

# VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

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## RURAL DEVELOPMENT

Question 6:

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

**ANSWER:**

With the nationalisation of the commercial banks after 1969, the concept of social banking came into existence. It implies extending institutional credit at moderate rate of interest. The National Bank for Agricultural and Rural Development (NABARD) has made a significant progress in the field of rural credit. It cannot be denied that the institutional credit has freed the farmers from the trap of money lenders and mahajans. But, on the other hand, institutional credit is not free from deficiencies. The rural or institutional credit has invariably been associated with security or collateral. Consequently, a substantial number of farmers cannot avail credit. Also, the commercial banks failed to encourage the habit of thrift among farmers. In addition to this, the leniency on the part of the government to collect taxes was another setback in the rural banking. This further led to the emergence of the feeling among the farmers of not repaying the borrowed amount. This increased the defaulter's rate and led to financial unfeasibility for the rural banks.

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Question 7:

What do you mean by agricultural marketing?

**ANSWER:**

Agricultural marketing refers to all those processes that are involved from harvesting to final sales of the products by the farmers. These processes involve:

- a) gathering the product after harvesting.
- b) processing the product
- c) grading the product, according to, different quality norms
- d) packaging the product
- e) storing the product for future use
- f) selling the product at attractive prices

In other words, it does not simply refer to the farmers' act of bringing their product to the market for the purpose of sale. But it also includes all those activities that help the farmers to fetch the maximum price for his product.

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Question 8:

Mention some obstacles that hinder the mechanism of agricultural marketing.

**ANSWER:**

Agricultural marketing does not simply refer to the farmers' act of bringing their product to the market for the purpose of sale. But it also includes all those activities that help the farmers to fetch the maximum price for their product. The following are some of the obstacles that hinder the mechanism of agricultural marketing:

- i. Farmers are vulnerable to defective weighing techniques and misappropriation of accounts.
- ii. Farmers are often ill-informed about market prices and market conditions. Being ignorant, farmers are forced to sell their product at lower prices.
- iii. The farmers lack access to proper storage facilities to store their produce for future sell at better prices.
- iv. The farmers cannot avail agricultural credit, leading to their exploitation by the moneylenders and mahajans.

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Question 9:

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

**ANSWER:**

The small and marginal farmers, selling their product through the middlemen, were exploited by these middlemen. The farmers were not given appropriate price for their product. In this context; there arose a need for an alternative marketing channel. Under this channel, the farmers can sell their product directly to the consumers that would fetch them comparatively higher price, thereby, attractive profits. Some of the examples of alternative agricultural marketing are Apni Mandi in states like Punjab, Haryana and Rajasthan, Hadaspar Mandi in Pune, Rythu Bazars in Andhra Pradesh, Uzhavar Sandies in Tamil Nadu. Another alternative channel for agricultural marketing is the contract of direct sales between the farmers and the national and international companies. These companies offer advance payments to the farmers for supplying products at pre-determined rates. These alternative agricultural channels raise farmer's income and simultaneously reduce price risk for the small and marginal farmers.

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Question 10:

Distinguish between 'Green Revolution' and 'Golden Revolution'

**ANSWER:**

<b>Green Revolution</b>	<b>Golden Revolution</b>
The combined use of HYV seeds and increased use of fertilisers and developed irrigation facilities jointly to increase the production of rice and wheat. This increase in the production of the food grains is known as the Green Revolution.	The rapid growth in the production of the horticultural crops such as fruits, vegetables, tuber crops, flowers, etc. is known as Golden Revolution.

It led to increase in the production, especially, of rice and wheat.	It led to increase in production of fruits, vegetables, flowers, aromatic plants, spices, etc.
As a result of this revolution, India became self-sufficient in the production of wheat and rice.	As a result of this revolution, India became a world leader in the production of mangoes, bananas, coconut and spices.

*Question 11:*

Do you think the various measures taken by the government to improve agricultural marketing are sufficient? Discuss.

**ANSWER:**

To improve the system of agricultural marketing the government initiated a number of measures such as organisation of regulated markets, infrastructural development (cold storage, warehouses, etc.), propagation of market information through agriculture based programmes on radio and television, Minimum Support Price Policy, etc. However, despite various attempts by the government the system of agricultural marketing in India has only been partly successful. The following are some of the obstacles in the successful agricultural marketing system.

1. It is found that farmers often fall prey to defecting weighing techniques and misappropriation of accounts.
2. Farmers lack knowledge of market prices and market conditions which forces them to sell their produce at a lower price.
3. Storage facilities are insufficient which forces the farmers to sell their produce at a lower price right after harvesting. Also, insufficient storage makes the crops vulnerable to pests and bad weather.
4. There is lack of institutional sources of finance which forces the farmers to fall back on moneylenders for obtaining credit.
5. Transportation facilities are insufficient as a result of which the farmers are unable to sell their produce at far off places.
6. Due to the presence of large number of intermediaries farmers remain separated from the actual consumers. The intermediaries purchase the produce from the farmers at a very low price and sell them at a much higher price in the market. This implies that the farmers receive a very small share of the actual return of the produce.

*Question 12:*

Explain the role of non-farm employment in promoting rural diversification.

**ANSWER:**

The non-farm areas of employment are essential with a view to raise income and exploring alternative avenues of sustainable livelihood besides agriculture. The following are the importance of non-farm employment opportunities in promoting rural diversification:

1. A substantial portion of Indian farming is dependent on the vagaries of monsoon, making it a risky affair to rely upon solely. Hence, non-farm employment opportunities are to be explored to enable the farmers to earn from alternative non-farm occupations. This will lessen the excess burden on agriculture by reducing disguised unemployment.
  2. The kharif season opens up ample opportunities for agricultural employment. However, due to lack of irrigation facilities, the farmers fail to get gainful employment opportunities during the Rabi season. Therefore, absence of opportunities in agriculture sector should be compensated in non-farm sectors.
  3. Agriculture being over crowded cannot further generate employment opportunities to the farmers. Therefore, the prospects of the non-farm sectors should be opened up in the rural areas to provide job opportunities, thereby, diverting workforce from the already crowded agricultural sector.
  4. The non-farming sector has several segments that have dynamic linkages. Such linkages enhance the healthy growth of the rural areas.
  5. The non-farm sector provides employment opportunities for the whole year as compared to the farming occupation. So, it helps to eradicate poverty from the rural areas.
  6. Most of the output of non-farm sectors acts as an input for the large scale industries. For example, agro-processing industries, food processing industries, leather industry, tourism, etc. This has two-fold benefits. First, the large scale industries can specialise in their final output by relying on the processed inputs from the non-farm sectors. Secondly, such dependence of the large scale industries provides impetus to the non-farm sectors reducing the urban-rural regional disparities.
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