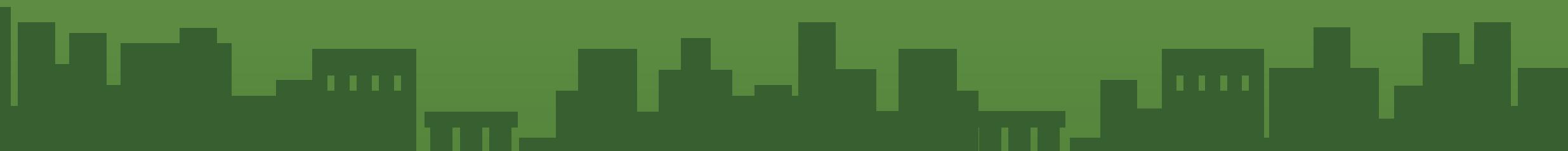


# Rural development

1. Meaning of rural development
2. Credit and marketing in rural areas
3. Agricultural market System
4. Diversification into productive activities
5. Sustainable development and organic farming



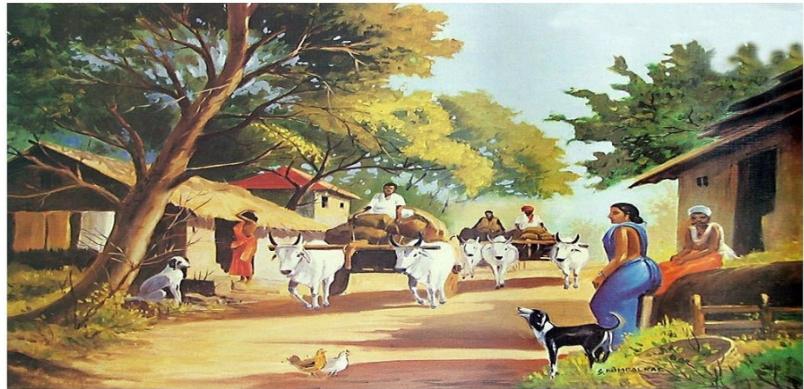
The real progress of india did not mean simply the growth and expansion of industrial urban centres but mainly the development of the villages.



## What is Rural Development?

It is a plan of action for development of rural areas

These are the areas which are lagging in socio-economic development



*Rural Development includes the following*

- *Development of Human Resources*
- *Infrastructure Development*
- *Poverty Alleviation Measures*
- *Developing Alternate Source of Income*

## Rural Development includes the *Developing Alternate Source of Income*

### *Developing Alternate Source of Income*



Handicraft



Poultry



Dairy

## Rural Development includes the *Poverty Alleviation Measures*

### *Poverty Alleviation Measures*



Improve Agriculture Production  
to increase Farmer Income

## Rural Development includes the *Development of Human Resources*

### *Development of Human Resources*



Schools



Skill Development

## Rural Development includes the Infrastructure Development

### Infrastructure Development



Roads



Godowns

## Why Rural Development Important in India



### Villages

2/3 of  
Population of  
India  
lives here



*India is still an  
Agrarian Country*

*Development of India  
not possible without  
development of  
villages*

### Cities

1/3 of  
Population of  
India  
lives here

# Credit and marketing in Rural areas

## Why do Farmers need Credit?

They need money to meet different expenses  
During Gestation period in Agriculture

## What is Gestation Period in Agriculture

Suppose I start Farming Business

I grow crop today

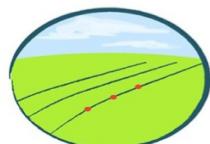
When can I realize Income?

No

It will take few months

For crop to grow and harvest

WHEAT PRODUCTION CYCLE IN INDIA



Sowing Seeds  
(Oct-Nov)



Crops Grow



Crops Cut and Sold  
(Apr-May)

= 6 months

### This Period is Called Gestation Period

It is time between  
Date of Sowing  
and  
Date of Realisation of Income

## For what expenses do Farmers need Credit?

They need money to meet different Expenses during Gestation period

### Different Expenses on Agriculture Inputs



Seeds



Fertilizers



Pesticides



Labour

Farmer need money for Purchasing Agriculture Inputs

(Goods which are used For Purpose of Agriculture are called Agriculture Inputs)

## Farmers also needed Credit for Various Personal Expenses

They need money to meet different Expenses like

### Different Personal Expenses



*Shopping*



*Food*



*Education*



*Marriage*

To meet personal day to day expenses also, Farmers borrow funds.

## Condition of Agriculture Credit before Independence



*Loan taken from Moneylenders Traders (Banks did not offer loans)*

*High Rate of interest Charged by Moneylenders*

*Lending for Personal Purpose (Loan taken for Daughters Wedding, Illness)*

*Loan not taken for Agriculture Purpose like Sowing and Developing Crops*

## Measures taken by Govt to Improve Agriculture Credit

EARLIER



FROM 1969



Loan taken from Moneylenders/  
Traders  
(Banks did not offer loans)

Loan taken from Banks like:  
Commercial Banks  
Regional Rural Banks  
Cooperatives  
Land Development Banks  
Self Help Groups (SHG)

All these are Coordinated By NABARD



NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

## Drawback 1 of

## Rural Banking Systems in India

→ High Agriculture Default Rates

What was the Government Policy of Rural Banking Systems in India ?



FARM LOAN WAIVER

Loans at Low Interest Rates  
Social Banking

Loan of Farmers Waived during Elections

What was the Drawback/Effect of Rural Banking Systems in India?

### High Agriculture Default Rates

Farmers do not repay loans  
(Some because of genuine reason like Crop Failure)  
Some deliberately  
(Loan waiver Scheme of political Parties)

## Drawback 2 of Rural Banking Systems in India

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→ No Deposit Mobilisation

What was the Government Policy of  
Rural Banking Systems in India ?



Taking Loan  
Was Encouraged



Savings not  
encouraged

What was the Drawback/Effect of  
Rural Banking Systems in India?

### No Deposit Mobilisation

Farmers do not save money and  
keep in banks

If they kept this money in banks,  
Deposits of banks will increase and  
they could give more loans

## Drawback 3

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## of Rural Banking Systems in India

→ Lack of Expansion

What was the Government Policy of  
Rural Banking Systems in India ?



(Reforms of 1991 focused on  
Industry and Service, Not Agriculture)

What was the Drawback/Effect of  
Rural Banking Systems in India?

### Lack of Expansion of Rural Banking

Reforms made in 1991 did not focus  
on expansion of rural banking  
Hence, there are lack of banks and  
credit facilities in remote areas

# Agriculture market system

## Problems In Agricultural Marketing Before Independence



### ***Faulty Weighing and Manipulation***

Traders cheated Farmers



### ***No Market Information***

Farmer didn't Know correct Market Price of their produce



### ***No Storage Facilities***

Farmers couldn't store their produce for off seasons in proper godowns

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## Govt developed Mandis to Improve Agriculture Marketing Problems Faced by Farmers



### ***Faulty Weighing and Manipulation***

### ***What did Govt Do***



***Developed Mandis (No Manipulation, Transparent Price to Farmer)***

# Govt encouraged Cooperative Societies to Improve Agriculture Marketing

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## Problems Faced by Farmers



No Market Information Available to Farmers

## What did Govt Do



Govt encouraged cooperative Societies Like Amul, Farmer sold product to AMUL, Amul sold to customers

# Govt Developed Infrastructure to Improve Agriculture Marketing

## Problems Faced by Farmers



No Storage Facilities

## What did Govt Do



Government Developed Infrastructure (Godowns, Roads, Railways)

## What is Mixed Crop Livestock Farming System?

Farmer Earns Income from 2 Sources



*Growing Crops*

+



*Raising Livestock*

This is called  
**Animal Husbandry**

*This is called  
Mixed Crop  
Livestock Farming System*

## Diversification

*Animal Husbandry Includes the following:*



**Feeding of Animals**



**Proper Shelter to Animals**



**Preventing and Curing Animal Disease**



**Proper Breeding Of Animals (Reproduction)**

# What are Benefits of Animal Husbandry?

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## Food Security

Meat, Chicken can be used for Food in case of Drought or bad crop



## Source of livelihood

Farmers sell Milk of Cow, Buffaloes in market

And earn income



## Nutrition

Egg, Milk provides Nutrition to Farmers and their children



## Transport

Cows, Camels used for Transport of

# Fish Production In India



## Inland Fish Production

It means  
Fish grown in  
Lakes, Ponds, Rivers



It Contributes  
65% of Total Fish  
Production



## Marine Fish Production

It means  
Fish Caught in  
Seas, Oceans



It Contributes  
35% of Total Fish  
Production

# Why do Farmers call Waterbody their Mother or Provider?



**MOTHER**



Mother provides food to child and Looks after them



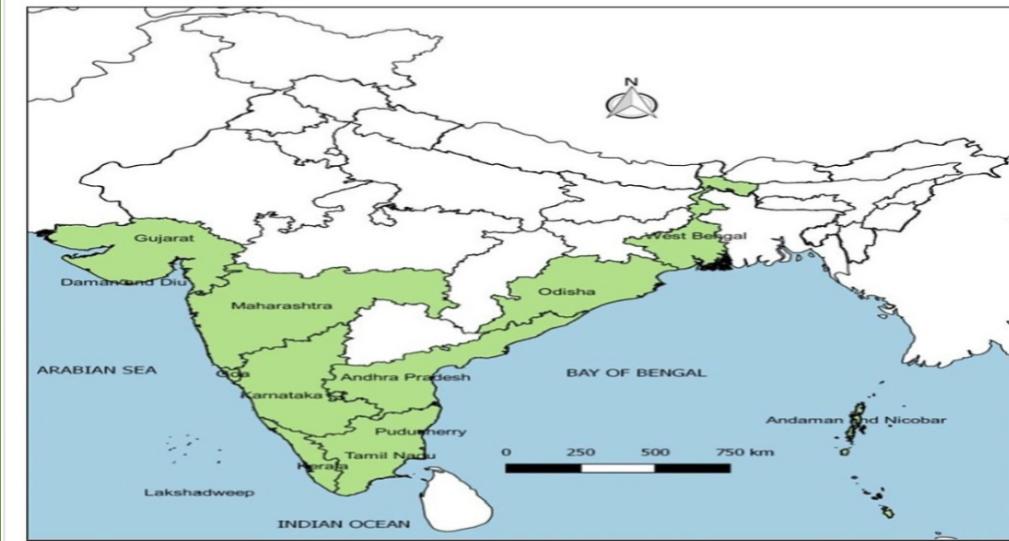
**OCEAN MOTHER**



Ocean Mother provides food to fisherman and source of livelihood

## In Which Parts of India is Fish Production more?

It is more in coastal states  
(which are near to sea)



### COASTAL STATES OF INDIA

Fish production more in coastal areas which are near to Sea like: West Bengal, Andhra Pradesh, Kerela, Maharashtra and Tamil Nadu

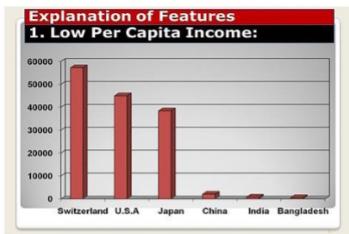
**Contribution to GDP**  
0.9% of Total GDP

## Summary-

## Problems Faced by Fishing Sector in India



→ **Underemployment**



→ **Low per Capita Earning**



→ **Illiteracy**



→ **Lack of Mobility**



→ **Indebtedness**

## SUMMARY

## Measures taken by Government for Fishery Sector



→ **Increase Credit Facility**



→ **Welfare Programs**



→ **Technology Improvement**



→ **Information Dissemination**

# How can IT Revolutionize Agriculture?



By Providing Information



By Providing Employment



By Ensuring Food Security



By Promoting Rural Development

# IT Effect

## What is Organic Farming



### Conventional Farming

Crops are Grown using chemicals like Fertilizers (to fertilize crops) Pesticides (to kill insects)

*These are man made Chemicals which are harmful to body & environment*



### Organic Farming

Crops are Grown using natural methods like Manures (Plant-Animal Waste) Organic Pesticides (Bacteria, Neem Oil)

*These are Natural Substances which do not damage the environment*

# organic farming

## Which is Better Conventional or Organic Farming?

*Advantages of Conventional Farming are Disadvantages of Organic Farming*



### Conventional Farming

**Advantages**  
Higher Yield (Crop Production)

Food produced Cheaper

Higher Shelf life



### Organic Farming

**Disadvantage**  
Lower Yield in initial Years

Food is Expensive to Customer

Lower Shelf life

## Different Expenses on Agriculture Inputs



*Seeds*



*Fertilizers*



*Pesticides*



*Labour*

Farmer need money for Purchasing Agriculture Inputs

(Goods which are used For Purpose of Agriculture are called Agriculture Inputs)

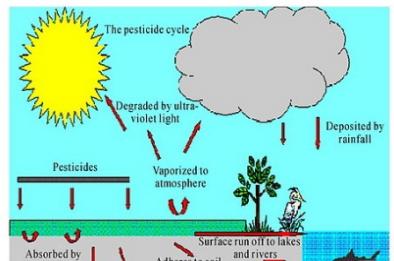
## Problem with Using Pesticides in Conventional Farming



Crops eaten by us  
Chemicals enter our body, **cause diseases**



Crops eaten by Animals Chemicals damage their body, **damages livestock**



During Rain, Chemicals flow into Rivers Fishes die, **damages Ecosystem**

## Problem with Using Fertilizers in Conventional Farming



### Problems with Fertilizers



***Fertilizers reduce natural nutrients*** in soil. So crops cant grow without fertilizers



***Fertilizers Make Soil Acidic***  
Crops cant grow in acidic soil