaneous reasons. The relevant details are presented in Tables 6.14 and 6.15.

Increase in Assets

A. Purchase of Assets

The total value of assets purchased during the period amounts to Rs.2,14,175. This works out to an average of Rs.4,283 per sample farmer. Except buildings, all the types of assets are involved in the transaction. The agricultural items account for 86.5 per cent of the total value of all the assets purchased. Among these, the farm machinery (37.4 per cent), land (26.8 per cent) and livestock (22.3 per cent) are the prominent ones. On the other hand, financial and consumer durables are worth noting among the non-agricultural assets. The accent is on agricultural and other productive assets and, modern items where farm machinery and consumer durables are concerned. While the purchase of livestock (mostly bullocks for replacement) is reported in all the asset holding and income groups, other assets are purchased mainly by those holding assets over Rs.40,000, falling in the middle and large income groups. In particular, the largest asset group (Rs.2.5 lakh and above) itself accounts for 53.4 per cent of total value of purchases. The average per household in this group works out to Rs.22,880. The items purchased by this group are mainly agricultural land and modern farm machinery. Incomewise these households mostly belong to the two highest size groups. The relevant data are presented in Tables 6.16 and 6.17.

B. Improvement in Assets

Investment in assets by way of effecting improvement over the existing assets amounts to Rs.2,04,571. This form of investment accounts for nearly one half of the total gross

Table 6.14: Reason for sale of each type of asset according to asset holding group

Asset holding group	No. of households	(Value in Rs.)											Total value		
		Land agricultural			Livestock				Agricultural tools & im- plements		Consumer durables				
		Purchase of other productive assets	Meet current expenditure	Repayment of old debt	Draught cattle purchase new pair of bullocks	Others	Milch cattle Asset become use-less	Meet current expenditure	Traditional purchase of new agricultural tools	Modern Asset become use-less	Traditional Others	Modern			
												Meet current expenditure		Others	
Upto 5000	2	-	-	-	-	450	-	-	-	-	-	-	-	-	450
5001 - 10000	2	-	-	-	-	300	-	50	-	-	-	-	-	-	350
10001 - 15000	1	-	-	-	-	-	-	8	-	-	-	-	-	-	8
15001 - 25000	2	-	-	-	-	855	60	-	-	-	-	-	-	-	915
25001 - 40000	4	-	-	-	500	625	-	335	-	-	-	-	-	-	1460
40001 - 60000	11	-	-	-	5070	3510	400	465	-	-	60	-	-	-	9505
60001 - 100000	11	-	-	12500	5542	2713	95	334	250	-	50	-	-	-	21484
100001 - 150000	5	-	-	2500	700	1640	-	120	-	-	-	9	2250	-	7219
150001 - 250000	7	1250	1000	4875	4750	4840	167	331	-	-	95	-	-	-	17308
250001 & above	5	-	-	-	4425	4842	-	1800	-	5000	300	-	75	-	16442
Total	50	1250	1000	19875	20987	19775	722	3443	250	5000	505	9	2325	75141	

Table 6.15: Reason for sale of each type of asset according to income group

Income group	No. of household	(Value in Rs.)											Total value	
		Land agricultural			Livestock				Agricultural tools & implements		Consumer durables			
		Purchase of other productive assets	Meet current expenditure	Repayment of old debt	Draught cattle	Others	Milch cattle	Asset	Meet current expenditure	Traditional	Modern	Traditional		Modern
Upto 500	2	-	-	2500	500	1155	-	-	-	-	-	-	-	4155
501 - 1000	3	-	-	-	740	1125	-	57	250	-	-	-	-	2172
1001 - 1500	2.5	-	-	-	650	1525	-	34	-	-	-	-	-	2709
1501 - 2500	8	-	-	-	2075	1335	-	480	-	-	-	9	75	3974
2501 - 4000	6.5	-	1000	12500	1100	3800	97	406	-	-	-	-	-	18903
4001 - 6000	9	-	-	-	3220	2840	75	305	-	-	-	-	-	6440
6001 - 10000	6	-	-	1875	2425	730	383	280	-	-	60	-	-	5753
10001 - 15000	5	-	-	3000	4752	2765	32	126	-	-	145	-	-	10820
15001 - 25000	2	1250	-	-	2725	3135	75	-	-	-	-	-	-	7185
25001 & above	3	-	-	-	2800	665	-	1385	-	5000	300	-	2250	12400
Negative income	3	-	-	-	-	700	60	370	-	-	-	-	-	1130
Total	50	1250	1000	19875	20987	19775	722	3443	250	5000	505	9	2325	75141

Table 6.16: Purchase of assets by asset holding group

Asset holding group	No. of house-holds	(Value in Rs.)										Total Value	
		Land		Livestock		Agril. tools & implements		Non-agricultural tools & implements	Consumer durables		Financial assets		Other financial assets
		Agricul-tural	Non-agricul-tural	Draught cattle	Milch & other animal	Tradi-tional	Modern		Tradi-tional	Modern			
Upto 5000	2	-	110	500	-	-	-	-	-	-	5	-	615
5001 - 10000	2	-	-	250	-	-	-	-	-	-	-	-	250
10001 - 15000	1	-	-	115	2	25	-	-	-	3	-	-	145
15001 - 25000	2	750	-	835	100	-	-	-	-	-	850	-	2535
25001 - 40000	4	-	-	1360	390	-	-	-	192	-	10	-	1952
40001 - 60000	11	5500	100	8738	1325	522	1075	-	194	657	824	5000	23935
60001 - 100000	11	3000	-	9167	920	1000	310	-	1001	2469	376	-	18243
100001 - 150000	5	-	-	2925	175	725	2585	-	670	2609	2176	-	11865
150001 - 250000	7	14150	-	9155	455	310	12500	-	358	226	3084	-	40238
250001 & above	5	34000	-	8465	2980	-	61000	1800	440	550	2912	2250	114397
Total	50	57400	210	41510	6347	2582	77470	1800	2855	6514	10237	7250	214175

Table 6.17: Purchase of assets by income group

(Value in Rs.)

Income group	No. of household	Land		Livestock		Agril. tools & implements		Non-agricultural tools & implements	Consumer durables		Financial assets	Other financial assets	Total value
		Agric-ultural	Non-agric-ultural	Draught cattle	Milch & other animal	Tradi-tional	Modern		Tradi-tional	Modern			
Upto 500	2	-	-	1585	-	675	-	-	150	2500	-	-	4910
501 - 1000	3	-	-	2225	2	600	-	-	4	3	-	-	2838
1001 - 1500	2.5	-	-	2480	45	75	-	-	93	15	-	-	2708
1501 - 2500	8	9500	110	3177	1834	425	225	-	987	520	509	-	17289
2501 - 4000	6.5	-	-	6163	390	-	-	-	75	325	195	-	7148
4001 - 6000	9	3000	100	6440	575	447	12575	-	360	2316	136	5000	30949
6001 - 10000	6	-	-	4325	1040	310	3585	-	193	370	889	-	10713
10001 - 15000	5	14500	-	7375	236	50	85	-	30	140	648	-	23061
15001 - 25000	2	2650	-	5500	200	-	26000	1800	583	-	2500	-	39231
25001 & above	3	27000	-	1540	1925	-	35000	-	270	325	4450	2250	72760
Negative income	3	750	-	700	100	-	-	-	110	-	910	-	2570
Total	50	57400	210	41510	6347	2582	77470	1800	2855	6514	10237	7250	214179

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increase in assets, the other major component being the purchase of assets. It is in the agricultural sector where the improvement of assets is carried out overwhelmingly. The amount incurred, by way of materials and labour charges, in this sector is around Rs.1.68 lakhs, forming 82.2 per cent of the total outlay on improvement. In the non-agricultural sector, the total amount incurred on improving residential houses and consumer durables accounts for 16 per cent and 1.8 per cent respectively.

The improvement in farm assets comprises land development (10.7 per cent), irrigation overheads (51.9 per cent), cattle shed (14.2 per cent) and implements (5.4 per cent). By far, the most important category is the irrigation overheads which includes wells, pump house and pipe lines. This category accounts for a little more than half of the total investment.

The investment exclusively in land is quite substantial, forming 59 per cent of the total cost of asset improvement, and it may be interesting to see the pattern of such investment. The items covered are land improvement works like reclamation, bunding, levelling and fencing, and irrigation works like sinking new well, repairs to old wells and laying of new pipe lines and lastly planting of new orchards. The investment in land, especially the irrigation facility and planting new orchards, enhances the value of land enormously. The details of per household investment, exclusively concerning land, are shown in Tables 6.18 and 6.19. It may be seen that such investment totals about Rs.1.20 lakhs, at an average of Rs.2402 per household. A little more than three-fourths of the total investment is in the form of irrigation wells. In respect of asset groups over Rs.40,000 and in all the income groups we find more

Table 6.18 : Details of per household investment in land by asset groups (Weighted average of two years)

Asset groups	No. of households	Bring fallow land under cultivation	Bunding levelling of land	Digging and construction of new well	Repairs to old well	Laying of new pipe lines	Planting of new orchards	Fencing	Total
Upto 15000	5	-	-	-	10 (100.00)	-	-	-	10 (100.00)
15001 - 25000	2	-	-	-	-	-	-	-	-
25001 - 40000	4	38 (100.00)	-	-	-	-	-	-	38 (100.00)
40001 - 60000	11	146 (18.00)	6 (0.74)	227 (27.99)	200 (24.66)	5 (0.62)	213 (26.26)	14 (1.73)	811 (100.00)
60000 - 100000	11	23 (1.49)	28 (1.82)	864 (56.15)	441 (28.66)	92 (5.97)	91 (5.91)	-	1539 (100.00)
100001 - 150000	5	200 (6.08)	280 (8.53)	2250 (68.49)	300 (9.14)	255 (7.76)	-	-	3285 (100.00)
150001 and above	12	368 (5.69)	124 (1.92)	4792 (74.11)	390 (6.03)	146 (2.26)	604 (9.34)	42 (0.65)	6466 (100.00)
Total	50	148 (6.16)	65 (2.71)	1615 (67.26)	267 (11.11)	82 (3.41)	212 (8.82)	13 (0.53)	2402 (100.00)

Table 6.19 : Details of per household investment in land by income groups (Weighted average of two years)

Income groups	No. of households	Bring fallow land under cultivation	Bunding levelling of land	Digging and construction of well	Repairs to old well	Laying of new pipe lines	Planting of new orchards	Fencing	Total
Negative income	3.0	667 (8.62)	83 (1.07)	4833 (62.49)	577 (7.46)	158 (2.04)	1417 (18.32)	-	7735 (100.00)
Upto 1000	5.00	30 (2.31)	-	1200 (92.31)	15 (1.15)	55 (4.23)	-	-	1300 (100.00)
1001 - 2500	10.5	71 (17.84)	2 (0.50)	-	160 (40.20)	69 (17.34)	81 (20.35)	15 (3.77)	398 (100.00)
2501 - 6000	15.5	201 (8.63)	85 (3.65)	1354 (58.11)	410 (17.59)	16 (0.69)	229 (9.83)	35 (1.50)	2330 (100.00)
6001 - 15000	11.0	121 (6.68)	148 (8.17)	1273 (70.25)	151 (8.33)	119 (6.57)	-	-	1812 (100.00)
15001 and above	5.0	15 (0.25)	7 (0.12)	5050 (83.58)	360 (5.96)	210 (3.47)	400 (6.62)	-	6042 (100.00)
Total	50.0	148 (6.16)	65 (2.71)	1615 (67.26)	267 (11.11)	82 (3.41)	212 (8.82)	13 (0.53)	2402 (100.00)

than half of the total investment is utilized for irrigation works. In the smaller asset groups (upto Rs.40,000) no significant investment is made in any of the items. However from the income point of view, the average per household investment is the highest in the case of negative income group.

The investment by means of asset improvement is effected almost entirely by the farmers belonging to asset holding groups over Rs.40,000. Nearly 58 per cent of the investment is reported in the largest group (Rs.2.5 lakh and above) comprising ten per cent of sample farmers. From the size of income point of view, the small group (upto Rs.2,500) has invested mainly in improving irrigation overheads and residential places. The middle income group has spread over the investment in respect of most of the items, the major ones being irrigation, land improvement and cattle shed. The large income group, especially, the highest size group (over Rs.25,000) reports substantial investment in respect of new wells, residential house, cattle shed and consumer durables. It may also be noted that the negative income group, which accounts for nearly 14 per cent of total investment, has made substantial investment in improving such assets as new wells new orchards and cattle shed. The relevant details are shown in Tables 6.20 and 6.21.

C. Other Increase in Assets

This form of increase in assets, other than purchase and improvement, refers to the natural addition of livestock, holding due to births, and gifts and windfall gains received during the period. However, the value of such additions to the assets is not very considerable. The natural addition to livestock amounts to Rs.5,220 and such increase is

Table 6.20 : Investment in assets other than purchases by asset holding group

		(Value in Rs.)															
Asset holding group	No. of households	Type of Investment													Consumer durables		Total
		Bring- ing fallow land under culti- vation	Bund- ing and level- ling of land	Digging and cons- truc- tion of new well	Repairs to old well	Laying of pipe line	Fencing	Plant- ing of new orchard	Con- struc- tion of cattle shed	Con- struc- tion of engine shed	Major repairs of agricul- tural tools and implements		resi- dential house improve- ments	Consumer durables improvement			
												Tradi- tional	Modern	Tradi- tional	Modern		
Upto	5000	2	-	-	-	40	-	-	-	-	-	-	-	-	-	-	40
5001 -	10000	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10001 -	15000	1	-	-	-	12	-	-	-	-	-	3	-	-	-	-	15
15001 -	25000	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25001 -	40000	4	150	-	-	-	-	-	-	-	-	-	249	-	-	-	399
40001 -	60000	11	1600	71	2500	2205	50	155	2350	100	870	103	856	250	55	-	11165
60001 -	100000	11	260	312	9500	4855	1010	-	1000	211	1650	109	1828	1050	83	10	21878
100001 -	150000	5	1000	1400	11250	1501	1274	-	-	1500	600	-	1405	6249	78	-	26257
150001 -	250000	7	1200	1450	4500	750	-	500	-	1750	1100	200	3185	12200	20	-	26855
250001 and above		5	3225	35	53000	3930	1750	-	7250	25500	3750	300	2712	13120	100	3290	117962
Total		50	7435	3268	80750	13293	4084	655	10600	29061	7970	715	10235	32869	336	3300	204571

Table 6.21 : Investment in assets other than purchases by income group

		(Value in Rs.)															
Income group	No. of households	Type of Investment													Total		
		Bring- ing fallow land under culti- vation	Bund- ing and level- ling of land	Digging and con- struc- tion of new well	Repairs to old well	Laying of pipe line	Fencing	Plant- ing of new orchard	Con- struc- tion of cattle shed	Con- struc- tion of engine shed	Major repairs of agricultural tools and implements		Resi- dential house improve- ments	Consumer durables improvement			
											Tradi- tional	Modern		Tradi- tional	Modern		
Upto 500	2	-	-	-	-	275	-	-	-	-	-	-	150	750	-	-	1175
500 - 1000	3	150	-	6000	75	-	-	-	100	500	28	1000	250	-	-	8163	
1001 - 1500	2.5	-	12	-	375	-	-	-	-	-	25	190	-	-	-	602	
1501 - 2500	8	750	20	-	1303	724	155	850	1500	-	63	401	1000	88	-	6854	
2501 - 4000	6.5	1925	-	18500	3500	-	-	2000	19361	1150	51	933	1450	7	-	48877	
4001 - 6000	9	1200	1321	2500	2850	250	500	1500	100	570	50	1503	2500	80	-	14924	
6001 - 10000	6	1250	1480	11000	130	1085	-	-	-	900	12	2366	11000	40	10	29273	
10001 - 15000	5	85	150	3000	1530	225	-	-	-	750	281	1050	2100	28	-	9199	
15001 - 25000	2	-	-	-	750	450	-	-	-	1850	55	450	-	-	40	3595	
25001 and above	3	75	35	25250	1050	600	-	2000	6000	1100	145	1632	13019	93	3250	54249	
Negative income	3	2000	250	14500	1730	475	-	4250	2000	1150	5	500	800	-	-	27660	
Total	50	7435	3268	80750	13293	4084	655	10600	29061	7970	715	10235	32869	336	3300	204571	

reported in every size group. Also reported are the gifts of agricultural land (Rs.2,250) and a residential house (Rs.750) received by one household in the asset group 60,000-100,000 and falling in the income range of Rs.1501-2500 and a windfall gain of motor-bicycle, won in the raffles, by a household in the highest income group. The relevant details by size groups are presented in Tables 6.22 and 6.23.

Source of Finance for Investment

Source of funds for financing the gross investment is briefly discussed here. The sources refer to, broadly, owned and borrowed funds. The itemwise breakup of the source of finance for the sample farmers, at the aggregate level, is shown in Table 6.24.

At the aggregate level, the pattern reveals that nearly 68 per cent of gross investment is made possible by the by the farmers' own resources. However, the borrowed component, which accounts for 32 per cent of the total finance, is quite substantial. Among the items of investment, fencing, pump set, livestock consumer durables, financial assets and non-agricultural land and equipment are entirely financed by the owned funds. On the other hand, investment in bunding and levelling and new wells is mainly done through the help of borrowed funds (over two thirds of the total in each case). Planting of new orchards, construction of pump houses and farm machinery are some of the items in which the borrowed funds are utilised substantially. Relatively speaking, the borrowed component is greater in agricultural assets (36 per cent) than in the non-agricultural assets (14 per cent). Besides, borrowed funds are utilised predominantly in productive nature of assets.

Table 6.22 : Other acquisition of assets by total asset holding group

Asset holding group	No. of households	Land Agricultural	Livestock Milch and other cattle	Residential house and other structure	Consumer durables Modern	Total
Upto 5000	2	-	31	-	-	31
5001 - 10000	2	-	25	-	-	25
10001 - 15000	1	-	46	-	-	46
15001 - 25000	2	-	88	-	-	88
25001 - 40000	4	-	168	-	-	168
40001 - 60000	11	-	936	-	-	936
60001 - 100000	11	2250	730	750	-	3730
100001 - 150000	5	-	349	-	2500	2849
150001 - 250000	7	-	1037	-	-	1037
250001 and above	5	-	1810	-	-	1810
Total	50	2250	5220	750	2500	10720

Table 6.23 : Other acquisition of assets by income group

Income Group	No. of house-holds	Land	Agricultural	Livestock Milk and other cattle	Residential house and other structure	Consumer durables	Modern	Total
upto 500	2	-	-	107	-	-	-	107
501 - 1000	3	-	-	219	-	-	-	219
1001 - 1500	2.5	-	-	145	-	-	-	145
1501 - 2500	8	2250	-	462	750	-	-	3462
2501 - 4000	6.5	-	-	572	-	-	-	572
4001 - 6000	9	-	-	616	-	-	-	616
6001 - 10000	6	-	-	802	-	-	-	802
10001 - 15000	5	-	-	416	-	-	-	416
15001 - 25000	2	-	-	320	-	-	-	320
25001 and above	3	-	-	1258	-	2500	-	3758
Negative income	3	-	-	303	-	-	-	303
Total	50	2250	-	5220	750	2500	-	10720

Table 6.24 : Sources of finance for acquisition/improvement of assets

Items	Total investment				Total amount
	Owned funds	Percentage	Borrowed funds	Percentage	
1. Land acquisition agricultural	46900	81.70	10500	18.30	57400
2. Land improvement :					
i) Bringing fallow land under cultivation	6335	85.20	1100	14.80	7435
ii) Bunding and levelling of land	1018	13.16	2250	68.84	3268
iii) Planting of new orchards	7100	66.98	3500	33.02	10600
iv) Fencing	655	100.00	-	-	655
Sub-total	15108	68.80	6850	31.20	21958
3. Irrigation well and equipment :					
i) Digging & construction of new well	18150	22.48	62600	77.52	80750
ii) Repairs to old well	10240	77.03	3052	22.97	13292
iii) Laying of pipe line	3485	85.31	600	14.69	4085
iv) Construction of engine shed	5370	67.37	2600	32.63	7970
v) Pumpset	3500	100.00	-	-	3500
Sub-total	40745	37.18	68852	62.82	109597
4. Construction of shed	25811	88.81	3250	11.19	29061
5. Farm implements	50971	58.25	36531	41.75	87502
6. Livestock	47857	100.00	-	-	47857
Total for Agriculture	227392	64.34	125983	35.66	353375
7. Residential house	23619	71.85	9250	28.15	32869
8. Consumer durables	13005	100.00	-	-	13005
9. Financial assets	10237	100.00	-	-	10237
10. Non-agricultural land acquisition	210	100.00	-	-	210
11. Non-agricultural tools and implements	1800	100.00	-	-	1800
12. Others	7250	100.00	-	-	7250
Total for Non-agriculture	56121	85.84	9250	14.16	65371
Grand Total	283513	67.70	135233	32.30	418746

In the first year of the survey (1970-71) the borrowed funds formed very meagre proportion of total investment in respect of farmers in the asset groups of below Rs.4,000. It is only in the case of negative and larger income and asset groups, the borrowed funds accounted for about 50 per cent of the gross investment. In the following year, broadly similar pattern could be observed. No borrowed fund was used in asset groups of Rs.5,000-40,000 with incomes less than Rs.1,500. In no group it exceeded 30 per cent. The relevant data are shown in Appendix tables.

Net Position of Asset Formation

Hitherto, we have seen the asset position at the beginning of the reference year and the transactions in the asset during the year in the form of sales and purchases and improvement. Now, we may turn our attention to the net result of change in the asset composition at the end of given reference period. The position of assets thus formed is net of liquidation, that is, purchase and other investment minus sales and depletion during the year.

At the aggregate level the average value of net asset formation amounts to Rs.6,500 per sample farmer. The total value of net increase stands at Rs.3,24,982. The major share of this increase is in agricultural sector (74.5 per cent), comprising land, including wells, orchards etc. (44.3 per cent) farm implements (26.2 per cent) farm house and cattle shed (3.2 per cent) and livestock. Among the non-agricultural assets residential houses with 15.7 per cent, financial assets with 5.4 per cent and consumer durables with 3.5 per cent of total value of net asset increase are worth noting. In all, the productive nature of investment is overwhelmingly large.

Regarding the change in the asset position by category of assets, it may be seen that among the thirteen items, there is no change in respect of only the modern non-agricultural implements. All the other items show net increase in their position. The value of net change, as per cent of asset value at the beginning, is 5.60 per cent at the aggregate level. However, in the agricultural sector this change is very impressive in respect of modern farm machinery (31.35 per cent), cattle shed and farm house ~~ixix~~ (15.50 per cent) and traditional farm implements (9.58 per cent). In the non-agricultural sector, the traditional implements with 100 per cent the modern consumer durables with 21.78 per cent and financial assets with 13.90 per cent emerge as important items to record substantial asset increment. The itemwise details are presented in Table 6.25.

The pattern of asset formation in different size groups of asset holdings and incomes may be obtained from the data set in Tables 6.26 and 6.27. For the sake of convenience, the tables deal with per household averages and the assets are broadly grouped into agriculture and non-agriculture. However, the relevant data in Appendix may be referred to for the detailed itemwise asset formation. From the asset holding point of view, all the groups show positive increase in asset formation. However, in the case of asset groups upto Rs.15,000 and Rs.25,000-40,000 the formation is just marginal, the total formation being less than one per cent of total assets. In two groups, namely, Rs.40,000-60,000 and Rs.1,50,000 and above, the total formation as per cent of total assets is quite impressive with 4.22 and 7.20 respectively. Only two out of seven size groups record greater asset formation in non-agricultural

Table 6.25 : Change in the asset position by category of assets

Category of assets	At the beginning	At the end	Net change + or -	% increase or decrease
1. Land Agricultural	4352150	4496095	+ 143945	+ 3.30
2. Land Non-agricultural	18500	18710	+ 210	+ 1.13
3. Livestock (a) Draught	54977	55425	+ 448	+ 0.81
(b) Milch and others	55612	58072	+ 2460	+ 4.42
4. Implements (a) Traditional	31782	34828	+ 3046	+ 9.58
(b) Modern	261038	342890	+ 81852	+ 31.35
5. Non-agricultural implements (a) Traditional	-	1800	+ 1800	+ 100.00
(b) Modern	24700	24700	-	-
6. Cattle shed and farm house	66772	77122	+ 10350	+ 15.50
7. Residential houses and other structure	723705	774574	+ 50869	+ 7.03
8. Consumer durables (a) Traditional	44354	47039	+ 2685	+ 6.05
(b) Modern	45127	54958	+ 9831	+ 21.78
9. Financial and other assets	125743	143229	+ 17486	+ 13.90
Total	5804460	6129442	+ 324982	+ 5.60

Table 6.26 : Asset formation per household by asset groups (Weighted average for two years)

(Value in Rs.)										
Asset groups	No. of households	Average asset value	Asset formation in			Total formation as percent of total assets	Asset holding in		Asset formation in	
			Agricultural assets	Non-agricultural assets	Total		Agricultural assets	Non-agricultural assets	Agricultural assets as percent of agri. assets	Non-agricultural assets as percent of non-agricultural assets
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Upto 15000	5	5657	29 (54.71)	24 (45.29)	53 (100.00)	0.94	4818	839	0.60	2.86
15001 - 25000	2	23982	313 (42.41)	425 (57.59)	738 (100.00)	3.08	20827	3155	1.50	13.47
25001 - 40000	4	28710	50 (50.00)	50 (50.00)	100 (100.00)	0.35	24271	4439	0.21	1.13
40001 - 60000	11	55188	1692 (72.61)	638 (27.39)	2330 (100.00)	4.22	42651	7536	3.97	8.47
60001 - 100000	11	74699	99 (17.07)	481 (82.93)	580 (100.00)	1.23	64852	9847	0.15	4.88
100001 - 150000	5	108422	2531 (51.29)	2404 (48.71)	4935 (100.00)	3.77	92007	16415	2.75	14.65
150001 and above	12	308126	17398 (78.44)	4781 (21.56)	22179 (100.00)	7.20	251410	56716	6.92	8.43
Total	50	116089	4842 (74.50)	1658 (25.50)	6500 (100.00)	5.60	96446	19643	5.02	8.44

(Percent formation in agricultural and non-agricultural assets to total formation of assets shown in parentheses.)

Table 6.27 : Asset formation per household by income groups (Weighted average of two years)

(Value in Rs.)

Income group	No. of households	Average income	Asset formation in			Total formation as percent of income	Asset holding in			Asset formation in		
			Agricultural assets	Non-agricultural assets	Total		Agricultural assets	Non-agricultural assets	Total	Agricultural assets as per cent of agricultural assets	Non-agricultural assets as per cent of non-agricultural assets	Total assets as per cent of total assets
Negative income	3	-3391	9046 (94.20)	557 (5.80)	9603 (100.00)	-	90261	12693	103954	10.02	4.39	9.23
Upto 1000	5	535	1398 (67.24)	681 (32.76)	2079 (100.00)	388.60	38336	7743	46079	3.65	8.80	4.51
1000 - 2500	10.5	1872	1253 (76.73)	380 (23.27)	1633 (100.00)	87.23	43727	9591	53318	2.87	3.96	3.06
25001 - 6000	15.5	4195	2471 (56.04)	1938 (43.96)	4409 (100.00)	105.10	59068	10735	69803	4.18	18.05	6.31
6001 - 15000	11	9557	3712 (72.82)	1385 (27.18)	5097 (100.00)	53.33	109540	16364	125904	3.38	8.46	4.04
15001 and above	5	35838	23139 (80.22)	5705 (19.78)	28844 (100.00)	80.48	356045	91648	447693	6.50	6.22	6.44
Total	50	7229	4842 (74.49)	1658 (25.51)	6500 (100.00)	89.91	96446	19643	116089	5.02	8.44	5.60

(Percent formation in agricultural and non-agricultural assets to total formation of assets shown in parentheses.)

sector than the agricultural one. However, the asset formation as percentage of respective total assets reveals greater increase in non-agricultural assets in all the size groups. At the aggregate level, it is 5.02 per cent in respect of agricultural assets and 8.44 per cent in that of non-agricultural ones (columns 10 and 11 in Table 6.26).

The pattern viewed from the point of income groups, too, does not reveal any uniform trend (Table 6.27). Curiously enough, the negative income group with an average income of minus Rs.3,391 has recorded positive asset formation to a tune of Rs.9,603 per household. In this group, the formation is overwhelmingly in the agricultural assets (94.2 per cent). It is followed by the small income group (upto Rs.1,000) where the asset formation as per cent of average income works out to an impressive 389 per cent. In respect of other income groups the formation varies between 53 and 105 per cent of average income. At the aggregate level, the total asset formation works out to nearly 90 per cent of the average household income. The lower and middle income groups have fared better than the two higher groups as far the total formation as per cent of income is concerned. In respect of the total asset formation as per cent of total assets, it may be seen that the negative income group has performed most impressively with 9.23 per cent, followed by the middle (Rs.2,501-6,000) and highest groups with 6.31 and 6.44 per cent respectively. In the case of categorywise formation, it may be observed that negative income and the highest income groups show greater formation in agricultural assets while the other four groups in that of non-agricultural assets. At the overall sample level, the total formation in agricultural assets as per cent of agricultural assets worked out to 5.02 and similarly in the case of non-agricultural assets it is 8.44 per cent.

Change in Liabilities of Farmers

The net liabilities of the farmers, in various asset and income groups, are derived by taking into account the borrowings and repayments made during the year. Besides, the position of net liability so derived will also be useful when we take up the estimates of savings by balance sheet method in the next chapter. Presently, we deal with the broad pattern of change in the liabilities of the sample farmers. The relevant data are presented in Tables 6.28 and 6.29. At the overall sample level the per household average borrowing and repayment work out to Rs.4,546 and Rs.1,829 respectively, and the average net liability being Rs.2,717 per farmer. The average net liability is less than Rs.200 per farmer in the case of small asset groups below Rs.15,000. It varies between Rs.5,000 and Rs.9,000 in the larger groups (Rs. one lakh and above). From the size of income point of view, it may be seen that Rs.1,000-1,500 group shows negative liability. In other words, the repayment exceeds the borrowing during the period under consideration. However, in all other income groups the average net liability varies from Rs.178 in a smaller income group to a maximum of Rs.10,151 in the case of the highest group. By and large, the average net liability is seen to be greater in the larger income groups than those of smaller ones.

Table 6.28 : Change in liabilities of farmers according to asset holding group in Hoskote Block

Asset holding group	No. of households	Borrowing during the period	Repayment during the period	Net liability for the period	Net liability per household
Upto 5000	2	450	168	282	141
5001 - 10000	2	250	25	225	112
10001 - 15000	1	125	-	125	125
15001 - 25000	2	4650	892	3758	1879
25001 - 40000	4	4525	2012	2513	628
40001 - 60000	11	21160	19361	1799	164
60001 - 100000	11	18255	9600	8655	787
100001 - 150000	5	58750	29825	28925	5785
150001 - 250000	7	54600	9532	45068	6438
250001 and above	5	64550	20061	44489	8898
Total	50	227315	91476	135839	2717

Table 6.29 : Change in liabilities of farmers according to income group in Hoskote Block

Income group	No. of households	Borrowing during the period	Repayment during the period	Net liability for the period	Net liability per household
Upto 500	2	2850	533	2317	1158
501 - 1000	3	3270	2735	535	178
1001 - 1500	2.5	625	786	-161	-65
1501 - 2500	8	17420	6447	10973	1371
2501 - 4000	6.5	9500	2542	6958	1070
4001 - 6000	9	35300	21087	14213	1563
6001 - 10000	6	25900	10617	15283	2524
10001 - 15000	5	49550	11050	38500	7700
15001 - 25000	2	16250	4833	11417	5709
25001 and above	3	51250	20771	30479	10151
Negative income	3	15400	10075	5325	1775
Total	50	227315	91476	135839	2717

CHAPTER VII

ESTIMATES OF SAVING BY SAMPLE FARMERS

There are two methods available for estimating the household savings, namely, current account approach and balance sheet approach. The present study, however, relies on the latter approach which is also known as asset account method. At the outset, it may be stated that the current account method is not suitable for our purpose in view of the fact the data on consumption being not amenable. The consumption data are highly exaggerated and inadequate in certain respects.

In the balance sheet approach, savings would be reflected in the change in physical and financial assets at the end of the given accounting year. Saving is regarded as the difference between changes in physical and financial assets minus change in liabilities adjusted for net capital gains and capital transfers. Financial investment is considered for our purpose as it forms a part of saving at the micro level (household being the unit of study), even though, for a closed economy such a saving is zero. Change in liability is taken into account to neutralize that part of the increment in assets which is financed by borrowals. The resultant net worth is further adjusted for net inflow of capital gains and capital transfers as the former do not constitute current income and, in the latter's case the increase in asset is not financed from savings. Symbolically, saving of the household, under this method, may be expressed as :

$$S = (\Delta P_A + \Delta F_A) - (\Delta L + C_t + C_g)$$



where

ΔP_A = Change in physical assets (acquisition minus liquidations)

ΔF_A = Change in financial assets (acquisitions increases minus decreases)

ΔL = Change in liabilities (increase in borrowings minus increase in lendings)

C_t = Net inflow of capital transfers (inflow minus outflow)

C_g = Net capital gains (gains minus losses)

Now we proceed to discuss the pattern of savings of sample farmers in the various income and asset holding groups. The data on estimates of gross and net savings by size of income are presented in Table 7.1. From this net position of change in assets, we subtract change in liabilities to get the estimates of gross savings. Finally, by allowing for depreciation we arrive at the net savings. The rate of depreciation used in farm management studies is adopted here and it is based on the straight line method.

At the overall sample level the change in assets, after adjusting it for net capital gains and transfers, is worth Rs.3.46 lakhs. After deducting the net liability of Rs.1.36 lakhs, we get the gross savings of Rs.2.10 lakhs. Further allowing for depreciation of Rs.0.73 lakhs, we finally arrive at the net savings of Rs.1.37 lakhs. The average gross and net savings per household amount to Rs.4,204 and Rs.2,740 respectively. From the point of view of income groups, we find that the average net saving is positive in all the groups except two, namely upto Rs.500 and Rs.10,001-15,000. The net saving per household is very impressive in the two highest income groups, and quite considerable in the size group of Rs.2,501-4,000. It may also be pointed out that in the case of negative income

Table 7.1 : Estimate of gross and net saving by income groups

Income group	No. of households	Change in assets	Change in liabilities	Estimate of gross saving	Depreciation	Estimate of net saving	Gross saving per household	Net saving per household
Negative income	3	28959	5325	23634	3313	20321	7878	6773
Upto 500	2	1591	2317	-726	1332	-2058	-363	-1029
501 - 1000	3	8806	535	8271	1927	6344	2757	2114
1001 - 1500	2.5	1116	-161	1277	1205	72	511	29
1501 - 2500	8	20193	10972	9220	7273	1947	1153	243
2501 - 4000	6.5	36823	6959	29864	6576	23288	4594	3583
4001 - 6000	9	39477	14212	25265	9254	16011	2808	1779
6001 - 10000	6	34309	15283	19026	5373	13653	3171	2275
10001 - 15000	5	21762	38500	-16738	8903	-25641	-3348	-5128
15001 - 25000	2	35708	11417	24291	4789	19502	12145	9751
25001 and above	3	117339	30479	86860	23298	63562	28953	21187
Total	50	346082	135839	210243	73243	137000	4204	2740

group, there is a positive net saving to a tune of Rs.6,773 on an average per household. The amount of net saving is very marginal in the two size groups, viz. Rs.1,001-1,500 and Rs.1,501-2,500 (Table 7.1.).

Now, we may turn our attention to the estimates of average propensity to save for households in various income groups. The relevant data are presented in Table 7.2. The average propensity to save is based on gross income as well as net income separately, even though, the households are distributed according to size of gross income. However, without resorting to reclassification of income sizes, the table also gives net income (gross income minus depreciation) and the ratios thereof, while the average gross income generally falls mid-way between the given limits of the income, the adjusted net income falls closer to the lower limit. At the overall sample level the average propensity to save works out to 58.16 per cent on gross values and 40.50 per cent on net values. In addition to the negative income group, the lowest positive income size (upto Rs.500) too is negative in net values (net income) and the ratios are not calculated in respect of both these groups for the obvious reasons. Among the remaining nine groups, all but one group (Rs.10,000-15,000) show positive net saving-income ratios. Among these, Rs.501-1,000 and Rs.2,501-4,000 groups record exceptionally very high propensity, the net saving-income ratio being 2,518 and 167 per cent respectively.

The pattern of household savings distributed according to size of asset holding can be seen in Tables 7.3 and 7.4. Estimates of gross and net savings are shown in Table 7.3. Although the net savings is positive at the aggregate level, only three asset groups, namely, Rs.40,000-60,000, 60,000-1,00,000 and the highest one register positive net savings.

Table 7.2 : Average propensity to save according to income groups per household (in Rs.) (Weighted average of two years)

Income group	No. of household	Gross income	Depreciation	Net income	Gross saving	Net saving	Gross saving/ Gross income %	Net saving/ Net income %
Negative income	3	-3391	1106	-4497	7878	6772		
Upto 500	2	250	666	-416	-364	-1030	-145.60	
501 - 1000	3	726	642	84	2757	2115	379.75	2517.85
1001 - 1500	2.5	1260	482	778	510	28	40.47	3.59
1501 - 2500	7	2056	909	1147	1153	244	56.07	21.27
2501 - 4000	6.5	3162	1012	2150	4594	3582	145.28	166.60
4001 - 6000	9	4941	1028	3913	2807	1779	56.81	45.46
6001 - 10000	6	7657	895	6762	3171	2276	41.41	33.65
10001 - 15000	5	11838	1780	10058	-3348	-5128	-28.28	-50.98
15001 - 25000	2	19646	2395	17251	12145	9750	61.81	56.51
25001 and above	3	46633	7765	38868	28953	21188	62.08	54.51
Total	50	7229	1465	6764	4205	2740	58.16	40.50

Table 7.3 : Estimate of gross and net saving by asset groups

		(in Rs.)						
Asset groups	No. of households	Change in assets*	Change in liabilities	Estimate of gross saving	Depreciation	Estimate of net saving	Gross saving per household	Net saving per household
Upto 5000	2	200	282	-82	207	-287	-41	-144
5001 - 10000	2	-80	225	-305	211	-516	-152	-258
10001 - 15000	1	143	125	18	115	-97	18	-97
15001 - 25000	2	1477	3758	-2281	660	-2941	-1140	-1470
25001 - 40000	4	400	2512	-2112	1400	-3512	-528	-878
40001 - 60000	11	25636	1799	23837	7359	16478	2167	1498
60001 - 100000	11	18655	8655	10000	9840	160	909	15
100001 - 150000	5	33501	28925	4576	10103	-5527	916	-1105
150001 - 250000	7	49228	45068	4760	11871	-7111	680	-1016
250001 and above	5	216321	44489	171832	31477	140355	34366	28071
Total	50	346082	135839	210243	73243	137000	4204	2740

* Change in assets is adjusted for net capital gains and capital transfers.

**Table 7.4 : Saving and asset value ratios by asset groups (Weighted average of two years)
per household**

(Value in Rs.)							
Asset groups	No. of households	Asset Value (gross)	Asset Value (net)	Gross Saving	Net Saving	Gross saving/ assets gross %	Net saving/ assets net %
Upto 5000	2	3488	3385	-41	-144	-1.17	-4.25
5001 - 10000	2	5362	5262	-152	-258	-2.83	-4.90
10001 - 15000	1	10584	10469	18	-97	0.17	-0.93
(Upto 15000)	(5)	(5657)	(5550)	(-74)	(-181)	(-1.31)	(-3.26)
15001 - 25000	2	23982	26404	-1140	-1470	-4.75	-5.57
25001 - 40000	4	28710	28360	-528	-878	-1.83	-3.10
40001 - 60000	11	50187	49518	2167	1498	4.32	3.02
60001 - 100000	11	74698	73804	909	15	1.22	0.02
100001 - 150000	5	108422	148120	915	-1106	0.84	-0.75
(150001 and above)	(12)	(308126)	(304513)	(14716)	(11103)	(4.78)	(3.65)
150001 - 250000	7	186045	149350	680	-916	0.37	-0.61
250001 and above	5	479040	472744	34366	28071	7.17	5.94
Total	50	116089	114625	4204	2740	3.62	2.39

The net savings is negative in all the size groups upto Rs.40,000 as well as the two falling in Rs.1,00,000-2,50,000. While the average net saving is marginal (Rs.15) in the case of households in 60,000-1,00,000 asset group, it is the highest in respect of Rs.2.5 lakh and above group, the amount being Rs.28,071 per household.

In Table 7.4 gross saving as per cent of gross assets and net saving as per cent of net assets are shown for each asset holding group. The table also gives, in parentheses, the values for the abridged asset groups. Broadly speaking, the saving ratio is negative in all the asset holdings except Rs.40,000-1,00,000 and the largest groups. The average net saving-asset ratio for the overall sample works out to 2.39 per cent. However, only asset groups, namely, Rs.40,000-60,000 and Rs.2.5 lakhs and above, show better ratios than that of the overall sample. From the abridged groups we find that the small asset holdings below Rs.15,000 have negative savers, the ratio being minus 3.26 per cent; the big asset holders of above Rs.1.5 lakhs show the positive net ratio of 3.65 per cent.

We have not made any attempt to discuss the marginal propensity to save as the present data would not lead to any meaningful results. The main difficulties are (a) presence of a considerable proportion of dissaving households (nearly 50 per cent) in a small sample; (b) two-fold increase in the number of households whose incomes change into negative values after depreciation and (c) somewhat strange behaviour of the negative income and some other groups.

Dissaving Households

A broad analysis of the sample cultivators who are found to dissave, during the reference period, is attempted here. In all, about 50 per cent of households emerge as

negative savers. These households are seen in all the broad income groups, as well as, size of operational holdings. By and large, the dissavers form 50 per cent among the households in the negative income group; 55 per cent among those with income upto Rs.2,500/-; about 40 per cent in the income range of Rs.2,501-10,000 and the highest proportion of 60 per cent in the case of large income group i.e. over Rs.10,000. Similarly, the relative proportions of dissaving households according to the broad holding groups reveal that they constitute 50 per cent among those operating upto two hectares; about 47 per cent in the size group 2.1-5.0 hectares; nearly 62 per cent in the 5.1-10.0 hectare group and roughly 35 per cent in that of larger holding group.

Distributing the negative saving households according to broad size groups of amount of dissaving, we find that the extent is only marginal (upto Rs.500) in the case of 30 per cent of the dissavers; another 30 per cent dissaving between Rs.501 and Rs.2,500 and the remaining exceeding Rs.2,500. The summary versions of the extent of dissaving by size of income and the size of operational holding groups of the negative savers are shown in Tables 7.5 and 7.6 respectively. Broadly speaking, the extent of negative saving by size of income reveals that the dissaving by major proportions of small and middle income groups fall below Rs.2,500. On the other hand, two-thirds of the negative savers in the larger income group (over Rs.10,000) dissave over Rs.2,500 each. The extent of negative saving by size of operational holding reveals that the amount of dissaving is generally greater in the larger holding groups.

Table 7.5 : Extent of dissaving by household income group

Size of household income	No. of households by amount of dissaving in broad size (in Rs.)							Average per dissaving household (Rs.)
	Upto 500 to 500	501 to 1000	1001 to 2500	2501 to 6000	6001 to 10000	10001 and above	Total household	
Negative income	5	-	1	0.5	-	-	1.5	2363
Upto 2500	5	-	2	1	0.5	-	8.5	1377
2501-10000	2.5	1	2	0.5	1.5	1	8.5	4074
10001 & above	-	0.5	1	2	1.5	1	6	6998
Total	7.5	1.5	6	4	3.5	2	24.5	3750

Table 7.6 : Extent of dissaving by size of operational holding

Size of holdings (Hectares)	No. of households by amount of dissaving in broad sizes (in Rs.)							Average per dissaving household (Rs.)
	Upto 500 to 1000	501 to 1000	1001 to 2500	2501 to 6000	6001 to 10000	10001 and above	Total household	
Upto 2.00	4.5	1	0.5	1	-	-	7	797
2.01-5.00	3	-	2.5	1	1	0.5	8	3532
5.01-10.00	-	0.5	3	1	1	1	6.5	4214
10.01 & above	-	-	-	1	1.5	0.5	3	10215
Total	7.5	1.5	6	4	3.5	2	24.5	3750

CHAPTER VIII

EMPLOYMENT, INCOME AND LEVELS OF LIVING OF AGRICULTURAL LABOURERS

Social Background

The sample agricultural labour households, numbering twenty in all, mostly belong to backward strata of the society. All the labour households are landless and none of them is even a tenant cultivator of wholly unowned land. A majority of the sample belongs to scheduled castes group (55 per cent). The cultivating and backward castes account for 15 per cent each. The remaining households are made up by Muslim and Hindu intermediary castes. The following gives the castewise distribution of the selected labour households.

<u>Caste</u>	<u>No. of households</u>
Okkaliga	2
Kuruba	1
Vishwakarma	1
Tigala	2
Bajantri	1
Harijan	11
Muslim	2
Total	20

The level of literacy also speaks for the social class of the sample households. The literacy level of the heads of households reveals that only 15 per cent ever been to school and, none of these studied beyond the primary standard. Among the other adult members of these households only eight are literates and almost all of them being primary dropouts.

Composition of Earners

The average size of the family, for all the sample households together, works out to five members. It varies from one to 6.4 members per household in different income groups. Broadly speaking, the average family size is larger in higher income groups. In all, the 20 households are composed of 25 male adults, 29 female adults and 38 non-adults (below the age of 14). The composition of earners in the total sample reveals that nearly 55 per cent of the members, inclusive of non-adults, are working members. However, sexwise and agewise, 96 per cent of male adults, 71 per cent of female adults and 15 per cent of the non-adults of either sex are earners. The details of family size and composition of earners and non-earners are presented in Table 8.1.

There is nothing much to comment on the subsidiary occupation pursued by the sample households as 19 out of 20 are engaged in only the family main occupation, that is, wage earning, and just one reports tailoring as subsidiary occupation.

Employment Pattern

Broadly, three categories of wage earning are considered for analysing the employment pattern of the sample households. These are (a) attached labour, (b) casual farm labour and (c) non-agricultural labour. However, from the point of view of some earners, the categorywise employment is not mutually exclusive. There is some overlapping as some male earners from attached labour switched over to the casual labour during the part of the reference period, and similarly from casual farm labour to non-agricultural labour.

Table 8.1: Composition of earners and non-earners in labour households

Income group	No. of households	Earners				Non-earners				Total				Family size	Earners per family
		Male	Female	Child-ren	Total	Male	Female	Child-ren	Total	Male	Female	Child-ren	Total		
Upto 250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
251 - 500	1	-	1	-	1	-	-	-	-	-	1	-	-	1	1
501 - 750	1	0.5	1	0.5	2	-	-	1	1	0.5	1	1.5	3	3	2
751 - 1000	4	2.5	2.5	0.5	5.5	-	3	6	9	2.5	5.5	6.5	14.5	4	1
1001 - 1500	4	4	4.5	-	8.5	0.5	1.5	8	10	4.5	6	8	18.5	5	2
1501 - 2000	5.5	8	6	1.5	15.5	-	2.5	8.5	11	8	8.5	10	26.5	5	3
2001 - 2500	2	3.5	2	1	6.5	0.5	0.5	4.5	5.5	4	2.5	5.5	12	6	3
2501 & above	2.5	5.5	3.5	2	11	-	1	4	5	5.5	4.5	6	16	6	4
Total	20	24	20.5	5.5	50	1	8.5	32	41.5	25	29	37.5	91.5	5	3

The categorywise details of average number of days employed during the year in respect of male, female and non-adult earners in each income group are presented in Table 8.2. It may be seen from the table that the non-adult earners are employed nearly fully almost round the year in all the three categories. In the case of male earners, the average is around 260 days each in respect of attached and casual farm labour categories and 80 days in that of non-agricultural labour. The female earners who are employed only in casual farm labour and non-agricultural labour report working on an average of 233 and 65 days respectively. While the attached labour by nature is of assured employment throughout the year, with due margin for sickness, religious functions etc., the data show only 269 days on an average for male workers. The reason for lower average is on account of shifting of category of employment in some cases. In the case of casual and non-agricultural categories the seasonal conditions in agricultural work and lack of regular non-farm employment are the major reasons for the difference. However, it is the casual farm labour who mainly take to non-agricultural employment, usually during the slack season in agriculture.

It is very difficult to obtain satisfactory data on unemployment for a variety of reasons. The attached labourer, obviously, is out of the purview and generally few adult workers from the sample are exclusively devoted to non-agricultural wage earning. The available information, therefore, pertains mainly to casual farm labour. The average number of unemployed days works out to 46 days for males and 125 days for female adult workers. In the case of males about a third of the unemployed days is for the reason of want of work, and the remaining non-working

Table 8.2: Employment in different types of labour in Hoskote Block

Income group	No. of households	Attached labour average employment				Casual labour average employment				(No. of days) Non-agricultural labour average employment			
		Male	Fe- male	Child- ren	Total	Male	Fe- male	Child- ren	Total	Male	Fe- male	Child- ren	Total
		Upto 250	-	-	-	-	-	-	-	-	-	-	-
251 - 500	1	-	-	-	-	233	-	-	233	-	-	-	-
501 - 750	1	-	-	-	-	146	180	-	169	-	-	365	365
751 - 1000	4	317	-	-	317	233	209	-	218	28	60	182	72
1001 - 1500	4	-	-	-	-	301	210	-	253	19	46	-	37
1501 - 2000	5.5	274	-	-	274	314	249	330	288	57	-	-	57
2001 - 2500	2	275	-	-	275	201	200	-	201	155	113	325	214
2501 & above	2.5	220	-	320	263	210	289	185	232	213	-	-	213
Total	20	269	-	320	277	261	233	272	248	80	65	299	120

days are due to other reasons like sickness, religious functions etc. Similarly, in the case of females, want of work accounts for 20 per cent of non-working days and old age, sickness, maternity, household work and such other reasons, however, account for the rest.

Incomes of labour households

Since the earning from labour constitutes the major source of household incomes, we may discuss briefly the average earnings of the labourers during the period under reference. The relevant data, set in Table 8.3, reveal that the average earning per person per day is Rs.2.40 for male, Rs.1.80 for female and Rs.1.70 for non-adult worker. The average earnings take into account both cash

Table 8.3 : Income from labour employment in Hoskote Block
(Labour households) (Average earnings)

Income group	No. of house-holds	Average earnings of person per day				Earning per household
		Male	Female	Child	Total	
Upto 250	-	-	-	-	-	-
251-500	1	-	1.7	-	1.7	407
501-750	1	2.3	1.9	1.0	1.6	702
751-1000	4	2.5	2.1	1.5	2.3	874
1001-1500	4	2.6	1.7	-	2.2	1218
1501-2000	5.5	2.2	1.7	2.1	2.0	1681
2001-2500	2	2.2	1.7	1.2	1.9	1884
2501 & above	2.5	2.8	2.0	2.3	2.5	3187
Total	20	2.4	1.8	1.7	2.1	1523

and kind payments from all the three categories of employment. The kind component accounts for roughly 45 per cent of the total wage earnings. Much of the earnings in kind is reported mainly in attached and casual form labour.

Non-adults and females usually account for greater proportion of kind wages than the men workers. There is not much of variation between different income groups, except in the case of the highest size group where the average

earning per worker is greater than any other group. The average total wage earning per household varies from Rs.407 to Rs.3,187. The overall average for the entire sample amounts to Rs.1,523.

Sourcewise incomes and income groups

Income from main occupation, that is, wage earning from all the three categories, forms as much as 95 per cent of the total household incomes from all the sources. Within the wage income, the earning from farm labour, both attached and casual, is overwhelmingly greater than that of casual non-agricultural labour. At the overall sample level, the income from casual agricultural labour by itself forms 77 per cent of the total wage earnings and nearly 73 per cent of the total household incomes. The income from livestock, though not considerable, is the second most important source of income. Households with incomes over Rs.750 report earning from this source, and it is of some importance in the larger income groups. Additional income by way of subsidiary occupation and miscellaneous source is reported only in two cases.

The distribution of labour households by size of total incomes shows that none of them is earning less than Rs.400 and the majority (70 per cent) earns over Rs.1,000 on an average. The details of sourcewise incomes and the average per household income according to size of income groups are shown in Table 8.4.

Consumption Pattern and Levels of Living

The data on current family expenditure of labour households, like that of sample farmers, are not very reliable. In many a case, they appear to be very much exaggerated. At the most, the data may be indicative of broad pattern of relative importance of items of expenditure

Table 8.4: Income of labour households from different sources by income group

Income group	No. of households	Income from labour					Income from livestock	Total	Average per household
		Attached labour	Casual agri. labour	Non-agri. labour	Miscellaneous	Tailoring			
Upto 250	-	-	-	-	-	-	-	-	-
251 - 500	1	-	407	-	-	-	2	409	409
501 - 750	1	-	520	-	-	183	-	703	703
751 - 1000	4	1168	1984	344	-	-	112	3608	902
1001 - 1500	4	-	4751	120	75	-	71	5017	1254
1501 - 2000	5.5	837	8304	105	-	-	127	9373	1704
2001 - 2500	2	865	2141	761	-	-	465	4232	2116
2501 & above	2.5	2380	5201	386	-	-	742	8709	3484
Total	20	5250	23308	1716	75	183	1519	32051	1603

in the family budget. Nevertheless, we present a brief account of the general consumption pattern. The relevant data are set in Table 8.5.

By and large, the expenditure on cereals forms the single largest item in the family budget of the labourers. The expenditure on protective food like, pulses, milk, non-vegetarian items, vegetables etc. is next in importance. The total food expenditure accounts for 61 per cent of total regular expenditure of the sample households. Other important items are drinks and narcotics 12.8 per cent, clothing 9.5 per cent, medicine 4.4 per cent and toiletry 3.5 per cent. The expense on fuel and lighting is abnormally high in the income group 501-750. Some expenditure on education is reported only in two income groups.

Regarding the levels of living, all but two labour households live in inferior or 'kutchra' type of houses. The two households reporting better type of houses belong to income groups over Rs.1,500. The average value per house works out to Rs.742. In all, 16 households own the houses they are presently occupying, and the remaining four, belong^{ing} to small and middle income groups, reside at either landlord's place or with relatives. The per capita living space works out to 51 sq.ft. No household reports about separate accommodation for livestock. The use of electricity for lighting and separate bathroom facility is reported in a solitary case from middle income group. As may generally be expected, the pattern of possession of durable consumer goods reveals that very few articles, other than the traditional metalware utensils, are reported by labour households. Actually, a quarter of the selected households does not possess any durable article worth the name. The most commonly reported item

Table 8.5: Current household expenditure of labour households (per household expenditure)

Income group	No. of households	Cereals	Pulses	Milk and milk products	Poultry, meat etc.	Other protective food	Drinks and narcotics	Fuel and lighting	Toilet and cosmetics	Clothing and bedding	House rent/repairs	Educational	Recreation	Traveling	Medicine	Others	Total expenditure	Irregular expenditure	Total including irregular expenditure
Upto 250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
251 - 500	1	74	17	4	-	11	30	14	3	-	-	-	-	-	6	5	164	6	170
501 - 750	1	287	51	64	51	128	176	197	53	62	24	-	5	2	110	22	1232	-	1232
751 - 1000	4	312	42	22	45	86	98	22	33	93	9	-	1	12	49	18	842	96	938
1001 - 1500	4	486	51	30	85	139	168	41	38	102	8	12	2	7	48	34	1251	21	1272
1501 - 2000	5.5	499	49	8	74	122	121	17	40	99	6	-	-	5	20	34	1094	118	1212
2001 - 2500	2	304	35	11	31	63	79	27	40	116	-	19	-	5	117	14	861	-	861
2501 & above	2.5	682	92	33	103	181	247	32	58	203	143	-	8	9	61	47	1899	660	2559
Total	20	430	51	21	65	114	143	35	39	106	24	4	1	7	49	27	1116	113	1229

is kitchenware, made of brass and copper, which accounts for nearly one half of the total value of all durables. Other articles worth mentioning are two bicycles, a wrist-watch and a transistor set. The total value of all the durables amounts to Rs.948.

Assets and Liabilities

The total value of all the assets held by the sample labour households amounts to Rs.15,270, the average per household being Rs.764. The assets consist of only three types, namely, (a) house, including vacant site in a solitary case, (b) livestock and (c) consumer durables. The overall pattern reveals that the property in the form of house and site constitutes, by far, the single largest item accounting for nearly 78 per cent of the total value of assets. The assets in the form of livestock and consumer durables form 16 per cent and six per cent respectively. The average value of assets per household varies from as low as Rs.50 in the lowest income group to a maximum of Rs.1,681 in the largest group. The average value of assets exceeds Rs.1,000 only in the case of three size groups. It is mainly the possession of house that gives some weight to the asset holding among the landless labour class. The relevant data in respect of asset holding according to income groups are shown in Table 8.6.

The pattern of liabilities of labour households reveals that the borrowals during the reference period are made in all the income groups except the smallest one (Rs.251-500). The average value of borrowal per household varies from Rs.58 in the size group Rs.1,001-1,500 to a maximum of Rs.712 in the largest group. The repayment made during the period represents approximately a fifth of the borrowals during the same period. The average net

Table 8.6 : Asset holding of labour households by size of income group

Income group	No. of households	Value of asset at the beginning				Average value of asset per household
		House	Live-stock	Consumer durables	Total	
Upto 250	1	-	-	-	-	-
251 - 500	1	-	50	-	50	50
501 - 750	1	1000	215	144	1359	1360
751 - 1000	4	1697	308	205	2210	553
1001 - 1500	4	1496	495	208	2199	550
1501 - 2000	5.5	1840	309	69	2218	403
2001 - 2500	2	2480	401	150	3031	1515
2501 & above	2.5	3365	666	172	4203	1681
Total	20	11878	2444	948	15270	764

liability per household varies from Rs.45 to Rs.542. The average for the overall sample works out to Rs.165 per household. The relevant details are shown in Table 8.7.

Investment and Savings of Labour Households

There is not much of investment activity among the labour households. The acquisition of assets, though reported in all the size groups except one, amounts to Rs.962, the average per household being Rs.48. The acquisition of assets during the reference period is noticeable almost entirely in the income groups over Rs.750. Similarly, there are decrements in assets reported in all these size groups, the total value and average per household being Rs.734 and Rs.36.7 respectively. The net change in asset increment is positive in respect of four size groups, and at the overall sample it is positive to the tune of Rs.228. This represents an increase of 1.49 per cent of the assets at the beginning.

However, when the position of net liability is taken into account in order to derive the extent of savings,

Table 8.7 : Liabilities of labour households.

Income group	No. of households	Borrowing during the period	Repayment during the period	Net liabilities	Average net liabilities per household
Upto 250	-	-	-	-	-
251 - 500	1	-	-	-	-
501 - 750	1	90	-	90	90
751 - 1000	4	815	190	625	156
1001 - 1500	4	230	50	180	45
1501 - 2000	5.5	1038	128	910	165
2001 - 2500	2	197	50	147	74
2501 & above	2.5	1780	426	1354	542
Total	20	4150	844	3306	165

the result is negative in all the income groups excepting two, where it is just marginal. At the overall level the saving is negative to the tune of Rs.3078. The average net saving works out to Rs.154 per household. The available data on changes in assets and extent of savings of labour households are presented in Table 8.8.

Table 8.8: Changes in assets, liabilities and extent of savings of labour households

Income group	No. of households	Value of assets at the beginning	Acquisition of assets during the period	Decrease in assets during the period	Net change in assets (+) increase (-) decrease	Net liabilities	Savings
Upto 250	-	-	-	-	-	-	-
251 - 500	1	50	5	-	+5	-	+5
501 - 750	1	1359	-	-	-	90	-90
751 - 1000	4	2210	407	244	+163	625	-462
1001 - 1500	4	2199	40	140	-100	180	-280
1501 - 2000	5.5	2218	135	105	+30	910	-880
2001 - 2500	2	3031	275	50	+225	147	+78
2501 & above	2.5	4203	100	195	-95	1354	-1449
Total	20	15270	962	734	+228	3306	-3078

APPENDIX TABLES

Appendix Table I : Distribution by size of operational holding and educational status of the head of household in Hoskote Block (1970-71)

Size of operational holding group (in hectares)	Illiterate	4th Std.	7th Std.	10th Std.	S.S. L.C.	Under-graduate	Graduate	Graduate in Agriculture	Diploma in Agriculture	M.Sc. in Agriculture	2nd year M.B. B.S.	Male head	Female head	Total
0.01 - 0.50	2	-	-	-	-	-	-	-	-	-	-	2	-	2
0.51 - 1.00	1	2	-	-	-	-	-	-	-	-	-	3	-	3
1.01 - 2.00	4	2	-	4	-	-	-	-	-	-	-	10	-	10
2.01 - 3.00	7	3	-	-	-	-	-	-	-	-	-	9	1	10
3.01 - 4.00	2	-	-	1	-	-	-	-	-	-	-	3	-	3
4.01 - 5.00	-	3	-	-	-	-	-	-	-	-	-	3	-	3
5.01 - 7.50	3	1	-	1	1	-	-	-	-	-	-	6	-	6
7.51 - 10.00	-	-	1	2	1	-	-	-	-	-	-	4	-	4
10.01 - 15.00	2	-	1	-	-	-	-	-	-	-	-	3	-	3
15.01 - 25.00	3	-	-	1	-	-	-	-	-	-	-	4	-	4
25.01 & above	-	-	-	2	-	-	-	-	-	-	-	2	-	2
Farmers	24	11	2	11	2	-	-	-	-	-	-	49	1	50
Non-cultivators	17	3	-	-	-	-	-	-	-	-	-	16	4	20
R Total	41	14	2	11	2	-	-	-	-	-	-	65	5	70

Appendix Table II : Financing of investment by borrowed funds in each asset group (1970-71)

Asset group	Percentage of borrowed funds to total investment							% of total amount borrowed to total investment (9)	Actual amount of borrowal Rs. (10)	Total amount invested actual Rs. (11)	
	Land (1)	Irrigation (2)	Cattle shed (3)	Farm implements (4)	Live-stock (5)	Residential house (6)	Consumer durables (7)				Financial assets (8)
Upto 5000	-	100.00	-	-	-	-	-	-	3.81	40	1050
5001 - 10000	-	-	-	-	-	-	-	-	-	-	500
10001 - 15000	-	100.00	-	-	-	-	-	-	8.20	25	305
15001 - 25000	-	-	-	-	-	-	-	-	-	-	1670
25001 - 40000	-	-	-	81.16	-	-	-	-	4.99	112	2243
40001 - 60000	70.42	-	-	14.02	-	-	-	-	17.28	5150	29800
60001 - 100000	42.55	44.98	-	47.66	-	-	-	-	32.74	17100	52224
100001 - 150000	-	65.18	-	14.63	-	53.33	-	-	45.78	26300	57450
150001 - 250000	54.24	57.96	100.00	92.08	-	59.43	-	-	57.00	56700	84631
250001 & above	9.99	78.10	5.88	-	-	-	-	-	42.12	98300	233399
Total	29.97	65.87	11.26	72.65	-	31.07	-	-	43.97	203727	463272

N.B. - Figures in columns 1-8 refer to component of borrowed funds as per cent of total investment in each category of asset.

Appendix Table III : Financing of investment by borrowed funds in each income group (1970-71)

Income group	Land (1)	Irriga- tion (2)	Construc- tion of cattle- shed (3)	Farm imple- ments (4)	Live- stock (5)	Resi- den- tial house (6)	Consumer durables (7)	Finan- cial assets (8)	% of total borrowal to total investment (9)	Total amount borrowed actual (10)	Total amount invested actual (11)
Upto 500	-	-	-	-	-	-	-	-	-	-	10870
501 - 1000	-	53.23	-	60.97	-	-	-	-	43.29	9000	20788
1001 - 1500	-	-	-	11.32	-	-	-	-	1.96	60	5185
1501 - 2500	58.82	100.00	-	72.62	-	-	-	-	12.95	1267	9783
2501 - 4000	29.14	47.73	9.09	-	-	86.21	-	-	28.20	30300	107431
4001 - 6000	62.50	-	-	96.12	-	-	-	-	53.55	29000	54150
6001 - 10000	47.62	57.57	-	80.00	-	57.59	-	-	54.99	36800	66916
10001 - 15000	-	95.69	-	-	-	95.24	-	-	61.67	14000	22700
15001 - 25000	-	-	-	-	-	-	-	-	-	-	7150
25001 & above	-	90.09	-	-	-	-	-	-	49.22	50000	101589
Negative income	15.38	79.25	75.00	-	-	-	-	-	58.72	33300	56710
Total	29.97	65.87	11.26	72.65	-	31.07	-	-	43.97	203727	463272

N.B. - Figures in columns 1-8 refer to component of borrowed funds as per cent of total investment in each category of asset.

Appendix Table IV : Financing of investment by borrowed funds in each asset group (1971-72)

Asset group	Percentage of borrowed funds to total investment											% of total borrowed to total investment	Total amount borrowed (actual)	Total amount invested (actual)
	Land	Irrigation	Cattle shed	Farm implements	Live-stock	Residential house	Non-agricultural land	Consumer durables	Financial assets	Non-agricultural tools & implements	Others			
	1	2	3	4	5	6	7	8	9	10	11			
Upto 5000	-	100.00	-	-	-	-	-	-	-	-	-	15.38	40	260
5001 - 10000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10001 - 15000	-	-	-	-	-	-	-	-	-	-	-	-	-	16
15001 - 25000	-	-	-	-	-	-	-	-	-	-	-	-	-	3400
25001 - 40000	-	-	-	-	-	-	-	-	-	-	-	-	-	2460
40001 - 60000	61.21	-	-	-	-	-	-	-	-	-	-	18.56	7500	40400
60001 - 100000	-	44.79	-	-	-	-	-	-	-	-	-	4.28	1200	28017
100001 - 150000	89.28	-	-	-	-	-	-	-	-	-	-	13.30	2500	18795
150001 - 250000	47.04	-	-	-	-	-	-	-	-	-	-	27.24	13500	49552
250001 and above	-	-	-	33.95	-	-	-	-	-	-	-	18.16	42000	231319
Total	19.37	10.31	-	31.75	-	-	-	-	-	-	-	17.83	66740	374219

N.B. Figures in columns 1 to 11 refer to component of borrowed funds as per cent of total investment in each category of assets.

Appendix Table V : Financing of investment by borrowed funds in each income group (1971-72) (percentages)

Income group	Land	Irrigation	Construction of cattle shed	Farm implements	Livestock	Residential house	Non-agricultural land	Consumer durables	Financial assets	Non-agricultural tools & implements	Others	% of total borrowed to total investment	Total amount borrowed (actual)	Total amount invested (actual)
	1	2	3	4	5	6	7	8	9	10	11			
Upto 500	-	-	-	-	-	-	-	-	-	-	-	-	-	1300
501 - 1000	-	-	-	-	-	-	-	-	-	-	-	-	-	1206
1001 - 1500	-	-	-	-	-	-	-	-	-	-	-	-	-	1434
1501 - 2500	11.99	31.08	-	-	-	-	-	-	-	-	-	9.71	3740	38500
2501 - 4000	-	-	-	-	-	-	-	-	-	-	-	-	-	4618
4001 - 6000	86.78	-	-	-	-	-	-	-	-	-	-	19.95	7500	37599
6001 - 10000	-	-	-	-	-	-	-	-	-	-	-	-	-	13054
10001 - 15000	39.02	-	-	-	-	-	-	-	-	-	-	27.50	11500	41824
15001 - 25000	37.72	-	-	-	-	-	-	-	-	-	-	2.55	2000	78505
25001 and above	-	-	-	58.45	-	-	-	-	-	-	-	27.55	42000	152429
Negative income	-	-	-	-	-	-	-	-	-	-	-	-	-	3750
Total	19.37	10.31	-	31.75	-	-	-	-	-	-	-	17.83	66740	374219

N.B.: Figures in columns 1 to 11 refer to component of borrowed funds as per cent of total investment in each category of asset.

Appendix Table VI: Asset formation per household in different categories by asset groups in Hoskote Block

(Weighted average of two years)												
Asset group	No. of household	Agricultural land	Non-agricultural land	Live-stock	Agricultural tools & implements	Non-agricultural tools & implements	Farm house and cattle shed	Residential house and other structure	Consumer durables	Financial assets	Other financial assets	Total asset formation
Upto 15000	5	11 (20.75)	22 (41.50)	13 (24.54)	-	5 (9.43)	-	-	1 (1.89)	1 (1.89)	-	53 (100.00)
15001 - 25000	2	375 (50.81)	-	-62 (-8.40)	-	-	-	-	-	425 (57.59)	-	738 (100.00)
25001 - 40000	4	38 (38.00)	-	-51 (-51.00)	45 (45.00)	18 (18.00)	-	-	48 (48.00)	2 (2.00)	-	100 (100.00)
40001 - 60000	11	1400 (60.08)	9 (0.39)	60 (2.58)	232 (9.96)	-	-	23 (0.99)	77 (3.30)	74 (3.18)	455 (19.52)	2330 (100.00)
60001 - 100000	11	-220 (-37.93)	-	130 (22.41)	181 (31.21)	-	9 (1.55)	141 (24.31)	305 (52.59)	34 (5.86)	-	580 (100.00)
100001 - 150000	5	1441 (29.20)	-	147 (2.98)	943 (19.11)	-	-	1250 (25.33)	719 (14.57)	435 (8.81)	-	4935 (100.00)
150001 & above	12	10235 (46.15)	-	28 (0.13)	6280 (28.31)	150 (0.68)	854 (3.85)	3569 (16.09)	376 (1.69)	499 (2.25)	188 (0.85)	22179 (100.00)
Total	50	2878 (44.29)	4 (0.06)	58 (0.89)	1700 (26.15)	36 (0.55)	207 (3.18)	1017 (15.65)	250 (3.85)	205 (3.15)	145 (2.23)	6500 (100.00)

Appendix Table VII: Asset formation per household in different categories by income groups in Hoskote Block

(weighted average of two years) (Value in Rs.)												
Income group	No. of households	Agricultural land	Non-agricultural land	Live-stock	Agricultural tools & im-ple-ments	Non-agricultural tools & im-ple-ments	Farm house and cattle shed	Residential house and other structure	Consumer durables	Financial assets	Other financial assets	Total asset formation
Negative income	3	8369 (87.14)	-	-156 (1.62)	168 (1.75)	-	667 (6.95)	266 (2.77)	-14 (-0.15)	303 (3.16)	-	9603 (100.00)
Upto 1000	5	1150 (55.29)	-	-24 (-1.15)	253 (12.16)	-	20 (0.96)	150 (7.21)	531 (25.53)	-	-	2080 (100.00)
1001 - 2500	10.5	979 (59.95)	10 (0.61)	140 (8.57)	134 (8.21)	-	-	167 (10.23)	154 (9.43)	49 (3.00)	-	1633 (100.00)
2501 - 6000	15.5	1260 (28.58)	6 (0.14)	94 (2.13)	1004 (22.77)	-	113 (2.56)	1384 (31.39)	204 (4.63)	21 (0.48)	323 (7.32)	4409 (100.00)
6001 - 15000	11	2837 (55.66)	-	171 (3.35)	703 (13.79)	-	-	1191 (23.37)	55 (1.08)	140 (2.75)	-	5097 (100.00)
15001 & above	5	10417 (36.11)	-	-265 (-0.92)	11686 (40.51)	360 (1.25)	1300 (4.51)	2604 (9.03)	902 (3.13)	1390 (4.82)	450 (1.56)	28844 (100.00)
Total	50	2878 (44.29)	4 (0.06)	58 (0.89)	1700 (26.15)	36 (0.55)	207 (3.18)	1017 (15.65)	250 (3.85)	205 (3.15)	145 (2.23)	6500 (100.00)

Appendix Table VII: Asset formation per household in different categories by income groups in Hoskote Block

(weighted average of two years) (Value in ₹.)												
Income group	No. of households	Agricultural land	Non-agricultural land	Live-stock	Agricultural tools & implements	Non-agricultural tools & implements	Farm house and cattle shed	Residential house and other structure	Consumer durables	Financial assets	Other financial assets	Total asset formation
Negative income	3	8369 (87.14)	-	-156 (1.62)	168 (1.75)	-	667 (6.95)	266 (2.77)	-14 (0.15)	303 (3.16)	-	9603 (100.00)
Upto 1000	5	1150 (55.29)	-	-24 (1.15)	253 (12.16)	-	20 (0.96)	150 (7.21)	531 (25.53)	-	-	2080 (100.00)
1001 - 2500	10.5	979 (59.95)	10 (0.61)	140 (0.57)	134 (8.21)	-	-	167 (10.23)	154 (9.43)	49 (3.00)	-	1633 (100.00)
2501 - 6000	15.5	1260 (28.58)	6 (0.14)	94 (2.15)	1004 (22.77)	-	113 (2.56)	1384 (31.39)	204 (4.63)	21 (0.48)	323 (7.32)	4409 (100.00)
6001 - 15000	11	2837 (55.66)	-	171 (3.35)	703 (13.79)	-	-	1191 (23.37)	55 (1.08)	140 (2.75)	-	5097 (100.00)
15001 & above	5	10417 (36.11)	-	-265 (0.92)	11686 (40.51)	360 (1.25)	1300 (4.51)	2604 (9.03)	902 (3.13)	1390 (4.82)	150 (1.56)	28844 (100.00)
Total	50	2878 (44.29)	4 (0.06)	58 (0.89)	1700 (26.15)	36 (0.55)	207 (3.18)	1017 (15.65)	250 (3.85)	205 (3.15)	145 (2.23)	6500 (100.00)