CHAPTER - 6
RURAL DEVELOPMENT

Question 1. What do you mean by rural development? Bring out the key issues in rural development.

Answer. Rural development is a comprehensive term which essentially focuses on action for the development of areas that are lagging behind in the overall development of the village economy. Some of the areas which are in need of fresh initiatives for rural development are:

1. Development of human resources like literacy, more specifically, female literacy, education and skill development.
2. Development of human resources like health, addressing both sanitation and public health.
3. Honest implementation of land reforms.
4. Development of the productive resources in each locality.
5. Infrastructure development like electricity, irrigation, credit, markseting, transport facilities including construction of village roads and feeder roads to nearby highways, facilities for agriculture research-and extension, and information dissemination.
6. Special measures for alleviation of poverty and bringing about significant improvement in the living conditions of the weaker sections of the population.

Question 2. Discuss the importance of credit in rural development.

Answer. Farmers need money to buy additional land, implements and tools, fertilizers and seeds, paying off old debt, personal expenses like marriage, death, religious ceremonies, etc. Since the gestation period between crop sowing and realisation of income after sale of agricultural produce is very long, farmers need to take credit.

Question 3. Explain the role of micro-credit in meeting credit requirements of the poor.

Answer. SHGs (Self-Help Groups) and micro credit programmes promote thrift in small proportions by a minimum contribution from each member. From the pooled money, credit needs are fulfilled. The member have to repay the credit in small instalments at low rate of interest. The borrowings are mainly for consumption purposes.

Question 4. Explain the steps taken by the government in developing rural markets.

Answer. The government has taken various steps for improving agricultural marketing system. These are:

1. Establishment of Regulated Markets. Government has formed regulated markets to remove most of the evils of an unorganised market system.

Functions of regulated markets are:
(i) Enforcement of standard weights.
(ii) Fixation of charges, fees, etc.
(iii) Settling of disputes among the operating parties in the market.
(iv) Prevention of unlawful deductions and control of wrong practices of middlemen.
(v) Providing reliable market information.

2. Provision of Infrastructural Facilities. The government has taken measures to develop ; infrastructural facilities like roads, railways, warehouses, godowns, cold storages and processing units.
3. Co-operative Market. Co-operative marketing is a measure to ensure a fair price to fanners. Member farmers sell their surplus to the co-operative society which substitutes collective bargaining in place of individual bargaining. It links rural credit farming marketing processes to the best advantage of the farmers.
4. Important Instruments to Safeguard the Interests of Farmers. The Government has also developed some instruments to safeguard the interests of farmers. These instruments are:
5. Fixation of Minimum Support Price (MSP)
(ii) Buffer Stock
(iii) Public Distribution System (PDS).

Question 5. Why is agricultural diversification essential for sustain-able livelihoods?

Answer. Diversification into non-farm activities is important because it will:

1. reduce the risk from agriculture sector.
2. provide sustainable livelihood options to people living in villages.
3. provide ecological balance.

Question 6. Critically evaluate the role of the rural banking system in the process of rural development in India.

Answer. Since 1969, when the nationalisation of commercial banks took place, rural banking has expanded a great deal. Significant expansion of rural banking system played a positive role in:

1. Raising farm and non-farm output by providing services and credit facilities to farmers.
2. Providing long term loans with better repayment options. It, thus helped in eliminating moneylenders from the scene.
3. Generating credit for self-employment schemes in rural areas.
4. Achieving food security which is clear from the abundant buffer stocks of grains.

Limitations of rural banking are:

1. The sources of institutional finance are inadequate to meet the requirements of agricultural credit. Farmers still depend on money-lenders for their credit needs.
2. There exist regional inequalities in the distribution of institutional credit.
3. Rural banking is suffering from the problems of large amount of overdues and default rate.
4. Small and marginal farmers receive only a very small portion of the institutional credit. A large portion of institutional credit is taken away by the rich farmers.

Question 7. What do you mean by agricultural marketing?

Answer. Agricultural Marketing is defined as a process of marketing farm produce through wholesalers and stockists to ultimate consumers.

Question 8. Mention some obstacles that hinder the mechanism of agricultural marketing.

Answer. Defects of Agricultural Marketing are :

1. Inadequate Warehouses
2. Multiplicity of Middlemen
3. Malpractices in Unregulated Markets
4. Improper Measuring for Weighing, Grading and Standardisation
5. Lack of Adequate Finance
6. Inadequate means of Transport and Communication
7. Inadequate Market Information.

Question 9. What are the alternative channels available for agricultural marketing? Give some examples.

Answer. In India, alternative marketing channels are emerging. Through these channels farmers directly
sell their produce to the consumers. This system increases farmers', share in the price paid by the consumers. Important examples of such channels are: (a) Apani Mandi (Punjab, Haryana and Rajasthan), (b) Hadaspar Mandi (Pune); Rythu Bazars (Vegetable and fruit market in Andhra Pradesh) and (c) Uzhavar Sandies (Tamil Nadu), (d) Several national and international fast food chains and hotels are also entering into contracts with the farmers to supply them fresh vegetables and fruits.

Question 10. Explain the term 'Golden Revolution'.

Answer. The period between 1991-2003 is called 'Golden Revolution' because during this period, the planned investment in horticulture became highly productive and the sector emerged as a sustainable livelihood option. India has emerged as a world leader in producing a

variety of fruits like mangoes, bananas, coconuts, cashew nuts and a number of spices and is the second largest producer of fruits and vegetables.

Question 11. Explain four measures taken by the government to improve agricultural marketing.

Answer. The government has taken various steps for improving agricultural marketing system. These are:

1. Establishment of Regulated Markets. Government has formed regulated markets to remove most of the evils of an unorganised market system. Functions of regulated markets are:
   (i) Enforcement of standard weights.
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   (i) Fixation of Minimum Support Price (MSP)
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Question 12. Explain the role of non-farm employment in promoting rural diversification.

Answer. The non-farm sectors include agro-processing industries, food processing industries, leather industry, tourism, etc. Some other sectors which have the potential but lack infrastructure are traditional household-based industries like pottery, crafts, handlooms, etc.

Question 13. Bring out the importance of animal husbandry, fisheries and horticulture as a source of diversification.

Answer.

1. Animal Husbandry
   (a) In India, the farming community uses the mixed crop-livestock farming system—cattle, goats, fowl are the widely held species.
   (b) This system provides increased stability in income, food security, transport, fuel and nutrition for the family without disrupting other food-producing activities.
   (c) Today, livestock sector alone provides alternate livelihood options to over 70 million small and marginal farmers including landless labourers.
   (d) Poultry accounts for the largest share. It is 42 per cent of total livestock in India.
   (e) Milk production in the country has increased by more than four times between 1960-2002.
   (f) Meat, eggs, wool and other by-products are also emerging as important productive sectors for diversification.
2. Fisheries
   (a) The fishing community regards the water body as 'mother' or 'provider'. The water bodies consist of sea, oceans, rivers, lakes, natural aquatic ponds, streams, etc.
   (b) Presently, fish production from inland sources contributes about 49 per cent to the total fish production and the balance 51 per cent comes from the marine sector (sea and oceans). Today total fish production accounts for 1.4 per cent of the total GDP.
   (c) Among states, Kerala, Gujarat, Maharashtra and Tamil Nadu are the major producers of marine products.
3. Horticulture
   (a) Due to varying climate and soil conditions, India has adopted growing of diverse horticultural crops such as fruits, vegetables, tuber crops, flowers, medicinal and aromatic plants, spices and plantation crpps..
   (b) These crops play an important role in providing food, nutrition and employment.
   (c) India has emerged as a world leader in producing a variety of fruits like mangoes, bananas, coconuts, cashew, nuts and a number of spices and is the second largest producer of fruits and vegetables.
   (d) Flower harvesting, nursery maintenance, hybrid seed production and tissue culture, propagation of fruits and flowers and food processing are highly profitable employment opportunities for rural women. It has been estimated that this sector provides employment to around 19 per cent of the total labour force.

Question 14. 'Information technology plays a very significant role in achieving sustainable development and food security'—comment.

Answer. Information technology plays a very significant role in achieving sustainable development and food security in the following ways:

1. It can act as a tool for releasing the creative potential and knowledge embedded in our poeple.
2. Issues like weather forecast, crop treatment, fertilizers, pesticides, storage conditions, etc. can be well administered if expert opinion is made available to the farmers.
3. The quality and quantity of crops can be increased manifold if the farmers are made aware of the latest equipments, technologies and resources.
4. IT has ushered in a knowledge economy.
5. It has potential of employment generation in rural areas.

Question 15. What is organic farming and how does it promote sustainable development?

Answer. Organic farming is a system of farming that maintains, enhances and restores the ecological balance.
Need for organic farming arises because:

1. In the past, modem farming methods made excessive use of chemical fertilizers and pesticides. It led to soil, water and air pollution, loss of soil fertility and too much chemical contents in foodgrains.
2. There is urgency to conserve the environment and eco-system and promote sustainable development.
3. Organic farming is an inexpensive farming technology. It can be purchased by small and marginal farmers.

Question 16. Identify the benefits and limitations of organic farming. .

Answer. The advantages of organic farming are:

1. Inexpensive Process. Organic agriculture offers a means to substitute costlier agricultural inputs (such as HYV seeds, chemical fertilizers, pesticides, etc.) with locally produced organic inputs that are cheaper and thereby generate more return on investment.
2. Generates Income. It generates income through international exports as the demand for organically grown crops is on a rise.
3. Healthier and Tastier Food. Organically grown food has more nutritional value than food grown with chemical farming. It, thus, provides us with healthy foods.
4. Solves Unemployment Problem. Since organic farming requires more labour input than conventional farming, it will solve unemployment problem.
5. Environment Friendly. The produce is pesticide-free and produced in an environmentally sustainable way.

Limitations of organic farming are:

1. It has been observed that the yield from organic farming is much less than modern agricultural farming. Thus, goods produced organically command a higher price.

2. Small and marginal farmers may not adapt to this type of farming due to lack of awareness and limited choice of alternate production in off-seasons.
3. Organic produce may have a shorter shelf life.

Question 17. Enlist some problems faced by farmers during the initial years of organic farming.

Answer.

1. Organic farming requires:
   (a) Organic Manure
   (b) Bio-fertilizers
   (c) Organic Pesticides
   Although they are cheaper to qjatain, yet farmers find it difficult to get them.
2. The yield from organic farming is much less than modem agricultural farming.
3. The price of organic foods is high, so it is difficult to sell them.
4. Organic produce generally has a shorter shelf life.