

RURAL DEVELOPMENT

Rural development means an “action plan” prepared for the social and economic growth of the rural areas.

The action plan is to focus on the current and emerging challenges in rural areas.

The **current challenges** are:

- (a) Challenge of rural credit
- (b) Challenge of rural marketing

Emerging challenges include basically:

- (a) Exploring options of sustainable livelihood, other than farming
- (b) The challenge of organic farming

Some of the areas which are challenging and need fresh initiative for development of rural areas are:

- (a) **Development of human resources** including literacy, specifically female literacy, education and skill development and health related issues such as sanitation and public health.
- (b) **Land reforms**
- (c) **Infrastructure development** like electricity, irrigation, credit, marketing, transportation etc.

CURRENT CHALANGES OF RURAL DEVELOPMENT

(A) CHALLENGE OF RURAL CREDIT

Rural or agricultural credit means **credit for farming**. Credit is the lifeline of farming activities in rural areas. This is because of two reasons:

- (a) Most farmers in India are small and marginal holders and their produce is just enough for subsistence. They rarely generate surplus for future investments. Thus, **they need credit for further investments**.
- (b) The **gestation lag** between sowing and harvesting of the crops is quite long. Thus, **farmers need credit during this time gap**.

Credit needs of Indian farmers can be broadly classified into three categories:

- (a) **Short term credit** – Short term credit is mainly required for the purchase of inputs like seeds, fertilisers, pesticides etc.
- (b) **Medium term credit** – Medium term credit is required for purchase of tractors and machines, constructions of fences, digging the wells etc.

(c) **Long term credit** – Long term credit is required for purchase of additional land, for carrying out permanent improvement on the existing land etc.

SOURCES OF RURAL CREDIT

Sources of rural or agricultural credit are broadly classified as:

- (a) Non-Institutional (Conventional / Traditional) Sources
- (b) Institutional (Modern) Sources

Non-Institutional Sources

Landlords, village traders and money lenders are the three main important sources of non-institutional rural credit in India.

Traditionally, most credit needs of the farmers were met through these sources.

These sources used to charge **very high interest rates** and often they used to **manipulate the accounts** to exploit the illiterate farmers.

This system often **led to debt trap for the farmers**.

Institutional Sources

The institutional sources to provide rural credit includes **government, co-operative banks, commercial banks and regional rural banks**.

Government established the institutional sources with the following objectives:

- (a) To provide credit to farmers at a cheaper interest rate.
- (b) To assist the small and marginal farmers in raising their agricultural productivity and to maximise their income.

(A) **CO-OPERATIVE CREDIT SOCIETIES** – These societies **provide adequate credit to the farmers at reasonable rate of interest**.

These societies also provide guidance in diverse agricultural operations with a view to raising crop productivity.

(B) **STATE BANK OF INDIA AND OTHER COMMERCIAL BANKS** – The government realised that rural credit needs could not be met by the cooperative credit societies alone, and that commercial banks should play an important role.

This led to nationalisation of certain banks in 1969. **The nationalised commercial banks were directed to offer credit directly to the farmers as well as indirectly through cooperative banks.**

(C) **Regional Rural Banks (RRB's)** – RRB's were set up to **promote credit supplies, particularly in remote rural areas and backward districts**.

These banks generally **focus on credit needs of weaker sections of the rural population**.

(D) **National Bank for Agriculture and Rural Development (NABARD)** – NABARD is an **apex institution** which co-ordinate the activities of all institutions involved in the rural financing system. Its main functions are:

- (a) To act as an **apex funding agency** for the institutions that provides credit in rural areas.
- (b) To take appropriate **measures to improve the credit delivery system**.
- (c) To undertake **monitoring and evaluations of projects financed by it**.

(E) SELF HELP GROUPS MICRO CREDIT PROGRAMMES

SHG's promote thrift (saving habit) among rural households. Small savings are mobilised by the SHG's and offered as credit to its different members depending on their needs.

Credit is offered without any security and at a moderate interest rate. Such credit programmes are generally referred to as micro-credit programmes.

SHG's have helped in the empowerment of women.

RURAL BANKING – A CRITICAL EVALUATION

Rural banking in India has significantly expanded over time. The expansion has been significant particularly since **nationalisation of major commercial banks in 1969**.

Nationalisation of commercial banks marked the beginning of social banking in rural areas i.e. providing institutional credit at reasonable interest rates.

Establishment of NABARD as an apex body which coordinate activities of all financial institutions engaged in rural credit programmes has made a substantial difference in the institution of rural credit. **Rural financing has become more organised than ever before.** Institutional credit has been able to **liberate the farmers from the debt trap of mahajans and moneylenders.**

Institutional credit has **promoted commercialisation of agriculture.**

However due to all the positives, **some of the deficiencies of rural banking system are:**

- (a) A large section of rural and marginal farmers is often left out because **institutional credit is tied to collateral.**
- (b) Owing to political populism, the government has been less strict in recovery of loans. As a result, there is **increase in default rates over time.**
- (c) Apart from commercial banks, most financial institutions have failed to develop a culture of thrift (saving for future) among the farming families. Mobilisation of deposits has remained very low.

Impact of debt on farmers is generally becoming so huge that suicidal deaths are rising across all parts of the country.

To improve the situation, it is suggested that banks need to change their approach from just being lenders to building up relationship with the borrowers. There is a need to promote the habit of thrift among farmers.

AGRICULTURAL MARKET SYSTEM

Agricultural marketing includes **all the processes between harvesting and final sale of the produce by the farmers**. It involves different activities for movement of farm produce from the producer to the ultimate consumer.

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

At the time of independence, agricultural marketing was under the complete control of the money lenders, traders and commission agents.

Problems faced by the farmers:

(a) Farmers suffered due to **faulty weighing and manipulation of accounts** by the private traders.

(b) In order to pay off their debts, the farmers often made a **distress sale** of their produce.

Distress sale refers to a situation when the farmers are compelled to sell their produce immediately after the harvest, no matter how low the market price is.

The compulsion to sell arises because:

- (a) farmers are need of **immediate cash to pay off their debts**
- (b) they **lack storage facilities** or the cost of storage is very high.

Thus state (government) intervention became necessary to regulate the activities of the private traders.

MEASURES INITIATED BY THE GOVERNMENT TO IMPROVE THE MARKETING SYSTEM

(A) REGULATED MARKETS (SABZI MANDI)

The government has built regulated market yards on the outskirts of most towns in the country.

The farmers can come to these yards for a fair sale of their produce. These yards also offer storage facilities to the farmers.

(B) PROVISION OF WAREHOUSING FACILITIES

With a view to avoid distress sales, the government is offering warehousing facilities to the farmers so that they can store their produce and sell them when price is lucrative in the market.

(C) CO-OPERATIVE AGRICULTURAL MARKETING SOCIETIES

Government is encouraging the formations of co-operative agricultural marketing societies. As a member of these societies, farmers find themselves in a **better bargaining position** in the market i.e. getting better price of their produce **through collective sales**.

These societies help farmers in satisfying their cash requirements **by providing them credit**.

Co-operative societies also **provide storage facilities** to the farmers at subsidised rates.

(D) MSP POLICY

MSP is an **assurance to the farmers** by the government that their produce would be purchased by the government at the specified price. Thus, now farmers are assured of some minimum income from sale of their crop.

Government purchases wheat and rice from farmers and **maintain buffer stock** of the same. Buffer stock is created in the year of surplus production and is used during shortages. Main aim is to maintain supply in the market in order to keep a check on inflation.

Government provided essential food grains to the weaker sections of the society at subsidised rates via ration shops (**Public distribution system**).

Some of the defects of agricultural marketing system:

(a) Lack of transportation facilities – Due to absence of proper road transportation facilities, farmers cannot reach nearby mandis to sell their produce at a fair price. Thus, they have to sell their produce at the village markets.

(b) Lack of credit facilities – In absence of proper institutional finance, farmers are forced to take credit from local money lenders and traders who exploits them by charging high interest rates and by manipulating the books of accounts.

(c) Lack of storage facilities – The availability of warehouses for storing food grains and commercial crops is not up to mark. Every year around 20% of agricultural produce is damaged either by rains or by rats.

Conclusion

On account of these measures by the government, agricultural marketing system has made some notable improvements. But there is a lot that is yet to be done so that millions of farmers can defend their self interest at all stages of the marketing process.

EMERGING ALTERNATIVE MARKETING CHANNELS

1. Direct sale by the farmers to the consumers. The states of Punjab, Haryana and Rajasthan are launching this channel through “Apni Mandi”; the state of Andhra Pradesh is launching through “Rythu Bazaars” and the state of Tamil NADU is launching it through “Uzhavar Sandies”.

2. Several national and multinational companies are entering into contracts with farmers to encourage them to cultivate farm products of desired quality by providing them with not only required inputs but also assuring them to buy a given quantity from them at a pre-determined price.

Benefits of such arrangements:

- (a) Reduces the “price-risk” for small and marginal farmers.
- (b) Helps in expansion of market for the farm products.

DIVERSIFICATION INTO PRODUCTIVE ACTIVITIES

Agricultural diversification refers to **re-allocation of some of farm’s productive resources into some different activities or some different crops** which reduces the market risks and increases the income of the farmers.

The **need for diversification** arises because:

- (a) There is a greater risk if farmers depend only on farming for livelihood.
- (b) It provides sustainable livelihood options to rural people.

Some of the **benefits of diversification** are:

- (a) It will enable the farmers to earn **gainful employment during the off-season**.
- (b) It will enable the farmers to earn **higher level of incomes**.
- (c) It will enable the rural people to **overcome poverty and other problems**.

Diversification has two aspects:

(A) Diversification of crop production

It implies a **shift from single cropping system to multi cropping system**. In India, where agriculture is still dominated by subsistence farming, diversification would mean a **shift from subsistence farming to commercial farming**.

Diversification of crop production would **minimise the market risk** which arises due to price fluctuations and will also minimise the risks due to monsoon failures.

- Subsistence farming = It is the practise of growing crops only for one’s own use without any surplus for trade in the market.

(B) Diversification of Production Activity / Employment

There is a need to **shift workforce from agriculture to other allied activities** such as livestock, poultry, fisheries etc. and non-agriculture sector because agricultural sector is over-burdened.

Diversification to new areas not only reduces the pressure on agricultural sector but it also provides productive sustainable livelihood option to rural people.

EMPLOYMENT OUTSIDE AGRICULTURE

Finding options of sustainable livelihood i.e. employment outside agriculture is an important emerging challenge of rural development in India. Following are some of the options of employment outside agriculture in India:

(A) ANIMAL HUSBANDRY

Animal husbandry is an important area of employment in India. It is also called **livestock farming**.

Poultry, cattle and goats/sheep are important component of livestock in India. Poultry accounts for 58%, cattle 25% and goats/sheep nearly 20% share in total livestock in India.

In many areas, livestock farming is combined with crop farming by the rural families to **supplement their income**. It provides **food security**, acts as a mode of transportation, provides nutrition etc.

However, livestock farming is not free from problems. **Two principal problems** related to livestock sector are:

- (a) Low productivity owing to very limited knowledge.
- (b) Deficient veterinary care.

(B) DAIRYING

- It is the business of producing, storing and distributing milk and its products.

OPERATION FLOOD [WHITE REVOLUTION]

It is a system of milk cooperatives launched in the year **1970** under the guidance of **Dr. Verghese Kurien**. The system requires that **member farmers should pool their produce of milk** according to different grading (quality) and the same is processed and marketed to urban centres through co-operatives.

In this system farmers are assured of a **fair price** and **income from supply of milk to urban markets**.

Over the last 50 years, these cooperative societies have recorded a wonderful progress, significantly contributing to multiple time rise in milk production.

This movement which led to massive rise in milk production in India is termed as white revolution.

(C) FISHERIES

Kerala, West Bengal, Andhra Pradesh, Maharashtra, Gujarat and Tamil Nadu are the principal states in India where fisheries are an important source of livelihood in the rural areas.

The fishing community in India depends almost equally on inland sources (rivers, lakes, ponds etc.) and marine sources (seas and oceans).

But fishing community continues to be one of the backward communities in the country.

Rampant underemployment, low per capita earnings, high rate of illiteracy, Widespread indebtedness of the fishing communities makes fishing a vulnerable occupation.

It is suggested that:

- (a) **Credit facilities** should be provided to the fishing communities at subsidised rates.
- (b) **Micro financing** through SHG's may satisfy the credit needs of fishing communities
- (c) Fishery **technology be upgraded** and made available to the fishing community at subsidised rates.

(D) HORTICULTURE

Horticulture crops includes **fruits, vegetables and flowers**. It is more like diversification of crop production rather than a source of employment different from crop production.

Presently, India is the **second largest producer** of fruits and vegetables in the world. We are emerging as a leading producer of mangoes, bananas, coconuts, cashew nuts and a variety of spices.

High crop productivity led to Golden Revolution in horticulture farming during the years 1991-2003.

There has been a significant rise in income levels of the farming families engaged in horticulture production.

GOLDEN REVOLUTION

Golden revolution refers to the period in which there was a **tremendous rise in the production of horticulture products**. The period between **1991 and 2003** is referred to as the period of golden revolution in India.

Golden revolution made India a **world leader in production of mangoes, bananas, coconut and spices**.

Nirpakh Tutej is considered to be father of Golden Revolution In India.

ORGANIC FARMING AND SUSTAINABLE DEVELOPMENT

Organic farming is a system of farming that **relies upon use of organic inputs** like animal manures and composts for cultivation.

It **discards the use of chemical inputs** like chemical fertilizers, insecticides and pesticides.

BENEFITS OF ORGANIC FARMING

1. **Environment-friendly** – Organic farming is environment friendly. Traditional farming is not environment friendly because they are based on use of chemical fertilizers which pollutes the groundwater by increasing the nitrate content.

2. **Sustains soil fertility** – Use of organic inputs maintains the soil fertility and thus it is suitable for sustainable development. On the other hand, **chemical farming erodes soil fertility**.

3. **Healthier food** – Recent studies have found that **organically grown food is more nutritious** than the food from chemical farming. Existing trends indicate that demand for organic food is increasing even though the prices are high.

4. **Cheap inputs** – Organic farming offers a means to substitute costlier traditional inputs with locally produced organic inputs that are cheaper and thus generates good returns on investment.

5. Organic farming also **generates income through exports** as demand for organically grown crops is on a rise.

6. **Labour intensive** – India has a comparative advantage in organic farming because organic farming involves a **labour-intensive process** and India has abundance of labour.

LIMITATIONS OF ORGANIC FARMING

1. **Less Output** – In the initial years, output through organic farming is less than modern agricultural farming and thus it is not beneficial for small and marginal farmers.

2. Organic produce has a **less life span** than traditionally grown produce.

CONCLUSION

Organic produce **contributes to sustainable development** in agriculture. Sustainable development is a process of development which uses existing resources so optimally that their availability for future generations is not reduced.

It is a system of farming that focuses on maintaining soil health so that farming becomes a long-term sustainable process along with an eco-friendly environment.

NCERT QUESTIONS OF RURAL DEVELOPMENT

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

Ans. Rural development refers to the actions and initiatives taken for social and economic development of the rural areas or backward areas.

The key issues in rural development are:

- (a) **Human capital formation** – Rural areas lack quality human capital. Therefore, rural development programmes should aim at development of human capital by investing on education, technical skill development, health care etc.
- (b) **Development of Rural Infrastructure** – Infrastructure provides support system to all the productive activities in the economy, the absence of which makes economic growth impossible. Development of rural infrastructure includes development of bank, credit societies, electricity, means of transport, irrigation facilities etc.
- (c) **Rural Credit** – Even after so many areas of Independence, maximum farmers are exploited by money lenders and local businessman as they charge high interest rates and manipulate the books. Government has to make sure that maximum farmers are linked to banking system so that they can also enjoy credit facilities at very cheap rates.
- (d) **Irrigation facilities** – Agriculture sector is still monsoon dependent. Thus, farmers have to suffer during years when there is lack of monsoon. Farmers of many states where irrigation network is extensive have benefitted over the years. Government has to make sure that other regions of the country also are well connected with proper irrigation network.
- (e) **Generation of gainful employment outside agriculture** – Agriculture sector is overburdened with 60% of population earning its livelihood from the sector. Government has to develop programmes to shift workforce to other sectors.

2. Discuss the importance of credit in rural development.

Ans. Finance and credit are two essential requirements for rural development. Income of farmers is very low and thus savings are very low. Thus, to carry out different activities they require credit.

In the initial after Independence, money lenders and local businessman provided credit to them at very high interest rates.

Now, government through commercial banks, regional rural banks etc. have tried to provide credit to farmers at subsidised rates.

Importance of credit in rural development:

- (a) Given the long gestation period between sowing and harvesting of the crops, credit is extended to the farmers for meeting their initial requirements of inputs.
- (b) Credit saves the farmer from poverty. The farmer requires funds for meeting their general and specific needs. These needs are fulfilled via credit.
- (c) Agriculture is largely monsoon dependent in India. In absence of good monsoon or crop failure, farmers are worst hurt. Thus, in order to protect their interest, crop insurance and farm credit is required.

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

Ans. Micro-credit refers to credit and other financial services provided to the poor through Self Help Groups (SHG's) and Non-government organisations.

The Self-help groups are playing a important role in meeting the credit requirements of the poor by promoting saving habits among the rural households.

The individual savings of many farmers are pooled together to meet the financial requirements of the needy member of the SHGs.

SHG's have helped in the empowerment of women.

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

Ans. MEASURES INITIATED BY THE GOVERNMENT TO IMPROVE THE MARKETING SYSTEM
[NOTES PAGE NO. 5]

5. Why is agricultural diversification essential for sustainable livelihoods?

Ans. The agricultural diversification implies diversification of crop production and shifting of agricultural workforce to other allied activities such as livestock, poultry, fisheries etc. and industrial and service sector.

The importance of agricultural diversification can be explained with the help of following points:

- (a) Due to lack of irrigation facilities, the farmers fail to get gainful employment opportunities during the Rabi season. Therefore, the need of diversification arises during the Rabi season.
- (b) Agriculture sector is overcrowded. Therefore, non-agricultural activities should be promoted in rural areas in order to shift workforce from already crowded agricultural sector.

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

Ans. Refer Notes – Page no. 3

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

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

- (a) Middlemen and private traders take undue advantage of farmers by using defective weighting techniques and by manipulating the accounts.
- (b) Farmers are often ill-informed about market prices and market conditions. Being ignorant, farmers are forced to sell their product at lower prices.
- (c) Farmers lack access to better storage facilities to store their produce for future sale at better prices.
- (d) Small and marginal farmers find it difficult to get credit from banks and thus they are exploited by local money lenders and mahajans.

8. Distinguish between “Green Revolution” and “Golden Revolution”

Ans.

Basis	Green Revolution	Golden Revolution
1. Meaning	The increase in the production of food grains due to combined use of HYV seeds and increased use of fertilisers and developed irrigation facilities.	The rapid growth in production of the horticultural crops such as fruits, vegetables, flowers etc. is known as golden revolution.
2. Crops	It led to increase in production of food grains mainly rice and wheat.	It led to increase in production of fruits, vegetables, flowers, spices etc.
3. Self-sufficiency	India became self-sufficient in the production of wheat and rice.	India became world leader in production of mangoes, bananas, coconut and spices.

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

Ans. Organic farming is a system of farming that **relies upon use of organic inputs** like animal manures and composts for cultivation.

It **discards the use of chemical inputs** like chemical fertilizers, insecticides and pesticides.

Organic produce **contributes to sustainable development** in agriculture. Sustainable development is a process of development which uses existing resources so optimally that their availability for future generations is not reduced.

It is a system of farming that focuses on maintaining soil health so that farming becomes a long-term sustainable process along with an eco-friendly environment.

16. Identify the benefits and limitations of organic farming.

Ans. Refer Notes

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

Ans. (a) Organic farming requires organic manures, bio-fertilizers, organic pesticides etc. Although they are cheaper to obtain, yet farmers find it difficult to get them.

(b) The yield from organic farming is much less than modern agricultural farming. Thus, it is not that lucrative from a small or marginal farmer point of view.

(c) The price of organic food is high. So, it is difficult to sell them because their demand is less

(d) Organic produce generally has a shorter life span. Thus, farmers have to sell them as early as possible.

Conclusion:

Despite these shortcomings in the initial years, India has attained comparative advantage in organic farming as it is labour intensive in nature.

QUESTIONS OF 1-1 MARKS OF RURAL DEVELOPMENT BASED ON NCERT

- 1. In which year India adopted social banking and multi-agency approach to meet the needs of rural credit (Nationalisation of commercial banks)**
- 2. Name the apex bank that regulates rural credit and in which year it was set up.**
- 3. Institutional structure of rural banking consists of:**

- Commercial banks, Regional rural banks, Co-operative banks, Land development banks

4. Name the institution that have emerged to fill the gap in the formal credit system.

Ans. Self-Help Groups

5. Non-Institutional structure of rural credit consists of:

- Money lenders, Local businessman

Ways in which they exploited the small and marginal farmers:

- Charged high interest rates
- Manipulated the books of accounts

6. What are micro-credit programmes?

7. What is Agricultural Marketing?

8. Name some emerging alternative marketing channels.

9. A project initiated in Tamil Nadu where rural women find employment in non-farm jobs, as well as they are trained in latest agricultural techniques is called:

10. 14 major commercial banks were nationalised in which year?

11. is a women-oriented community based poverty reduction programme being implemented in Kerala.

12. What is meant by Agricultural diversification?

13. What are the two aspects of diversification of activities?

15. What do you mean by "Operation Flood"? [SHYAMALI 19-20]

16. Which of the following is a non-institutional source of rural credit?

- | | |
|---------------------------|----------------------|
| (a) Cooperative societies | (b) Commercial banks |
| (c) Money lenders | (d) RRB's |

17. Distress sale be farmers refers to?

18. The scheme of "Micro Finance" is extended through:

- | | | | |
|----------------------|--------------------------|------------|------------------|
| (a) Self-Help Groups | (b) Regional Rural Banks | (c) NABARD | (d) All of these |
|----------------------|--------------------------|------------|------------------|

19. Which one of the following is not a non-institutional source of credit?

- | | | |
|---------------------------|---------------|----------------------------------|
| (a) Money lenders | (b) Relatives | (c) Traders and commission agent |
| (d) Land development bank | | |

20. Name the state which is held as a success story in the efficient implementation of milk co-operatives.

21. Which states are major producers of marine products?

22. Diversification of agriculture implies:

- (a) Shift of workforce from agriculture to other allied activities
- (b) Commercialisation of agriculture
- (c) Use of modern technology
- (d) None of these

23. Which period is known as Golden Revolution in Indian economy.

24. In which year Operation Flood was implemented.

25. A continuous comprehensive socio-economic process attempting to improve all the aspects of rural life is called development.

26. Fish production from inland sources contributes about percent to the total fish production and the balance percent from main sector.

27. Name the programme under which Parliamentarian adopt villages?

28. Refers to the study or practise of growing flowers, fruits and vegetables.

- (a) Horticulture (b) Fisheries (c) Agriculture (d) Bee-Keeping

29. Micro finance is a credit scheme extended to the poor through

[KAIRALI 19-20]

30. NABARD was established in the year

31. How organic farming promotes sustainable development?

32. Which of the following provides a correct explanation of rural development?

- a. Economic and legal upliftment of rural areas
- b. Social and technical upliftment of rural areas
- c. Social and legal upliftment of rural areas
- d. Social and economic upliftment of rural areas

33. Statement I- Institutional credit availability is imperative for development of rural areas
Statement II- Reserve Bank of India is the apex institution in rural banking to regulate the banking system.

Alternatives:

- a. Statement I is correct and statement II is incorrect
- b. Statement II is correct and statement I is incorrect
- c. Both the statements are correct
- d. Both the statement are incorrect

34. Statement 1- self-help group have emerged to fill the gap in formal credit system

Statement 2- formal credit system in India, is not only inadequate but also not fully integrated with rural social community development

In light of the given statements, choose the correct alternative from the following:

- A. Statement 1 is true and Statement 2 is false
- B. Statement 1 is false and Statement 2 is true
- C. Both statements are true
- D. Both statements are false

35. Continuous borrowing from the informal sources will results farmers often getting caught under the _____

- a. Debt trap b. Poverty trap c. Poor farm trap d. None of these

36. _____ takes the decision regarding loan and saving in self-help group

- a. Government
- b. Non-government organisation
- c. Bank
- d. Group members

37. Agriculture marketing does not comprise of _____

- 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

38. Which of the following measures does not come under the purview of an improved agricultural marketing system?

- a. Regulations of market to create an orderly and transparent marketing system
- b. Cooperative marketing, in realising fair prices for farmers product
- c. Assurance of MSP, provision of food through PDS and maintenance of buffer stock
- d. All of the above comes under the purview of an improved agricultural marketing system.

39. Statement I- Agricultural diversification implies diversification of crop production and shifting of workforce to other allied activities such as livestock, poultry etc

Statement II- MSME Sector suffered to a large extent in Covid-19 pandemic situation due to liquidity crunch.

In the light of the given statements, choose the correct alternative from the following:

- a. Statement I is true and statement II is false
- b. Statement I is false and statement ii is true
- c. Both statements are true
- d. Both statements are false

40. In which category, the loan taken for buying agriculture equipment is generally put:

- a. Short term b. Medium term c. Long term d. All of these'

41. The rural banking structure in India consist of a set of multi-agency institutions, _____ is expected to dispense credit at a cheaper rate for agricultural purpose to farmers.

- a. Regional rural banks b. Land development bank c. NABARD
- e. Commercial banks

42. National bank for agricultural and rural development was set up in 1982 as the _____ body to coordinate the activities of all institutions involved in the rural financing system.

- a. Cooperative b. Apex c. Micro credit d. Private credit

43. Read the following statements carefully and choose the correct alternative:

Statement 1- the emergence of self-help group ensured the reduction in the misuse of the formal credit system.

Statement 2- the borrowing from the SHG's mainly confined to the consumption purposes by its members

- a. Both statements are true
b. Both statements are false
c. Statement 1 is true and statement 2 is false
d. Statement 1 is false and statement 2 is true

44. In which year India adopted social banking and multi-agency approach to meet the needs of rural credit (Nationalisation of commercial banks)

- (a) 1979 (b) 1969 (c) 1970 (d) 1991

45. Name the apex bank that regulates rural credit and in which year it was set up.

46. Which of the following is a non-institutional source of rural credit?

- (a) Cooperative societies (b) Commercial banks (c) Money lenders
(d) RRB's

47. The scheme of "Micro Finance" is extended through:

- (a) Self-Help Groups (b) Regional Rural Banks (c) NABARD (d)
(b) All of these

48. Which of the following statements are true about "Operation Flood":

(a) It is a system in which all farmers pool their milk according to different grading and then it is processed and marketed to urban centres through cooperatives.

(b) Operation flood led to "White Revolution".

(c) This programme was launched in the year 1970.

(d) Varghese Kurian was the main brain behind the programme.

- (i) Only (a) is correct
(ii) (a) and (b) are correct
(iii) (a), (b) and (c) are correct
(iv) All the four statements are correct

49. How organic farming enrich the soil?

- (a) Fertilizers (b) Pesticides (c) Manures/compost (d) Antibiotics

50. Which of the following represents the benefits of organic farming?

- (a) No chemicals used. (b) Environment friendly (c) Increases the soil health
(d) All of the above

51. Crop yield in organic farming when compared to conventional farming is:
(a) Less (b) More (c) Equal (d) None of these
52. Blue revolution in India is related to:
(a) Fish production (b) Milk production (c) Fruits and vegetables production
(d) None of these
53. The alternative marketing channels in Punjab, Haryana and Rajasthan are known as:
(a) Apni Mandi (b) Sabki Mandi (c) Sabri Mandi (d) None of these
54. _____ is the apex body which co-ordinates the functioning of different financial institutions working for the expansion of rural credit.
55. Self-help groups have helped in the empowerment of women. The given statement is:
(a) True (b) False (c) Partially true (d) Partially false
56. India has a comparative advantage in organic farming as it is a capital-intensive process.
(a) True (b) False (c) Partially true (d) Partially false
57. Under _____, farmers can pool their milk produced according to different grading (based on quality) and the same is processed and marketed to urban centres through co-operatives.
(a) Operation Flood (b) Operation Amul (c) Operation Milk
(d) None of these
58. The main objective of the Saansad Adarsh Gram Yojana (SAGY) as introduced by the Government of India in 2014 is
(a) opening up of schools and hospitals across the state
(b) provision of loans at lower rate of interest
(c) identify and develop one village from their constituencies
(d) None of the above
59. Two sources, from which the farmers can raise loans are _____ sources and _____ sources.
60. Diversification of Crop Production involves a shift from single-cropping system to _____ system.
61. _____ (Traditional/Organic) farming discards the use of chemical fertilizers and pesticides
62. Due to the successful implementation of Operation _____ India ranks first in the world in milk production.
63. The period between _____ is known as 'Golden Revolution Period'.
(a) 1991-2001 (c) 1993-2001
(b) 1991-2003 (d) 1990-2003

64. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternative given below:

Assertion (A): India ranks first in the world in milk production.

Reason (R): India's milk production increased due to Operation Flood.

Alternatives:

(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.

65. Read the following statements: Assertion (A) and Reason (R), Choose one of the correct alternatives given below:

Assertion (A): Rural Development includes only agricultural development.

Reason (R): Rural Development aims at improving the economic and social conditions of people living in villages.

Alternatives:

(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.

66. Minimum support price is fixed by the government to safeguard the interests of _____.
(consumer/farmers)

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

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

69. Organic Farming is beneficial because:

(a) It generates income through international exports

(b) It makes use of chemical fertilizers and pesticides

(c) It is produced in an environmentally sustainable way

(d) All of these

70. Distress sale by the farmers refer to:

- (a) Sale of rotten crop
- (b) Sale of crop through commission agents
- (c) Sale of crop at the MSP fixed by the government
- (d) Sale of crop at a very poor price

71. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Diversification of crop production lead to shift from single-cropping system to multi cropping system.

Reason (R): It reduced the income of farmers due to increase in market risk because of price fluctuation

Alternatives:

- (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.

72.

Column A	Column B
i. institutional source	a. co-operative credit
ii. non-institutional source	b. moneylenders

73.

Column A	Column B
I. Horticulture	A. concerned with breeding, rearing and caring for farm animals B. involves cultivating fruits, vegetables, tuber crops, etc.

74. Which institute do not provide direct loan to farmers?

- (A) NABARD
- (B) Commercial Bank
- (C) Regional Rural Bank
- (D) Primary Agriculture Credit Society