



# **Dynamics of Rural Poverty in India: The Role of Agricultural Growth**

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# It's fact that...

*India is the home to one-fourth of the world's hungry and poor people*

*The largest number of hungry and poor people of the world live in India*

*At the national level, India is self-sufficient in food but the largest number of hungry and poor people are agricultural labor and marginal farmers live in rural India*

**Challenges**

## Trends in Population Below Poverty Line: All India, 1993 To 2009-10 (%)

Years	Rural	Urban	Total
1993-94	55.5	36.2	50.7
2004-05	48.2	30.1	43.7
2009-10	37.3	16.4	31.6
<b>Compound annual growth rate of decline in poverty (%)</b>			
1993-94 to 2004-05	1.3	1.7	1.4
2004-05 to 2009-10	5.0	11.7	6.3

## Trends in Incidence of Poverty Among Farming and Agricultural Labour Households, 1993 to 2009-10

	Farming households	Agricultural labour households
<b>Prevalence of poverty (%)</b>		
1993-94	48.1	74.6
2004-05	41.0	69.2
2009-10	30.6	54.6
<b>Compound annual growth rate of decline in poverty (%)</b>		
1993-94 to 2004-05	1.5	0.7
2004-94 to 2009-10	5.7	4.6

## Population Below Poverty Line Across Different Farm-size : 1993 to 2009-10

Period	Marginal	Small	Medium	Large
Prevalence of poverty (%)				
1993-94	59.8	53.1	45.7	34.8
2004-05	52.2	43.2	37.3	27.6
2009-10	41.0	32.3	24.7	12.9
Compound annual growth rate of decline in poverty (%)				
1993 to 2004-05	1.2	1.9	1.8	2.1
2004-05 to 2009-10	4.7	5.6	7.9	14.1

## Growth in AG GDP and National GDP

Period	Ag GDP growth (%)	National GDP growth (%)
1993-94 to 2004-05	2.3	5.9
2004-05 to 2009-10	3.9	8.9

# Determinants for Reduction in Poverty of Farming and Agricultural Labours Households

Dependent variable : Farmers' poverty (%)		
Exploratory variable	Coefficient	Standard error
Agriculture NSDP per person (Rs)	-0.97634*	0.147938
Rural literacy (%)	-0.31561**	0.157547
Rural wages (Rs)	-0.19775*	0.068741
Constant	12.90185	1.285675
R <sup>2</sup>	0.7152	

# Dynamics of poor

Farm size	Distribution of poor persons, % of total rural poor	
	2004	2009
Agricultural Lab	<b>33.5</b>	<b>26.4</b>
Marginal	<b>38.4</b>	<b>56.8</b>
Small	<b>17.1</b>	<b>2.9</b>
Medium	<b>8.9</b>	<b>1.3</b>
Large	<b>0</b>	<b>0.4</b>
Total persons (million)	<b>228</b>	<b>161</b>



# Share(%) of Home-produced Nutrients in Total Intakes

	Sub-marginal	Marginal	Small	Medium	Large	All Farms	
Cereals	45	69	73	74	69	59	
Pulses	18	36	45	50	55	33	
Milk & Products	75	83	87	90	91	83	
Fats,Oils	7	16	21	20	15	14	
Meat,Fish, Eggs	15	21	22	19	15	14	
Vegetables	24	31	32	29	25	28	
Calorie	41	60	64	65	61	53	
Protein	42	62	67	69	67	55	
Fats	36	50	57	58	57	47	

*The marginal and small farmers are the net buyers and need hard cash to buy food from the market;  
their only economic resource is their labour and or undertake diverse farm  
And non-farm activities*

# Drivers for food/nutrition secure India

- Livestock
- Education
- Irrigation
- Aquaculture
- Horticulture
- Dry land agricultural



# THANK YOU

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