

Only 20.7% households fully rely on agriculture

A new report reveals that most Indian farm households rely on non-farm income, urging a rethink of rural development and agri reforms.



NEW DELHI, 2 June 2025: With a growing number of rural households diversifying their sources of income beyond farming, a new report has called for a major overhaul of rural development strategies and reforms in the agriculture sector.

The report, titled “Reimagining Annadata Households and Their Livelihoods Beyond the Farm” by People Research on India’s Consumer Economy (PRICE), highlights that while 42.4% of rural households derive some income from agriculture, only 20.7% are fully dependent on it.

According to the PRICE ICE 360° Survey, about 140 million Indian households in 2024-25 report agriculture and allied activities as a source of income. However, only 68.4 million—or 20.7%—are classified as ‘full-time’ agricultural households, meaning farming is their main livelihood.

“This stark difference indicates that a significant number of households derive part of their income from non-farm activities, with agriculture playing a supplementary role in their overall economic structure,” the report notes.

The report underscores that farming alone is no longer enough to sustain rural livelihoods. In fact, 33% of the income of agricultural households is derived from non-farm sources such as self-employment (7.1%), salaried jobs outside agriculture (3.4%), and remittances (2.6%).

It estimates that the average full-time agricultural household in India is projected to earn INR 7.31 lakh in 2024-25, of which INR 4.90 lakh (67.1%) will come from farming and INR 54,000 (7.4%) from allied agri activities like dairy and livestock.

To address the evolving rural economy, the report recommends redefining the term Annadata to include tenant farmers, sharecroppers, and landless workers so they can benefit from welfare schemes like PM-Kisan and access formal financial services.

It also advocates for boosting non-farm rural employment through entrepreneurship and skill development, while emphasizing agricultural productivity and financial inclusion to ensure Annadata households play a key role in India's transition to Viksit Bharat.

The report has been authored by Rajesh Shukla, Adite Banerjee, and Tanvi Menaria.