

AN EXPLORATION OF SOCIO-ECONOMIC STATUS OF FARM HOUSEHOLDS IN EASTERN AND WESTERN REGION OF UTTAR PRADESH

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Abstract

The study has particularly focused on the state of Uttar Pradesh which contributes a significant part of the agricultural output of the country. The main objective of the study is to explore the socio-economic situation of rural household of different farm size groups in the state. In this paper we analyze the basic characteristics of Farm households, which are the ultimate units upon which rest the whole burden and subsistence of the performance of Agriculture sector. The socio-economic background of the households is very important, as it constitutes the environment, which largely determines the farm production decisions, yields, savings and investment. The study concluded that land is predominantly owned by upper castes. Female contribution in the labour force is missing all through the state and the class and caste system are resilient. The regional variations in investment in agriculture persist in eastern and western regions of Uttar Pradesh.

Kew-words: rural farm households, socio-economic status, eastern region, western region

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I. Introduction

Uttar Pradesh is the biggest State in the country which endowed with natural resources, favorable climate, blessed with mineral wealth and, fertile land. On the other hand, Uttar Pradesh is the most populous state of India with a very high population density. The State's economy is primarily based on agriculture which provides employment to more than 50% workers. But it is also considered among the most backward states in India, with high levels of poverty and low levels of social and economic development. Its rapidly expanding population makes it more difficult for development gains to be felt in the state.

According to data released by NSSO based on 59 th round of NSS, out of an estimated number of 22.15 million rural households in Uttar Pradesh, 77.4% are farmer households. The NSSO Report reveals that 24% of UP farmers (27% at all India level) did not like farming and felt that agriculture was not profitable. In all 41% farmers in UP (40% at all India level) felt that, given a choice, they would take up some other career. This indicates a serious problem with agriculture sector where in the main characteristic is suffering from low self esteem. In the social hierarchy, farming as a profession now figures considerably low in the social order. Awareness level of UP farmers is close to the all India figures in respect of bio-fertilizers, crop insurance etc. At all India level only 4% of farmer households had ever insured their crops and 57% did not know that crops could be insured. However, in UP only 1.2% of farmer households had ever insured their crops and 56% were unaware that crops could be insured. These data clearly highlight that extension activity in the State need to be revisited. With the aforesaid backdrop the researcher delved to explore the socio-economic situation of rural household of different farm size groups in the state. This paper is divided into five sections. Section one describes introduction and conclusions of several studies, focused on regional development of the state of Uttar Pradesh. Study design and methodology has been discussed in second section. Third section explores social status of farm households in regions, based on the data collected from sample households. Section four describes the economic status of farmers and section five summarized the findings of the paper.

Objective of the study -

The main objective of the study is to explore the regional differences in the basic characteristics

of the Farm households in eastern and western regions of Uttar Pradesh and to depict the social and economic status of different farm size groups.

Review of Literature

Several studies conducted on the economic development of Uttar Pradesh revealed the fact that the State economy is characterized by significant inter-regional variations in overall economic as well as agricultural development. Eastern region of the State is particularly known for its poverty and backwardness, while Western region is regarded as one of the agriculturally more developed and prosperous regions of the country. Eastern region is less developed than Western region of the state in every dimension of economic development. (Sinha,1979; Singh,1969,1981,1982, 1987, 1996; 2002,Subbarao 1980). In Uttar Pradesh, cropping patterns are largely determined by natural physical conditions, such as soil type, climate, rainfall patterns, elevation and topography (Bhalla and Singh, 2001; Pant, 2003).

Historically, eastern and western U.P. had different systems of landholdings, and although land reforms have been put in place, eastern U.P. still has a higher share of marginal land holdings (Stokes, 1978).

Dreze and Gazdar,(1998) point out that in the eastern, western and central regions of U.P., land is predominantly owned by upper castesThe gap between landowning castes and the dispossessed is sizeable throughout the state and this, combined with U.P.'s patriarchal nature; continue the pattern of uneven development (Sharma and Poleman, 1993).

A study by Srinath Singh (1976) highlighted that in Eastern U.P. agriculture was a very low paying business because holdings were small and scattered and prevailing technology made large scale investments in agriculture both risky and uneconomic. Misra (1979) highlighted the uneven growth across regions in Uttar Pradesh and concluded that different regions have shown significant variations in productivity growth. Similar conclusions were drawn by Sen (1979) that the problem of variations in the agrarian conditions in different regions of the State existed even before Independence. With a dense population, high pressure of population on agricultural land, and very low per capita income, the incidence of poverty in Eastern region is extremely high. U.P. still has a higher share of marginal land holdings (Stokes, 1978, Bajpai and Volavka, 2005). This study is expected to make further contribution by throwing up fresh primary data on socio-

economic status of farmers and by looking at the regional picture of agriculture sector in the state in the changed economic regime.

II- Study Design and Methodology

The primary data were collected from 256 selected rural households to study the saving and investment behaviour of farmers with the help of a field study. Data on various aspects of socio-economic conditions of the households was collected with the help of a detailed structured questionnaire. A multi-stage random sampling design was used for the selection of households. In the first stage two districts, one each from the eastern and western regions of U.P. was selected. We have selected Bijnor district of west U.P. and Faizabad district of east U.P., as they represent the average situation prevailing in the two regions. In the second stage, two blocks were selected from each district, one with good irrigation facilities, and the other with poor irrigation facilities to take into account the variations in resource endowment. The percentage of irrigated area to the net sown area was the criteria of irrigation facilities. In the third stage, two villages were selected from each of the selected blocks, one with better infrastructure facilities in terms of roads and banks and the other with relatively poorer infrastructure facilities. In the final stage, 32 cultivating households were selected from each of the selected villages.

In this paper we analyze the basic characteristics of Farm households, which are the ultimate units upon which rest the whole burden and subsistence of the performance of Agriculture sector. The socio-economic background of the households is very important, as it constitutes the environment, which largely determines the farm production decisions, yields, savings and investment. The basic characteristics of the sample households have been described under two heads: (a) Social characteristics; (b) Economic Characteristics;

III. 1.0-Social Characteristics

Social characteristics of the sample households have been described under the following heads-size of the family, religion and caste, sex composition, age distribution, and educational qualification.

1.1 Size of the Family

Size of the family is a most important variable which affect level of capital formation very significantly. Average size of the family was larger in Faizabad as compared to Bijnor district. It

further shows that the size of family and the size of land holdings are positively correlated in both the districts as marginal farmers have the smallest size of family while big farmers have largest family size in both districts.

Table.1: Average Number of Persons per Sample Households

	Male	Female	Total	Male	Female	Total
Land Holdings	Faizabad			Bijnor		
Marginal	4.90	4.03	8.94	3.44	3.06	6.50
Small	4.34	3.59	7.94	3.59	2.94	6.53
Medium	5.38	4.19	9.56	3.88	3.06	6.94
Large	5.44	4.72	10.16	5.66	3.63	9.28
All Farms	5.02	4.13	9.15	4.14	3.17	7.31

1.2 Religion and Caste

About 87 % and 50 % of the sample households belonged to the upper castes in large farm holdings in both districts respectively. Only 6% of schedule castes farmers having large size farms in both districts. In contrast 12.5% of schedule castes farmers in Faizabad and 46.87% of schedule castes farmers in Bijnor were possessing marginal size farms. It shows that upper castes have larger holdings in both districts while schedule castes and backward castes mostly have marginal and small holdings in Faizabad. While in Bijnor a good proportion of small farmers belong to upper caste. Backward castes in Bijnor also have medium and large farms in good proportion. Very small percentage of the sample households belonged to the Muslim community in both districts. In Upper castes Kchhatriya and Brahmins are the predominant castes while backward castes mainly consists of Jats, Yadavas and Mauryas and schedule castes like Dhimar, Teli, Nai, Harijans etc. in both districts . It can be noted from the Table that Upper castes are the leading caste in the Faizabad among medium and large farmers. While upper castes and backward castes dominate in the medium and large farmers in Bijnor district

Land Holding	Hindu			Muslim	Total
	Upper	Backward	SC/ST		
	Faizabad				
Marginal	8 (25.00)	18 (56.25)	4 (12.5)	2 (6.25)	32 (100.0)
Small	18 (56.25)	11 (34.38)	3 (9.37)	0 (0.0)	32 (100.0)
Medium	22 (68.75)	7 (21.87)	3 (9.37)	0 (0.0)	32 (100.0)
Large	28 (87.5)	2 (6.25)	2 (6.25)	0 (0.0)	32 (100.0)
All Farms	76 (59.38)	38 (29.69)	12 (9.37)	2 (1.56)	128 (100.0)
Bijnor					
Marginal	5 (15.63)	11 (34.38)	15 (46.87)	1 (3.12)	32 (100.0)
Small	20 (62.5)	6 (18.75)	6 (18.75)	0 (0.0)	32 (100.0)
Medium	13 (40.62)	12 (37.5)	5 (15.62)	2 (6.25)	32 (100.0)
Large	16 (50)	13 (40.62)	2 (6.25)	1 (3.13)	32 (100.0)
All Farms	54 (42.18)	42 (32.81)	28 (21.87)	4 (3.13)	128 (100.0)

Table .2: Distribution of Sample Households by Caste & Religion

Note: Figure in parenthesis indicates percentage to total no. of Sample Households.

1.3 Sex Composition

Table indicates that male-female ratio is adverse in all size of farm holdings in both districts. Worst situation is observed for large holdings in Bijnor. It was also quite notable that sex ratio was almost equal to one on marginal farms in both districts.

Land Holding	Faizabad			Bijnor		
	Male	Female	Total	Male	Female	Total
Marginal	4.90(54.89)	4.03(45.10)	8.94(100)	3.44(52.88)	3.06(47.12)	6.50(100)
Small	4.34(54.72)	3.59(45.28)	7.94(100)	3.59(55.02)	2.94(44.97)	6.53(100)
Medium	5.38(56.21)	4.19(43.79)	9.56(100)	3.88(55.86)	3.06(44.14)	6.94(100)
Large	5.44(53.54)	4.72(46.46)	10.16(100)	5.66(60.94)	3.63(39.05)	9.28(100)
All Farms	5.02(54.82)	4.13(45.17)	9.15(100)	4.14(56.62)	3.17(43.37)	7.31(100)

Table .3: Sex- wise Distribution of Population per Sample Households

Note: Figure in parenthesis indicates percentage to total no. of Sample Households

1.4 Age Distribution

It can be observe that the age structure of population varies with the size of holdings. Among dependent population, which are children and old persons, the proportion of children is higher in case of marginal farmers and the proportion of old persons is higher for the large farmers in both districts. Percentage of population between age group of 35 to 60 years declines with increase in size of holdings with some exceptions. Proportion of working population in Bijnor district was higher than in Faizabad on all size of holdings which affects positively the gross income of the sample households in the district. Sample households with small and medium size of holdings in Bijnor had highest proportion of working population of sample households in both districts.

Table.4: Age Composition of Population per Sample Households

Land Holding	Faizabad				
	< 15	15 to 34	35 to 60	>60	Total
Marginal	3.91(43.71)	2.72(30.42)	1.81(20.28)	0.50(5.59)	8.94(100.0)
Small	3.06(38.58)	2.25(28.35)	2.13(26.77)	0.50(6.29)	7.94(100.0)
Medium	3.19(33.33)	3.22(33.66)	2.38(24.84)	0.78(8.17)	9.56(100.0)
Large	2.94(28.92)	3.56(35.08)	2.66(26.15)	1.00(9.85)	10.16(100.0)
All Farms	3.27(35.78)	2.94(32.11)	2.24(24.51)	0.70(7.60)	9.15(100.0)
Bijnor					
Marginal	2.31(35.57)	1.84(28.37)	2.06(31.73)	0.28(4.33)	6.50(100.0)
Small	1.56(23.92)	2.25(34.45)	2.25(34.45)	0.47(7.18)	6.53(100.0)
Medium	1.63(23.42)	2.69(38.74)	2.06(29.73)	0.56(8.11)	6.94(100.0)
Large	2.69(28.96)	2.97(31.98)	2.75(29.63)	0.88(9.43)	9.28(100.0)
All Farms	2.05(27.99)	2.44(33.33)	2.28(31.20)	0.55(7.48)	7.31(100.0)

Note: Figure in parenthesis indicates percentage to total no. of Sample Households

1.5 Educational Qualification

Table.5: Per Households Distribution of Population by Educational Level

Educational Qualification	Marginal	Small	Medium	Large	All Farms
Faizabad					
Illiterate	2.72 (30.42)	1.16(14.57)	1.31 (13.73)	1.25 (12.31)	1.61 (17.59)
Literate	0.06 (0.69)	0.13 (1.57)	0.19 (1.96)	0.19 (1.85)	0.14 (1.53)
Primary	2.78 (31.12)	1.81 (22.83)	2.13 (22.22)	2.00 (19.69)	2.18 (23.83)
Junior High School	0.97 (10.84)	1.34 (16.93)	1.16 (12.09)	1.09 (10.76)	1.14 (12.46)
High School	1.09 (12.24)	1.38 (17.32)	1.41 (14.71)	0.94 (9.53)	1.20 (13.23)
Intermediate	0.66 (7.34)	0.94 (12.20)	1.13 (11.76)	1.41 (14.46)	1.03 (11.53)
Graduate	0.50 (5.59)	0.88 (11.81)	1.47 (16.67)	1.38 (14.46)	1.05 (12.29)
Post Graduate	0.09 (1.74)	0.16 (2.75)	0.53 (6.86)	1.31 (16.92)	0.52 (7.51)
Professional Degree	0.06 (0.70)	0.16 (1.97)	0.25 (2.61)	0.59 (5.84)	0.27 (2.90)
Total	8.94 (100)	7.94 (100)	9.56 (100)	10.16 (100)	9.15 (100)
Bijnor					
Illiterate	1.41 (21.63)	0.81 (12.44)	1.09 (15.76)	1.16 (12.46)	1.12 (15.28)
Literate	0.06 (0.96)	0.06 (0.96)	0.16 (2.25)	0.13 (1.35)	0.1 (1.39)
Primary	1.5 (23.08)	1.09 (16.75)	1.59 (22.97)	2.06 (22.22)	1.56 (21.37)
Junior High School	1.13 (17.31)	0.78 (11.96)	1.03 (14.86)	1.16 (12.46)	1.02 (13.99)
High School	0.97 (14.9)	0.75 (11.48)	0.91 (13.06)	1.19 (12.79)	0.95 (13.03)
Intermediate	0.75 (11.54)	1.31 (20.57)	1.09 (16.67)	1.5 (16.50)	1.16 (16.35)
Graduate	0.56 (8.65)	1.09 (18.18)	0.75 (10.81)	1.44 (16.84)	0.96 (13.89)
Post Graduate	0.09 (1.92)	0.47 (7.65)	0.19 (3.60)	0.47 (5.39)	0.3 (4.7)
Professional Degree	0.03 (0.48)	0.16 (2.39)	0.13 (1.80)	0.19 (2.02)	0.13 (1.71)
Total	6.50 (100)	6.53 (100)	6.94 (100)	9.28 (100)	7.31 (100)

Note: Figure in parenthesis indicates percentage to total no. of Sample Households

As specified in Table, 17.59 % and 15.28 % of the population of sample households was illiterate in Faizabad and Bijnor districts respectively. The proportion of illiterate population was relatively higher in case of marginal and small farmers. A large proportion of marginal farmers

had education up to primary and high school level while most of the members of medium and large farmers had graduate and post graduate degrees in both districts. It can also be seen from the Table that educational level in Bijnor district was higher in case of small and marginal farmers than Faizabad. Educational level of medium and large farmers in Faizabad was higher than Bijnor (post graduation and professional degree level). Educational level of small farmers was also better in Bijnor district.

2.0 Economic Characteristics

2.1 Activity Status

The proportion of economically active members, i.e. employed persons, was 29.03% in

Activity	Faizabad					Bijnor				
	Marginal	Small	Medium	Large	All Farms	Marginal	Small	Medium	Large	All Farms
Child	1.16	0.44	0.44	0.66	0.67	0.44	0.22	0.25	0.38	0.32
Student	2.94	3.28	3.50	3.41	3.28	2.53	2.31	1.97	3.13	2.48
Employed	2.66	2.16	2.91	2.91	2.66	1.81	2.06	2.50	3.03	2.35
Disabled	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.01
Retired	0.06	0.13	0.06	0.25	0.13	0.00	0.03	0.03	0.13	0.05
House job	2.06	1.88	2.56	2.72	2.30	1.69	1.84	1.97	2.50	2.00
Others	0.06	0.06	0.09	0.22	0.11	0.03	0.06	0.19	0.13	0.10
Total	8.94	7.94	9.56	10.16	9.15	6.50	6.53	6.94	9.28	7.31

Faizabad and 32.16% in Bijnor district. Out of the total family members 7.34% and 4.38% were children and 35.87% and 33.97% were students in Faizabad and Bijnor district respectively. The proportion of housewives was 25.19% in Faizabad and 27.35% in Bijnor.

Table.6: Per Household Distribution of Household Members by Activity Status

It can also be observed by the table that majority of the unemployed persons belonged to medium and large farmers in both districts. The dependency ratio was 1:2.4 in Faizabad and 1:2 in Bijnor districts.

2.2 Occupational Pattern

Primary and secondary occupations of heads of family and population of sample households in Faizabad and Bijnor have been discussed separately in this section.

2.2.1 Primary Occupations

The largest proportions of population of sample households (64.56% and 58.33% in Faizabad and Bijnor respectively) belonged to dependent group and were not engaged in any occupation. The average numbers of dependent family members were higher on medium and large farms in Faizabad and on marginal and large farms in Bijnor districts. Approximately 18% and 19% of the family members of all categories of farmers, in both districts respectively, were engaged in agriculture which indicates dependency of large population on agriculture in rural areas.

Table.8 distribution of population of sample households by primary occupation(%)

Occupational Category	Faizabad				
	Marginal	Small	Medium	Large	All Farms
Agriculture	17 (53.1)	26 (81.3)	28 (87.5)	23 (71.9)	94 (73.4)
Agriculture Labourers	2 (6.3)	0 (0.0)	0 (0.0)	0 (0.0)	2 (1.6)
Non Agriculture-Labourers	3 (9.4)	0 (0.0)	0 (0.0)	0 (0.0)	3 (2.4)
Household Industry	1 (3.1)	0 (0.0)	0 (0.0)	0 (0.0)	1 (0.8)
Business	2 (6.3)	0 (0.0)	2(6.3)	1 (3.13)	5 (3.9)
Service	7 (21.9)	6 (18.8)	2 (6.3)	8 (25)	23 (17.9)
Total	32 (100)	32 (100)	32 (100)	32 (100)	128 (100)
Bijnor					
Agriculture	13 (40.6)	22 (68.8)	28 (87.5)	28 (87.5)	91 (71.1)
Agriculture Labourers	5 (15.6)	0 (0.0)	0 (0.0)	0 (0.0)	5 (3.9)
Non Agriculture- Labourers	2 (6.3)	0 (0.0)	0 (0.0)	0 (0.0)	2 (1.6)
Household Industry	4 (12.5)	4 (12.5)	1 (3.1)	1 (3.1)	10 (7.8)
Business	8 (25)	6 (18.8)	3 (9.4)	2 (6.3)	19 (14.8)
Service	0 (0.0)	0 (0.0)	0 (0.0)	1 (3.1)	1 (0.8)
Total	32 (100)	32 (100)	32 (100)	32 (100)	128 (100)

Remaining household members were occupied in various occupations such as business, animal husbandry, household industry, agriculture labourers, non agriculture labourers and in other occupation in both districts. Animal husbandry was very important primary occupation of sample population in Bijnor district where a good proportion of persons were engaged on all categories of farms, particularly on medium farms.

Non-farm business also engaged a good number of family members in all size of farms in both districts. About 8.63% and 7.80% persons were occupied in service in both districts respectively. Major proportion of sample population working as agriculture labourers and non agriculture labourers were belonged to marginal and small farms in both districts. Some family members of medium size farms in Bijnor district were also engaged as agriculture and non agriculture labourers.

2.3 Ownership and Value of Household Assets

This section deals with a study of ownership and value of household assets, which provides a background to subsequent study of gross and net capital formation by cultivators under different size groups of farms.

2.3.1 Physical Assets- Physical assets reported by sample households are discussed under two heads- farm Assets and non farm assets.

2.3.1.1 Farm Assets

Farm land, farm buildings (excluding residential part), livestock, irrigation appliances, agricultural machinery and implements and transport equipments are included in farm assets. A perusal of the table reveals that total farm assets per hectare of net sown area as well as per farm increased with the increase in farm size, The percentage distribution of farm assets shows that land alone accounts more than 75% of the total farm assets in each size group in both districts, except in case of medium and large farmers in Faizabad.

Orchards and transport equipments are the next major farm assets in Faizabad, while agricultural machinery and implements was the next most important type of farm assets in Bijnor

constituting about ten percent of the total farm assets. The average value of orchard increases with increase in farm size in both districts because generally marginal and small farmers give more importance to food crops for family consumption and to provide employment for family Labour. On the other hand there is shortage of family Labour on large farms and the availability of per capita land is higher.

Table 9: Value of Farm Assets Per Farm (Rs.)

Land Holding	Land	Livestock	Farm Buildings	Orchards	Irrigation Appliances	Agricultural Machinery & Implements	Transport Equipments	Total
	Faizabad							
Marginal	225156 (77)	10200 (4)	4781(2)	24063 (8)	4750 (2)	12547 (4)	9209 (3)	290706 (100)
Small	549844 (76)	13706 (2)	9344 (1)	87188 (12)	8375 (1)	28997 (4)	25638 (4)	723091 (100)
Medium	969375 (67)	20266 (1)	12188 (1)	101250 (7)	34188 (2)	157198 (11)	143181 (11)	1437645 (100)
Large	2018750 (55)	24288 (1)	24406 (1)	833438 (23)	40344 (1)	268134 (7)	491897 (13)	3701256 (100)
All Farms	940781 (59)	17115 (1)	12680 (1)	261484 (16)	87656 (5)	116719 (7)	167481 (11)	1603917 (100)
Bijnor								
Marginal	304219 (85)	20106 (6)	6644 (2)	4688 (1)	4094 (1)	4330 (1)	14034 (4)	358114 (100)
Small	705938 (75)	30259 (3)	20844 (2)	11719 (1)	15750 (2)	116380 (12)	38519 (4)	939408 (100)
Medium	1234688 (76)	38906 (2)	36031 (2)	21563 (1)	42000 (3)	205047 (13)	53938 (3)	1632172 (100)
Large	2689375 (80)	38772 (1)	48031 (1)	168750 (5)	62156 (2)	298288 (9)	55538 (2)	3360909 (100)
All Farms	1233555 (74)	32011 (2)	27888 (2)	51680 (3)	124000 (8)	156011 (9)	40507 (2)	1665651 (100)

Note: Figure in parenthesis indicates percentage to total assets.

Consequently large farmers tried to devote more area under orchards, particularly in Faizabad district. They also maintain orchards to enhance their social status and to gain some returns without heavy expenditure. Value of farm assets per hectare of net sown area also

demonstrates that the proportion of agricultural machinery & implements to total farm assets on all farms in Bijnor was almost 1.5 times than in Faizabad. This proportion was higher in case of small and medium farmers instead of large farmers in Faizabad district. In Bijnor, small farmers too had a good proportion of machinery and implements to total farm assets. A characteristic feature of farm buildings is that all the farmers, except some marginal farmers, have separate enclosure for cattle and implements in both districts. Farm produce and its by-product are generally stored in the residential building. Value of irrigation appliances per farm raises with increase in size of Proportion of transport equipment increases with increase in size of holdings in Faizabad but decreased with increase in size of holdings in Bijnor.

2.3.1.2 Non Farm Assets

the value of non-farm assets per farm was lowest in case of the marginal farmers and highest in the case of large i.e. a ratio of about 1: 7 in Faizabad and 1:3 in Bijnor district. In absolute term the value of non-farm assets per farm increases sharply with the rise in the size of holdings.

Table 10: Value of Non-Farm Assets Per Farm (Rs.)

Land holdings	Residential Buildings	Golden/Silver Ornaments	Durable Household Assets	Non Farm business Equipment	Total
Faizabad					
Marginal	55219 (63.6)	13328 (15.4)	16753 (19.3)	1578 (1.8)	86878 (100.0)
Small	136531(72.6)	24031 (12.8)	26580 (14.1)	1009 (0.5)	188152(100.0)
Medium	185000 (56.3)	79313 (24.1)	56284 (17.1)	8203 (2.5)	328800(100.0)
Large	341250 (53.5)	135156 (21.2)	142541(22.3)	19250 (3.0)	638197(100.0)
All Farms	179500 (57.8)	62957 (20.3)	60539 (19.5)	7510 (2.4)	310507(100.0)
Bijnor					
Marginal	101688 (81.8)	8338 (6.7)	14328 (11.5)	0 (0.0)	124353(100.0)
Small	158656 (69.9)	29750 (13.1)	35475 (15.6)	3250 (1.4)	227131(100.0)
Medium	181094 (71.7)	30906 (12.2)	39581 (15.7)	938 (0.4)	252519(100.0)
Large	279219 (76.4)	41875 (11.5)	44191 (12.1)	0 (0.0)	365284(100.0)
All Farms	180164 (74.3)	27717 (11.4)	33394 (13.8)	1047 (0.4)	242322(100.0)

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Note: Figure in parenthesis indicates percentage to total assets.

There was huge inequality in non-farm assets per farm among different size of holdings in Faizabad district. The most important item of non-farm assets was residential buildings. It constituted more than 50% of the total value of non-farm assets in the Faizabad and more than 70% in Bijnor district. The next important items were golden & silver ornaments and durable household assets. Few large and medium farmers reported a good proportion of non-farm business equipments in Faizabad district but in Bijnor it was negligible.

2.3.2 Financial Assets

This may be on under estimate as it was felt during the survey of cultivators that they were hesitating to report about their actual value of financial assets in both districts. the disparity among different size of holdings, specially between marginal and large farmers, on that basis was lower in Bijnor district where the ratio of value of financial assets in relation to that of marginal farmers is 1:6 in case of large farmers, 1:4 in case of medium farmers, and 1: 3 in case of small farmers. More than 55% financial assets are kept in the form of deposits in banks and post offices by all categories in both districts and more than 30% are held in the form of National Saving Certificates and Kisan Vikas Patra. Deposits in cooperative committees and banks were low in Faizabad but in Bijnor it was quite significant. It appears from the table that deposits in non-banking financial companies and investment in shares & debentures were not yet very popular in rural area of the state. Less than 1.2% of financial assets are kept as deposits in non-banking financial companies and not any investment in shares & debentures in Bijnor whereas large and medium farmers in Faizabad reported about 2.5 % investment in them.

Table .11: Financial Assets Per Farm (%)

Items	Faizabad				
	Marginal	Small	Medium	Large	All Farms
N.S.C./K.V.P.etc.	35.39	24.18	37.47	35.09	34.74
Deposits in Post offices	23.28	15.96	12.33	7.83	10.46
Deposits in Banks	39.21	55.95	40.68	48.35	46.59
Deposits in Cooperative Committees/Banks	0.82	2.78	3.08	0.40	1.36
Shares & Debentures	0.00	0.75	4.13	5.88	4.68
Deposits in Other Financial Companies	1.31	0.37	2.32	2.46	2.18
Total Financial Assets	100.00	100.00	100.00	100.00	100.00
Bijnor					
N.S.C./K.V.P.etc.	19.61	29.26	32.14	35.48	32.09
Deposits in Post offices	13.48	7.64	9.57	13.92	11.36
Deposits in Banks	56.42	56.90	53.71	46.43	51.38
Deposits in Cooperative Committees/Banks	9.23	5.08	3.70	3.57	4.34
Shares & Debentures	0.00	0.00	0.00	0.00	0.00
Deposits in Other Financial Companies	1.26	1.11	0.89	0.60	0.83
Total Financial Assets	100.00	100.00	100.00	100.00	100.00

It is important that even marginal farmers are investing their surpluses in items like insurance, bank and post office deposits and national saving certificates etc. in both districts. It can be concluded that saving habits are developing in the rural population in both eastern and western region of the state in all categories of farmers due to establishment of bank branches in rural areas and increasing educational level and awareness of rural peoples.

V. Conclusion

So this fact can be established by above discussions that financial institutions play very important role to increase rural saving. The increased rural income can be resulted in a substantial increase in the savings rate are due to easy access of financial institutions, which led to the investment in financial assets. The uncomplicated process of depositing and withdrawing of amount of saving for a rural saver certainly increases the level of savings in rural areas. There were marked variations among different land holdings in both districts. Farm assets account for nearly 80% in both districts and ratio of farm assets is generally higher on higher sizes of holdings because value of land and orchards are included in it, which enhanced the proportion of farm assets in total assets and higher investment on farm machinery by the large farmers.

The ratio of value of total assets in relation to that of marginal farmers is to 11.6 in case of large farmers, 4.8 in case of medium farmers, and 2.4 in case of small farmers in Faizabad and 7.6 in case of large farmers, 3.9 in case of medium farmers, and 2.4 in case of small farmers in Bijnor district which shows the large disparity among different size of holdings, specially between marginal and large farmers. The economic position of the marginal farmers and small farmers is far inferior to that of the medium and large farmers in both districts.

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