Pattern of Income and its Distribution in Agriculture in Coimbatore District

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A study on the pattern of income and its distribution in Coimbatore district revealed that the farmers of developed block were in a better position with regard to income than their counterparts due to the break-through in agricultural technology. Since the farmers of under-developed blocks mostly owned dry land, efforts should be taken to develop dry farming techniques to improve the income from corps. Though the households of the developed block received a higher total income, there is inequality in the distribution of income among the households. This might have been due to the advantageous position enjoyed by the big farmers than others in getting the resources and other facilities for adoption of new technology. Steps should be taken to distribute the required inputs and other services to the small farmers also to enable them to reap the fruits of new technology and thereby reduce the inequality in distribution of income.

In the age of social justice, the inequality between the fast moving regions of the country and the so called backward regions is widening. This is not different from the general problem of widening the gap between developed and developing areas. The prime element in development is accumulation of those human and economic resources which accelerate future development. Where these resources are lacking, the tendency for stagnation persists. Income, saving and investment are the three key variables of the economy of a country. The level of income is an important variable which determines saving and investment, whereas the past investment in capital goods determines the present level of income. In recent years with the advent of new technology in the form of high yielding varieties, better irrigation facilities, use of fertilizers, mechanisation etc., the income of farmers has risen.

The new technology has also resulted in the incidence of concentration of income in the hands of few. The problem is what are the sources of income and how the income is distributed among the farmers. The present paper is an attempt to find an answer to the above problem.

MATERIAL AND METHODS

A study was conducted in Coimbatore district, which was selected based on the productivity index developed for all the districts of the State. Since the study aimed at analysing the pattern of income and income distribution in agriculture, it was decided to have the study in both technologically developed and under-developed area of Coimbatore district. Based on the discussion with the district officials of the Agricultural Department, Thondamuthur and Kundadam blocks representing developed and under-developed area respectively were selected. From

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each block six villages were selected at random and from each village twenty-seven operational holdings were randomly selected. The twentyseven holdings in each village were distributed equally among the three size groups of farms viz , small (upto 2.00 ha), medium (2·01 to 4·00 ha) and large (above 4,00 ha). Thus, a total of 324 holdings was contacted for the purpose of the study. To study the distribution of income Lorenz Curve was used. It was drawn by plotting cumulative percentage share of income against the corres-

TABLE I   Sourcewise annual income per household. (in rupees)

Village	Income from				Total income
	Crops	Livestock	off-farm	Non-farm	
A. Developed block:					
East Chittirai Chavadi	21,885	2,567	244	2,251	26,947
	(81.21)	(9.53)	(0.91)	(8.35)	(100.00)
Kalikkanaickenpalayam	27,106	2,836	148	1,517	31,607
	(85.76)	(8.97)	(0.47)	(4.80)	(100.00)
Madampatti	19,151	2,760	146	949	23,006
	(83.24)	(12.00)	(0.63)	(4.13)	(100.00)
Narasipuram	15,570	1,923	293	811	18,597
	(83.72)	(10.34)	(1.58)	(4.36)	(100.00)
Poluvapatti	13,007	1,007	297	314	14,652
	(88.77)	(6.87)	(2.03)	(2.33)	(100.00)
Thondamuthur	17,585	1,479	176	1,050	20,289
	(86.67)	(7.29)	(0.87)	(5.18)	(100.00)
Average	19,051	2,095	217	1,153	22,516
	(84.61)	(9.31)	(0.96)	(5.12)	(100.00)
B. Under-developed block					
Gethalreu	2,827	1,233	738	567	5,365
	(52.69)	(22.98)	(13.76)	(10.57)	(100.00)
Kannankoil	3,980	1,943	795	—	6,718
	(59.24)	(28.92)	(11.84)		(100.00)
Kokkanpalayam	3,501	2,602	874	447	7,424
	(47.16)	(36.05)	(11.77)	(6.02)	(100.00)
Marudur	43	1,042	883	684	2,652
	(1.62)	(39.29)	(33.30)	(25.79)	(100.00)
Nandavanompalayan	3,242	2,176	917	427	6,762
	(47.95)	(32.18)	(13.56)	(6.31)	(100.00)
Uthiyur	2,183	515	80	785	3,563
	(61.27)	(14.45)	(2.25)	(22.03)	(100.00)
Average	2,629	1,604	714	485	5,432
	(48.40)	(29.53)	(13.14)	(8.93)	(100.00)

(Figures in parentheces indicate the percentage to total income)

ponding cumulative percentage share of income against the corresponding cumulative percentage share of households and successively joining these points by smooth curve. Gini concentration ratio was also worked out to study the inequality in the distribution of income. This ratio represents the proportion of area that lies between the diagonal and Lorenz curve to the total area under egalitarian line.

RESULTS AND DISCUSSION

The farm households of the study area received their income from different sources like crop, livestock, off-farm and non-farm. The income received from different sources by the house-

holds of developed and under developed blocks is given in Tables I and II.

From Table I it could be seen that the average total income per household was Rs. 22,516 for the developed block and Rs. 5,432 for the under-developed block. There exists variation among the villages. The income per household in the developed block varied from Rs. 14,652 to Rs. 31,607 whereas it was between Rs. 2,652 and Rs. 7,424 in the villages of under-developed block. Of the different sources, agriculture (crops) contributed much towards the total income, the percentage being 84·61 in developed block and 48·40 in underdeveloped block. Though not much of variation

TABLE II   Sourcewise annual per household income in different farm size groups (in rupees)

Farm size	Income from				Total income
	Crops	Livestock	Off-farm	Non-farm	
A. Developed block :					
Small	9,757	1,172	338	664	11,931
	(81.78)	(9.82)	(2.83)	(5.57)	(100.00)
Medium	16,596	2,753	75	750	20,175
	(82.26)	(13.65)	(0.37)	(3.72)	(100.00)
Large	30,800	2,359	238	2,046	35,443
	(86.90)	(6.66)	(0.67)	(5.77)	(100.00)
Average	19,051	2,095	217	1,153	22,516
	(84.61)	(9.31)	(0.96)	(5.12)	(100.00)
B. Under-developed block :					
Small	1,115	585	1,231	358	3,289
	(33.90)	(17.79)	(37.43)	(10.88)	(100.00)
Medium	1,913	1,605	766	620	4,904
	(39.00)	(32.73)	(15.62)	(12.65)	(100.00)
Large	4,859	2,622	147	476	8,104
	(59.96)	(32.35)	(1.81)	(5.88)	(100.00)
Average	2,629	1,604	714	485	5,432
	(48.40)	(29.53)	(13.14)	(8.93)	(100.00)

(Figures in parentheses indicate the percentage to total income)

was seen in the contribution of agriculture (crops) among the villages of developed block, it varied widely from 1·62 to 61·27 per cent among the villages of under-developed block. The income from livestock was 9·31 per cent in developed block and 29·53 per cent in under-developed block. This shows that the farmers of under-developed block who mostly owned dry lands have diversified their activities to stabilise their income. This is again supported by the contribution of off-farm (13·14 per cent) and non-farm (8·93 per cent) income to the total income of the households of under-developed block.

Table II reveals the total income per household and the share of different sources for the three size groups of farms in developed and under-developed blocks. Agriculture (crops) contributed the major share in both the blocks. One general behaviour noticed was that, the share of agriculture to total income increased as the farm size increased. The larger share of livestock to total income in all size groups of farms in the under-developed block supports the fact that the farmers of this area tried to get some regular

source of income since dry-land agriculture suffers from uncertainty. As one could expect after the implementation of many agricultural development programmes, agriculture contributed much towards the total income of developed block than their counterpart.

The annual income per household for the different villages and different size of farms in both the developed and under-developed blocks revealed the existence of great variation among themselves. This means the inequality in the distribution of income. To find out this, the average annual income of the household was taken and the households were divided into three groups viz., households with income of Rs. 2,200 and below Rs. 2,201 to Rs. 4,400 and Rs. 4,401 and above. The relative distribution inequality was measured by Gini concentration ratio. The Gini concentration ratio was 0·32 for the developed block and 0·12 for the under-developed block. This reveals the existence of greater inequality in the distribution of income among the households of developed block than that in under-developed block.