



Fortnightly column

Village Dynamics Insights

Agriculture booms in Madhya Pradesh, but farmers look for off-farm income

Madhya Pradesh saw the highest-ever agricultural growth rate of nearly 25% in 2013-14 as against the growth rates of 20% in the previous two years. The state which is the top producer of soybean, gram, pulses and oilseeds, has seen a 34% increase in the area of wheat, rice and soybean between 2004-05 and 2013-14. Despite this, many farmers are increasingly relying on off-farm income in addition to agriculture for enhancing their livelihoods.

The VDSA studies carried out in the two villages of Papda and Rampura Kalan in Raisen district of central Madhya Pradesh, showed that there is a reduction in fallow land during both *kharif* (rainy) and *rabi* (postrainy) seasons by about 25% over the last five years. The area under wheat and soybean has increased by 30% and 20% respectively, between 2009 and 2013, while the area under pigeonpea has reduced by 30% during the same period. Agriculture intensification is at a high pace in these villages, with 80% of the soybean and wheat in Papda village being harvested using machinery, allowing farmers to expand crop acreage.

Prices received by farmers in Papda and Rampura Kalan for their crops was tracked each season through VDSA surveys (Table 1). They show a significant increase in the price of soybean in 2012 and 2013.

Table 1: Peak season average harvest prices* of major crops received by farmers (Source: VDSA).

Crop	Season	2009	2010	2011	2012	2013
		INR/ton (US\$/ton)				
Wheat	April-May	11,500 (189)	11,600 (190)	13,700 (225)	15,700 (257)	14,300 (234)
Soybean	Sept-Oct	-	19,100 (313)	17,870 (293)	31,500 (516)	33,500 (548)
Paddy	Nov-Dec	-	24,200 (397)	-	27,000 (443)	27,800 (455)

*Prices are in current prices of the year with US\$ prices converted in respective years.

Despite increasing income from agriculture in the last five years, farmers and farm laborers are increasingly getting a greater share of their annual income from non-farm sources. In 2013, households of small and marginal farmers made on average ₹ 5,000 (US\$ 80) from crop cultivation and ₹ 21,000 (US\$ 331) from non-farm work (Fig 1). Whereas an average household of large-and medium farmers in the two villages made ₹ 55,000 (US\$ 900) from agriculture, while earning about ₹ 25,000 (US\$ 416) from non-farm sector activities (Fig 2).



Farmers spraying soybean in Papda village, Madhya Pradesh.

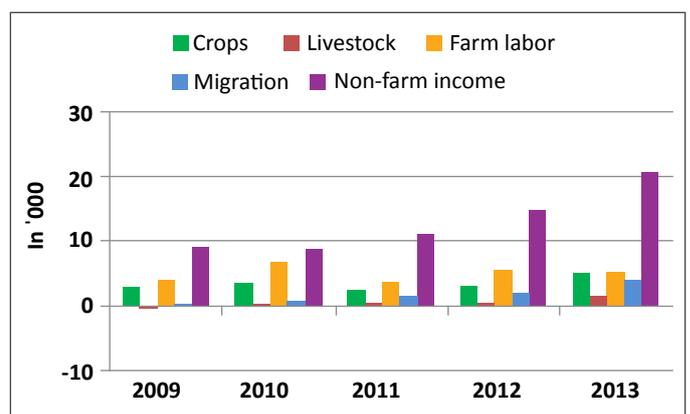


Figure 1: Farm and non-farm income for small and marginal farm households.

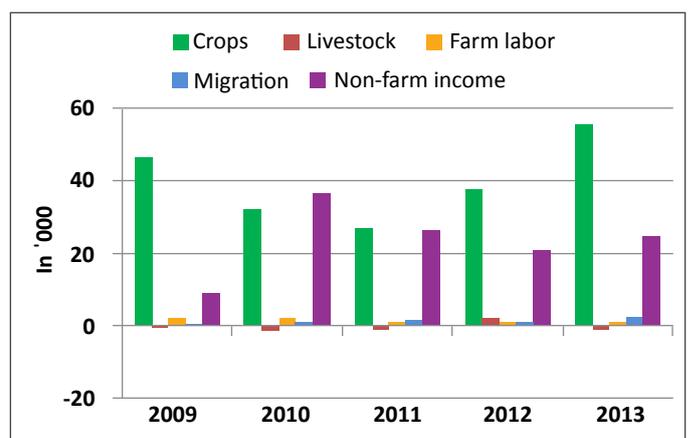


Figure 2: Farm and non-farm income for large and medium-size farm households.

References

[Agrarian Structural Changes in VDSA Villages in Madhya Pradesh](#)
[Madhya Pradesh Agriculture Economic Survey 2014](#)

Project:
Village Dynamics in South Asia

This work is now incorporated as part of the



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