

**AN ANALYTICAL ASSESSMENT OF UTILIZATION
PATTERN OF INCOME OF LUDHIANA FARMERS
- A SOCIOLOGICAL PERSPECTIVE**

DUPLICATE

Thesis

**Submitted to the Punjab Agricultural University
in partial fulfilment of the requirements
for the degree of**

MASTER OF SCIENCE

in

SOCIOLOGY

(Minor Subject : Extension Education)

By

Shelly Singh

(L-2004-H.Sc-206-M)

**Department of Human Development and Sociology
College of Home Science**

**PUNJAB AGRICULTURAL UNIVERSITY
LUDHIANA-141 004**

2006

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2006

CERTIFICATE - I

91187

This is to certify that the thesis entitled, "**An Analytical assessment of utilization pattern of income of Ludhiana farmers-A sociological perspective**" submitted to Punjab Agricultural University, Ludhiana, in partial fulfillment of the requirements for the degree of M.Sc. in the subject of **Sociology** (Minor subject: Extension Education), is a bonafide research work carried out by **Shelly Singh** (L-2004-H.Sc.-206-M) under my supervision and that no part of this thesis has been submitted for any other degree.

The assistance and help received during the course of investigation have been fully acknowledged.

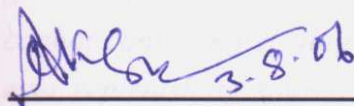
Thesis



Major Advisor
(Dr. A.K. Gupta)
Professor-cum-Head
Department of Human
Development and Sociology
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Ludhiana 141 004 (India)

CERTIFICATE - II

This is to certify that the thesis entitled, "**An Analytical assessment of utilization pattern of income of Ludhiana farmers-A sociological perspective**" submitted by **Shelly Singh** (L-2004-H.Sc.-206-M) to the Punjab Agricultural University, Ludhiana, in partial fulfillment of the requirements for the degree of M.Sc, in the subject of **Sociology** (Minor subject: Extension Education) has been approved by the Student's Advisory Committee alongwith Head of the Department after an oral examination on the same.



Head of the Department
(Dr. A.K. Gupta)



Major Advisor
(Dr. A.K. Gupta)



Dean, Post-Graduate Studies
(Dr. S.S. Chahal)

Date: 25.06.06
Place: Ludhiana

ACKNOWLEDGEMENT

"Fortunate is one who gets the opportunity to surface unknown with the grace of God".

Words are compendious in expressing my deep gratitude and profound indebtedness to my major advisor **Dr. A.K. Gupta**, Professor-cum-Head, Department of Human Development and Sociology, Punjab Agricultural University, Ludhiana for his effective guidance, parental inspiration, constant encouragement, invaluable suggestions which gave me the confidence to complete the research work successfully.

I also wish to express my sincere thanks to all the advisory committee members namely **Dr. (Mrs.) Shalini Sharma**, Assistant Professor, Department of Human Development and Sociology, **Dr. D. S. Ladhar**, Professor of Extension Education and **Dr. (Mrs.) P. Nanda**, Associate Professor of Human Development and Sociology for their ever-willing help, able guidance, valuable suggestions and critically going through the manuscript.

I am highly indebted to **Davinder Tiwari**, Ph.D. student for his valuable guidance, support and ever-willing help during the entire course of this work. I cannot convey my feelings of gratitude in words to my respected parents for their ever replenishing source of strength and encouragement and their blessings and sacrifices that brought me up to this level.

I owe my indebtedness to my dearest Brother, Bhabhi and most cute and loving nephew, 'Gurnoor' for showing deep affection and enthusiasm during the course of my study.

I express my earnest thanks to my dear friends Kiran and Renu for their cheerful company and co-operation. And my sincere thanks to my best friend 'Pawan' for her valuable help and co-operation during this work.

I am also thankful to all my respondents for their co-operation and whole-hearted response despite their busy schedule while collecting the data for this investigation.

All may not be mentioned, but none is forgotten, words may be due, but thoughts remain with me.

Date: 28.06-2006
Place: Ludhiana

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Title of Thesis : "An Analytical Assessment of Utilization Pattern of Income of Ludhiana Farmers – A Sociological Perspective"

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Degree to be awarded : Master of Science (M.Sc)

Year of Award of Degree : 2006

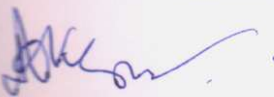
Total pages in thesis : 73 + Appendix (II) + Vita

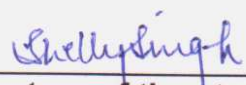
Name of the University : Punjab Agricultural University, Ludhiana

Abstract

The present study titled, "An Analytical Assessment of Utilization Pattern of Income of Ludhiana Farmers – A Sociological Perspective", was conducted in two blocks of Ludhiana district with the following specific objectives: (i) To study the level of income, investment and expenditure pattern of different categories of farmers (ii) To examine the general attitude of farm families towards investment vis-à-vis consumption items and (iii) To delineate the factors affecting utilization of income. The study concluded that from both the study blocks, net family income of the farmers were Rs. 39652 in UIVs whereas Rs. 308670 residing in RVs. Majority of the respondents reported that utilization of loans was affecting them positively in the form of buying better farm machinery / equipments. How was in case of economic degradation. The general attitude score(s) of the farmers towards investment vis-à-vis consumption items. ranged from 1.89-3.94 with a standard deviation of 0.32 and a mean of 3.09 which indicates that majority of the farmers had favourable attitude towards consumer durables such as television, refrigerator, air conditioner etc. Almost entire income of the small farmers was spent either on agriculture or daily household needs and consequently their savings were almost negligible. To avoid non-productive use of agricultural loans, the institutional agencies alongwith agricultural loans should also give consumption loans for meeting social obligation of rural borrowers.

Key words: Income utilization, expenditure pattern, investment, socio-cultural factors, attitude towards investment.


Signature of major advisor


Signature of the student

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CHAPTER – I

INTRODUCTION

With the advent of new technology, subsistence agriculture in many parts of the country has transformed into commercial one. The Punjab state is on the forefront in this direction (Johl and Ray 2002). Consequently, Punjab has achieved a major breakthrough in the sphere of agricultural production. This phenomenon is apparent from the increase in production of important crops, marketable surplus and additional income generated from the increased productivity level.

Economic development of a state is conditioned both by economic and social factors although the inclination of both urban and rural population towards social aspects has been comparatively more in the recent years than remote past. Increased investments are needed to make use of new technology such as seeds, fertilizers, plant, production measures, irrigation and use of farm machinery. The expenditure on productive items, therefore largely determines the growth of agriculture thereby resulting into the appreciable increase in farmer's income.

It was generally held that this increased income is likely to introduce a number of changes in the social milieu of the farmers specifically the life style. It has been observed that in the recent years farmers were very much desirous in raising their living standards even ignoring the relevance of re-investment of these additional resources for

income generation (Admad and Shamin 1991). Further, more rapid development in the means of communications, cosmopolitanism, social interaction between rural and urban as well as within ruralites, mass media and the availability of easy finance from banks, private companies etc. have considerably contributed in this direction.

Agricultural growth is crucial for alleviating rural poverty, access to institutional credit to more farmers and appropriate quantity and quality of agricultural credit are crucial for realizing the full potential of agriculture. As a profitable activity and keeping in view the crucial role of credit the government of India has envisaged a substantial jump in the credit flows to agriculture to the tune of Rs. 7,36,760 crore in the Tenth Five Year Plan (2002-07) as compared to Rs. 2,29,956 crore in the Ninth-Five-Year Plan Period. The need of agricultural credit especially by small farmers to improve their production system is of paramount importance for the use of chemicals, fertilizers, improved seeds, improved livestock among others (Oladele and Adespoe 2004).

Credit can be dynamic only when it is confined to those who have potential to produce more and are capable to repay the loan in time (Kumar 1993).

A study (Jassie 2002) conducted on 5,174 households showed that borrowers of agricultural loans spend less money on necessities of life such as shelter, food and other utilities and more on luxurious

commodities that have potential for social display such as car, tractor; besides household furnishings and entertainment etc.

Agricultural credit were misutilized by the farmers in social expenditure like marriage and death ceremonies and religious functions and for drug consumption (Singh 2003).

Till independence moneylenders dominated the rural scene in the sphere of rural credit. Farmers borrowed for both productive and non-productive purposes from them (Soni 2002).

In Kerala the majority of the misutilised loans that is nearly 75 percent were used for family purpose such as performing marriages of son/daughter etc, 25 percent for paying old debts and meeting miscellaneous expenses (Simon 2002). A number of studies conducted to assess the situation of peasantry indicated that farmers particularly small and marginal ones were under heavy debt (Reddy 1990, Shergill 1997).

This led to the rapid change even in consumer behaviour of the rural area too. It has been observed that the companies engaged in selling items of convenience have shifted their sight from shining urban malls to the rutted rural roads where opportunities are beckoning.

On the one hand when the state has witnessed a phenomenal increase in the production of agricultural commodities and on the other hand it is held that increased production has led to higher income with the farmers.

Thus, it is an opportune time and situation to institute an empirical exercise to know the sources of income of the farmers, their inclination towards its utilization and factors affecting income utilization in this regard. In order to make the study manageable it has been considered appropriate to delimit it to the role of selected socio-economic factors in farm investment and expenditure of the farmers in Ludhiana. It is an open secret that the rate of agricultural growth has been higher in this district, and therefore, this area was chosen for the study.

The present study was therefore planned with the following specific objectives

- To study the level of income investment and expenditure pattern of different categories of farmers.
- To examine the general attitude of farm families toward investment vis-à-vis consumption items.
- To delineate the factors affecting utilization of income.

1.1 Significance of the study

This study aims at bringing out the factors that lead to differential rate of investment and expenditure among different categories of farmers both with reference to size of holding, level of improved technology and their socio-psychological factors. The findings will provide empirical evidence about the utilization of increased income as a result of the present break-through in agriculture and various socio-economic variables helping or retarding it.

CHA And the knowledge about investment and expenditure pattern of farmers, the general attitude of farmers towards investment vis-à-vis consumption item and their correlates can be helpful, to a certain extent in formulating proper action programmes to achieve this goal.

1.2 Limitations of the study

The present study is based on primary data from limited sample area and the results may not be applicable to a wider area yet, it is not possible in all cases. The study bears following limitations:

- Because of limitation of time and other sources at the disposal of the investigator, the study had to be limited to a small area. The study has been conducted in two blocks of Ludhiana district and the results derived from the investigation may vary with regard to the rest of the state as well as the case of other states.
- The study covers farmers from ten villages only and the findings are based mainly on the expressed response of the respondents.
- Lack of written records with the farmers on account of poor standards of literacy and apathy to maintain records of the type.

CHAPTER – II

REVIEW OF LITERATURE

Review of literature is considered as an important component of any research as it helps to understand the research problem in depth. So, keeping in view the significance and relevance of the previous studies concerning the present problem, efforts have been made to collect them and present in a concised manner. The available studies pertaining to the problem are presented in this chapter as under:

Singh and Upadhyay (1984) indicated that the most important reasons for overdues were the shortage of funds to repay the loans either due to crop failure or expenditure on marriage ceremonies or other social functions or illness of family members. Also the inadequate follow-up by the banks and willful default were more or less equally important reasons.

Dangat *et al* (1986) reported that the medium and long term loans were mainly diverted to unproductive social purposes such as celebrating marriages, family consumption and for construction of residential building by the farmers both in developing and underdeveloped regions. Proper approval of loans proposal, follow-up and supervision after the disbursement of the loans were suggested for effective financing of agriculture.

Dongre and Disouza (1988) had studied the knowledge and attitude of rural borrowers based on empirical evidence and found that

the borrowers did not have enough knowledge about the scheme under which they had borrowed loans. Partial knowledge led to diversion of loans, misutilization and non-repayment of institutional credit.

Grewal (1990) stated that with the urbanization and advancement in technology, the wants, needs and attitudes towards use of goods are getting more diversified and are ever changing life style and a lot of change has also occurred in the availability of food items and durables which has affected the consumer's behaviour.

Palamsamy and Arunachalam (1991) stated that proper use of credit has been defined as the use of credit exclusively for the purpose for which it was borrowed but extent of misutilization was more in case of long term credit than short term credit and the extent of diversion was more on small farms than medium and large farms.

Singh *et al* (1992) concluded that diversion of credit to unproductive purpose was about 9 percent in case of marginal farmers, 14 percent in case of small farmers, 19 per cent in case of medium farmers and 18 per cent in case of large farmers. This was so because of the compelling consumption needs of the farmers, particularly the marginal and small ones and partly because of the non-availability of good quality inputs on time.

Susheela *et al* (1992) conducted a study "Credit in Rural Households under Different Land Holdings" in Dharwar district of Gujarat State. The study has indicated that loan facility was availed by

majority of the rural households (81.50 percent). The quantum of loans availed by majority of households on an average, was Rs. 2636 by 71 per cent of landless households where as it was Rs. 11,333 by 85.7 per cent of the large landholding households. This analysis showed that the quantum of loans and percent of the households who availed loans was increasing with the land size which revealed that credit benefits were availed more by the higher landholding class than others.

Kumar (1993) stated that the main objectives of institutional agencies lending agricultural loans have been to help the farmers in increasing this income and employment potential. Credit be dynamic, only if borrowers use it judiciously for productive purposes.

Singh (1994) made an analysis of the loans taken for various development schemes under IRDP programmes and found that about 49 per cent of the respondents misused the loan amount for some non-productive purpose like marriage of son and daughter, repaying of old debts, litigation etc.

Naik *et al* (1996) observed that the percentage of amount of farm loans advanced and cash utilized for the productive purposes like fertilizers, seeds, pesticides and labour charges etc. was 85 per cent and the proportion utilized for other unproductive purposes was 15 per cent.

Gopalaswamy (1997) said that earlier rural marketing was defined in the narrow sense which confined itself to the marketing of agriculture

production. Later on, with the advent of commercial and market-oriented farming which required inputs like fertilizers, pesticides, hybrid seeds etc and also with the introduction of tractor, harvest and thresher the definition of rural marketing got widened. It then included marketing of agriculture, production as also the agricultural inputs required for production.

Kumar and Sharma (1998) in their study 'Suicides in Rural Punjab' revealed the consequences of indebtedness on farming families. The debt was identified as a cause of suicide in a number of case studies. Among suicide victims, 41.50 percent were in the grip of debt. It was further observed that productive assets such as tractor and other farm machinery acquired through loans were eventually sold-off to fulfill unproductive needs. It was also observed that in 36 percent of the cases, indebtedness had led to family discord.

Hooda *et al* (1999) conducted a study in Kaithal district of Haryana and had found that poor or those with very meager farm did not pay back the loan in time. There were other factors also such as natural calamities, flood, draught, failure of electricity, attack of crop diseases and insect-pests, failure of crop etc. that were faced by majority of the farmers (67.24 percent). Expenses incurred on marriage in the family also require a huge amount of money (24.41 percent), sickness in the family (17.24 percent), repair of building (17.24 percent), purchase of household gadgets (13.79 percent), construction of well

and tubewell (10.34 percent) and political promises for exemption of loans (8.62 percent) and high rate of interest (6.90 percent) were ranked 4th, 5th, 6th, 7th, 8th and 9th respectively.

Dhillon *et al* (1999) conducted a study to determine the consumer behaviour of urban and rural buyers due to rapid advancement in technology, industry and changing life style and the desire to acquire the latest model of durable goods for reducing the drudgeries of daily household chores were found the major factors for mis-utilization of loan taken.

Bakshi *et al* (1999) conducted a study on 150 respondents comprising 75 single earner farm families and 75 dual earner families to study their expenditure pattern on various food and non-food items and household luxuries. The per capita monthly expenditure on food of dual earner respondents was found to be significantly higher than their single earner counterparts. In case of non-food items also the expenditure of dual earners was significantly higher (Rs. 2369.27 per capita) as compared to single earners (Rs. 13315.33 per capita) whereas in case of expenditure on luxuries, there was no significant difference. As income increased, the percentage expenditure on food items decreased but on non-food items it increased.

Gill *et al* (2000) conducted a study in four districts of Punjab state to study the suicide cases among the farmers. The study revealed that 79 percent farmers who had committed suicide were the small farmers.

The suicide victims were under heavy debt and in case of 92.4 per cent of cases the debt amount per victim was Rs. 1,26,877 which consequently compelled the suicide victims to sell off their land.

Mouriuzzaman (2002) observed the performance of Bangladesh Rural Development Board (BRDB) and women cooperatives in relation to the 'Grameen Bank' (GB). He had found that the Mohila Battalions Samabay Samity (MBSS) members under BRDB utilized 57 percent of loans for agricultural purposes (and 39 percent figures of GB members). It was further indicated that 31 percent of loan money was utilized for non-agricultural purposes of which 17 percent was for petty business purpose and the members of GB societies utilized 44 percent of loan for non-agricultural purpose of which 20 percent was for petty business and 24 percent for van purchasing. The status of loan repayment was however found to be satisfactory.

Jassie (2002) used data from 5,174 households to investigate why borrowers spend less money on necessities such as shelter, food, utilize items but more money on luxury commodities having the potential for social display, household furnishings and the entertainment whereas for non-borrowers medical services, alcoholic beverages and other such expenses were considered luxuries. Borrowers had also spent money on health insurance, drugs and medical treatment possibly due to their poor health status.

Udayakamal and Thattil (2002) conducted a study based on a sample of 300 borrowers who availed agricultural credit from Primary Agricultural Credit Societies (PACSS) in Kerala. They found that out of 300 respondents 220 utilized the loan amount for agricultural purposes that is 73.33 percent. However, a substantial majority 80 percent respondents had misutilized the loan partially or fully for performing marriage of son / daughter, repaying of old debt and such other expenses.

Thallile *et al* (2002) revealed that farm credit and income were utilized mainly for operational purposes such as purchasing seeds, fertilizers etc. The rate of misutilisation of agricultural loan. The main reason for default in repayment was inability to generate adequate income from agriculture.

Singh (2003) tried to pinpoint the condition of Punjabi farmers and he concluded that the major cause of frustration among the farmers was their inability to meet social expenditure like marriage and death ceremonies and religious expenditure of life on one hand and intoxicants and drug consumption on the other.

Thaur (2003) reported that high level of social expenditure affected the farm economy. The expenses on weddings, purchase of cars, jewellery were generally met out by raising loans. Birth of a son, winning of panchayat elections and other such social celebrations had

become the important factors of mis-utilization of income in the study area.

Parkash (2003) stated that with agriculture becoming a loss making proposition because of the increase in the cost of inputs and decline in the returns from agricultural produce, most of the farmers and agriculture labourers have now started playing 'SATTA' (Gambling) to make both ends meet. With the economic condition becoming worse, the number of petty crimes like 'satta', drug smuggling were rising and a major section of rural population of Malwa region of Punjab was affected badly.

Reddepa (2003) observed from his study that the main reasons for non-starting of the enterprise by the beneficiaries was willful misutilization of loans, defective machinery supplied by the company. Majority of the unemployed youth opted to set up ubiquitous activities like zerox center, STD booth, readymade garments shop, and other such small businesses.

Grover *et al* (2003) conducted a study in Moga, Bathinda and Sangrur district of Punjab and found that 86 percent farmers who committed suicide was due to the burden of debt. The Punjab farmers used to spend leisurely on the marriage and other ceremonies. For this, they had to borrow money and due to unprofitable return from agriculture, which was the main source of their livelihood, they failed to

repay back the loans timely which forced them to take the unfortunate decision of committing suicide.

Oladele and Adespoe (2004) stated the need for agricultural credit by small farmers to improve their production for using new methods of agriculture such as the use of fertilizers, chemicals, improved seeds, improved livestock among others. So, farm credit was needed to adopt these innovations.

Conclusions

A perusal of the studies reviewed above led the investigator to conclude that the farmers made extra expenditure on agricultural inputs such as seeds, fertilizers, insecticides and pesticides. As regards the factors therein, spending on luxuries, marriage and death ceremonies, use of credit for consumption purposes and to meet day to day requirement, the farmers were forced to sell their land, livestock, jewellery and other material possessions.

In the studies reviewed above there was a very little emphasis given to social and psychological factors in investment and expenditure pattern. Only a few studies had indicated that children's education, prestige and status had some significant relationship with farm investment. The more favourable farmers attitude towards consumption items than farm investment was the major factor affecting utilization of income.

CHAPTER – III

MATERIALS AND METHODS

The present study: "An analytical assessment of utilization pattern of income of farmers of Ludhiana district of Punjab" was conducted by the investigator by adopting a systematic sampling procedure. This helped the investigator to design and conduct the study on scientific lines. The procedure included the selection of the locale, blocks, villages, and the ultimate respondents. It was followed by construction of research instrument, pre-testing, collection and the analysis of collected data.

3.1 Locale of the study

The present study was conducted purposely in Ludhiana district as the rate of development has been the highest in the district as compared to other districts of Punjab.

3.2 Selection of the Blocks

From all the eleven blocks of Ludhiana district, two blocks were selected randomly to represent the whole district i.e. The blocks thus selected were Ludhiana block with urban influence (within 5 kms radius) and the Sidhwan Bet block with rural influence (within 5-15 kms radius).

3.3 Selection of the villages

Five villages were selected randomly from each block. From Ludhiana block Phullanwal, Daad, Thakarwal, Mullanpur and Lalton villages were selected and classified as urban influenced villages (UIVs)

and from Sidhwan Bet, Hambran, Bhundari, Talwara Pati Multani and Salempur were selected and classified as rural villages (RVs) for the present investigation. These will however be termed as UIVs and RVs for interpretation purposes.

3.4 Selection of the respondents

For the study, fifteen farmers from each village were selected and contacted for the present investigation. Thus, the sample comprised a total of 150 farmers who were randomly selected for intensive investigation from the study area. It consisted of 75 farmers each from the rural and the urban influence villages. A complete list of the farmers along with their operational land holding in the selected villages was prepared with the help of key informants. The farmers were categorized into small (upto 5 acres), medium (5 to 15 acres) and large (15 acres and above) as per Standard Classification. An appropriate sample size from each category was taken at random on the basis of probability proportion to the total number of farmers in each category. The sample was thus consisted of: 28 small, 27 medium and 20 large farmers in the rural influence sample area and 17, 24 and 34 respondents from urban influence study villages.

3.5 Tool of investigation

The research instrument used in the study was the interview schedule.

3.6 Construction of interview schedule

The interview schedule was constructed to obtain the desired information regarding various aspects of data collection. The questions were framed in simple language and arranged in a systematic manner to facilitate smooth conversation and easy collection of data.

3.7 Pre-testing the interview schedule

Before putting the interview schedule into actual use for data collection, it was pre-tested on 10 subjects in the Ludhiana block-I of Ludhiana district. The purpose of pre-testing was to test the reliability and validity of interview schedule for the collection of data. On the basis of experience gained in pre-testing, necessary modifications were made and the schedule was finalized for data collection. Pre-tested subjects were not included in the study. Any ambiguity or inconsistency therein was rectified and modified accordingly.

3.8 Selection of data

Data were collected personally with the help of interview schedule which was partially structured and partially open ended. Every care was taken to build a good rapport with the respondents before the collection of data. Before actually interviewing the respondents, they were assured that the information was required exclusively for the research purpose and their personal identity would not be divulged to anyone.

3.9 Classification of data

3.9.1 Tabulation of data

After completing data collection work, the master tables were prepared and the data were quantified for precise and systematic analysis and interpretation.

3.9.2 Quantification of data

The data were quantified to work out percentages and apply other statistical tests. The different areas in which quantification had been done are as under:

3.9.2.1 Age of the respondents

Upto 30 years : Young group

30-50 years : Middle group

Above 50 years : Old group

3.9.2.2 Caste

Higher casts

Backward castes

3.9.2.3 Family type

Nuclear

Joint

3.9.2.4 Family size

Small (up to 4 family members)

Medium (5-8 family members)

Large (Above 8 members)

3.9.2.5 Education level

Illiterate

Primary

Middle

Matric/+2

Graduate and above

3.9.2.6 Type of farming

Self-cultivation

Tenant farming

Share cropping

Self and tenant

3.9.2.7 Operational land holdings

Upto 5 acres – Small farmers

5-15acres – Medium farmers

15 acres and above – Large farmers

3.9.2.8 Income

The total income in the study is referred:

3.9.2.9 Family income

Crop income

Dairy income

Other including horticulture, hiring out of land and agricultural machinery, off-farm income including service, pension, business, shopkeeper, trade etc.

3.9.2.10 Net income

Net income per farm

Net income per acre

Per capita net income

3.9.2.11 Household expenditure

Construction and repair of house and lighting charges

Food items

It included cereals and cereal substitutes, pulses, milk and milk products, oils, meat, eggs, sugar and gur, tea, spices, vegetables and fruits

Non-food items

Clothing of all kinds

Medicine

Travelling expenditure

Education

Socio-religious and other expenditure

This included money spent on the following occasions/ purposes:

Birth/Death ceremonies

Marriage

Social gatherings and religious functions

Litigation and liquor

2.9.2.12 General attitude of consumers toward consumer durables

Factors affecting income utilization

Housing type

'Katcha'

'Pucca'

'Mixed'

Farm mechanization

Household possessions

Selling of land and valuables

Social participation

3.10 Analysis of data

The collected data was analyzed, presented and interpreted with the help of simple averages, percentages, mean scores and rank orders. However, to test the validity of the data, the statistical tools were also applied wherever required

3.10.1 Arithmetic mean

$$\bar{X} = \frac{\sum_{i=1}^n x_i}{n}$$

$\bar{X}$ = Arithmetic mean

AM = Addition of all recorded observations divided by the number of observations

3.10.2 Percentages

Percentages were calculated to show the distribution of the sample individuals possessing the attribute.

$$P = \frac{r}{n} \times 100 = \frac{\text{Number of individual possessing the attributes in the sample}}{\text{Total number of individual in the sample}} \times 100$$

3.10.3 Student's t-test

t-test was used to compare means of two populations. The formula used was

$$t = \frac{x_1 - x_2}{\text{S.E. of } (x_1 - x_2)} \text{ with } (n_1 + n_2 - 2) \text{ degrees of freedom}$$

where

$$\text{S.E.} = \text{Standard error} = s \sqrt{1/n_1 + 1/n_2}$$

$$x_1 = \text{Mean of sample from 1}^{\text{st}} \text{ population}$$

$$x_2 = \text{Mean of sample from second population}$$

$$n_1 = \text{Sample size from 1}^{\text{st}} \text{ population}$$

$$n_2 = \text{Sample size from second population}$$

$$s_2 = \text{Estimate of variance}$$

3.10.4 Likert scale

It consisted of the statements to study the attitude of the respondents towards investments vis-à-vis consumption items for studying attitude scale and it was developed by following likert method of scale construction. It is usually a five point scale, containing 30-36 statements and each statement is of equal 'attitude value'. It gives the

response variance (strongly agree, agree, neutral, disagree and strongly disagree) with intensity.

Following the set procedure, the scale was constructed as under:

3.10.4.1 Collection of raw statements

After consulting relevant literature and interviewing some of the farmers to find out the factors determining attitude of rural consumers towards consumer durables tentative statements were developed. Which were later on rectified on the basis of opinion judgement of the experts in the research field.

3.10.4.2 Modification of statements

Then these statements were subjected to 14 point criteria suggested by Edwards (1969). The wording of these statements was further discussed with the major advisor and members of advisory committee and modified accordingly. Then from these statements scale was developed.

3.10.4.3 Item analysis

The scale was administered to 20 non-sampled respondents. The response of the respondents was taken on five point continuum with weighted age score(s) of 5, 4, 3, 2 and 1 for positive statements and reverse scoring system was followed for negative statements. For analysis of items, t-test was employed.

3.10.4.4 Final selection of the statements for the scale

The statements were selected by finding the t-value for each of the statement and then arranging the statements in rank order according to their t-values. Then 30-36 statements with largest t-value were retained for the final scale.

3.11 Operational Definitions

3.11.1 Caste

It referred to social endogamous group bearing a name, membership of which was hereditary to which a person belongs.

3.11.2 Joint family

It is type of social grouping where parents and their married and unmarried children live under one roof and eat food cooked at one hearth and hold property in common.

3.11.3 Nuclear family

It referred to the unit of family organization composed of a married couple and their offsprings.

3.11.4 Family size

It included the total number of the family members.

3.11.5 Total annual family income

It included the earnings from all the sources including farming, subsidiary and non-farming occupations such as jobs, other business etc. by a farmer's family.

3.11.6 Operational land holding

It is defined as the operational area of the land which included land owned by the farmers plus land leased in minus land leased out.

3.11.7 Productive expenditure

Productive expenditure included the expenditure incurred by the farmers on agriculture and subsidiary occupations.

3.11.8 Non-productive expenditure

It included the money spent by the farmers on social ceremonies, luxury items, household consumption, drug addiction, alcoholism, litigation and house construction etc.

3.11.9 Attitude

Attitude towards investment vis-à-vis consumption refers to the individual degree of favourableness or unfavourableness towards consumer items.

CHAPTER – IV

RESULTS AND DISCUSSION

This chapter is devoted to discuss the results obtained by analyzing the data collected from the field. The results of the study have been presented and discussed under the following sections:

- 4.1 Socio-economic characteristics of respondents
- 4.2 Income
- 4.3 Extent of loans
- 4.4 House-hold expenditure
- 4.5 General attitude of consumers towards consumer durables
- 4.6 Factors affecting income utilization by different categories of farmers

4.1 Socio economic characteristics of respondents

The appraisal of socio-economic characteristics is very important to determine the socio-economic status of individuals in the society. So, the first part of the findings is related to socio-economic characteristics of the respondents in order to highlight the background of the sampled farmers.

4.1.1 Age

Table 4.1.1 shows the age of the respondents. It reveals that out of a total of 150 respondents more than one fourth (38.00 percent) were in the age group of 40-50 years. Almost the same percentage of respondents belonged to 50+ category. The proportion of respondents

Table 4.1.1: Distribution of the respondents according to their age in completed years, district Ludhiana, 2005-06

Age (completed years)	Rural					Urban					Sub total		Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub Total (n=75)		Small (n=17)	Medium (n=24)	Large (n=34)	Sub Total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Upto 30	6 (21.4)	2 (7.40)	3 (15.00)	11 (14.6)		2 (11.76)	-	3 (8.82)	5 (6.66)	8 (17.77)	2 (3.92)	6 (11.11)	16 (10.66)
30-40	2 (7.14)	4 (14.8)	3 (15.00)	9 (12.00)		3 (17.64)	4 (16.66)	4 (11.76)	21 (14.6)	5 (11.11)	8 (15.68)	7 (12.96)	20 (13.33)
40-50	12 (42.8)	11 (40.74)	3 (15.00)	26 (34.6)		4 (23.52)	8 (33.33)	19 (55.88)	31 (41.3)	16 (35.55)	19 (37.25)	22 (40.74)	57 (38.00)
50 and above	8 (28.5)	10 (37.03)	11 (55.00)	29 (38.6)		8 (47.05)	12 (50.00)	8 (23.52)	28 (37.33)	16 (35.55)	22 (43.13)	19 (38.18)	57 (38.00)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)		17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	51 (100.00)	54 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

falling in the age group of upto 30 years and 30-40 years was 10.66 and 13.30 percent respectively.

As far as block-wise distribution of the respondents was concerned the table showed that 42.85 percent small and 40.74 percent medium farmers of rural blocks were in the age group of 40-50 years whereas more than half (55.00 percent) of the large farmers were above 50 years of age. In case of urban blocks, 47.05 percent of small and half of the medium farmers were in the age group of 50 plus, whereas 55.88 percent of the large farmers were in the age group of 40-50 years.

4.1.2 Caste

Caste is very important in the Indian social structure as the society is mainly stratified on the basis of caste. The data on caste distribution of the respondents is shown in Table 4.1.2 which indicates that out of the total 150 respondents, a majority (88.66 percent) belonged to the higher castes whereas only 11.33 percent were backward caste respondents.

4.1.3 Family type

The data presented in Table 4.1.3 revealed that family type of more than two third of the respondents (72.66 percent) was nuclear whereas one fourth have had (27.33 percent) joint families. It was interesting to note that a majority of the respondents in rural influenced blocks among all the farm category viz. small, medium and large have

Table 4.1.2: Distribution of the respondents according to caste background, district Ludhiana, 2005-06

Caste category	Rural					Urban					Sub total	Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Higher castes	18 (64.28)	22 (81.48)	18 (81.48)	58 (77.33)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	35 (77.77)	46 (90.14)	52 (96.29)	133 (88.66)
Backward castes	10 (35.71)	5 (18.51)	2 (10.00)	17 (22.66)	-	-	-	-	10 (22.22)	5 (9.80)	2 (3.70)	17 (11.33)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	51 (100.00)	54 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

Table 4.1.3: Distribution of the respondents according to family type, district Ludhiana, 2005-06

Family type	Rural				Urban				Sub total	Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub Total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub Total (n=75)		
Nuclear	25 (89.28)	22 (81.48)	14 (70.00)	61 (81.33)	11 (64.70)	13 (54.16)	24 (70.58)	48 (64.00)	36 (80.00)	109 (72.66)
Joint	3 (10.71)	5 (18.51)	6 (30.00)	14 (18.66)	6 (35.29)	11 (45.80)	10 (29.41)	27 (36.00)	9 (20.00)	41 (27.33)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

had more percentage of nuclear families i.e. 89.28, 81.48 and 70.00 percent respectively against 64.70, 54.16 and 70.58 percent in the case of urban influenced villages.

The trend shows that number of nuclear families has been increasing in both rural and urban areas as compared to the joint families. This change may be attributed to changes in social values of the people due to the process of modernization.

4.1.4 Family size

The data on family size of the respondents (Table 4.1.4) revealed that out of total sample, more than half of the respondents (54.00 percent) had medium sized families with 5-8 family members whereas one fourth (24.00 percent) had large families having more than eight family members. The rest were small families (22 percent).

4.1.5 Education level

The information regarding the education level of the respondents (Table 4.1.5) reflected that a substantial majority of the respondents (80.00 percent) were 'literate' having different levels of formal education. Among them, 41.33 percent were educated upto matric or 10+2 level, 16.00 percent middle pass, 12.66 percent primary and the rest 10.66 percent were educated upto graduation or even post graduation level. There were however 19.33 percent respondents who were 'illiterate'.

Table 4.1.4: Distribution of the respondents according to family size, district Ludhiana, 2005-06

Family size	Rural				Urban				Sub total			Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Small (upto-4 members)	7 (25.00)	5 (18.51)	2 (10.00)	14 (18.66)	5 (29.4)	5 (20.83)	9 (26.47)	19 (25.33)	12 (26.66)	10 (19.60)	11 (20.37)	33 (22.00)
Medium (5-8 members)	17 (60.71)	16 (59.25)	10 (50.00)	43 (57.33)	10 (58.82)	13 (54.16)	15 (44.11)	38 (50.66)	27 (60.00)	29 (56.88)	25 (46.29)	81 (54.00)
Large (more than 8 members)	4 (14.28)	6 (22.22)	8 (40.00)	18 (24.00)	2 (11.76)	6 (25.00)	10 (29.41)	18 (24.00)	6 (13.33)	12 (23.52)	18 (24.33)	36 (24.00)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	51 (100.00)	54 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

Table 4.1.5: Distribution of the respondents according to educational level, district Ludhiana, 2005-06

Educational level	Rural				Urban				Sub total	Grand total (N=150)		
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)				
Illiterate	2 (7.14)	3 (11.11)	7 (35.00)	12 (16.00)	6 (35.29)	6 (25.00)	5 (14.70)	17 (22.66)	8 (17.77)	9 (17.64)	12 (22.22)	29 (19.33)
Primary (5 th pass)	5 (17.85)	4 (14.81)	2 (10.00)	11 (14.6)	2 (11.76)	2 (8.33)	4 (11.76)	8 (10.66)	7 (15.55)	6 (11.76)	6 (11.11)	19 (12.66)
Middle (8 th pass)	6 (21.42)	5 (18.51)	3 (15.00)	14 (18.66)	2 (11.76)	2 (8.33)	6 (17.64)	10 (13.33)	8 (17.77)	7 (13.72)	9 (16.66)	24 (16.00)
Matric/+2	13 (46.42)	12 (44.44)	6 (30.00)	31 (41.33)	5 (29.41)	12 (35.29)	14 (41.17)	31 (41.33)	18 (40.00)	24 (47.05)	20 (37.03)	62 (41.33)
Graduate and above	2 (7.14)	3 (11.11)	2 (10.00)	7 (19.33)	2 (11.76)	2 (8.33)	5 (14.70)	9 (12.00)	4 (8.88)	5 (9.80)	7 (12.96)	16 (10.66)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	51 (100.00)	54 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

4.1.6 Type of farming

Table 4.1.6 highlights the type of farming done by respondents. Table depicts that more than half of the respondents i.e. 58.00 percent were engaged in self cultivation, while 25.33 percent were engaged in share-cropping and 14.00 percent of the respondents were performing both self and tenant cultivation while very few i.e. 2.66 percent of the farmers were engaged in tenant farming only.

Table further showed that 67.85, 62.96 and 45.00 percent of small, medium and large farmers were engaged in self cultivation in RVs against 58.82, 50.00 and 58.82 percent in UIVs. Very small percent of respondents were engaged in tenant farming in both the RVs as well as UIVs respectively.

4.1.7 Source of irrigation

Table 4.1.7 shows the source of irrigation used by the respondents. Data is indicative of the fact that more than half of the respondents (i.e. 58.66 percent) used tubewell as the only source of irrigation, 19.33 percent were having both tubewell and submersible pump followed by 17.33 percent using submersible pump and a negligible percentage of respondents (i.e. 4.66 percent) were irrigating their fields with both tubewell as well as canal irrigation.

The table further revealed that a majority of the respondents among all farm size categories were using tubewell as the major source of irrigation in the rural influenced blocks i.e. 82.14 percent, 70.37

4.1.6: Distribution of the respondents according to the type of farming, district Ludhiana, 2005-06

Type of farming	Rural				Urban				Sub total			Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Self-cultivation	19 (67.85)	17 (62.96)	9 (45.00)	45 (60.00)	10 (58.82)	12 (50.00)	20 (58.82)	42 (56.00)	29 (64.44)	29 (156.86)	29 (53.70)	87 (58.00)
Tenant farming	2 (7.14)	-	-	2 (7.14)	2 (11.76)	-	-	2 (11.76)	4 (8.88)	-	-	4 (2.66)
Share cropping	4 (14.28)	7 (25.92)	9 (45.00)	20 (26.66)	2 (11.76)	6 (25.00)	10 (29.41)	18 (24.00)	6 (13.33)	13 (25.49)	19 (35.18)	38 (25.33)
Self tenant	3 (10.71)	3 (11.11)	2 (10.00)	8 (10.66)	3 (11.64)	6 (25.00)	4 (11.76)	13 (17.33)	6 (13.33)	9 (17.64)	6 (11.11)	21 (14.00)
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	51 (100.00)	54 (100.00)	150 (100.00)

Figures in parentheses indicate percentages

Table 4.1.7: Distribution of the respondents according to their sources of Irrigation, district Ludhiana, 2005-06

Source of irrigation	Rural					Urban					Sub total		Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)		Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)		Small (n=45)	Medium (n=51)	Large (n=54)
Tubewell	23 (82.14)	20 (74.07)	7 (35.00)	50 (66.66)		11 (64.10)	14 (58.33)	14 (41.17)	39 (52.00)		34 (75.55)	33 (64.70)	21 (38.88)
Submersible pump	1 (3.57)	2 (7.40)	6 (30.00)	9 (12.00)		2 (11.76)	4 (16.66)	10 (29.41)	16 (21.33)		4 (8.88)	6 (11.76)	16 (29.62)
Tubewell + canal	2 (7.14)	2 (7.00)	3 (15.00)	7 (9.33)		-	-	-	-		2 (4.44)	2 (3.92)	3 (5.55)
Tubewell + submersible pump	2 (7.14)	3 (11.11)	4 (20.00)	9 (12.00)		4 (23.52)	6 (35.29)	10 (29.41)	20 (26.66)		6 (13.33)	9 (17.64)	14 (25.92)
													29 (19.33)

* Multiple response

Figures in parentheses indicate percentages

percent and 35.00 percent for small, medium and large farmers respectively against 64.10 percent, 58.33 percent and 41.17 percent in the case of urban influenced villages.

Table also showed that more numbers of respondents in the urban influenced blocks were using both tubewell as well as submersible pump as compared to the rural influenced blocks as source of irrigation. Similarly more number of submersible pumps were used by small, medium and large farmers (i.e. 11.76 percent, 16.66 percent and 29.41 percent) in the urban influenced blocks as compared to rural influenced blocks (3.57 percent, 7.40 percent and 25.00 percent) respectively. And a very small number of respondents used to irrigate their fields with both tubewell and canal in rural blocks.

4.2 Income

4.2.1 Family income

The gross family income have been calculated by taking into account its various components such as: crop income, dairy, others including horticulture, hiring out of land and agricultural machinery, business, shopkeeper, trade etc.

It is evident from Table 4.2.1 that gross income per family was Rs. 3,47,424 per year for the sample population. The maximum share in this income was that of crop income (Rs. 2,15,795); followed by off-farm income from service, pension, business trade etc. (Rs. 85,678); dairy

Table 4.2.1: Distribution of the respondents according to average gross family income per year, district Ludhiana, 2005-06 (Rs.)

Variables	Rural				Urban				Sub total		Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)
I Farm Income											
a) Crops	62,318	1,89,700	3,58,650	2,03,579	73,303	2,10,111	3,98,100	2,27,171	67,858	1,97,118	3,82,410
b) Dairy	11,703	23,818	57,622	31,097	19,618	36,712	72,505	43,915	13,522	29,817	66,707
c) Others (including horticulture, hiring out of land and agricultural implements)	-	10,111	22,315	8,119	-	12,550	33,808	14,510	-	11,327	28,102
Sub total (gross farm income per year)	74,021	2,23,629	4,38,587	2,42,795	92,921	2,59,373	5,04,413	2,85,596	81,380	2,38,262	4,77,219
II Off farm income (including service, pension, petty business, trade etc.)	24,516	48,108	1,17,502	65,875	46,522	91,102	1,90,050	1,10,925	34,707	67,106	1,51,522
III. Gross Income (per family per year)	98,537	2,71,737	5,56,089	3,08,670	1,39,443	3,50,475	6,94,463	3,96,521	1,16,087	3,05,368	6,28,741
											3,47,424

(Rs. 34,850) and others including horticulture, hiring out of land and farm machinery (Rs. 11,101).

The table further revealed that all types of income levels were higher in the UIVs than RVs, and also more among large farmers ^{than} medium and small ones. For instance, the gross average family income per year was Rs. 3,96,521 for the farmers of UIVs against Rs. 3,08,670 for those residing in RVs (Table 4.2.1).

Similarly, the gross family income of large farmers was Rs. 6,28,741 as compared to Rs. 3,05,368 for medium and Rs. 1,16,087 for small farmers. It is thus evident that the gross family income showed increasing trend with increase in farm size and the degree of urban influence.

4.2.2 Net Income

The data on net income have been calculated by taking into account gross farm income, farm expenditure, net income on per farm and per acre basis and the per capita net income per year. The data have been set out in Table 4.2.2.

a) Net income per farm

The net income per farm was calculated by subtracting the farm expenditure from gross farm income, on per year basis. The net income per farm was Rs. 1,51,366 for the whole sample. It was however, slightly higher in the case of UIVs (Rs. 1,62,789) than RVs (Rs. 1,50,801). Also, it increased with increase in farm size as the net farm

Table 4.2.2: Distribution of the respondents according to net farm income per farm, per year, district Ludhiana, 2005-06 (Rs.)

Variables	Rural					Urban					Sub total	Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
a) Gross farm income (per farm per year)	74,021	2,23,629	4,38,587	2,42,795	92,921	2,59,373	5,04,413	2,85,596	81,380	2,38,262	4,77,219	2,61,746
b) Farm expenditure (per farm per year)	24,898	90,792	1,67,809	91,994	27,108	1,18,808	1,92,209	1,22,807	25,807	1,05,678	1,81,763	1,10,380
c) Net income per farm (a-b)	49,123	1,32,837	2,70,778	1,50,801	65,813	1,40,565	3,23,204	1,62,789	55,573	1,32,584	2,95,456	1,51,366
d) Net income per acre	15,374	14,283	13,635	14,542	20,793	16,508	15,422	16,953	16,110	14,929	14,888	15,567
e) Per capita net income per year	18,343	28,989	46,251	29,057	19,233	38,899	52,123	39,112	18,568	33,977	50,978	36,896

income of large farmers was Rs. 2,95,456 followed by medium farmers (Rs. 1,32,584) and small farmers (Rs. 55,573).

b) Net income per acre

It was interesting to note that the net income on per acre basis showed reverse trend. It decreased with increase in farm size. The per acre net income was the highest in case of small farmers (Rs. 16,110) being followed by medium (Rs. 14,929) and the large farmers (Rs. 14,888). However, this income level was more in case of UIVs than RVs in all the farm size categories.

c) Per capita net income

The data on per capita net income were calculated on per year basis. It was formulated by considering both farm as well as non-farm income of the respondents and have been arranged in table 4.2.2.

The per capita income level showed increment with farm size and the nearness to urban center. For example the per capita income of large farmers was the maximum (Rs. 50,978) farmers who had the lowest per capita income of Rs. 18,568 on per year basis.

The per capita net income was more for those living in UIVs than others who dwelled in RVs in all farm size categories. It showed positive impact of farm size as well as the degree of urbanity on the per capita net income level of the respondents in the study area.

4.3 Extent of loans

4.3.1 Credit taken

The table indicates the credit / loans taken by small farm size farmers was more i.e. (Rs. 250000.3) in UIVs against (Rs. 176599.8) in RVs. Among the medium farmers, the credit was taken more i.e. (Rs. 341317.57) in RVs and (Rs. 132286.41) in UIVs respectively.

Credit taken by large farm size farmers was more i.e. (Rs. 2888125) in RVs whereas in UIVs i.e. (Rs. 188000.6) respectively. The table further indicated that the mean differences were found to be significant among large farm size farmers.

4.3.2 Loan Utilization

The respondents borrowed loan from different banks for the purchase of agriculture inputs like fertilizers, dairy and agricultural implement etc. Although a majority has utilized the borrowed loan for specific purpose but a few had not utilized the loan taken for the purpose it was taken.

The purpose of the respondents for which they diverted the bank loans to some un-productive use. Data in this regard is presented in Table 4.3.2. Data revealed that i.e. (8.00 percent) used the loans for construction of building and to meet their day to day needs. About 7.33 percent of respondents used the amount for spending on marriages whereas 4.5 percent of respondents used the amount for purchase of household equipments, clothes, jewellery and repayment of old debts.

Table 4.3.1: Distribution of respondents according loans taken by farmers, district Ludhiana, 2005-06

Rural (n=75)		Urban (n=75)		t-value
Small Farmers (upto 5 acres)	Small Farmers (upto 5 acres)	Small Farmers (upto 5 acres)	Small Farmers (upto 5 acres)	
(n=11)	(n=5)			
Average credit taken by small farmers = Rs. 176599.8	Average credit taken by small farmers = Rs. 250000.3			0.69 ^{NS}
Medium Farmers (5-15 acres)	Medium Farmers (5-15 acres)			
(n=5)	(n=8)			
Average credit taken by medium farmers = Rs.	Average credit taken by medium farmers = Rs.			1.67 ^{NS}
351317.57	132286.41			
Large Farmers (above 15 acres)	Large Farmers (Above 15 acres)			
(n=8)	(n=10)			
Average credit taken by large farmers = Rs. 288125.00	Average credit taken by large farmers = Rs. 188000.6			1.20 ^{**}
Significant at 1% level				

Table 4.3.2: Distribution of the respondents according to major purpose for which the loan was used? District Ludhiana, 2005-06

Major purpose for which loan was used	Rural				Urban				Sub total		Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)
- Construction of building	2 (7.14)	2 (7.40)	1 (5.00)	5 (6.66)	2 (11.76)	2 (8.33)	3 (8.82)	7 (9.33)	4 (8.88)	4 (7.84)	4 (7.40)
- Purchase of household equip/do this/jewel etc.	1 (6.57)	2 (7.40)	1 (5.00)	4 (5.33)	-	1 (4.16)	2 (5.88)	3 (4.00)	1 (2.22)	3 (4.00)	3 (5.55)
- Repayment of old debts	2 (7.14)	3 (11.11)	-	5 (6.66)	2 (11.76)	2 (8.33)	-	4 (5.33)	4 (8.88)	5 (6.66)	-
- Marriage ceremonies	4 (14.28)	3 (11.11)	4 (20.00)	1 (14.66)	-	-	-	-	4 (8.88)	3 (4.00)	4 (7.40)
- Litigation	-	-	-	-	-	1 (4.16)	1 (2.94)	2 (2.60)	-	1 (1.96)	1 (1.85)
- Medicare	1 (3.57)	1 (3.70)	-	2 (2.6)	-	-	-	-	1 (2.22)	1 (1.96)	-
- Day-to-day needs	4 (14.28)	1 (3.70)	2 (10.00)	7 (9.33)	2 (11.76)	1 (4.16)	2 (5.88)	5 (6.66)	6 (13.33)	2 (2.66)	4 (7.40)

* Multiple response
Figures in parentheses indicate percentages

An equal percentage of the respondents (1.33 percent) used the amount to spend on litigation and Medicare.

During the data collection, it was observed that farmers diverted the credit for the construction of big houses as it was very difficult for them to live in small houses with more family members and secondly, they simply wanted a bigger house.

It was further observed that in some situations farmers were forced to divert the loans taken especially in case of some mishappenings like or accident in the family or they required money for some medicinal purposes. It is because the farmers do not have adequate amount of surplus savings with them and they do not find any other way to come out of the precarious situation.

4.3.3 Utilization of loans affected you positively

An effort was made to identify the positive effects of taking credit and data in this regard is presented in Table 4.3.3. It is evident that a majority of the respondent (80.00 percent) perceived loans helped them to buy better machinery and agriculture equipments. While more than half (64.66 percent) of the respondents told that loans helped them at the time of uncertainties, and 20.00 percent felt that credit helped them to face natural calamities successfully. Another 10.00 percent felt that loans helped them to meet social obligations especially at the time of marriage. Very small percentage (i.e. 3.33 percent) of respondents felt it

Table 4.3.3: Distribution of the respondents according to the consequences of positive effect of loan borrowing as felt by them, district Ludhiana, 2005-06

Do you feel loan borrowing has the effects?	Rural				Urban				Sub total			Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
To buy better machinery/equipments	24 (85.71)	18 (66.66)	16 (80.00)	58 (77.33)	12 (70.58)	20 (83.33)	30 (88.23)	62 (82.66)	36 (80.00)	38 (74.50)	46 (85.18)	120 (80.00)
At the time of natural calamities	6 (21.42)	5 (18.51)	4 (20.00)	15 (20.00)	5 (29.41)	6 (25.00)	4 (11.76)	15 (20.00)	11 (24.44)	11 (21.56)	8 (14.81)	30 (20.00)
At the time of uncertainties	10 (35.71)	18 (66.66)	15 (75.00)	43 (57.33)	11 (64.70)	18 (75.00)	25 (73.52)	54 (72.00)	21 (46.66)	36 (70.58)	40 (74.07)	97 (64.66)
To meet social obligations	4 (14.2)	3 (3.70)	2 (10.00)	9 (12.00)	2 (11.7)	2 (8.33)	2 (5.88)	6 (8.00)	6 (13.33)	5 (9.80)	4 (7.40)	15 (10.00)
To raise economic standard	2 (7.14)	1 (3.70)	-	3 (4.00)	2 (11.76)	-	-	2 (2.66)	4 (8.88)	1 (1.96)	-	5 (38.33)
Agri purpose	2 (7.14)	5 (18.51)	2 (10.00)	9 (12.00)	2 (11.76)	2 (8.33)	2 (5.88)	6 (8.00)	4 (8.88)	7 (13.72)	4 (7.40)	15 (10.00)

* Multiple response

Figures in parentheses indicate percentages



helped them to raise their economic standard by improving productivity levels of their farms.

The table revealed that a majority of respondents i.e. 85.71, 66.66 and 80.00 percent of small, medium and large felt that loans helped them to buy better machinery and agricultural equipments in RVs against 70.58, 83.33 and 88.23 percent in the case of UIVs among small, large and medium RVs where as 70 percent of respondents among felt that loan helped them at the time of uncertainty in UIVs whereas less than half of the respondents felt that loans helped them after natural calamities, to meet social obligations and for agricultural purposes respectively in RVs and UIVs.

4.3.4 Utilization of loans affected per negatively

Table shows that 74.66 percent of the respondents told that they were economically degraded due to loans whereas one fourth of respondents 25.33 percent felt that it led to social degradation, and 18 percent of respondent felt that it created problem of drug addiction and alcoholism respectively. About one fourth 30 percent of respondents told that family disputes were there due to the loans taken by them while very small 4.33 percent of respondent felt that it created problem of gambling.

On watching the different categories of farmers, it comes out that (64.28, 92.50, 20.00 percent) of small, medium and large farmers faced economic degradation in RVs against (i.e. 88.23, 83.33 and 88.00

Table 4.3.4: Distribution of the respondents according to the consequence of negative effect of loan borrowing as felt by them, district Ludhiana, 2005-06

Do you feel that utilization of loans affected	Rural				Urban				Sub total			Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Economic degradation	18 (64.28)	25 (92.5)	4 (20.00)	47 (62.66)	15 (88.23)	20 (83.33)	30 (88.10)	65 (86.66)	33 (73.33)	45 (88.23)	34 (62.96)	112 (74.66)
Social degradation	10 (35.71)	2 (7.40)	16 (80.0)	28 (37.33)	2 (11.76)	4 (16.66)	4 (11.76)	10 (13.33)	12 (26.66)	6 (11.76)	20 (37.03)	38 (25.33)
Family disputes	8 (28.57)	10 (31.03)	3 (15.00)	21 (28.00)	6 (35.29)	8 (33.33)	10 (29.41)	24 (32.00)	14 (31.11)	18 (35.29)	13 (24.07)	45 (30.00)
Drug addiction and alcoholism	8 (28.57)	8 (29.62)	4 (20.00)	20 (26.66)	2 (11.76)	3 (12.5)	2 (5.88)	7 (9.33)	10 (22.22)	11 (21.56)	6 (11.11)	27 (18.00)
Gambling	4 (14.28)	3 (17.71)	1 (5.00)	8 (10.66)	3 (17.64)	1 (4.16)	2 (5.88)	6 (8.00)	7 (15.55)	4 (7.84)	3 (5.55)	14 (9.33)

* Multiple response
Figures in parentheses indicate percentages

percent) farmers faced economic degradation in UIVs. The one-fourth percentage of the respondents who felt that it led to family disputes was RVs and UIVs respectively.

More percent of respondent in i.e. (28.57, 24.62 and 20.00 percent) among small, medium and large faced the problem of drug addictions and alcoholism in RVs as against i.e. 11.76, 12.50 and 5.88 percent in UIVs. Very small percent of respondents felt that it created the problem of gambling in RVs and UIVs respectively.

4.4 Household expenditure

The data on expenditure on various household items of daily needs were compiled and calculated on per family and per year basis. It has been arranged in Table 4.4.

The items of daily need included under household expenditure were: food, clothing, education, medicine, electricity, travelling, fuel, socio-religious ceremonies, liquor and litigation. It is evident from Table 4.4 that expenditure incurred on per household basis was the maximum on education of children (Rs. 35,616) on per year basis. The second maximum expenditure was recorded on food items (Rs. 19,987) being followed by clothing (Rs. 14,891) socio-religious ceremonies like birth death, marriage, akhand path (Rs. 13109), travelling and fuel (Rs. 9,891), liquor (Rs. 9,727), electricity (Rs. 6,159) and the medicine (Rs. 1,355). The total household expenditure on per family basis came out to be Rs. 1,10,735 annually.

Table 4.4: Distribution of the respondents according to average household expenditure per year, district Ludhiana, 2005-06 (Rs.)

Variables	Rural				Urban				Sub total			Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Food	8,179	12,890	21,868	44,107	11,919	16,189	31,842	61,950	9,977	14,644	28,889	53,510
Clothing	4,117	8,202	19,667	31,986	6,789	11,222	23,506	41,517	4,868	10,162	23,656	65,235
Education	12,214	24,677	48,901	85,792	16,606	29,778	68,102	114,486	13,990	27,117	62,118	204,711
Medicine	108	840	1,440	3,388	240	1,200	2,736	4,176	150	1,009	2,190	3,319
Electricity	2,100	3,765	8,901	14,766	2,930	4,989	11,101	19,020	2,405	4,565	10,133	24,503
Travelling & fuel	3,712	6,809	12,120	22,641	5,816	8,929	13,601	28,346	4,107	7,569	15,199	41,115
Socio-religious ceremonies*	5,616	7,896	9,102	22,614	6,117	11,201	22,007	39,325	5,807	10,116	17,805	67,248
Liquor (litigation)	1,112	8,117	12,110	21,339	1,809	10,711	19,011	31,531	1,501	9,619	17,161	50,211
Total (per family)	37,158	73,196	1,34,109	2,44,463	52,226	94,219	1,91,906	3,38,351	42,805	84,801	1,77,151	655,507

* Socio-religious ceremonies include: birth, death, marriage, 'Akhand path' etc.

The table further revealed that the respondents living in UIVs spent more on all the household items than those of RVs. For instance, the expenditure on education in the former case was Rs. 41,682 against Rs. 29,989 in the later case. Similarly, the corresponding figures for food were Rs. 21,736 and Rs. 14,107; for clothing Rs. 15,642 against Rs. 11,169, socio-religious ceremonies Rs. 15,246 against Rs. 7,306 and so on.

The data also showed that per household expenditure on various food and non-food items showed an increasing trend with increase in farm size, because the large farmers spent on all such items more than the medium and small farmers in both UIVs as well as RVs. Also, the medium farmers spent more than small farmers on such food and non-food items in the study area.

On an average, the small, medium and large farmers spent Rs. 42,805, Rs. 84,801 and Rs. 1,77,151 respectively on per household basis per year. It was however, heartening to note that all categories of farmers had spent a substantial amount on the education of their children. Moreover, there was no case of litigation reported, except one, in the study area.

4.5 General attitude of farmers towards consumer durables

The data given in table showed the attitude score(s) of all farmers in this investigation ranging from 1.89 to 3.94 with a standard deviation

of 0.32 and a mean of 3.09 for the whole sample. It indicates that farmers under study had favourable attitude towards the consumer durables. The respondents have been categorized into four different attitude categories given below:

Table 4.5: Distribution of the respondents into different attitude categories, district Ludhiana, 2005-06

Sr. No.	Attitude category Scores	Respondents	Percentage	Range	Mean	S.D.
1.	Highly unfavourable (<2.68)	12	8.00	1.89-2.57	2.27	0.27
2.	Unfavourable (2.68-3.00)	26	17.33	2.85-2.97	2.89	0.06
3.	Favourable (3.00-3.32)	80	53.34	3.00-3.29	3.13	0.08
4.	Highly favourable (>3.32)	32	21.33	3.34-3.94	3.42	0.16
5.	Overall	150	100	1.89-3.94	3.09	0.32

It is interesting to note from data given in table that 74.67 per cent respondents either had 'favourable (53.34 percent)' or 'highly favourable (21.33 percent)' attitude while (17.33) percent had 'unfavourable' attitude towards consumer durables. The reasons for the majority proportion of the respondents having 'favourable' attitude towards consumer durables may be due to their awareness about the quality and durability of branded products, convenience of buying due to credit facility and the availability of various household durables on equal monthly installments and that too with zero percent interest rate. They are now giving up their traditional conservative approach regarding

purchase of consumer durables and are now veering for such items which they now think have become a 'necessity' now-a-days. And before making a purchase they prefer to take advice from their friends, colleagues, neighbours, relatives etc.

By this, we try to understand the attitude of rural consumers towards the household durable items like television, refrigerator, air cooler, washing machines etc. These products are socially considered a sign of status symbol and also indicative of growing consumerism among respondents of the study.

4.6 Factors affecting income utilization by different categories of farmers

4.6.1 Housing type

The information incorporated in the Table 4.1.6 revealed the housing type of the respondents. The data indicated that majority of the respondents i.e. 96.66 percent were residing in 'pucca' houses while about 2.66 percent owned mixed type of houses which were partly 'pucca' and partly 'kacha'. However, a few (1.33 percent) still dwelled in 'kacha' houses.

The Table 4.1.6 further highlighted that all the medium and large farmers were having 'pucca' houses in both urban and rural influenced villages whereas 7.14 and 14.28 percent of the small farmers had 'kacha' or mixed type of houses in case of rural influenced villages.

Table 4.6.1: Distribution of the respondents according to their housing type, district Ludhiana, 2005-06

Housing type	Rural					Urban					Sub total	Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Large (n=54)		
'Katcha'	2 (7.14)	-	-	2 (7.14)	-	-	-	-	2	-	-	2 (1.33)
'Pacca'	22 (78.57)	27 (100.00)	20 (100.00)	69 (92.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	39 (86.66)	54 (100.00)	144 (96.66)	
'Mixed'	4 (14.28)	-	-	4 (14.28)	-	-	-	-	4	-	4 (2.66)	
Total	28 (100.00)	27 (100.00)	20 (100.00)	75 (100.00)	17 (100.00)	24 (100.00)	34 (100.00)	75 (100.00)	45 (100.00)	54 (100.00)	150 (100.00)	

Figures in parentheses indicate percentages

4.6.2 Farm mechanization

The data given in Table 4.1.9 depicts the adoption of improved farm implements and machinery by the respondents. In study area, the information revealed that a majority of the respondents (85 percent) had owned seed-cum-fertilizer drill, bar/disc harrow and chaff cutter in both RVs and UIVs while more than two-third of the respondents (i.e. 78.66 percent) possessed tractor and drummey. Another 72.00 percent had trolley and 70.00 percent threshers in the study blocks. Table further showed that only a small percentage of the respondents (5.88 percent) had owned harvest-combine.

The data also showed that more than half of small (57.14 percent), medium (55.50 percent) and large farmers (75.00 percent) had their own tractor in the RVs against (82.35, 83.33 and 94.11 percent) in the UIVs. Three-fourth of the respondents (i.e. 75 percent) had owned bar or disc harrow, chaff cutter and seed-cum-fertilizer-drill in both UIVs and RVs. Another 35.71 percent small, 66.66 percent medium and 80.00 percent large farmers owned threshers in RVs. Similarly 58.82 percent small, 83.33 percent medium and 91.17 percent large farmers possessed threshers in the UIVs. Data further revealed that (42.85, 77.77 and 90.00 percent) of small, medium and large farmers had trolley in RVs. Similarly (64.10, 75.00 and 94.11 percent) of small, medium and large farmers had trolley in UIVs. Only 5.88 percent

Table 4.6.2: Distribution of the respondents according to adoption of improved agricultural implements and machinery, district Ludhiana, 2005-06

Implements and machinery	Rural				Urban				Sub total			Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Tractor	16 (57.14)	21 (55.55)	15 (75.00)	52 (69.33)	14 (82.35)	20 (83.33)	32 (94.11)	66 (88.00)	30 (66.66)	41 (80.39)	47 (87.03)	118 (78.33)
Harrow (Bar/disc)	20 (71.42)	25 (92.50)	16 (80.00)	61 (81.33)	16 (94.11)	18 (75.00)	33 (97.28)	67 (89.33)	36 (80.00)	43 (84.31)	49 (90.74)	128 (85.33)
Thresher	10 (35.71)	18 (66.66)	16 (80.00)	44 (58.66)	10 (58.82)	20 (83.33)	31 (91.17)	61 (81.33)	20 (44.44)	38 (74.50)	47 (87.03)	105 (70.00)
Trolley	12 (42.85)	20 (74.07)	15 (75.00)	47 (62.66)	11 (64.10)	18 (15.00)	32 (94.11)	61 (81.33)	23 (51.11)	38 (74.50)	47 (87.03)	108 (72.00)
Drumme	12 (42.85)	21 (77.17)	18 (90.00)	51 (68.00)	11 (64.70)	22 (61.66)	34 (100.00)	67 (89.33)	23 (51.11)	43 (84.31)	52 (96.29)	118 (78.66)
Chaff cutter	20 (35.7)	22 (81.48)	17 (85.00)	59 (78.66)	15 (88.23)	21 (87.50)	33 (99.11)	69 (92.00)	35 (77.77)	43 (84.31)	50 (92.59)	128 (86.33)
Seed-cum- fertilizers drill	22 (78.57)	20 (74.07)	16 (80.00)	58 (77.33)	16 (94.11)	20 (83.33)	34 (100.00)	70 (93.33)	38 (84.44)	40 (78.43)	50 (92.59)	128 (85.33)
Harvest combine	-	-	-	-	-	-	2 (5.88)	2 (5.86)	-	-	2 (3.70)	2 (1.33)

* Multiple response
Figures in parentheses indicate percentages

of the large farmers had owned harvester-combine in the UIVs while none of the rest did possess such an expensive item in the study area.

4.6.3 Household possessions

Table 4.1.10 showed the data related to household material possessions of the respondents. A majority of the respondents (98.66 percent) owned at least one television set in the house followed by 90.66 and 94.66 percent of the respondents who owned scooter or motor cycle and bicycle respectively. It was heartening to note that 62.66 percent respondents owned either a car or a jeep. A substantial majority (89.33 and 88.66 percent) possessed radio and mobile phones respectively. Similarly a vast majority of the respondents (84.00 and 67.33 percent) also owned V.C.R. and room cooler and more than half had owned washing machines. More than one-third of the respondents (35.33 percent) also possessed air-conditioners in their houses.

The table further highlighted the fact that a substantial majority of the small farmers in RVs (viz. 96.42, 89.28 and 75.00 percent) had possessed television sets, bicycles, radio, mobile and scooter and motor cycle against small farmers in UIVs a substantial majority possessed cycle, radio and V.C.R. and 47.05 percent of respondents had A.C. In case of medium farmers, a majority of the respondents had T.V. and bicycle.

Nearly 34.40 percent of respondents had car, V.C.R and washing machines as compared to medium farmers, in UIVs whereas majority

Table 4.6.3: Distribution of the respondents on the basis of ownership of household items, district Ludhiana, 2005-06

Material possession	Rural				Urban				Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	
Bicycle	27 (96.42)	26 (96.29)	20 (100.00)	73 (97.33)	15 (88.23)	24 (100.00)	34 (100.00)	73 (97.33)	146 (94.66)
Scooter/ Motorcycle	20 (74.07)	24 (88.88)	18 (90.00)	62 (82.66)	16 (94.11)	24 (100.00)	34 (100.00)	74 (98.66)	136 (90.66)
Car/Jeep	4 (14.20)	10 (37.03)	16 (80.00)	32 (42.66)	15 (88.23)	17 (70.83)	32 (94.11)	64 (85.33)	94 (62.66)
Radio/ Transistor Television	25 (89.28)	20 (74.07)	20 (100.00)	65 (86.66)	15 (88.23)	20 (83.33)	34 (100.00)	69 (92.00)	134 (89.33)
Mobile phone	21 (96.42)	20 (96.29)	20 (100.00)	61 (97.33)	16 (100.00)	22 (100.00)	34 (100.00)	72 (100.00)	148 (98.60)
VCR	6 (21.42)	12 (44.44)	14 (70.00)	32 (42.66)	15 (94.11)	20 (92.66)	34 (100.00)	69 (96.00)	101 (88.66)
Room Cooler	14 (50.00)	24 (88.88)	16 (80.00)	54 (72.00)	15 (88.23)	24 (100.00)	34 (100.00)	73 (97.33)	126 (84.00)
Air conditioner	-	2 (7.40)	3 (15.00)	5 (6.66)	8 (47.05)	10 (41.66)	30 (88.23)	48 (64.00)	53 (35.33)
Washing Machine	6 (21.42)	9 (33.33)	10 (50.00)	25 (33.33)	12 (10.05)	20 (83.33)	32 (94.11)	64 (85.33)	89 (59.33)

* Multiple response

Figures in parentheses indicate percentages

of respondents had radio, V.C.R., washing machines and car/jeep while 47.05 percent respondents had air conditioners respectively.

Among the large farmers, substantial majority had owned scooter / motor cycle, car/jeep, bicycle, radio/transistor, T.V, mobile phone, V.C.R, air-conditioner.

So, on overall basis, the data indicated that in all the study villages, the large and medium farmers owned more number of household items than the small farmers. A substantial majority however owned household items such as televisions, radio, bicycle, scooter/motor cycle and mobile phones irrespective of land size or RVs/UIVs background.

4.6.4 Selling of land and valuables

Data related with the selling of land and valuables is presented in the Table 4.6.4. It depicted that out of a total of 150 respondents, a majority (75.33 percent) did not sell any land or valuables, while the remaining 24.66 percent had to sell their land or valuables due to certain compelling circumstances. For instance, 8.66 percent and 7.33 percent of the respondents had to sell their land or valuables to meet expenses on socio-religious ceremonies and for the repayment of old debt respectively. Whereas, 7.00 percent and 4.00 percent of the respondents did so because of sub-division of the family and the uneconomical size of landholding respectively.

Table 4.6.4: Distribution of the respondents according to reasons for selling out land and valuables, district Ludhiana, 2005-06

Reason of selling out land or any other valuable	Rural				Urban				Sub total		Grand total (N=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)
Subdivision of family	2 (7.14)	2 (7.40)	2 (10.00)	6 (8.00)	1 (5.88)	2 (8.30)	2 (5.88)	5 (6.66)	3 (4.00)	4 (7.84)	4 (7.40)
Uneconomical land size	2 (7.14)	1 (3.70)	-	3 (4.00)	1 (5.88)	-	-	1 (1.33)	3 (4.00)	1 (1.96)	-
Socio-religious ceremonies	3 (10.7)	2 (7.40)	2 (10.00)	7 (4.33)	1 (5.88)	2 (8.33)	3 (8.82)	6 (8.00)	4 (5.33)	4 (7.84)	5 (9.25)
Repayment of loan/old debts	3 (10.7)	2 (7.40)	1 (5.00)	6 (8.00)	2 (11.76)	1 (4.16)	2 (5.88)	6 (8.00)	5 (6.67)	3 (5.88)	3 (5.55)
Didn't sell land or valuables	19 (67.85)	20 (74.07)	15 (75.00)	54 (72.00)	12 (64.70)	20 (83.33)	28 (82.35)	60 (80.00)	31 (4.00)	40 (53.33)	43 (79.62)

* Multiple response

Figures in parentheses indicate percentages

The data further revealed that the more number of the respondents who had sold out their land or valuables were from RVs. Table also showed more number of large farmers (9.25 percent) had to sell their land due to meeting of expenses on socio-religious ceremonies against 5.33 percent of small and 7.84 percent of medium farmer in the study area. Table further highlighted that 6.67 percent small, 5.88 percent of medium and 5.55 percent of large farmers had sold out their land or valuables for the repayment of outstanding loans or old debts. A very negligible percentage of the respondents i.e. 4.00 percent of small farmers and only one medium farmer had to sell their land due to uneconomical land size.

4.6.5 Social participation

Table 4.1.12 revealed the social participation level of the respondents based upon their membership of various organizations such as village panchayat, crop organization, school committee, religious committee, panchayat samiti etc. The table showed that 14.66 percent of the respondents were the members of some religious committees. Whereas 12.66 percent were the members of Panchayat samitis in both RVs and UIVs. Only 10 percent of the farmers were the members of any kind of crop organization, while 5.33 percent were the members of village panchayat and 6 percent School Management

Table 4.6.5: Distribution of the respondents according to their social participation level, district Ludhiana, 2005-06

Social participation	Rural				Urban				Sub total			Grand total (n=150)
	Small (n=28)	Medium (n=27)	Large (n=20)	Sub total (n=75)	Small (n=17)	Medium (n=24)	Large (n=34)	Sub total (n=75)	Small (n=45)	Medium (n=51)	Large (n=54)	
Member of village Panchayat committee	3 (10.71)	1 (3.70)	1 (5.00)	5 (6.66)	1 (5.88)	-	2 (5.88)	3 (4.00)	4 (8.88)	1 (1.96)	3 (5.55)	8 (5.33)
School management committee	2 (7.14)	1 (3.70)	2 (7.40)	5 (6.66)	1 (5.88)	2 (8.33)	1 (2.94)	7 (14.33)	3 (6.66)	3 (5.88)	3 (5.55)	9 (6.00)
Religious committee	5 (17.85)	4 (14.81)	2 (7.40)	11 (4.66)	4 (23.52)	3 (12.5)	4 (11.76)	4 (5.33)	9 (20.00)	7 (13.72)	6 (11.11)	22 (14.66)
Farm Organisation	-	1 (3.70)	1 (5.00)	2 (2.66)	-	-	2 (5.88)	11 (14.66)	-	1 (1.96)	3 (5.55)	4 (2.66)
Crop organisation	2 (7.14)	3 (11.11)	3 (15.00)	8 (10.66)	2 (11.76)	2 (8.33)	3 (8.82)	2 (2.66)	4 (8.88)	5 (9.80)	6 (11.11)	15 (10.00)
Panchayat Samitis	2 (7.14)	4 (14.8)	2 (7.40)	8 (10.66)	1 (5.88)	4 (16.66)	6 (17.64)	11 (14.66)	3 (16.66)	8 (15.68)	8 (14.81)	19 (12.66)

* Multiple response
Figures in parentheses indicate percentages

committees. Very few respondents (2.66 percent) were the members of any Farm Organization in the study area.

Table further showed that 17.85 percent small, 14.81 percent medium and 7.40 percent large farmers were the members of religious committee in RVs against 23.52, 12.5 and 14.66 percent in the UIVs. Regarding the membership of Panchayat committee, the number was very meagre in both the RVs as well as UIVs.

SUMMARY AND CONCLUSIONS

The Punjab state has witnessed a phenomenal increase in agricultural production during the last three decades. It has consequently led to increased income levels of farmers. It is, however, apprehended that the increased farm income have been utilized differentially by different categories of farmers. It was, therefore, considered pertinent to institute an empirical study to determine the sources of income of the farmers, their inclination towards utilization of increased income, with special reference to its sociological perspective. The present study was, therefore, planned with the following specific objectives:

- (i) To determine the level of income investment and expenditure pattern of different categories of farmers;
- (ii) To examine the general attitude of farm families toward investment vis-à-vis consumption items; and
- (iii) To delineate the factors affecting utilization of increased income of farmers in Punjab.

This study was based on data collected from Ludhiana district of Punjab. Two blocks were selected randomly: one with urban influence (within 5 kms radius) and the second with rural influence (5-15 kms radius). From these two blocks, 10 villages were again selected randomly taking five from each study block. All the farmers of the study

villages were listed and categorized into small (upto 5 acres), medium (5-15 acres) and large (more than 15 acres) on the basis of standard classification. A sample of 15 farmers was selected randomly from each study village on the basis of probability proportion to size. In all, the sample was consisted of 150 farmers consisting of 45 small, 51 medium and 54 large from the study area.

The research instrument used in the study was the 'interview-schedule'. Data were collected personally with the help of semi structured and pre-tested interview schedule. After collection of data the master tables were prepared and data were quantified for analysis.

Salient findings

The study indicated that about one-third (38 percent) of the respondents were in the age group of 40-50 years, and they mainly belonged to high castes (88.66 percent). It was observed that nearly two-third of the respondents were living in nuclear families and half of them were having five to eight family members. As regards education level, it was seen that a majority of the respondents (80.00 percent) was literate and only 10.66 percent of the respondents were educated upto graduation or even higher. A majority possessed pucca houses with a very few having mixed or 'katcha' houses.

The study further revealed that more than half of the respondents i.e. 58.00percent were engaged in 'self-cultivation' having tubewell as the main source of irrigation followed by submersible pumps. Majority of

the respondents had owned bicycle, scooter/motorcycle, television, radio, mobile and cooler etc. A majority also possessed their own farm equipments as harrow, chaff-cutter, seed-cum-fertilizer drill, thresher etc.

Two-third of the respondents had not sold out any land or their valuables and only 2.66 percent did so due to some non-economical size of land holding and social-religious expenditure.

The social participation level showed that only 5 percent of them were the members of some socio-political organizations like village panchayat, crop organization, religious committees etc.

Majority of the respondents had borrowed credit from Rs. 1,00,000 to Rs. 2,00,000 from various financial institutions. They however diverted loans for some non-productive investments, partially or fully, such as construction of house, purchase of household durables, repayment of old debts, marriage of son/daughter, liquor, litigation etc.

The loan borrowing however has both positive as well as negative consequences. The positive impacts were buying of better farm machinery and equipments and meeting uncertainties of life and natural calamities successfully. While negative effects of loans were listed as economic and social degradation encouraging family disputes, drug addiction, alcoholism etc.

Farm expenditure increased with the increase in the size of farm i.e. the expenditure on farm inputs like fertilizers, insecticides, seeds and fuel increased with increase in farm size.

Similarly the data on the proportion of expenditure out of total family expenditure indicated that the expenditure on food items was significant among small farmers where as in case of clothing and medicine it was significant among medium and small farmers. The expenditure on education, liquor and marriage was non-significant whereas social expenditure on birth, death and such other social gatherings was significant among medium sized farmers.

More than two-third of the respondents i.e. (74.67 percent) had 'favourable' and the rest (25.33 percent) 'unfavourable' attitude towards various consumer durables such as television, refrigerator, air cooler, branded products, washing machine etc. The reason for such a high proportion of respondents having favourable attitude may be due to their increased income levels and change in their thinking pattern that such items were no longer considered luxurious now but necessities of life. Moreover, easy loan facilities are available to procure such household durables on easy-monthly-installment basis and are now considered a symbol of social status.

Almost entire income of the small farmers was spent on various agriculture and household items. The majority share of their income was spent on food items. So, their saving was almost negligible. In case of

large farmers, a small proportion of their net income was spent on food items yet they incurred large sums on non food items and in purchasing household durables. So, their savings were also negligible mainly due to non-productive investments. Such investments were more in case of UIVs than RVs study villages.

Conclusions

The level of income of all categories of farmers has risen and so is the expenditure on modern agricultural inputs and household items. The attitudes of farmers determine the role of investments in the farm business. This is however, is conditioned by several socio-economic variables which include size of farm, family, type of family, residence, level of education, age, number of earning members in the family, the socio-economic status and the values of the farmers.

Suggestions

Some of the suggestions were therefore given on the basis of present study as follow:

- Increased productive investments are needed to make use of new farm technology, such as seeds, fertilizers, plant-protection measures, irrigation and machinery. The expenditure on productive items, therefore, largely determines the growth of agriculture.
- As the farmers generally borrow money/loan for productive purposes but later on they use it for some non-productive

items also, partially or fully. So, the financial institutions should also provide loans for meetings social obligations.

- As the non-institutional sources charge heavy rate of interest so the institutional sources with simple loaning procedure and nominal rate of interest should be encouraged in the study area.
- In the case of some special cases like natural calamities, crop failures etc, the repayment of loan should be deferred or waived off. The farmers could also be allowed to repay back the loan in easy installments.

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APPENDIX - I

SCALE TO MEASURE ATTITUDE TOWARD INVESTMENT VIS-A-VIS CONSUMPTION ITEMS

Sr. No.	Attitude statements	Response categories				
		SA	A	UD	DA	SDA
1.	Do you prefer getting relevant information from other before buying products					
2.	You always prefer first wait to learn how a new product is before buying					
3.	Do you prefer buying products which consume less electricity					
4.	According to you television and educative and informative					
5.	According to you television as a source of entertainment					
6.	According to you branded products are high in quality					
7.	Do you think branded products more durables					
8.	Do you think local made products are reasonably priced					
9.	Now-a-days no need of washing machine					
10.	Do you think air cooler not good for health					
11.	According to you purchase of consumer durables wastage of money					
12.	Do you think consumer durable are a necessity now a day					
13.	What do you think loan be taken to purchase these					
14.	Because of convenience of buying on installments					
15.	What do you think children's inferiority feeling without these products					
16.	Do you think local made are more durables					
17.	Do you think branded products are always overpriced					
18.	Do you prefer to buy a products when price is likely to decrease if purchase delayed					
19.	According to you purchasing consumer durables is a trend/fashion					

(Note: Kindly indicate your agreement with respect to columns provided viz. strongly agree (SA), agree (A), undecided (UD), disagree (DA) and strongly disagree (SDA) against each

20.	What do you think ownership of consumer durables a status symbol					
21.	Do you prefer owning of consumer durable when a new brand/model is introduced in a market					
22.	Do you prefer spend money as consumer durables for family					
23.	Do you prefer purchase of good quality even at higher price					
24.	Do you prefer importance of brand or manufacture's name					
25.	Do you take the approval by family before purchase					
26.	Easy availability of spares					
27.	Do you think washing machines save detergents					
28.	According to you washing machines are soft on clothes than servant's hand wash					
29.	Do you prefer quality of foreign collaboration products					
30.	Do you prefer seldom seekings advice from other					
31.	Do you prefer low quality of local made products					
32.	What do you think refrigerator reduces house wife's work					
33.	According to you air cooler have made summer's bearable					
34.	You always prefer to ask for price before looking at the quality					
35.	According to you consumers durable are luxury items					

APPENDIX – II INTERVIEW SCHEDULE

STUDY-AN ANALYTICAL ASSESSMENT OF UTILIZATION PATTERN OF INCOME OF LUDHIANA FARMERS – A SOCIOLOGICAL PERSPECTIVE

1. Name of the Respondents _____ 2. Name of the Village _____
- Age _____ Caste _____ Gender _____

3. Education : _____
4. Family type : Nuclear/joint
5. Family data : _____

Sr. No.	Relationship to Head	Age (yrs)	Marital status				Educational level		
			M	UM	W	Illiterate	Literate	Complete	Student
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									

5. Size of operational holding (In acres)

		Irrigated	Unirrigated	Total
i.	Owned			
ii.	Leased in			
iii.	Leased out			

6. Source and capacity of irrigation

	Source	Areas covered since	When using
a.	Canal		
b.	Tubewell		
c.	Pumping set		
d.	Others		

7. Adoption of improved implements and machinery:

Sr. No.		Own saving (Rs)	Loan (Rs.)	Cost (Rs.)	Present (Rs.)	Value
1.	Seeds (latest variety)					
2.	Fertilizers					
3.	Tractor					
4.	Harrow (Bar/disc)					
5.	Thresher					
6.	Trolley					
7.	Drummey					
8.	Chaff cutter					
9.	Seed-cum-fertilizer drill					
10.	Sprayer (insecticides pesticides)					

8. Income from agriculture (Rs. Per yrs)

Source of family income (Rs. Per yr.)

1. Past saving (Rs.)
2. Cash in hand (Rs.)
3. Stock (grains) (Qtls)
4. Scale of by products
5. Scale of farm produce
6. Scale of other capital assets including household durables
7. Income from wages (Rs.)
8. Income from rent, interest hiring charges, if any?
9. Any other? (specify)

9. Expenditure on agricultural operations (Rs.)

1. Seeds
2. Fertilizers
3. Wages of labour
4. Pesticides
5. Hiring of agril. Equipments and machinery
6. Rent paid to landlord
7. Hiring of bullocks
8. Irrigation charges (fuel charges)
9. Permanent labour
10. Any other? (specify)

10. Inventory of the capital assets amount spent on their repair and maintenance

	Capital units as sets	No, acquired value and source of finance			Expenditure incurred on repair and maintenance		
		Quantity	Value (Rs.)	Source (Rs.)	Quantity	Value (Rs.)	Source (Rs.)
1. Farm assets							
a.	Land						
b.	Building						
c.	Irrigation sources						
d.	Machinery and equipments						
e.	Live stock						
2. Non-farm assets							
a.	Land						
b.	Building						
c.	Machinery and equipment						
d.	Household durables						
e.	Others						

11. Other expenditures

A. Family consumption expenditure

(i) Food items

Cereals, vegetables, milk and milk products, oil, meat, sugar, gur, tea, spices fruits etc.

(ii) Non food items

- a. Clothing
- b. Education
- c. Lighting
- d. Housing
- e. Medicine
- f. Travelling expenditure
- g. Household furniture
- h. Household appliances and other equipments

(iii) Social religious expenditure (Any on such event last performed)?

- a. At birth ceremony
- b. Death ceremony
- c. Social gathering
- d. Pilgrimage

(iv) Religious functions (Give details) (like Akhand Path)

(v) Litigation (give details)

(vi) Luxuries

(vii) Liquor / tobacco products

(viii) Non-farm business

12. What were major purpose for which the loan was used? Please mark against suitable reason?

A.

- a. Construction of building
- b. Purchase of household equipment/clothes/jewellery etc.)

- c. Repayment of old debts
- d. Marriage ceremonies
- e. Litigation
- f. Medicare
- g. Any other (specify)

13. Have you sold your land or any other valuables to meet economic or social needs?

Yes/No

If yes, then mark against **the suitable reason for selling**

- a. Subdivision of family
- b. Due to uneconomical size of land holdings
- c. Due to expenses on socio-religious ceremonies
- d. Any other (specify)

14. Social-Economic status of farmers

A.	Material possessions	Units	Value (Rs.)	Unit	Value (Rs.)
1.	Cycle				
2.	Scooter/motorcycle				
3.	Car/Jeep				
4.	Radio				
5.	T.V.				
6.	Mobile phone				
7.	VCR				
8.	Cooler/A.C.				
9.	Washing machine				
10.	Housing type				
a.	Katcha	b.	Pucca	c.	Mixed

B. Social participation

1. Have you been the member of the following village/ block/ organization?

- a. Panchayat
- b. Any crop organization
- c. School committee
- d. Religious committee
- e. Farm organization
- f. Panchayat Samities

15. Values orientation scale

a. **Do you feel that utilization of loans affected you positively?**

Yes/No/No response

If yes, taking credit is helpful to the farmers

- a. To buy better machinery / equipments
- b. At the time of natural calamities
- c. At the time of market uncertainties
- d. To meet social obligations
- e. To raise economic standard
- f. Any other (specify)

b. **Do you feel that utilization of loans affected per negatively?**

Yes/No/No response

If yes

- a. Economic degradation
- b. Social degradation
- c. Family disputes
- d. Drug addiction
- e. Alcoholism
- f. Gambling
- g. Any other (specify)

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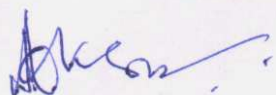
Total pages in thesis : 73 + Appendix (II) + Vita

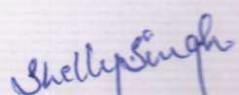
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Abstract

The present study titled, "An Analytical Assessment of Utilization Pattern of Income of Ludhiana Farmers – A Sociological Perspective", was conducted in two blocks of Ludhiana district with the following specific objectives: (i) To study the level of income, investment and expenditure pattern of different categories of farmers (ii) To examine the general attitude of farm families towards investment vis-à-vis consumption items and (iii) To delineate the factors affecting utilization of income. The study concluded that from both the study blocks, net family income of the farmers were Rs. 39652 in UIVs whereas Rs. 308670 residing in RVs. Majority of the respondents reported that utilization of loans was affecting them positively in the form of buying better farm machinery / equipments. How was in case of economic degradation. The general attitude score(s) of the farmers towards investment vis-à-vis consumption items. ranged from 1.89-3.94 with a standard deviation of 0.32 and a mean of 3.09 which indicates that majority of the farmers had favourable attitude towards consumer durables such as television, refrigerator, air conditioner etc. Almost entire income of the small farmers was spent either on agriculture or daily household needs and consequently their savings were almost negligible. To avoid non-productive use of agricultural loans, the institutional agencies alongwith agricultural loans should also give consumption loans for meeting social obligation of rural borrowers.

Key words: Income utilization, expenditure pattern, investment, socio-cultural factors, attitude towards investment.


Signature of major advisor


Signature of the student