



ISSN Print: 2664-844X
ISSN Online: 2664-8458
NAAS Rating (2026): 4.97
IJAFS 2026; 8(3): 39-43
www.agriculturaljournals.com
Received: 05-12-2025
Accepted: 18-01-2026

Dr. Virendra Kumar Choudhary
Guest Faculty, Department of
Management, Pandit Sundarlal
Sharma (Open) University,
Bilaspur, Chhattisgarh, India

Hulas Pathak
Professor and Head,
Department of Agri-Business
and Rural Management, Indira
Gandhi Krishi
Vishwavidyalaya, Raipur,
Chhattisgarh, India

Dr. Ajay Kumar Gauraha
Professor, Department of Agri-
Business and Rural
Management, Indira Gandhi
Krishi Vishwavidyalaya,
Raipur, Chhattisgarh, India

Dr. Siya Ram
Assistant Professor, Agri-
Business Management, College
of Food Technology, Indira
Gandhi Krishi
Vishwavidyalaya, Raipur,
Chhattisgarh, India

Corresponding Author:
Dr. Virendra Kumar Choudhary
Guest Faculty, Department of
Management, Pandit Sundarlal
Sharma (Open) University,
Bilaspur, Chhattisgarh, India

Factors of inflation and mitigating measures on consumption pattern of rural household's of Chhattisgarh plains

Virendra Kumar Choudhary, Hulas Pathak, Ajay Kumar Gauraha and Siya Ram

DOI: <https://www.doi.org/10.33545/2664844X.2026.v8.i3a.1231>

Abstract

This study examines the determinants of inflation, household coping strategies, mitigation measures, and awareness levels in a rural study area characterized by agricultural dependence and structural constraints. Based on primary survey data from 228 respondents, the findings reveal that rising prices of food and non-food items (71.9%) are perceived as the primary driver of inflation, followed by agricultural dependency and seasonal income fluctuations (69.7%), supply chain inefficiencies (67.5%), and government policies enhancing rural liquidity (64%). Structural bottlenecks such as poor transport, long market distances, inadequate storage (61.4%), and market imperfections including middlemen dominance (60.5%) further intensify price pressures. External shocks such as epidemics (58.8%), rising credit costs (57.5%), low market competition (55.3%), and global commodity price fluctuations (53.5%) also contribute to local inflation dynamics.

In response to rising prices, rural households adopt economization strategies, with 87.28% reducing overall purchases, 86.40% buying only when necessary, 85.52% minimizing wastage, and 85.08% avoiding non-essential goods. Income-augmenting measures include part-time employment (39.47%) and overtime work (31.58%), while long-term adaptive strategies such as skill development (9.21%), agricultural improvement (11.40%), and investment habits (8.33%) remain limited due to structural and financial constraints.

The study also highlights high experiential awareness of inflation, with all respondents acknowledging reduced purchasing power and the protective role of the Public Distribution System. However, gaps persist in understanding broader macroeconomic mechanisms such as commodity trading and inflation-growth relationships. The findings underscore the dual reality of vulnerability and resilience among rural households and emphasize the need for policy interventions focused on strengthening supply chains, improving market access, enhancing financial literacy, and promoting sustainable livelihood diversification to mitigate inflationary impacts.

Keywords: Consumption pattern, coping strategies, inflation, mitigation measures, public distribution system (PDS), rural households, supply chain inefficiency, purchasing power

Introduction

Inflation is a persistent rise in the general price level of goods and services in an economy over time. While it affects all sections of society, its impact is often more pronounced among rural households with limited income buffers and fewer opportunities to hedge against rising prices. Inflation is a widespread issue affecting countries worldwide, leading to prolonged instability. It refers to the rate at which prices rise over time, often caused by imbalances in money supply and demand, increased income, production costs, or taxes. As inflation grows, the value of currency decreases, reducing purchasing power. This has a devastating impact on households, particularly low-income families, as rising prices for essential goods push them further into poverty, eroding their standard of living. The high level of inflation causes instability in an economy because money does not hold its value for a long time. Workers therefore have a higher need for better remuneration to cover up the higher costs of living because prices of goods and services are increasing every day. (Mankiw, 2020; Blanchard and Johnson, 2017; FAO, 2022) [4, 1, 2].

The state's economy heavily depends on agriculture and mineral resources. Rural households in the Chhattisgarh plains rely primarily on paddy cultivation, which is susceptible to

climatic conditions. Erratic monsoons or crop failures often lead to localized food inflation, pushing up prices of staples in rural markets. Chhattisgarh has significant tribal and low-income rural populations with limited income diversification. These households spend a larger proportion of their earnings on food and basic necessities, making them especially vulnerable to inflation. A small rise in prices can lead to a sharp decline in their ability to afford adequate nutrition and essential services. (Government of Chhattisgarh, 2023) [3].

Methodology

For the study, 228 households were selected purposively from Bemetara, Bilaspur, Dhamtari, Durg, Korba, Mungeli, Raigarh, Raipur and Rajnandgaon districts. The primary and secondary data was collected from the individual households of the selected study area. Both quantitative and qualitative data was collected to fulfill the objectives of the study. Garrett ranking model is used as analytical tool for the analysis of data and ranking of factors.

Results and Discussion: The major factors contributing to inflation in the study area, as identified by respondents. At the top of the list is the increase in food & Non-food items costs, cited by 71.9% of respondents. The second most significant factor is agricultural dependency and seasonal farm income, acknowledged by 69.7%. In rural areas where livelihoods are mostly tied to farming, income fluctuates seasonally, creating periods of high demand and limited supply, which leads to price hikes.

Supply chain inefficiencies come next, reported by 67.5% of participants. Poor infrastructure, delays in transport, and a lack of cold storage facilities contribute to spoilage and wastage especially for perishable items which pushes prices higher. Government policies and schemes such as MGNREGA, PM-KISAN, and MSP also emerged as a notable contributor (64%). While these schemes are designed to support incomes, they may also increase liquidity in rural areas, causing demand to rise faster than supply.

Other structural issues such as long distances from markets, poor road conditions, and inadequate storage facilities were identified by 61.4% of respondents. These challenges make distribution less efficient and increase overall costs. Market imperfections especially the influence of middlemen and monopolistic practices were flagged by 60.5%, suggesting that lack of transparency and fair pricing also plays a role in inflation.

The impact of epidemics, such as COVID-19, was mentioned by 58.8%. These events disrupt supply chains, reduce mobility, and strain both health and economic systems, adding inflationary pressure. Additionally, rising debt burdens due to increased cost of credit were cited by 57.5%, indicating that households and producers are spending more on loan repayments, which affects their spending and production capacity. A lack of market competition (55.3%) and the influence of global commodity prices (53.5%) were also seen as contributing to local inflation, reflecting the interconnectedness of local and international markets.

Table 1: Contributing factors of inflation in the study area

S. N.	Contributing Factors	Percentage	Rank
1	Increase in cost of food & Nonfood items	71.9	I
2	Agricultural dependency and Seasonal farm income	69.7	II
3	Supply chain inefficiency	67.5	III
4	Govt. Policies and schemes (MGNREGA, PM-KISAN, MSP)	64	IV
5	Structural problems (Distance, Poor transport & Storage facilities)	61.4	V
6	Market imperfections (Middleman, Monopoly)	60.5	VI
7	Epidemic (Outbreak conditions)	58.8	VII
8	Debt. Burden due to rising cost of credit	57.5	VIII
9	Low Market Competition	55.3	IX
10	Global commodity prices	53.5	X
Source: Field Survey			

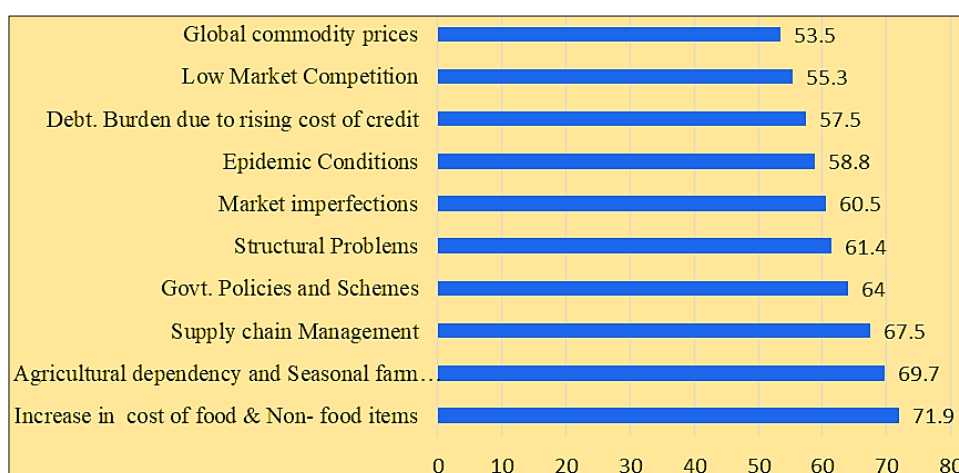


Fig 1: Contributing factors of inflation in the study area (%)

Economization of resources as coping strategies of the respondents: The table highlights how rural households are adjusting their spending habits to cope with rising inflation by finding ways to save money and manage resources more carefully. One of the most common strategies is simply buying less overall, as reported by about 87% of households. This shows that families are cutting back wherever possible, prioritizing only the most essential items in their daily lives.

Another popular strategy, used by 86%, is to buy things only when needed instead of stocking up in advance. This helps them manage limited cash and avoid spending more than necessary at one time. Alongside this, about 86% also mentioned that they are trying to reduce wastage, especially of food and household goods. This shows a growing awareness of the value of every rupee and the effort to make sure nothing goes to waste.

Moreover, 85% of families said they have stopped buying unnecessary items, clearly showing a shift towards more thoughtful and need-based spending. These choices reflect how people are trying to stretch their income by avoiding non-essential purchases.

On the other hand, only a small number of families around 19% said they postpone purchases as a coping strategy. This could be because delaying necessary items is not always practical in rural settings. Even fewer, just 9%, said they buy in bulk and store items, likely due to the lack of enough money to make bulk purchases or challenges in storing goods safely.

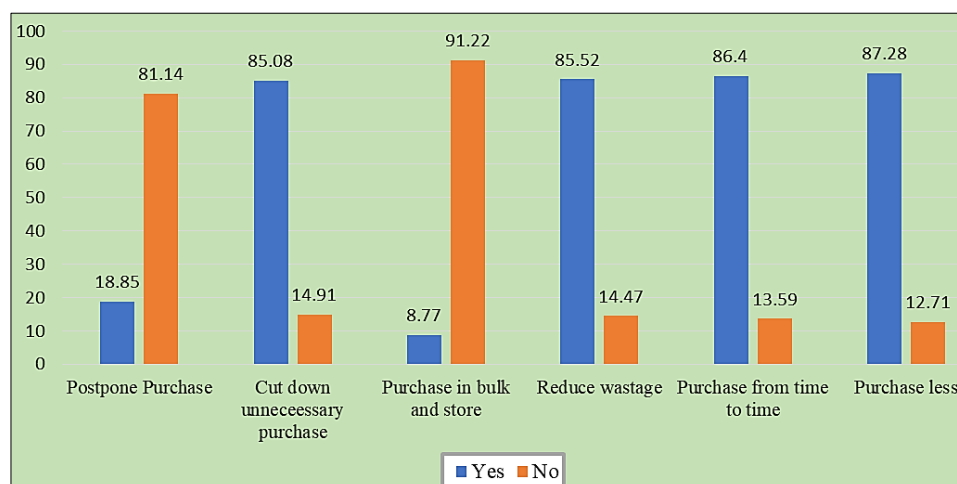
In simple terms, the data paints a picture of households becoming more mindful and disciplined in their spending. They are focusing on essentials, avoiding waste, and adapting their buying habits to manage the stress of inflation. This shows not just the pressure they face, but also their resilience and smart thinking in tough economic times.

Table 2: Economization of resources as coping strategy

Opinion	Postpone Purchase	Cut down unnecessary purchase	Purchase in Bulk and Store	Reduce wastage	Purchase from time to time	Purchase less
Yes	43 (18.85)	194 (85.08)	20 (8.77)	195 (85.52)	197 (86.40)	199 (87.28)
No	185 (81.14)	34 (14.91)	208 (91.22)	33 (14.47)	31 (13.59)	29 (12.71)
Total	228 (100)	228 (100)	228 (100)	228 (100)	228 (100)	228 (100)

Note: Figures in parentheses indicates percentage to total.

Source: Field Survey



Source: Primary Survey

Fig 2: Economization of resources as coping strategy (%)

Mitigating measures of the respondents

The coping mechanisms adopted by households in response to inflationary pressures, revealing a mix of income-augmenting and strategic adaptation efforts. The most frequently reported measure was engaging in part-time employment, with 39.47% of respondents indicating this strategy. This response highlights the growing trend of economic diversification at the household level, especially among families whose primary income is no longer sufficient to meet rising living costs. Closely following this, 31.58% of individuals reported taking up overtime work, suggesting that many are attempting to maximize earnings within their existing employment, possibly due to constraints in accessing new job opportunities or the informal nature of the local labour market.

On the other hand, only 11.40% of respondents reported efforts to improve agricultural practices a surprisingly low

figure considering the rural setting of the study area. This indicates potential challenges such as lack of extension services, limited capital for agricultural investment, or low confidence in returns from farming due to market volatility and climate risks. Meanwhile, a modest 9.21% of individuals focused on skill development to either improve their employability or transition into new income-generating activities. This suggests a growing awareness among a section of the population about the need for long-term human capital enhancement, although uptake appears limited possibly due to barriers like cost, time, and access to training institutions.

Interestingly, only 8.33% of respondents reported developing or adapting an investment habit. This low percentage reflects both the lack of disposable income and limited financial literacy, especially in inflationary periods when immediate consumption often takes precedence over

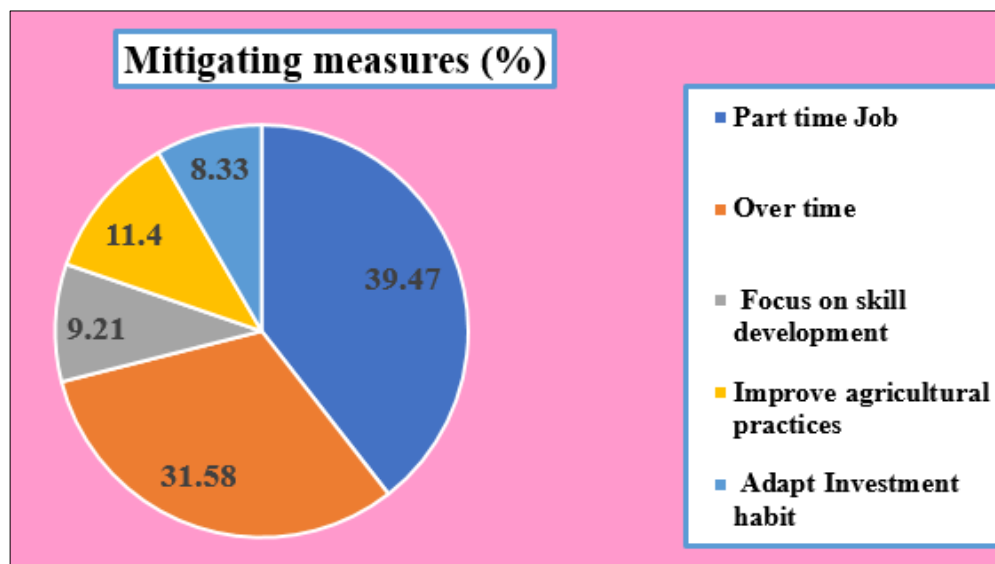
savings or investment. It may also point to a risk-averse financial culture, or a lack of access to secure and trusted

investment channels in rural settings.

Table 3: Mitigating measures of the respondents

S. N.	Mitigating Measures	Responses (No.)	%
1	Part time Job	90	39.47
2	Over time	72	31.58
3	Focus on skill development	21	9.21
4	Improve agricultural practices	26	11.40
5	Adapt Investment habit	19	8.33
	Total	228	100

Source: Field Survey



Source: Field Survey

Fig 3: Mitigating measures of the respondents

Awareness about Inflation

The data presented a comprehensive insight into respondents' awareness and perceptions regarding inflation and its impacts. Overall, the findings reflect a high level of awareness about inflation as a phenomenon, although nuances in understanding its causes and implications vary.

To begin with, a strong majority (82.94%) either strongly agreed (24.17%) or agreed (58.77%) that inflation affects their standard of living, indicating a clear recognition that rising prices erode household purchasing power and affect overall wellbeing. Similarly, when asked if inflation reduces buying power, the response was unanimous all 228 respondents (100%) agreed, with 60.09% strongly agreeing. This demonstrates that the impact of inflation on everyday consumption is both felt and understood by rural households.

However, when it comes to more nuanced aspects of inflation, such as awareness of general price change, the results are mixed. While only 12.72% strongly agreed and 30.26% agreed, a significant 57.02% expressed no opinion, indicating limited awareness or confidence in understanding how inflation unfolds over time beyond immediate price increases. This suggests a potential knowledge gap in macroeconomic literacy, despite firsthand experiences of inflation's effects.

Interestingly, 46.05% of respondents disagreed with the notion that inflation could promote real earning capacity,

and 30.70% had no opinion. Only a small minority (23.25%) agreed with this statement, reflecting either skepticism or unfamiliarity with the idea that moderate inflation could sometimes be linked with wage growth or economic expansion under certain conditions.

When asked about the cause of price increases in food articles due to commodity trading, a majority (58.33%) disagreed, and 25.88% had no opinion. This reflects limited understanding of how market speculation and financial instruments influence prices at the consumer level. A similar pattern emerges in the statement regarding market forces influencing general price levels, where 81.58% (22.81% strongly agreed and 58.77% agreed) recognized the role of demand-supply dynamics, showing relatively better awareness about basic economic mechanisms.

On the role of Public Distribution System (PDS) as a buffer against inflation, every single respondent (100%) strongly agreed that it provides crucial support. This underscores the vital role of food subsidies and ration distribution in protecting vulnerable populations from price shocks. Similarly, when evaluating government measures to control inflation, all respondents (100%) agreed that the efforts are satisfactory. While this unanimous agreement may reflect trust in public institutions or benefits received under schemes like PM-Garib Kalyan Yojana or price regulation policies, it may also point to limited public scrutiny or awareness of inflation-control mechanisms.

Table 4: Awareness about inflation

S. N.	Statement	Awareness about inflation					
		SA	A	NO	D	SD	
1	Inflation affects standard of living	55 (24.17)	134 (58.77)	39 (17.11)	0 (0)	0 (0)	228 (100)
2	I am very much aware about general price change	29 (12.72)	69 (30.26)	130 (57.02)	0 (0)	0 (0)	228 (100)
3	Inflation may promote real earning capacity	0 (0)	53 (23.25)	70 (30.70)	105(46.05)	0 (0)	228 (100)
4	Food articles price increase due to commodity trading	0 (0)	36 (15.79)	59 (25.88)	133 (58.33)	0 (0)	228 (100)
5	Market forces play major role to influence general price level	52 (22.81)	134 (58.77)	42 (18.42)	0 (0)	0 (0)	228 (100)
6	Inflation hurts your buying power	137 (60.09)	91 (39.91)	0 (0)	0 (0)	0 (0)	228 (100)
7	PDS help me to protect from current inflation pressure	228 (100)	0 (0)	0 (0)	0 (0)	0 (0)	228 (100)
8	Govt. measures to control inflation are satisfactory	0 (0)	228 (100)	0 (0)	0 (0)	0 (0)	228 (100)

Note: Figures in parentheses indicates percentage to total.

Note: SA - Strongly Agree; A - Agree; NO - No Opinion; D - Disagree; SD - Strongly Disagree.

Source: Primary survey

Conclusion

- Poor households found it hard to afford nutritious food, medicines, and school fees.
- Majority had savings over debts, but many still struggled with sudden expenses. Over 70% felt their income was not enough to improve standard of living.
- Unexpected expenses (Illness, events, repairs) were hard to manage. Inflation forced many to work longer hours or take up extra jobs.
- Rising cost of food & Nonfood items like (71.9%), Seasonal income dependency due to agriculture (69.7%), Poor supply chains and transport issues (67.5%), Government policies and schemes boosting demand (64%), Structural problems like distance, poor transport conditions, storage facilities (61.4%), Market imperfections like Monopoly, Middlemen involvement (60.5%), Epidemic condition (58.8%), Debt. Burden due to rise in cost of lending (57.5%), Low market Competition (55.3%), and the Last one was Global market price change impact on rural market conditions (53.5%).
- Economization of resources as coping strategies were 87% bought fewer goods or avoided unnecessary spending, 86% reduced food wastage, and avoided stocking goods, Most postponed major purchases or delayed non-essential needs,
- For mitigating measures respondents Nearly 40% took up part-time jobs, and 31% did overtime to earn more, Only a few invested in skill-building (9%) or improved farming practices (11%).

- National Bank for Agriculture and Rural Development (NABARD). All India rural financial inclusion survey (NAFIS) 2021-22. Mumbai: NABARD; 2022.
- National Sample Survey Office (NSSO). Household consumption expenditure survey. New Delhi: Ministry of Statistics and Programme Implementation, Government of India; 2021.
- Reserve Bank of India (RBI). Handbook of statistics on Indian economy. Mumbai: RBI; 2023.
- World Bank. Commodity markets outlook. Washington (DC): World Bank Group; 2022.

References

- Blanchard O, Johnson DR. Macroeconomics. 7th ed. Boston: Pearson Education; 2017.
- Food and Agriculture Organization (FAO). The state of food security and nutrition in the world 2022. Rome: FAO; 2022.
- Government of Chhattisgarh. Economic survey of Chhattisgarh 2022-23. Raipur: Directorate of Economics and Statistics; 2023.
- Mankiw NG. Principles of economics. 9th ed. Boston: Cengage Learning; 2020.
- Ministry of Agriculture and Farmers Welfare. Agricultural statistics at a glance 2022. New Delhi: Government of India; 2022.
- Ministry of Consumer Affairs, Food and Public Distribution. Public distribution system (PDS) and food subsidy report. New Delhi: Government of India; 2023.