



## Strengthening Rural Livelihood Security through Agri-Allied Enterprises: Evidence and Transformations from 2020–2025

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The years 2020 to 2025 mark an important transition in India's rural economy. During this period, farmers faced multiple pressures: climate-related uncertainties, fluctuating crop prices, rising cost of inputs, and disruptions caused by the COVID-19 pandemic. Agriculture alone, especially when limited to mono-cropping, became increasingly inadequate as a dependable source of livelihood for millions of rural households. It is in this challenging context that agri-allied enterprises—such as dairy, goatery, backyard poultry, beekeeping, fisheries, mushroom production, and horticulture-based nurseries—emerged not merely as supplementary activities but as strong, reliable pillars of livelihood security. Across different agro-climatic zones, these enterprises proved that income in rural India does not have to depend on a single harvest or a single crop cycle. Instead, a well-structured combination of farm and non-farm activities can generate year-round earnings, reduce vulnerability, and provide stability even in difficult seasons. The experience of the last five years shows that agri-allied sectors have not only strengthened household income but have also created rural employment, opened opportunities for youth and women, and reduced the pressure on crop-based farming systems.

### Why Agri-Allied Enterprises Became Crucial During 2020–2025

The shift toward agri-allied enterprises was not accidental—it was a result of economic necessity, climatic challenges, and institutional support. Many farmers realised that depending solely on crops exposed them to several risks: unpredictable rainfall, pest infestation, unseasonal weather events, and sudden market slumps. When a crop fails, the entire livelihood of a small or marginal farmer collapses. But when the household has dairy, poultry, beekeeping or goatery alongside crops, the effect of a loss from one enterprise can be absorbed by the income from another. The COVID-19 pandemic played a particularly important role in accelerating this shift. As reverse migration brought large numbers of youth back to villages, families needed alternative income sources. Agri-allied enterprises—especially dairy, mushroom cultivation, backyard poultry, and beekeeping—provided options that required limited land, relatively low investment, and generated quick returns. These activities revived rural economies at a time when other sectors were struggling. Institutional support also expanded during this period. Programmes such as DAY-NRLM, National Livestock Mission, PM Matsya Sampada Yojana, RKVY, and state-level rural livelihood missions provided training, credit linkages, and subsidies. KVKs and Farmer FIRST projects demonstrated working models and trained farmers, while SHGs and FPOs offered collective platforms for marketing and value addition. These enabling factors made agri-allied enterprises accessible to even the smallest households.

### How Different Agri-Allied Enterprises Strengthened Livelihoods

#### Dairy: The Foundation of Rural Cash Flow

Dairy remained the most stable and dependable source of year-round cash income. Even during market fluctuations, the demand for milk rarely falls, making dairy a reliable

livelihood anchor. Households with even 2–3 milch animals ensured a steady inflow of money that supported family expenses, children's education, and agricultural needs. The availability of cooperatives and private collection centres ensured easy market access. Moreover, regular use of dung for compost and biogas reduced input expenditure on the farm.

### **Goatery: A Low-Investment Enterprise with High Returns**

Goat rearing expanded rapidly because it requires modest investment, minimal space, and adapts well to harsh climatic conditions. Farmers often describe goats as a “living bank” because they can be sold at short notice to meet urgent financial needs. Their fast reproductive cycle ensures quick scaling of herd size. For landless families and women, goatery became a practical way to increase household income without heavy infrastructure.

### **Backyard Poultry: A Lifeline for Women and Small Farmers**

Backyard poultry proved effective in providing protein-rich food for families and supplemental cash income. Improved breeds like Kadaknath, Vanaraja, and RIR became popular for their disease resistance and higher productivity. Eggs and birds could be sold locally without depending on formal markets. This enterprise fit well into women's schedules and contributed significantly to their economic empowerment.

### **Beekeeping: A Low-Cost Activity with High Profitability**

Beekeeping emerged as an attractive option for farmers seeking an enterprise that demands limited labour and capital. Honey production provided a valuable product with rising market demand, while the pollination benefits enhanced productivity of crops like mustard, sunflower, and horticultural plantations. Many youth and SHGs adopted beekeeping as a micro-enterprise, generating quick and consistent returns.

### **Mushroom Cultivation: A Rapid-Return Enterprise for Rural Youth**

Mushroom farming gained popularity for its low space requirement, short cropping cycle, and increasing market demand. During 2020–25, mushroom emerged as a preferred enterprise among rural youth, especially in peri-urban regions where market access is easier. Mushroom cultivation also encouraged value addition—drying, pickles, powders—enhancing income opportunities.

### **Fishery and Aquaculture: A Sector with Fast Growth**

Under PM Matsya Sampada Yojana, several states strengthened fishery infrastructure, including pond renovation, hatchery support, and cold chains. Farmers practicing inland fisheries or cage culture reported significant improvements in income. The sector's rapid expansion showed that aquaculture could contribute substantially to rural economic growth, especially in water-abundant areas.

## **How These Enterprises Enhanced Livelihood Security**

Agri-allied enterprises transformed rural livelihood security in several ways. First, they distributed income across different months of the year. Instead of waiting for one or two crop harvests, households earned from milk, eggs, fish, mushrooms, or honey at regular intervals. This stability enhanced their capacity to meet daily needs and invest in better farming practices. Second, these enterprises reduced financial vulnerability. When a crop failed due to drought, heavy rainfall, or pest attack, families did not fall into crisis because livestock or poultry income provided a buffer. In many field studies, farmers practicing 2–3 allied enterprises showed significantly higher resilience to climatic and market shocks. Third, the social impact was equally significant. Women gained increased opportunities through poultry, mushroom cultivation, dairy management, and value addition activities. Youth found local income opportunities instead of migrating. Many SHGs and FPOs leveraged these enterprises for collective marketing, building stronger economic networks within villages.

## **Evidence and Impact from 2020–2025**

Field evidence from KVKs and Farmer FIRST Programme indicates income increases ranging from 25% to 70% when farmers combined crop farming with at least two allied enterprises. For example, crop + dairy + vegetable combinations in Madhya Pradesh and Rajasthan resulted in much higher returns per unit area. Similarly, goatery + poultry

combinations proved beneficial for landless and marginal households. Several households reported improvements in nutritional security as well. Dairy, eggs, vegetables, fish, and mushrooms enriched diets and improved health indicators. Manure from livestock improved soil fertility, reducing dependence on chemical fertilizers. The ecological and economic benefits together strengthened the long-term sustainability of farming systems.

### Challenges That Need Continued Attention

Despite considerable progress, several constraints remain. Many farmers still struggle with access to quality breeds, veterinary services, cold chain infrastructure, and formal market linkages. Diseases in livestock and poultry continue to cause periodic losses. Credit access also remains limited for small farmers who lack collateral or banking literacy. Training in scientific management is still insufficient in many rural areas. Addressing these gaps is essential for ensuring that agri-allied enterprises reach their full potential.

### Conclusion

The years 2020 to 2025 clearly demonstrate that agri-allied enterprises are not just additional activities—they are a fundamental pillar of livelihood security in rural India. They provide year-round income, reduce risk, create employment, and strengthen both economic and nutritional well-being. When integrated thoughtfully with crop farming, these enterprises offer a practical and sustainable way to improve rural livelihoods and support the long-term resilience of farming communities. For millions of small and marginal farmers across India, agri-allied enterprises have become a pathway toward stability, dignity, and upward socio-economic mobility.