Agricultural Economics Research Review Vol. 30 (No.1) January-June 2017 pp 37-45 DOI: 10.5958/0974-0279.2017.00003.9

## **Economic Analysis of Farming Systems: Capturing the Systemic Aspects**

C.A. Rama Rao\*, B.M.K. Raju, Josily Samuel, Ravi Dupdal, P. Sudhakar Reddy, D. Yella Reddy, E. Ravindranath, M. Rajeshwar and Ch. Srinivasa Rao

ICAR-Central Research Institute for Dryland Agriculture (CRIDA), Hyderabad-500 059, Telangana

## Abstract

The paper has attempted to expand the evaluation criteria of farming systems beyond profitability. The proposed methodology has been exemplified with a study conducted in a village in Pudur mandal of Rangareddy district of T Ingana. The data on the inputs and outputs of a system and their utilization were collected through a well-structured pre-tested schedule from 20 sample farmers, in such a way that it captured the material flows into and out of the components of the given farming system. The market dependency ratio has been computed for different farming systems. A varying structure of household income has been noticed for different farming systems. The highest household income has been observed in case of the system containing rainfed and irrigated crops along with livestock rearing. The inputoutput ratio has been found highest in the farming system containing rainfed and irrigated cropping. The market dependency ratio for inputs has been found to be lowest (46%) for the system containing rainfed and irrigated cropping along with livestock and the highest for the system with rainfed and irrigated cropping only. The relationship between market dependency ratio and farm size, family size and number of components in a farming system has also been analysed. The farming systems that can minimize the need for external inputs have a key role in sustaining agricultural systems in the rainfed agriculture. Such an expanded analysis of farming systems will be useful in planning for technology generation and transfer in the Indian agriculture.