**Rural Development**

 1. Mention any one advantage of Organic farming.

Ans. Advantages of Organic Farming - It offers a means to substitute costly agricultural inputs like HYV seeds, chemical fertilisers etc.

2. State whether the following statement is true or false: "Self-Help Groups (SHGs) are an example of a microcredit organisation."

Ans. True, SHGs involve various members who poll their resources and come together to help each other. They offer loan to the members with utmost need of credit.

3. State the meaning of 'White Revolution'.

Ans. Operation flood is called as White Revolution. It is system in which all the farmers can pool their milk produced according to different grading (based on quality) and the same is processed and marketed to urban centres through cooperatives, it was launched in the year 1995

4. Name the apex institution for rural financing in India.

Ans. NABARD

5. Which of the following is not an advantage of organic farming?

(Choose the correct alternative)

(a) Cheap inputs

(b) Attractive returns on investment

(c) Greater possibilities for import

(d) High nutritional value

Ans. Option (c)

6. State the meaning of Agricultural Marketing.

Ans. Agricultural Marketing is a process which includes everything from the production till sale of the produce in the market at a best price.

7. Define Self Help Groups.

Ans. SHGs are micro credit organisation in which members of the group join together and pool their resources. Loan is offered to the ones who are in utmost need of credit.

8. State the meaning of the term 'Livestock'.

Ans. Livestock is commonly defined as domesticated animals raised in an agricultural setting to produce labor and commodities such as meat, eggs, milk, fur, leather, and wool

9. Agriculture marketing does not comprise of……………………… (Choose the correct alternative)

(a) Transportation of the produce to the market place for sale.

(b) Grading of the produce according to the quality.

(c) Storage of the produce for sale in future.

(d) Credit taken to meet expenditure on agriculture,

Ans. Option (d)

10. Which one of the following is an apex body to take care of the rural financing system of the country?

(a) RBI

(b) NABARD

(c) ICICI

(d) SBI

Ans. (b) NABARD

11. Assertion (A): Government initiated various measures to improve the marketing system in agriculture.

Reason (R): Prior to Independence, farmers experienced a problem of distress sale, lack of transportation and storage.

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is true but Reason (R) is false.

(d) Assertion (A) is false but Reason (R) is true.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

12. Assertion (A): Since agriculture in India is dependent on rainfall, the income of farmers is highly unstable.

Reason (R): Due to agricultural diversification, Horticulture, fisheries and cottages industries have gained popularity among rural India.

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).

 (c) Assertion (A) is true but Reason (R) is false.

(d) Assertion (A) is false but Reason (R) is true.

Ans. (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).

13. Match the following.

Column I Column II

1. National Horticulture Mission (a) 1982

2. Operation Flood (b) 1991

 3. Green Revolution (c) 2005-06

4. Golden Revolution (d) 1960

5. NABARD (e) 1995

Ans. (1,c) (2,e (3,d) (4,b) (5,a)

14. State the major function of NABARD.

Ans. NABARD stands for National Bank for Agriculture and rural development. It was set up in the year 1982. It performs following functions:

(a) It plans and formulates policies related to rural credit.

(b) Take steps to coordinate with other agencies involved in providing rural credit

(c) Monitor and evaluate policies and take remedial measures.

15. State two aspects of Agricultural Diversification. State its significance.

Ans. Two aspects are Diversification in cropping pattern and diversification in other non farm activities. Both the aspects are important as they ensure stability in farmer's income, absorb surplus labour and avoid market risk due to price fluctuations.

16. In which year, National Horticulture Mission was introduced?

(a) 2005-06 (b) 2011-12 (c) 1999-00 (d) 2015-16

Ans. Option (a)

17. Government established the 'Institutional Sources of Credit' with certain objectives. Mention the objectives.

Ans. Government established the institutional sources with the following objectives:

* To provide adequate credit to farmers at a cheaper interest rate.
* To assist small and marginal farmers in raising their agricultural productivity and maximising their income.

18. Discuss the institutional source of credit which is regarded as the Apex Bank?

Ans. National Bank for Agricultural and Rural Development (NABARD) is regarded as the Apex Bank which coordinates the functioning of different financial institutions, working for expansion of rural credit.

* Its objective is to promote health and strength of credit institutions.
* It also provides financial assistance to the non-farm sector, to promote integrated rural development and prosperity of backward rural areas.

19. Discuss the 'Different Policy Instruments' initiated by the government to improve Agricultural Marketing.

Ans. Government initiated the following policies:

(i) Minimum Support Prices (MSP): To safeguard the interest of farmers, government fixes the minimum support prices of agricultural products, like wheat, rice, etc. Such a price may be regarded as an offer price, at which the Government is willing to buy any amount of grains from the farmers.

(ii) Maintenance of Buffer Stocks: The Food Corporation of India (FCI) purchases wheat and rice at the procurement prices, to maintain buffer stock. It helps to ensure regularity in supply and stability in prices.

(iii) Public Distribution System (PDS): PDS operates through a network of ration shops and fair price shops, which offer essential commodities at a price below the market price, to the weaker sections of the society.

20. ‘There are no benefits of diversification of agricultural activities.’ Do you agree?

Ans. No, I do not agree with the given statement. Diversification of agricultural activities into other sectors is essential because of following reasons:

* To provide supplementary gainful employment.
* To enable them to earn higher levels of income.
* To enable rural people to overcome poverty and other troubles.

21. Match the items given under 'A' with the suitable statements under 'B':

|  |  |
| --- | --- |
|  (A) |  (B) |
| (i) Involves cultivating fruits, vegetables, etc.(ii) Operation Flood or White Revolution (iii) Involves use of computers to retrieve and transmit information.(iv) Involves catching, processing or selling of aquatic animals.(v) Involves breeding, rearing and caring for farm animals | (a) Information Technology (b) Animal Husbandry(c) Horticulture(d) Dairying (e) Fisheries |

Ans. (i) c; (ii) d; (iii) a; (iv) e; (v) b

22. "Use of chemical fertilisers, to compensate food shortage, gives good dividends at one time in the form of increased production, but becomes a disaster later in the form of adverse effects on health," How can we overcome this problem?

Ans. Increasing use of chemical fertilisers make country self-dependent in food production but it deteriorate environment and cause harmful impacts on living beings. This problem can be handled by promoting organic farming. Organic farming is the process of producing safe and healthy food. Moreover, organic agriculture restores, maintains and enhances the ecological balance. There is an increasing demand for organically grown food, to enhance food safety throughout the world.

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

Ans. Rural Development refers to continuous and comprehensive socio-economic process, attempting to improve all aspects of rural life. Some of the key issues in rural development include:

1. Development of Human Resources: The quality of the human resource need to be improved by giving proper attention to literacy and better Health facilities.

2. Development of Infrastructure: It involves improvement in electricity, irrigation, credit, marketing and transport facilities.

3. Land Reforms: It includes: (i) Elimination of exploitation in land relations; (ii) Actualisation of the goal of land to the tiller; (ii) Improvement of socio-economic conditions of rural poor by widening their land base; (iv) Increasing agricultural productivity and production.

4. Alleviation of Poverty: It includes taking serious steps for alleviation of poverty and bringing significant Improvement in living conditions of weaker sections.

5. Development of the productive resources of each locality to enhance opportunities of employment (particularly other than farming).

24. Discuss the importance of credit in rural development.

Ans. In agriculture, due to long time gap between crop sowing and realisation of income, farmers are in strong need for credit. Farmers need money to meet initial investment on seeds, fertilisers, implements and other family expenses of marriage, death, religious ceremonies, etc. So, credit is one of the important factors which contribute to agricultural production. An efficient and effective rural credit delivery system is crucial for raising agricultural productivity and incomes.

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

Ans. Micro-credit or Self-Help Group (SHG) has emerged as the major micro finance programme in the country in recent years.

* Their focus is largely on those rural poor, who have no sustainable access to the formal banking system. So, their target groups comprise of small and marginal farmers, agricultural and non-agricultural labourers, artisans, etc.
* SHGs promote thrift in small proportions by a minimum contribution from each member.
* From the pooled money, credit is given to the needy members at reasonable interest rates, which to be repaid in small installments.
* By March 2003, more than seven lakh SHGs had reportedly been credit linked. Such credit provisions are generally referred to as micro-credit programmes. SHGS have also helped in the empowerment of women.

26. Explain the steps taken by the government in developing rural markets.

Ans. The steps taken by the government in developing rural markets, include the following measures:

1. Regulated Markets: Regulated markets have been organized with a view to protect the farmers from the malpractices of sellers and brokers. This policy benefited farmers as well as consumers.

2. Infrastructural Facilities: The Government aims to provide physical infrastructure facilities like roads, railways, warehouses, godowns, cold storages and processing units.

3. Cooperative Marketing: The aim of cooperative marketing is to realise fair price for farmers' products Under this, marketing societies are formed by farmers to sell the output collectively and to take advantage of collective bargaining in order to obtain better price.

4. Different Policy Instruments: In order to protect the farmers, the government has initiated the following policies:

(i) Minimum Support Prices (MSP): To safeguard the interest of farmers, government fixes the minimum support prices, which is regarded as an offer price, at which the Government is willing to buy any amount of grains from the farmers.

(ii) Maintenance of Buffer Stocks: The Food Corporation of India (FCI) purchases wheat and rice at the procurement prices, to maintain buffer stock. Buffer stock ensures regularity in supply and stability in prices.

(iii) Public Distribution System (PDS): PDS operates through a network of ration shops and fair price shops, in which essential commodities like wheat, rice, kerosene, etc. are offered at a price below the market price, to the weaker sections of the society.

27. Why is agricultural diversification essential for sustainable livelihoods?

Ans. Agricultural diversification is essential for sustainable livelihoods because:

(i) There is greater risk in depending exclusively on farming for livelihood;

(ii) To provide supplementary gainful employment to rural people and to enable them to overcome poverty by earning higher levels of income.

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

Ans. Rapid expansion of the banking system had a positive effect on rural farm and non-farm output. Income and employment. After the green revolution, credit facilities helped farmers to avail variety of loans for meeting their production needs. With buffer stocks of grains, famines became events of the past.

Even then, the following problems are being faced in the rural banking

(i) Insufficiency: The volume of rural credit in the country is still insufficient in comparison to its demand.

(ii) Inadequate Coverage of institutional sources: The institutional credit arrangement continues to be inadequate as they have failed to cover the entire rural farmers of the country.

(iii) Inadequate Amount of Sanction: The amount of loan sanctioned to the farmers is also inadequate.

(iv) Less attention to poor or marginal farmers: Lesser attention has been given on the credit requirements of needy farmers.

(v) Growing Overdues: The problem of overdues in agricultural credit continues to be an area of concern. Agriculture loan default rates have been chronically high. It is alleged that farmers are deliberately refusing to pay back loans, which is a threat to the smooth functioning of banking system and needs to be controlled.

Thus, the expansion and promotion of the rural banking sector has taken a backseat after reforms. Except the commercial banks, other formal institutions failed to develop a culture of deposit mobilization, lending to needy borrowers and effective loan recovery.

To improve the situation:

* Banks need to change their approach from just being lenders to building up relationship banking with the borrowers; and
* Farmers should also be encouraged to inculcate the habit of thrift and efficient utilization of financial resources.

29. What do you mean by agricultural marketing?

Ans. Agricultural marketing is a process that involves assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country

30. Mention some obstacles that hinder the mechanism of agricultural marketing.

Ans. Some of the obstacles that hinder the mechanism of agricultural marketing are:

(i) Agricultural markets are still dominated by the private traders like moneylenders, rural political leaders, big merchants and rich farmers.

(ii) The quantity of agricultural products, handled by the government agencies and consumer cooperatives, constitutes only 10%, while the rest is handled by the private sector.

(iii) Lack of Storage Facility: The facilities available for storing the food grains and commercial crops are far from satisfactory.

(iv) Lack of Transportation: Due to absence of proper road transportation facilities, they have to sell their produce at the village markets itself.

(v) Lack of Market Information: Farmers were often forced to sell at low prices due to lack of required information on prices prevailing in markets.

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

Ans. Some of the alternative channels available for agricultural marketing are:

(i) Farmers Market: The concept of farmers market has been started to give boost to the small farmers by providing them provide direct access to the consumers and eliminating the middlemen. Some examples of these channels are: (i) Apni Mandi in Punjab, Haryana and Rajasthan: (ii) Hadaspar Mandi in Pune; (iii) Rythu Bazars in Andhra Pradesh; and (iv) Uzhavar Sandies (farmers market in Tamil Nadu).

(ii) Alliance with National and Multinational Companies: Several national and multinational fast food chains are increasingly entering into contracts/alliances with farmers.

* They encourage the farmers to cultivate farm products (vegetables, fruits, etc.) of the desired quality.
* They provide them with not only seeds and other inputs, but also assure procurement of the produce at pre-decided prices.
* Such arrangements help in reducing the price risk of farmers and expand the market for farm products.

32. Distinguish between 'Green Revolution' and 'Golden Revolution'.

Ans.

|  |  |  |
| --- | --- | --- |
| S. No. |  Green Revolution |  Golden Revolution |
| 1. | Green Revolution refers to the large increase in production of food grains due to use of high yielding variety (HYV) seeds. | The period during which there was rapid growth in the production of horticultural crops such as fruits, vegetables, flowers, etc. is known as Golden Revolution. |
| 2.  | It led to increase in the production, especially, of rice and wheat.  | It led to increase in production of fruits, vegetables, flowers, etc. |
| 3.  | Green Revolution made India self-sufficient in the production of food grains. | Golden Revolution made India a world leader in the production of mangoes, bananas, coconut and spices. |

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

Ans. Government has adopted various measures for improving agricultural marketing such as regulation of markets, provision of infrastructural facilities, cooperative marketing and different policy instruments like Minimum Support Prices (MSP), Public Distribution System (PDS), etc. However, even after the measures taken by the government, following are some of the obstacles in the successful agricultural marketing system:

(i) Agricultural markets are still dominated by the private traders like moneylenders, rural political leaders, big merchants and rich farmers.

(ii) The current infrastructure facilities are quite inadequate to meet the growing demand and need to be improved.

(iii) Cooperatives are also suffering from problems like inadequate coverage of farmer members, lack of appropriate link between marketing and processing cooperatives and inefficient financial management.

(iv) The quantity of agricultural products, handled by the government agencies and consumer cooperatives, constitutes only 10%, while the rest is handled by the private sector.

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

Ans. The following are the importance of non-farm employment opportunities in promoting rural diversification:

(i) There is greater risk in depending exclusively on farming for livelihood. Non-farm employment provides productive sustainable livelihood options to rural people.

(ii) Most of the agricultural employment activities are concentrated in the Kharif season. However, during the Rabi season, it becomes difficult to find gainful employment in the areas where there are inadequate irrigation facilities. So, diversification into non-farm areas proves to be crucial.

(iii) Non-farm Activities has several segments. Some segments of non-farm activities possess dynamic linkages that permit healthy growth.

(iv) The output of non-farm sectors acts as an input for the large-scale industries. For example, agro- processing industries, leather industry, etc.

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

Ans. The importance of animal husbandry or livestock farming will be clear from the following points:

(i) Animal husbandry provides alternate livelihood options to over 70 million small and marginal farmers, including landless labourers.

(ii) It provides increased stability in income, food security, transport, fuel and nutrition for the family, without disrupting other food producing activities.

(iii) A significant number of women also find employment in the livestock sector.

Fisheries sector plays an important role in the socio-economic development of the country.

(i) West Bengal, Andhra Pradesh, Kerala, Gujarat, Maharashtra and Tamil Nadu are major fish producing states.

(ii) A significant number of women also find employment in the fishing 60% of the workforce in export marketing and 40% in internal marketing are women.

(iii) Fish production contributes 0.8% to India's GDP

Horticulture is an important sector for potential diversification and value addition in agriculture. India has emerged as a world leader in producing a variety of fruits, vegetables and a number of spices.

(i) Horticulture has improved economic condition of many farmers and has become a means of improving livelihood for many unprivileged classes too.

(ii) Flower harvesting, nursery maintenance, etc. are highly remunerative employment options for women in rural areas.

36. Information technology plays a very significant role in achieving sustainable development and food security’ - comment.

Ans. Information Technology (IT) has revolutionized many sectors in the Indian economy. It is widely accepted that IT will play a critical role in achieving sustainable development and food security in the 21 century.

* Through appropriate information and software tools, government has been able to predict areas of food insecurity and vulnerability, to prevent or reduce the likelihood of an emergency.
* IT also circulates information regarding emerging technologies and its applications, prices, weather and soil conditions for growing different crops, etc.
* IT sector is also generating employment opportunities in the backward areas. For example, info kiosk (i.e. PC with internet, scanner, etc.) have been started in the rural areas, to enable the kiosk owner earn a reasonable income by providing different services like e-mail, video-conferencing, etc.
* IT aims to make every village a knowledge center, where it provides a sustainable option of employment and livelihood.

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

Ans. Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control.

Organic farming is the process of producing safe and healthy food, without leaving any adverse impact on the environment. This method avoids the use of synthetic chemical fertilizers and genetically modified organisms. It means, organic farming promotes sustainable development as it restores, maintains and enhances the ecological balance. The produce of organic farming is pesticide-free and is produced in an environmentally sustainable way.

38. Identify the benefits and limitations of organic farming.

Ans. The benefits of organic farming are:

(i) Economical Farming: Organic Farming offers a means to substitute costlier agricultural inputs (such as HYV seeds, chemical fertilisers, pesticides, etc.) with locally produced cheaper organic inputs.

(ii) Generates income through exports: It generates income through international exports as demand for organically grown crops is on a rise.

(iii) Provides Healthy Food: It provides healthy food as organically grown food has more nutritional value than food grown through chemical farming.

(iv) Source of Employment: Organic farming generates more employment opportunities as it requires more labour input than conventional farming.

(v) Safety of environment; the produce of organic farming is pesticide-free and is produced in an environmentally sustainable way.

The limitations of organic farming are:

(i) Less Popular: Organic farming needs to be popularized by creating awareness and willingness on the part of farmers, for adoption of new technology. There is a serious need for an appropriate agriculture policy to promote organic farming.

(ii) Lack of infrastructure and marketing facilities: Organic farming faces problems of inadequate infrastructure and marketing facilities.

(iii) Low Yield: Organic farming has a lesser yield in the initial years as compared to modern agricultural farming. As a result, small and marginal farmers find difficult to adapt to large-scale production.

(iv) Shorter food life: Organic produce has a shorter shelf life as compared to sprayed produce.

(v) Limited choice of crops: The choice in production of off-season crops is quite limited in organic farming.

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

Ans. Some of the problems faced by farmers during the initial years of organic farming are:

(i) In the initial years, organic farming has a lesser yield as compared to modern agricultural farming. As a result, small and marginal farmers find difficult to adapt to large-scale production.

(ii) Organic farming faces problems of inadequate infrastructure and marketing facilities.

(iii) Organic produce has a shorter shelf life as compared to sprayed produce.

(iv) The choice in production of off-season crops is quite limited in organic farming.