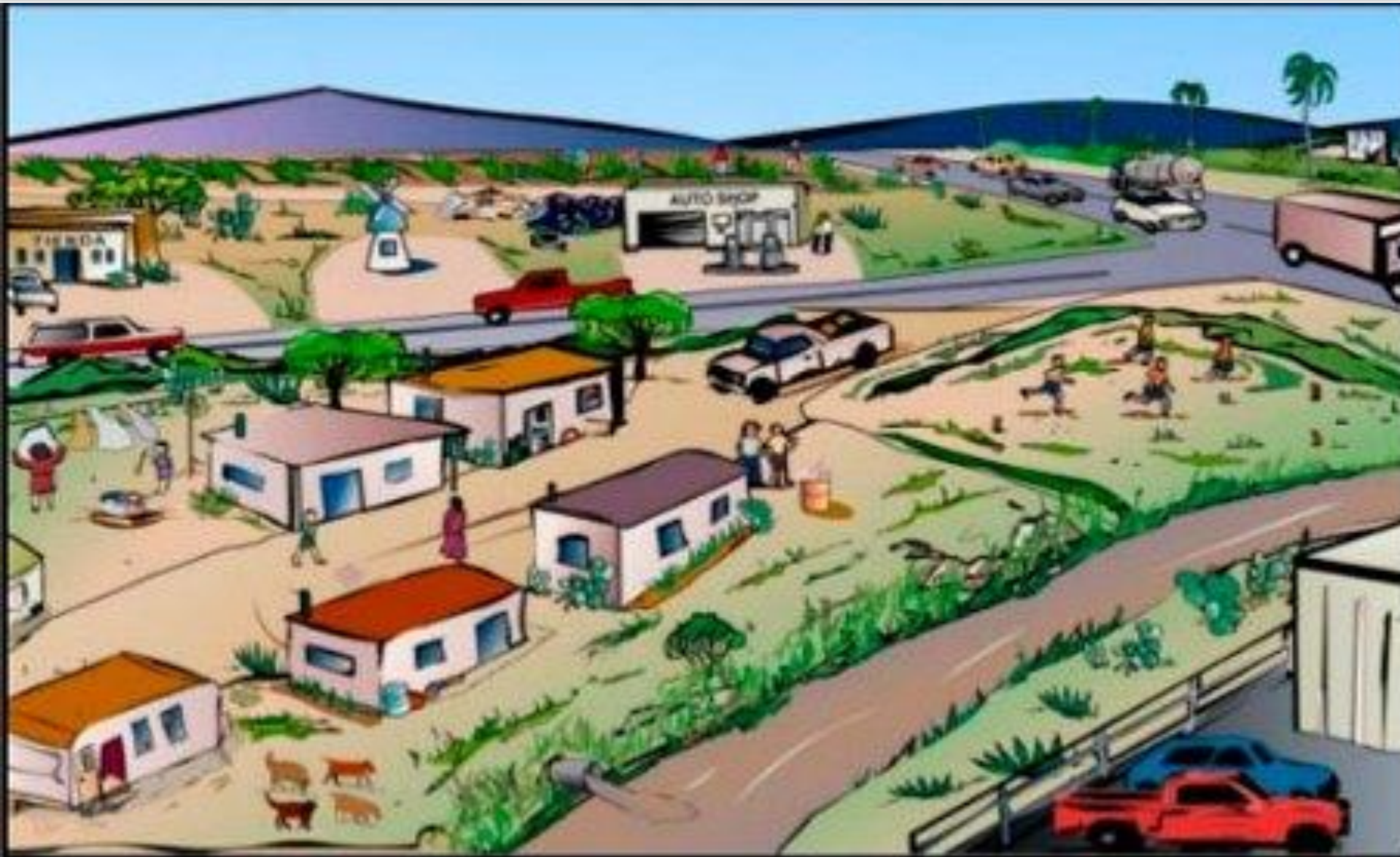


# RURAL DEVELOPMENT



# Rural development: Social, Economic and Educational Development of village areas





# Rural Development includes the following:

HUMAN RESOURCE DEVELOPMENT:

Literacy, Education, Skill Development and Health Facilities

LAND REFORMS TO MAKE REAL TILLER OWNER OF LAND

DEVELOPMENT OF LOCAL RESOURCES

DEVELOPMENT OF INFRASTRUCTURAL FACILITIES

POVERTY ALLEVIATION AND EMPLOYMENT  
GENERATION PROGRAMMES

# IMPORTANCE OF RURAL DEVELOPMENT

- More than two – third of the population depend on agriculture. They live in villages.
- Most of the poor people live in villages.
- Agricultural growth rate has decreased to 3% per annum.
- Cottage and village industries have declined.
- So, to improve the welfare of people steps should be taken for the development of villages.

# RURAL CREDIT



# RURAL CREDIT

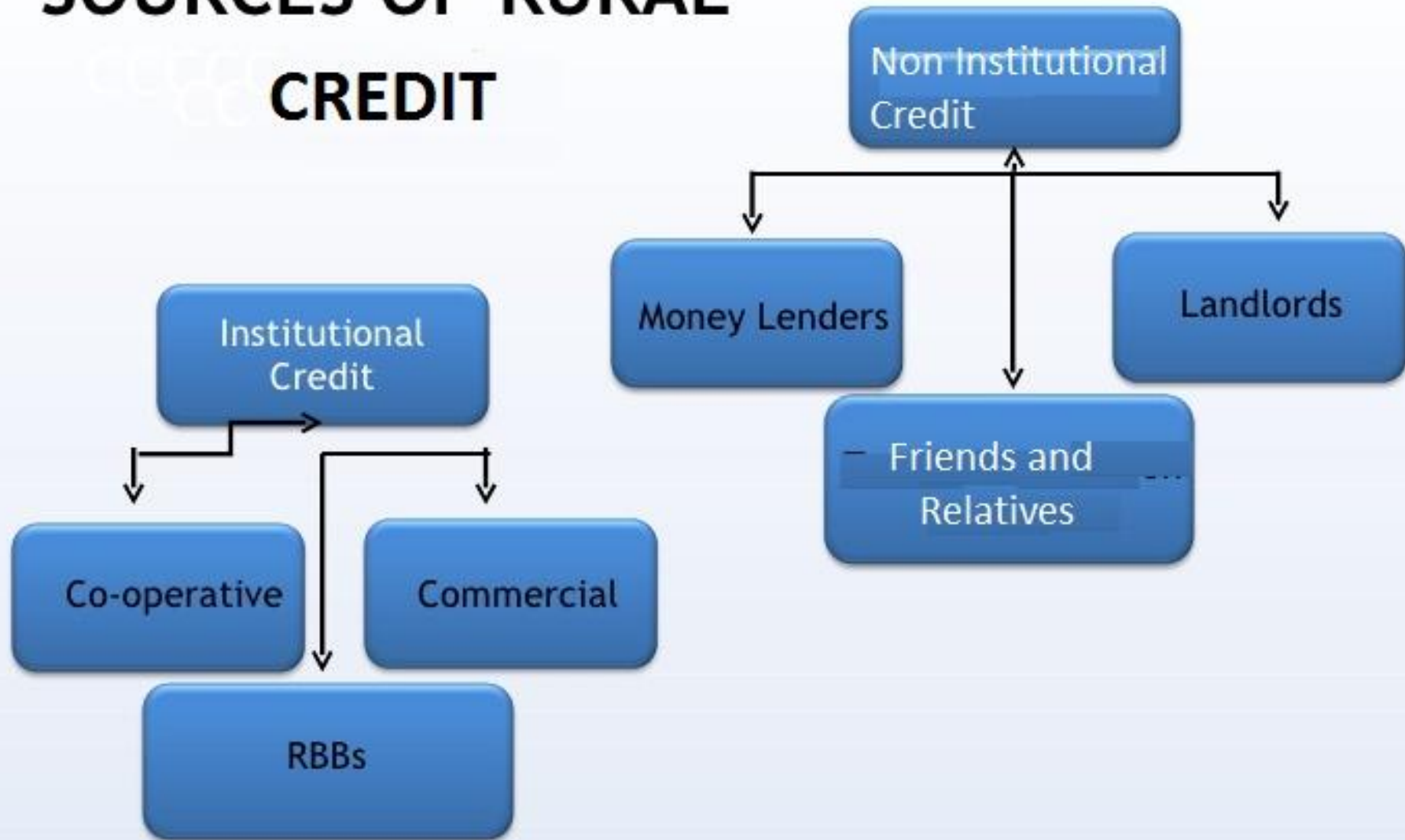
- The word credit literally means faith.
- Credit is an arrangement by which the lender gives money or goods to a borrower in return for a promise of repayment in future.

# IMPORTANCE OF RURAL CREDIT

- Credit is needed to buy seeds, fertilisers, implements etc. It is also needed to meet other expenditure till the crops are ready.
- Credit is needed to buy additional land and to make wells and tube wells.
- Credit helps to start small scale industrial units in village areas.
- During crop failure, credit will help farmers to survive and to continue cultivation.
- Credit helps a farmer to adopt new technology.
- Credit is needed to meet family expenditure during marriage, death or religious functions.



# SOURCES OF RURAL CREDIT





# INFORMAL SOURCES (NON INSTITUTIONAL SOURCES) OF CREDIT



- Money Lenders, friends, relatives, traders and land lords are the informal sources of credit.
- They are not controlled or supervised by any government agency.
- They charge very high rate of interest.
- They exploit the borrower.
- Some of them cheat the borrowers.
- The borrower will fall in to debt trap.
- It is easy to get loans from them.

# INSTITUTIONAL SOURCE OF CREDIT

```
graph TD; A[INSTITUTIONAL SOURCE OF CREDIT] --> B[1. Commercial Banks]; A --> C[2. Regional Rural Banks]; A --> D[3. Co-operative Credit Societies]; A --> E[4. Self-Help Groups]; B --> B1[Provides loan for all agricultural purpose for short, medium and long term.]; C --> C1[They are opened up where there are NO banking facility]; C --> C2[Aim to provide credit to small farmers etc.]; D --> D1[Aim is to ensure timely and rapid flow of credit to the farmers.]; D --> D2[Lower rate of interest]; E --> E1[Credit is given from money collected by each member]; E --> E2[Very low rate of interest];
```

## 1. Commercial Banks

Provides loan for all agricultural purpose for short, medium and long term.

## 2. Regional Rural Banks

They are opened up where there are NO banking facility

Aim to provide credit to small farmers etc.

## 3. Co-operative Credit Societies

Aim is to ensure timely and rapid flow of credit to the farmers.

Lower rate of interest

## 4. Self-Help Groups

Credit is given from money collected by each member

Very low rate of interest



# FORMAL SOURCES

## (INSTITUTIONAL SOURCES) OF CREDIT

Banks, Co-operative Societies, Regional

Rural Banks and NABARD are formal sources.



# COMMERCIAL BANKS

- The RBI has instructed Banks to make short term, medium term and long term loans available to farmers
- Kissan Credit Cards are given to farmers. They can get short term loans using these cards.
- It is difficult for poor farmers to get loans from Banks.
- Branches of Banks are not there in many villages.
- The Banks demand collateral security. The poor farmers do not have anything to offer as collateral security.
- The Banks do not consider poor farmers credit worthy.

# Co-operative Societies

- Co-operative societies give loans to the farmers at reasonable rate of interest.
- They do not demand any collateral security.
- They supply HYV seeds and fertilisers to farmers.
- They educate farmers about new methods of farming.

**Co-Operative**

**Society**





# Regional Rural Banks

- They are set up jointly by the Central and the State Governments to meet the credit needs of rural people.
- They provide short term, medium term and long term loans to farmers at very low interest rates.
- They are settt up in village areas.



# NATIONAL BANK FOR AGRICULTURAL AND RURAL DEVELOPMENT (NABARD)

- NABARD was set up in 1982.
- The institutions that provide credit to village people get support and help from NABARD.
- It gives funds to institutions that provide rural credit
- It give training to people involved in credit delivery.
- It evaluates the projects financed by it.



## • SELF HELP GROUPS

- It is a village based organisation consisting of 10 to 20 women.
- Each member contributes a small amount.
- Members can get loans from the group.
- The SHG can get loans from Banks.
- SHG helps women to find Self Employment.





# Achievements of Rural Credit in India.

Farmers could adopt new technology



Famines could be avoided



Small scale units came up



Employment Increased and Poverty reduced.

# Failures of Rural Credit System

Failed to develop  
the habit of saving  
and deposit  
mobilisation

Recovery of loans is  
not effective

# Role of Micro Credit

- Micro credit is provided by Self Help Groups.
- Micro credit facility saves villagers from the exploitation of money lenders.
- It helps villagers to start micro production units and earn additional income.
- SHG s encourage saving habits among the village people .
- They also contribute towards women empowerment.



## **It is difficult for village people to get credit from formal sources**

- Banks demand collateral security. Most of the villagers do not have any collateral security.
- Banks do not consider poor people credit worthy. They are not interested to give loans to poor people.
- Bank branches are not found in many villages.
- Banks demand several documents. Poor people will not be able to arrange these documents.

# AGRICULTURAL MARKETING



# Agricultural Marketing is a process of

Assembling

Grading

Processing

Packaging

Storing

Transportation

Distribution



of agricultural goods

# **Obstacles in the path of Agricultural Marketing**

**(Problems faced by farmers while marketing their goods)**

- Traders cheat farmers by wrong weighing and manipulation of accounts.
- Farmers generally do not know the prices in the markets. So, traders pay them low prices.
- Farmers do not have proper storage facilities.
- Most of the villages do not have good roads.
- There are many middle men between the farmer and the consumer. So, farmer gets low prices.

# Steps taken by the Government to promote Agricultural Marketing

## 1. Regulated Markets:

- The Government has established Regulated Markets in different parts of the country.
- The sale and purchase of goods in these markets are controlled by a market committee consisting of representatives of Government, farmers and traders.



2. Development of Infrastructural facilities: The Government has taken steps to construct roads, warehouses, cold storages and processing units to help farmers to market their goods.

3. Co-operative Agricultural Marketing Societies: The co-operative societies of farmers may collect the products and profitably market them in towns and cities.

4. Farmers Market: In some states like Tamil Nadu, the Government established Farmers Market. The farmers can bring their products directly to these markets and sell to consumers. Middle men can be avoided.



# UZHAVAR SANDHAI





# FARMERS' MARKET

- APNI MANDI – PUNJAB, HARYANA AND RAJASTHAN
- HADASPAR MANDI – PUNE
- RYTHU BAZAR – ANDHRAPRADESH AND TELANGANA
- UZHAVAR SANDHAI – TAMIL NADU

4. **Storage Facilities:** The Government has set up a number of pest free and weather proof storage facilities to farmers to store their products.

5. **Minimum Support Price:** The Government announces MSP for some agricultural crops well before the sowing season. At the time of harvesting, if the market price is lower than the MSP, the Government will buy those crops from the farmer at the MSP.

6. **Some Multi National Enterprises** enter in to agreement with farmers. They encourage farmers to cultivate certain crops. They provide them seeds, fertilisers and money in advance. Later, they buy the products and market them.

# AGRICULTURAL DIVERSIFICATION

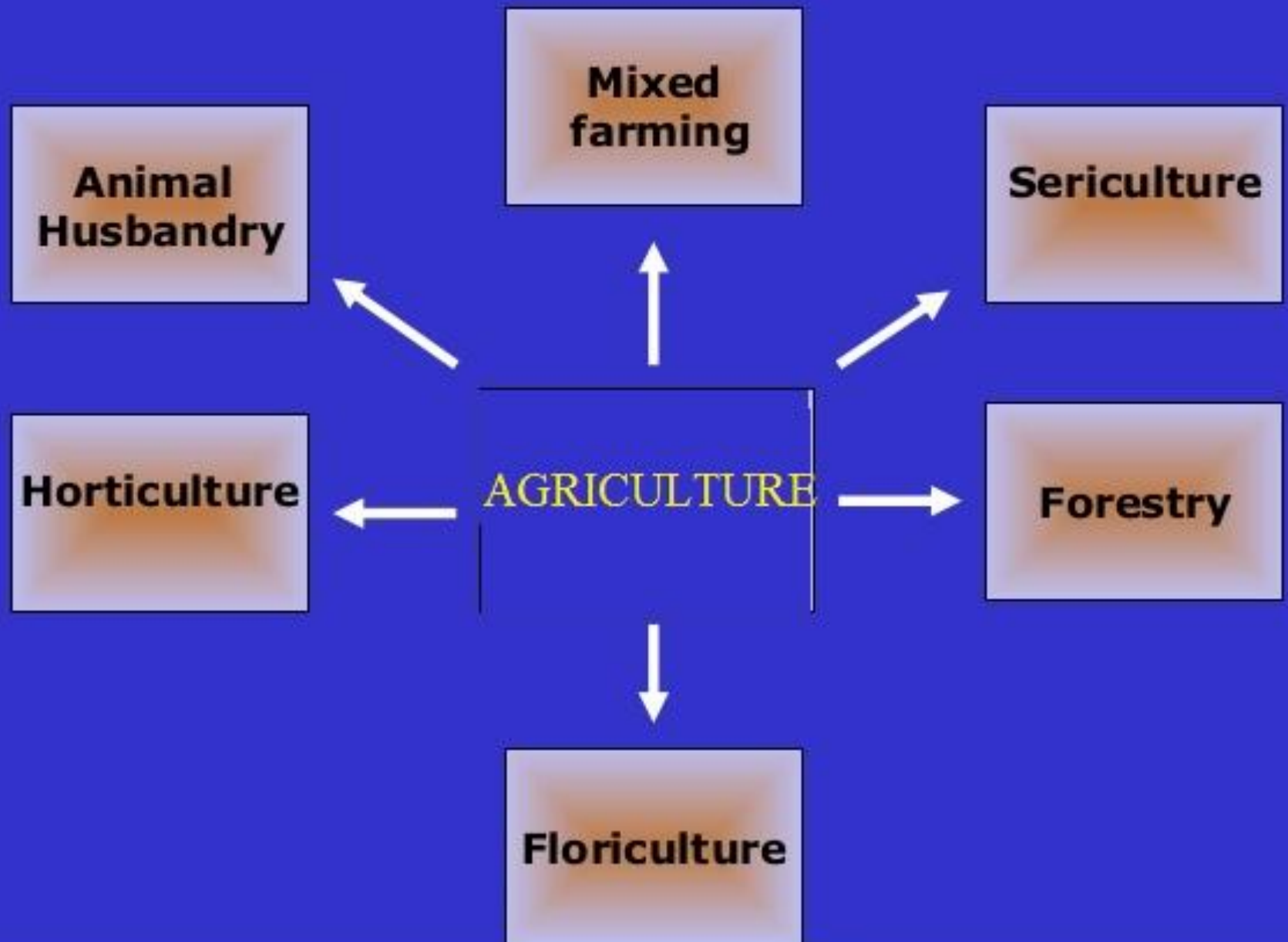




# AGRICULTURAL DIVERSIFICATION

- Production of a number of crops in the same farm along with various non-farming activities is called Agricultural Diversification.
- Sericulture, Dairy farming and Fish farming are some of the non-farming activities.
- Farming becomes profitable and less risky.

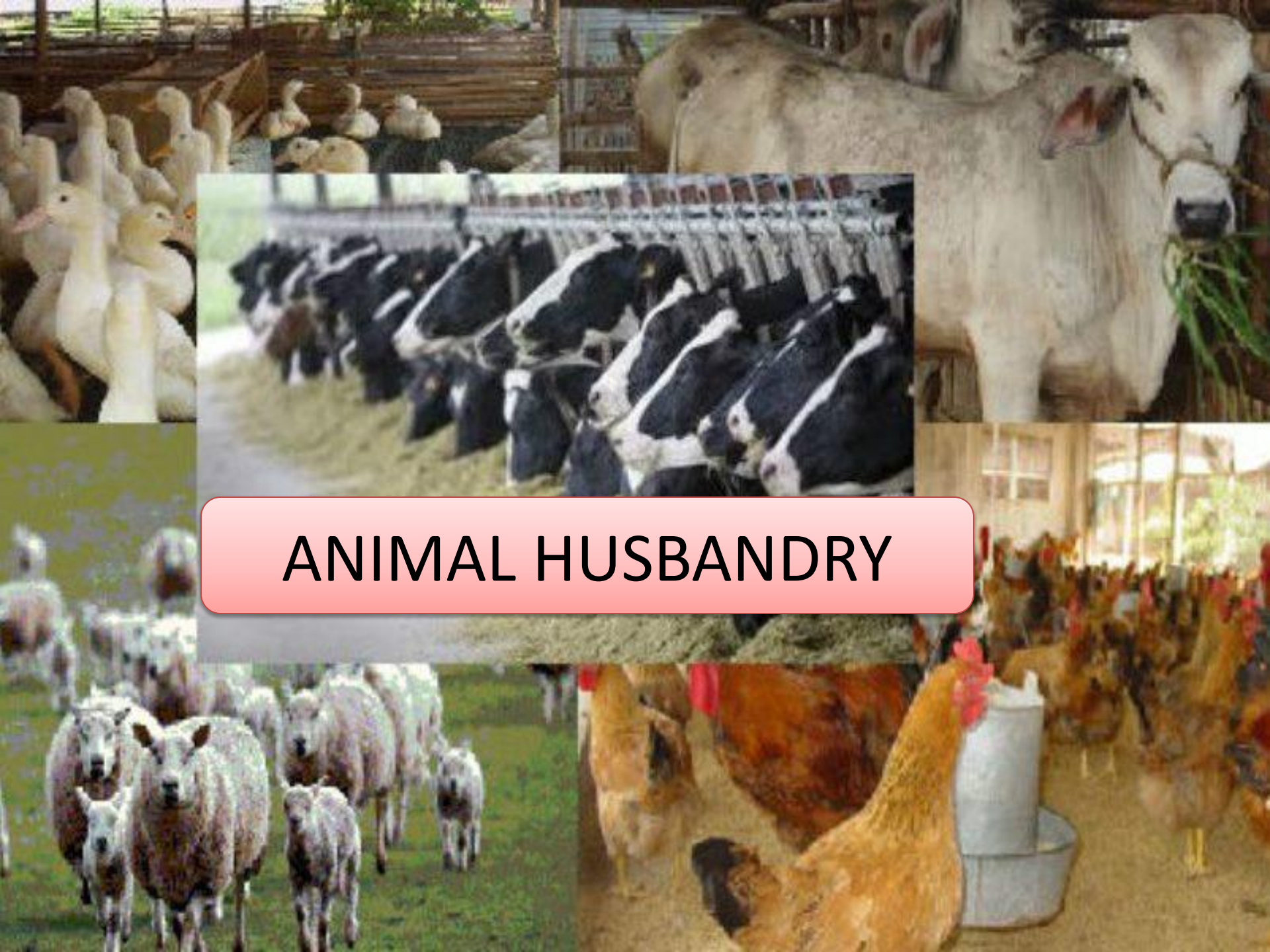
# DIVERSIFIED AGRICULTURE



# MIXED FARMING







**ANIMAL HUSBANDRY**

# ANIMAL HUSBANDRY

- Animal Husbandry is the breeding and caring of animals such as cattle, goats and fowl.
- It provides stable income to the farmer.
- Animals help in transportation and agricultural work.
- It provides food stability and the fuel needed for the villagers.
- Large number farmers earn their livelihood from animal husbandry.
- Animal waste can be used as manure.



# White Revolution

This white revolution or operation flood relates to the rapid development in milk production that took place in India after mid 1960's. This name is a variation of the name "Green Revolution" used earlier to describe rapid development in agricultural production in India.

A name closely associated with White Revolution is that of Dr. Verghese Kurien. This is because the origins of White Revolution can be traced to the efforts of Dr. Kurien at Kaira District Co-operative Milk Producers Union Situated at Anand in Gujarat State. This organization is better known by the brand name of its product - Amul.





# FORESTRY



# FORESTRY

- Scientific utilisation of forests and forest products is called Forestry.
- It can provide additional income to the farmers who live in villages located close to forests.





# Sericulture

# SERICULTURE

- Rearing of silkworms and the production of silk and silk products is called Sericulture.
- It provides additional income to the farmer.
- It reduces poverty in villages.
- It reduces unemployment



# HORTICULTURE





# HORTICULTURE

- It is the art of cultivating fruits, vegetables flowers, medicinal plants and spices.
- It contributes one – third of the total value of agricultural products.
- It contributes 6% of the GDP of India.
- India is the second largest producer of fruits in the World.
- It enables farmers to earn high income.

# Golden Revolution

The Golden Revolution was the period between 1991-2003. During this time there was a big increase in horticulture production, which means there was more production of fruits, vegetables, and other horticulture products like honey and flowers.





# FORTICULTURE



# FORTICULTURE

- It is a branch of Horticulture.
- It is the scientific cultivation of flowers.



# The role of Non-Farm Activities in promoting Rural Development

- Non-farming activities reduce population pressure on land. Surplus labour in agriculture can be used in such activities.
- They help the farmer to sell value added products and earn higher income. Thus they help in reducing poverty.
- Farmers can get themselves engaged in non-farm activities during off season. Thus, they solve seasonal unemployment.
- Even a loss in farming due to crop failure will not affect the farmer much if he has some non-farm activities also.

## IMPORTANCE OF AGRICULTURAL DIVERSIFICATION FOR SUSTAINABLE DEVELOPMENT

- Agriculture in India depends on monsoon rains. So, it is risky. Diversification will help farmer to earn income from non-farm activities.
- During rabi season, agricultural activities are less. There will be unemployment. It can be reduced by developing non-farming activities.
- Diversification will help to reduce disguised unemployment.
- Diversification with different farming and non farming activities helps the farmer to earn higher income. This improves their standard of living.



**VERMICOMPOST**



**GREEN LEAF  
MANURES**



**CROP ROTATION**

**ORGANIC  
FARMING**



**MANURES**



**BIOLOGICAL  
MANAGEMENT**



**BIOFERTILIZERS**



**ANIMAL  
HUSBANDRY**

# ORGANIC FARMING

- It is a system of farming that uses organic inputs. Chemical Fertilisers, pesticides and insecticides are not used. Bio manure and biological methods of pest control are used.



## IMPORTANCE OF ORGANIC FARMING FOR SUSTAINABLE DEVELOPMENT

- It is environment friendly. Chemicals are not used. So, it does not damage the environment.
- It protects soil health. It sustains the quality of soils.
- It produces nutritious and tasty food. The crops are free from dangerous chemicals.
- It does not use Non-Renewable resources. Thus, it promotes sustainable development.
- It is less expensive. It uses locally available resources. Farming becomes profitable.
- Organic crops have good demand in other countries. We can get foreign exchange.
- It is labour intensive farming. So, many people get work.

# LIMITATIONS OF ORGANIC FARMING

- Lack of awareness among the farmers. Many are unwilling to take up organic farming.
- Infrastructural facilities are not sufficient and marketing facilities are limited.
- Yield from organic farming is less. This will discourage farmers from adopting it.
- Organic products have more blemishes and shorter shelf life.
- We do not have adequate demand for organic products as they are costlier.
- It requires inputs like organic manure. Bio-fertilisers and pesticides. Farmers find it difficult to get.

# PROBLEMS FACED BY FISHING COMMUNITY

- Most of the fishing families are very poor. Their per capita income is very low.
- Many of them are illiterates and ignorants.
- They are not willing to shift to other jobs.
- Most of them are in debt trap.
- Adverse weather conditions affect them badly.

# Blue Revolution

**Blue Revolution is the water equivalent of the green revolution and primarily refers to the management of water resources that can steer humanity to achieve drinking water and crop irrigation security. The aim of the ongoing Blue Revolution is to rapidly increase fish production in small ponds and water bodies, a boon to small farmers, the nation's nutrition and its gross domestic product.**





# ROLE OF INFORMATION TECHNOLOGY IN SUSTAINABLE DEVELOPMENT AND FOOD SECURITY

- Information Technology can help to achieve sustainable development and food security in the modern World.
- The Government can find out areas of food insecurity and vulnerability by using Information Technology.
- IT can be used to provide information to farmers about new crops, technology and market conditions.
- IT can create employment opportunities in village areas.



THANK  
YOU