Unit 3 / CBSC Unit - 2

Problem of Agricultural Sector -

In India at the time of independence about 72% of the population was engaged in agriculture, however its contribution to national income was only ~~72~~ 13%. The ~~british~~ agriculture sector was also characterised by the existance of a class of intermediaries known as zamindars who exploited the rural people of their surplus & incentives. Thus cultivator had neither the reason nor incentive to invest in

agriculture. Therefore Indian agriculture during the independence period ~~can be~~ was a subsistance occupation. Indian agriculture sector was considered backward because of the following reasons -

(1) Indian agriculture was completely rain fed and was devoid of irrigation facilities.

(2) Farmers restricted the use of pesticides & fertilizers owing to their orthodox mind set.

(3) The seed ~~ses~~ used in the fields were home grown & ~~were~~ had low productivity.

(4) In India, farmers are illiterate, superstitious, conservative and are unresponsive to new technology. Thus the farmin practise were of premitive nature which kept the productivity & yield low.

(5) Land tenure system - Perhaps the most important reason of low productivity has been the exploitation by zamindars ~~which~~ who drained out the capacity & willingness of the cultivator to do good.

(6) Uneconomical Holding -

According to national Sample Survey 1961-62, 52% of holdings had a size of less than 2 hectares. Most of the holdings are not extremely small but also fragmented

(7) Lack of credit & ~~ag~~ marketing facilities also contributed to the doom of agriculture sector. Due to the lack of adequate institutional credit farmers had ~~to~~ to depend upon village ~~mo~~ money lenders who tend to exploit them. Again the lack of market facilities made ~~makes~~ the poor farmer vulnerable in the hands of middle man.

8) Agri sector is characterised by disguised & seasonal employment. ~~which~~ According to estimates 1 out of 4 persons in rural area, is

disguisedly unemployed, & does not contribute ~~to~~ anything to production.

Features of Agriculture Development

(1) Gradual shift from Subsistance to Commercial farming -

In past, indian farmer used to produce primarily for self consumption i.e at the subsistance level. However this has under ~~goa~~ gone a change.

Now farmer produce for meeting their self consumption as well as for selling the surplus in the market. Thus our farmers have ~~witness~~ shifted from subsistance cultivation to commercial cultivation.

② Increasing Use of Modern Method of Cultivation –

~~In~~ Commercialization has been accompanied by increased use of ~~mo~~ chemical fertilizer, pesticides

HYV seeds & modern machinery, which have inturn increased the productivity by many fold.

3) Increasing availability of Institutional finance – With commercialization the need of institutional finance also croped up. Thus to save the farmers from the shackels of ~~mo~~ village money lenders the government promoted setting up of Regional Rural Banks & nationalization of commercial banks ~~in~~ This Public sector bank helped ~~a~~ farmers to meet their credit requirement at

a low cost.

(4) Dualism of Labour Market

On account of excessive & growing of population on land, the level of wages in agricultural sector became considerably lower as compared to the industrial sector. This lead to dualism in labour market

Agricultural Reforms Since

Independence -

Indian Govt has introduced many policy ~~remo~~ reform in agriculture ~~a~~ sector since 1950 & they are as follows -

(1) Land Reform - By land reform we mean reform of the institutional factors related to management & ownership of land. In other words land reform seeks to increase the ~~productivity by~~ Production through

fixation of rent on land, abolition of intermediaries, by strengthening credit & marketing arrangement &
This land reform measures are as follows-

(i) Abolition of Intermediaries

Intermediaries, popularly known as zamindars used to exploit the poor tillers ~~in~~ by collection high rent on land & thereby killing their incentive to invest & increase agricultural production. Thus govt took several steps to abolish the zamindari

class & ~~bring~~ provide direct ownership of land to farmers.

ii) Tenancy Reform - Tenancy reform were introduce to provide security to tenant & ~~from~~ Tenancy reform include policy of fixation of rent, security of tenure & conferring ownership rights.

iii) Ceiling on land holding-

Under this policy, the government had fixed the maximum amount a limit of land a person ~~can~~ could own. The surplus land, if any, was taken by the govt & redistributed among the small & marginal farmers.

iv) <u>Consolidation of holding</u> –

This implies bringing ~~together~~ together small pieces of fragmented land to make up a big plot of land.

v) <u>Cooperative farming</u> – It was introduced so that farmers could work together

as a large group availing the advantage of large scale cultivation while retaining their individual ownership

<u>Failure of Land Reform</u>

Land Reform couldnot be implemented successfully because of the following reasons –

(i) Weakness in law gave ample amount of scope to the zamindars for transfering their land in the name of their families & evade from the policy of land

~~ceil~~ ceilings.

(ii) The lack of political will & corrupt bureaucrats also acted as an hurdel in the implementation of the reforms.

(iii) The poor, illiterate & ignorant farmers were weak to assert their rights. The tenant who were given ownership were evicted later.

2/ Technological Measures

Government has promoted the inclusion of modern technology in the farming practices since mid

1960s. The ushering of modern technology has made farming easy, efficient & productive. Now a days farmer are able to plough their fields with ~~tradars~~ tractors, water their plants with sprinklers etc. ~~ete~~ All this have increased the agri. productivity by many fold.

3/ Agriculture Subsidy Policy

The use of modern tech, pesticides, fertilizers require huge capital. Thus govt. seeked to provide these inputs to farmer at a ~~subsi~~ subsidized price ~~so~~ so as to increase the productivity.

3/ Agriculture Pricing Policy was introduced to provide fair return to farmers. Thus under this policy govt started fixing the minimum support price & procurement price for a no. of agri commodity.

Note
Minimum Support Prices - Refers to the price limit below which price of the commodity should not fall.

Procurement Price: The price at which Govt ~~p~~ buys the agri products from farmers directly. The procurement price is also above the minimum support price.

(The Commission of Agriculture Cost & Prices (CACP) was estb for fixing this above prices)

(5) Institutional Credit

For providing institutional credit to farmers, Govt promoted establishment of Regional Rural Banks. Nationalization of commercial banks in 1969 have also increased the attention of banks towards credit needs of agriculture.

• (Note: In 1982 (NABARD) ~~co~~ i.e National Bank of ~~Aag~~ Agriculture & Rural Development was setup for facilitating coordination among rural financial institution)

6) Improvement in Agricultural Marketing

- Regulated market were set up by govt to ensure reasonable price to farmers for their produce. Cooperative market society has also been estbed.

Green Revolution

Since the mid 1960's, the traditional agricultural practices are gradually being replaced by modern technology & farm practices in India & a real revolution was taking place. Initially these new technology was tried in 1960-61 as a pilot project in 7 district & was called 'Intensive Agriculture District Programme" (IADP). Later the High Yielding varieties Programme (HYVP) was also added & the strategy was extended to cover the entire country. This

strategy has been called by various

name viz Modern Agricultural Technology, green Revolution etc.

Thus green revolution refers to the result of adopting 'New Agriculture Strategy'. Thus in other words green Revolution implies large increase in agricultural production due to new agri strategy.

Features of Green Revolution

(1) Focus on Potential Regions:

In the new strategy, conscious decision was made to concentrate all the available resources in only potential region so that the growth did not suffer from inadequacy of complementary resources.

(2) Introduction of Modern Inputs -

These inputs are -

(a) Use of HYV seeds: The core of new

technology was the use of HYV seeds. ~~This~~ Unlike low productive & home grown seeds, the HYV seeds were immune to many crop diseases. More over HYV seeds were 25% more productive than the home grown seeds.

(b) The use of HYV seeds had to be complemented with new chemical fertilizers which contain nutricious element in concentrated form.

(c) To ~~free~~ ~~it~~ reduce ~~india's a~~ monsoon dependency of indian agri sector, 21 Monday 17th Week • 111-254

~~moder~~ modern ~~agri~~ irrigation facilities were developed. This irrigation facilities also complemented the use of HYV seeds & ~~also~~ helped in increase production. Thus the new technology is described as "seed fertilizer - water technology".

iv) Application of Pesticides:

Application of pesticides was promoted to protect the seeds & plants from diseases.

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3// Active Role for the State

Implementation of the new agri strategy required active role for the state. As a result no of state agency were set up:

(a) National Seed Corporation was set up in 1963 with responsibilities in the field of seed production.

(b) NABARD was estblised in 1982 to function as an apex bank in the area of agricultural finance.

(c) FCI was set up in 1965 to procure food grains