



From Subsistence to Commercial Farming: The Role of Cash Crops in Transforming Rural Livelihoods in Panchrukhi Block, District Kangra, Himachal Pradesh

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Abstract

This study examines the role of cash crop cultivation in rural development with a focus on Panchrukhi Block, Kangra District, Himachal Pradesh. Based on a survey of 60 respondents from Andreta and Tatehal Panchayats, the research evaluates economic contributions, employment generation, environmental impacts, and the influence of government support. Findings reveal that 81.67% of farmers reported higher incomes from cash crops compared to traditional farming, with significant reinvestments in education, healthcare, and farm equipment. Cash crops also generated employment, with 58.33% of respondents acknowledging job creation. However, environmental challenges such as declining soil fertility (55%), increased water usage (68.33%), and depletion of local water resources (75%) were widely reported. Government subsidies and training programs supported adoption, but disparities in access to resources and market linkages remain key barriers. The study concludes that while cash crops enhance rural livelihoods and economic independence, their long-term viability depends on sustainable practices, stronger infrastructure, and equitable policy interventions.

Keywords: Cash crops, Rural development, Socio-economic transformation, Employment generation, Agricultural diversification, Sustainable farming, Government subsidies and support and Market access

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I. INTRODUCTION

Agriculture has long been the backbone of rural India, shaping livelihoods, culture, and the economy. Despite its declining share in the national GDP since the 1991 economic reforms, the sector continues to provide crucial employment, especially for small and marginal farmers. However, profitability has steadily declined due to fragmented landholdings, rising input costs, climate variability, and market uncertainties. These challenges have prompted rural households to diversify income sources, with many shifting toward non-farm activities or migrating to urban areas³

One significant response to these pressures has been crop diversification. Moving beyond subsistence farming, many farmers now cultivate high-value crops such as fruits, vegetables, and floriculture to enhance incomes, generate rural employment, and strengthen food security. This strategy has proven particularly effective in ecologically fragile states like Himachal Pradesh, where the success of apple cultivation and off-season vegetables transformed the rural economy⁴.

In Panchrukhi Block of Kangra district, farmers are increasingly shifting from traditional cereals like wheat and maize to cash crops. While this transition offers higher returns, it also exposes farmers to risks such as market dependency, fluctuating prices, and environmental pressures. Despite the importance of these changes, limited research exists on their socio-economic and ecological impacts at the local level⁵.

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⁴ Singh, S. (2004). Crop diversification in India: Patterns, determinants, and implications. *Economic and Political Weekly*.

⁵ Hazra, C. R. (2001). Crop diversification in India: Nature, pattern and emerging trends. *Indian Journal of Agricultural Economics*.

This study seeks to critically analyze the shift toward cash crop cultivation in Panchrukhi, focusing on its implications for farmer livelihoods, food security, gender roles, and sustainability. The findings aim to provide evidence-based insights to guide future agricultural policies and rural development strategies.

II. REVIEW OF LITERATURE

The cropping pattern in the Central Himalaya highlights the region's agricultural diversity, spanning food grains, pulses, oilseeds, fruits, vegetables, and spices, influenced by altitude and shifting climatic zones. While the author does not explicitly focus on organic farming, the study indirectly relates to it through observations of changing agricultural practices and their ecological implications.

Bala, B. and Sharma, S.D. (2005)⁶ explored the shift from cereals to cash crops in Kullu. Vegetables like cauliflower, cabbage, and tomato boosted income from ₹31,240 to ₹1,35,160 and raised employment by 49% between 1990–2003. Being labor-intensive, cash crops increased cropping intensity and profitability. The shift significantly improved farmers' living standards.

Sharma et al. (2015)⁷ evaluated rice-based cropping sequences in Kangra. Alternatives like rice–potato–onion and rice–radish–potato yielded higher returns and productivity. Cash crops proved more profitable than traditional systems. However, the study relied on conventional inputs rather than organic practices.

Pattanaik & Tripathi (2016)⁸ focused on grain storage in India, not cash crops. They noted heavy post-harvest losses due to poor storage systems. Suggested reforms included integrated pest management and modern silos. Their study is relevant for food security but indirectly linked to cash crops.

FAO et al. (2019)⁹ reported on food security and commodity dependence. They showed countries reliant on cash crop exports like oilseeds and beverages faced price volatility. Such dependence increased hunger risks during economic slowdowns. The report urged diversification to improve resilience.

Raina et al. (2024)¹⁰ examined potatoes as a key cash crop in Kangra. They found 97% marketable surplus with larger farmers performing much better. Direct-to-consumer sales yielded the highest efficiency and farmer share. The study underscored potatoes' economic potential but noted challenges like input costs and transport.

Directorate of Economics & Statistics (2024)¹¹ discussed horticulture growth, with a steady rise in area and production. Coconut emerged as a leading cash crop, with India excelling globally in production and exports. Government schemes like PMKSY and PKVY indirectly supported cash crops. However, detailed analysis of other crops was limited.

RESEARCH GAPS

Limited localized studies: Most existing studies on cash crops focus on broader regions; there is limited research specific to the Panchrukhi Block.

Socio-economic impact: There is insufficient data on how cash crops affect farmer income, employment, and rural livelihoods at the micro (village) level.

Environmental consequences: Very little is known about the environmental impact of cash crop farming, such as soil fertility, pesticide use, and biodiversity loss in this area.

Market and infrastructure access: Studies often overlook the role of institutional support, market access, and storage facilities in shaping cash crop outcomes.

Gender dimension: The role of women in cash crop farming in Panchrukhi remains under-researched.

Risk and sustainability: Limited data on how cash crops affect long-term sustainability and farmers' economic resilience in the face of market volatility.

OBJECTIVES OF THE STUDY

- To assess the contribution of cash crop cultivation to the income generation of farmers
- To analyze the role of cash crops in creating employment opportunities and improving livelihood standards
- To evaluate the environmental impact of cash crop cultivation

⁶ Bala, B., & Sharma, S. D. (2005). Shift to cash crop agriculture in Kullu, Himachal Pradesh: Economic and employment impacts. *Indian Journal of Agricultural Economics*, 60(3), 321–335.

⁷ Sharma, S.K., Rana, S.S., Subehia, S.K., & Negi, S.C. (2015). Production potential of rice-based cropping sequences on farmers' fields in low hills of Kangra district of Himachal Pradesh. *Himachal Journal of Agricultural Research*, 41(1), 20–24.

⁸ Pattanaik, F., & Tripathi, A. K. (2016). Handling and storage of food grains in India: Challenges and policy interventions. *Indian Journal of Agricultural Sciences*, 86(9), 1123–1130.

⁹ FAO, IFAD, UNICEF, WFP, & WHO. (2019). *The state of food security and nutrition in the world 2019: Safeguarding against economic slowdowns and downturns*. Food and Agriculture Organization of the United Nations.

¹⁰ Raina, V., Sharma, S., & Kumar, R. (2024). Economic potential of potato farming in Kangra district: Marketing efficiency and constraints. *Journal of Agricultural Marketing*, 49(2), 101–118.

¹¹ Directorate of Economics and Statistics. (2024). *Annual report on agricultural development and horticulture in India*. Ministry of Agriculture and Farmers Welfare, Government of India.

- To examine the role of government policies, subsidies, and market linkages in supporting cash crop cultivation and promoting rural development
- To identify the challenges faced by farmers in the cultivation of cash crops and suggest strategies to overcome these challenges for sustainable rural development

III. METHODS AND MATERIALS

The study follows a descriptive research design to analyze the socio-economic role of cash crops in Andreta and Tatehal Panchayats. Both quantitative and qualitative data are used to assess changes in income, employment, and challenges faced by farmers. Kangra district was selected due to its high number of cash crop growers. Within Panchrukhi Block, Andreta (314 growers) and Tatehal (308 growers) Panchayats formed the universe of 622 growers. A random sample of 60 respondents (30 from each Panchayat) was chosen using the random sampling. Semi-structured interviews were held with Panchayat leaders, cash crop farmers, and community elders to understand adoption patterns, economic benefits, and issues such as market access, input costs, and climate variability.

LIMITATIONS OF THE STUDY

The study is confined to Andreta and Tatehal Panchayats, and findings may not be generalizable to all of Himachal Pradesh. Limited time and resources also constrained sample size and analysis depth.

ROLE OF CASH CROPS IN RURAL DEVELOPMENT

Cash crops, cultivated primarily for market sale, have become a vital driver of rural economies in Panchrukhi Block, Kangra District, Himachal Pradesh. The transition from subsistence farming to high-value crops such as wheat, potatoes, plums, and litchi has significantly reshaped the socio-economic landscape of rural communities. This study, based on a structured survey of 60 respondents from Andreta and Tatehal Panchayats (10% sample of 622 growers), examines the role of cash crops in rural development with focus on economic benefits, employment generation, environmental impacts, and the influence of government policies and market dynamics. Data were collected using Google Forms, focus group discussions, and interviews, and are presented in the following tables.

FIRST GOT THE TABLES AS GIVEN IN BRACKETS BELOW

ECONOMIC CONTRIBUTIONS OF CASH CROPS

Survey findings reveal that 81.67% of respondents reported improved income from cash crops compared to traditional crops (Table 36). Long-term engagement is evident, with 46.66% practicing cash crop farming for more than five years (Table 8). Income is often reinvested in farm equipment (24 respondents) and children's education (19 respondents), contributing to better living standards for 80% of households (Tables 12 and 13). These results align with Bala and Sharma (2005), who found that high-value vegetable cultivation significantly increased incomes in Himachal Pradesh.

EMPLOYMENT GENERATION AND LIVELIHOOD IMPROVEMENT

Cash crops have created significant employment opportunities, both within families and through hired labor. Overall, 58.33% of respondents agreed that cash crop farming contributed to job creation, with Andreta reporting stronger impacts than Tatehal (Table 10). Additionally, 80% of respondents noted improved living standards (Table 14), including better housing, healthcare, and education.

ENVIRONMENTAL IMPACTS AND SUSTAINABILITY CHALLENGES

While economically beneficial, cash crops pose sustainability concerns. A majority of respondents reported environmental stresses such as reduced soil fertility (55%, Table 16), increased water usage (68.33%, Table 18), and depletion of local water sources (75%, Table 19). Overuse of chemical fertilizers and pesticides was noted by 66.67% of respondents (Table 17). Only 25 respondents viewed cash crop farming as environmentally beneficial (Table 22), underscoring the need for sustainable practices such as integrated pest management and organic farming (Devkota, 2014).

ROLE OF GOVERNMENT POLICIES AND MARKET LINKAGES

Government support has been instrumental in cash crop adoption. A large proportion of respondents (83.33%) reported receiving subsidies, mainly for fertilizers and seeds (Tables 29–31), with 61.67% rating these as highly effective (Table 32). Training and workshops were the most common support services (Table 28). However, challenges persist in market access: 41.67% reported problems such as transportation difficulties, lack of storage facilities, and price fluctuations (Table 36). Most farmers sell in local markets (76.67%), but reliance on middlemen (21.67%) reduces profitability (Table 34).

CHALLENGES AND STRATEGIES FOR SUSTAINABLE DEVELOPMENT

Key challenges include high input costs, market volatility, and water scarcity. Only 45% of respondents had adequate access to inputs such as fertilizers, seeds, and irrigation (Table 21), with Andreta more constrained than Tatehal. Sustainable strategies such as crop diversification, integrated fertilizer management, and efficient irrigation systems are needed to balance economic growth with ecological preservation.

SUMMARY AND FINDINGS

The findings confirm that cash crops like apples, litchi, tomatoes, and vegetables have transformed rural livelihoods in Panchrukhi Block. About 80% of respondents reported improved living standards, with incomes reinvested into education, healthcare, and housing. Yet, 55% noted soil degradation, and 75% reported depletion of water sources, reflecting environmental costs of intensive farming. Government support through subsidies and training has played a significant role, but disparities in resource access persist, especially in Andreta.

CONCLUDING REMARKS

Cash crop farming in Panchrukhi Block has become a cornerstone of rural development, raising incomes, generating employment, and improving quality of life. However, the environmental consequences of intensive cultivation—soil degradation, biodiversity loss, and water scarcity—pose serious risks to long-term sustainability. Moving forward, policymakers must promote eco-friendly practices such as organic farming, precision agriculture, and integrated nutrient management, while strengthening market linkages and rural infrastructure.

In conclusion, cash crops offer a promising pathway for rural economic development in Himachal Pradesh, but their future depends on balancing economic gains with environmental sustainability. A dual approach—combining policy support with sustainable farming practices—will ensure equitable, resilient, and long-term rural prosperity.

ANNEXURE (LIST OF TABLES)

Table 10-Employment growth from cash crops wise distribution

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	10	16.66	11	18.33	21	34.99
Andreta	25	41.66	14	23.33	39	64.99
Grand Total	35	58.32	25	41.66	60	100

Source: Primary Survey

Table 12 - Village job creation from cash crop wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	25	41.67	14	23.33	39	65
Andreta	11	18.33	10	16.67	21	35
Grand Total	35	60	24	40	60	100

Source: Primary Survey

Table 13- Utilization of cash crop income wise distribution of respondents

Respondent	Education of children		Healthcare		Better housing		Buying farm equipment		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Tatehal	16	26.67	2	3.33	2	3.33	12	20	2	3.33	37	56.66
Andreta	3	5	2	3.33	2	3.33	12	20	2	3.33	23	34.99
Grand total	19	31.67	4	6.66	4	6.66	24	40	4	6.66	60	100

Source: Primary Survey

Table 14-Improved living standard wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	27	45	10	16.67	37	61.67

Andreta	21	35	2	3.33	23	38.33
Grand Total	48	80	12	20	60	100

Source: Primary Survey

Table 16-Reduce soil fertility wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	24	40	15	25	39	65
Andreta	9	15	12	20	21	35
Grand Total	33	55	27	45	60	100

Source: Primary Survey

Table 17 – Use of chemical fertilizers/pesticides wise respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	25	41.67	12	20	37	61.67
Andreta	15	25	8	13.33	23	38.33
Grand Total	40	66.67	20	33.33	60	100

Source: Primary Survey

Table 18-Increased water usage wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	33	55	14	23.33	47	78.33
Andreta	8	13.33	5	8.33	13	21.67
Grand Total	41	68.33	19	31.66	60	100

Source: Primary Survey

Table 19-Depleted local water sources wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	29	48.33	11	18.33	40	66.66
Andreta	16	26.67	4	6.67	20	33.34
Grand Total	45	75	15	25	60	100

Source: Primary Survey

Table 21 – Water pollution from crops wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	21	35	18	30	39	65
Andreta	6	10	15	25	21	35
Grand Total	27	45	33	55	60	100

Source: Primary Survey

Table 22-Decline in natural plants/animals wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	10	16.67	24	40	34	56.67
Andreta	15	25	11	18.33	26	43.33
Grand Total	25	41.67	35	58.33	60	100

Source: Primary Survey

Table 27 – Eco-friendly farming guidance received wise distribution

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	28	46.67	11	18.33	39	65
Andreta	10	16.67	11	18.33	21	35
Grand Total	38	63.34	22	36.66	60	100

Source: Primary Survey

Table 29 – Types of government support wise distribution of respondents

Respondent	Training/ Workshop		Technical Assistance		Credit/Loans		Crop Insurance		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Tatehal	25	41.67	10	16.67	7	11.67	4	6.67	46	76.67
Andreta	8	13.33	2	3.33	2	3.33	2	3.33	14	23.33
Grand Total	33	55	12	20	9	15	6	10	60	100

Source: Primary Survey

Table 30- Subsidies received wise distribution of respondents

Respondent	Yes		No		Total	
	No.	%	No.	%	No.	%
Tatehal	35	58.33	5	8.33	40	66.67
Andreta	15	25	5	8.33	20	33.33
Grand Total	50	83.33	10	16.66	60	100

Source: Primary Survey

Table 31 – Types of subsidies wise distribution of respondents

Respondent	Fertilizers		Seeds		Irrigation		Machinery		Transport		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Tatehal	22	36.67	13	21.67	2	3.33	2	3.33	-	-	39	65
Andreta	7	11.67	8	13.33	3	5	1	1.67	2	3.33	21	35
Grand Total	29	48.34	21	35	5	8.33	3	5	2	3.33	60	100

Source: Primary Survey

Table 32 – Effectiveness of subsidies wise distribution of respondents

Respondent	very effective		moderately effective		Not effective		Total	
	No.	%	No.	%	No.	%	No.	%
Tatehal	28	46.67	10	16.67	2	3.33	40	66.67
Andreta	9	15	8	13.33	3	5	20	33.33
Grand Total	37	61.67	18	30	5	8.33	60	100

Source: Primary Survey

Table 34- Buyers of crops wise distribution of respondents

Respondent	Local Market		Middlemen		Govt. Procurement Centres		Private Co./Contract Farming		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Tatehal	32	53.33	5	8.33	3	5	-	-	40	66.67
Andreta	10	16.67	8	13.33	1	1.67	1	1.67	20	33.33
Grand Total	42	70	13	21.66	4	6.67	1	1.67	60	100

Source: Primary Survey

Table 36 – Market access challenges wise distribution of respondents

Respondent	Transportation		Lack Of Storage Facilities		Price Fluctuations		Total	
	No.	%	No.	%	No.	%	No.	%
Tatehal	17	28.33	5	8.33	10	16.67	32	53.33
Andreta	8	13.33	10	16.67	10	16.67	28	46.67
Grand Total	25	41.66	15	25	20	33.34	60	100

Source: Primary Survey