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Vol XIII  
No. 2

ISSN 0019-5014

APRIL-  
JUNE  
1958

# INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF  
AGRICULTURAL ECONOMICS,  
BOMBAY

## REVIEWS IN BRIEF

*Agriculture in the British Economy*, Proceedings of Conference convened by the Imperial Chemical Industries, Ltd., London, 1957. Pp. 311. 21sh.

This publication contains the Proceedings of the Conference which was convened by the Imperial Chemical Industries Ltd., during November 1956, to discuss the part that British agriculture could or should play in providing for future food requirements of the population in the United Kingdom. In the Conference were represented a mixed body of politicians and professors, farmers and industrialists, economists and bankers. This book which consists of 12 chapters, is divided into three parts. Part I examines the present position of agriculture and the future demand for food; Part II discusses the contribution which United Kingdom agriculture could make in meeting the future demand for food; while Part III deals with the ways of achievement in the sphere of effective use of manpower, capital needs of British Agriculture, Government support, price policy and production grants and finance for agriculture.

*All India Rural Credit Survey, District Monograph, West Khandesh*. Pp. xi+87. Rs. 4.50;

*Osmanabad*. Pp. xi + 72. Rs. 4.50;

*Sorath*. Pp. xiv + 141. Rs. 6.50; Reserve Bank of India, Bombay, 1957.

The All India Rural Credit Survey (1951-52) which was conducted by the Committee of Direction appointed by the Reserve Bank of India, covered nearly 1,30,000 families resident in 600 villages from 75 selected districts spread all over the country. The data collected covered all important aspects of the working of the system of rural credit in the 75 districts. A few of the preliminary monographs which were prepared on each of the 75 selected districts by the Rural Credit Survey are selected for revision and publication. The publications under reference are the first three district monographs published by the Reserve Bank of India in 1957. They give an integrated picture of the working of the rural credit machinery under different local types of economies. The first and second monographs in the series were prepared by Shri V. M. Dandekar of the Gokhale Institute of Politics and Economics, Poona, while the third was prepared by Dr. S. G. Madiman of the Division of Rural Economics of the Reserve Bank of India, Bombay.

The data presented in each monograph are based on field investigation in eight villages selected by adopting the stratified random sampling method. All the families in each of these villages were covered by a General Schedule and this was supplemented by an intensive enquiry confined to a small sub-sample of 15 cultivating families in each of the selected villages, making a total of 120 cultivating families for the district.

Each district monograph can be broadly divided into three parts. The first part describes the agricultural economy of the district as well as of the villages

selected for investigation, which provides the necessary background for the study of rural credit. The second part is mainly devoted to an analysis of the 'demand' aspect of rural credit. The third part gives a detailed description and assessment of the working of the rural credit organisations. The monographs attempt to focus attention on special problems in the districts, besides presenting a review of the detailed economic and credit pattern of the district.

The results of the Survey show that in West Khandesh district (Bombay) the co-operative credit movement is well established. The primary credit societies wherever they are operating supplied a substantial part of the short-term credit needs of agriculture. However, they must be multiplied. There is one important form of credit, viz., loans made on the basis of the standing crops, which the co-operatives have so far neglected. Most of such finance emanated from the private traders. There are few co-operative marketing societies, but their business is comparatively very small and needs to be expanded. The most important gap in the development of the institutional credit in the district is that the supply of credit for consumer needs is found to be entirely in the hands of private agencies. The principal shortcoming of co-operative credit is that it has not so far been able to promote thrift and encourage savings in the form of deposits with the co-operatives. The grain banks and the chit funds which are practically unknown in the district, should be promoted. The working of the co-operative institutions has been comparatively satisfactory. Conditions are favourable in West Khandesh district for the promotion of an integrated and comprehensive co-operative movement.

In Osmanabad district (former Hyderabad State), the supply of rural credit is still largely in the hands of private money-lenders. Government finance is negligible and co-operative credit movement is not soundly established. Political backwardness, until recent times, has stood in the way of establishing a sound co-operative movement in the district. The district is rich in commercial crops and surplus in foodgrains. With more persevering official and non-official efforts, it should be possible to promote a co-operative credit organisation firmly linked to the marketing of agricultural produce in the district.

In the Sorath district (Saurashtra), the virtual absence of Co-operative Movement may be attributed to the antiquated land tenure system that prevailed in some parts till the year immediately preceding the Survey and the political and administrative machinery of the princely States prior to the creation of the Sorath district in 1949. The record of the active role played by the Government in financing agriculturists does not go beyond the year 1949. Therefore, the entire credit structure in the rural areas is dominated by the private credit agencies. The co-operative credit system betrayed a lack of integration and internal organisational ties. The primary units at the village level, with very few exceptions, were either conspicuous by their absence or more generally weak and disorganised. Central financing agencies at the intermediate level had not been organised. The weak link or the absence of the link itself in the co-operative credit structure, could be said to be largely responsible for the underdeveloped state of the movement. Progress in this regard can come only from development of credit agencies at the higher tiers of the co-operative credit structure and from proper linking of co-operative marketing with co-operative credit.

*Credit Problems of Small Farmers in Asia and the Far East*, Study prepared by the ECAFE/FAO Agriculture Division, Economic Commission for Asia and the Far East, Bangkok, 1957. Pp. vi + 33. \$0.25.

This study seeks to analyse some of the credit problems of the small farmers in Asia and the Far Eastern countries, particularly share-croppers and tenants-at-will and the relationship between agricultural credit and marketing of agricultural produce. It indicates the limited results achieved in the past and presents the main features of the new programme of re-organisation of agricultural credit which is under way.

The supply of institutional credit available to small farmers in this region is extremely small or negligible. The co-operatives are weak and cover only a small proportion of the population and provide only a slight fraction of the total credit needs of cultivators. Since credit-worthiness for co-operative credit is judged on the basis of ownership and not on repaying capacity, share-croppers and tenants-at-will, and even protected tenants without alienable rights are virtually debarred from co-operative credit. In these circumstances, the small cultivator usually resorts to the money-lender who charges exorbitant rates of interest and frequently pays a lower price for the produce than the market rate. Debts once contracted tend to accumulate and are soon beyond the repaying capacity of the borrower. The vicious circle resulting from poverty, debt and high-interest rates holds the small cultivator in a tight grip. Viewed in this light, a complete re-organisation of the agricultural credit structure appears desirable in many cases. However, improvements in credit structure should be accompanied by measures designed to raise productivity.

The three features of the new programme of reorganisation of agricultural credit are: (i) Co-operative framework provides the best means of placing agricultural credit on sound footing, and Government must assume major (or full) responsibility for provision of funds, organisational development and supervision of the movement. (ii) Realisation of the intimate relationship between agricultural credit and marketing of agricultural produce and the need for a comprehensive and integrated approach to these questions. (iii) Awareness of the fact that agricultural credit based on productive capacity of the borrower is feasible and ought to replace credit based on the security of immovable property.

*Labour Legislation in India*, International Labour Office, New Delhi, 1957. Pp. 122. Rs. 1.50.

This brochure has brought together within the compass of a single publication the information on labour legislation in India, that lay scattered in the various I.L.O. publications. The study consists of 11 chapters. The Introduction outlines the main developments in the history of labour legislation, while the rest of the chapters give a detailed historical treatment of different aspects of labour legislation relating to plantation, factories and workshops, mining, shops and offices, transport, wages, trade unions and trade disputes, social security and seafarers. In the last chapter, a brief account is given of industrial housing legislation in various States, forced labour and war-time labour legislations. This study brings out clearly in retrospect the intimate connection of social objectives with economic development and political maturity and the essential nature of justice—social, economic and political—as a single cord made up of different strands.

*Millions Still Go Hungry*, Food and Agriculture Organization, United Nations, Rome, 1957. Pp. x + 101. \$1.00.

This volume which contains five chapters, deals with the economic and social problems of the member countries of F.A.O., the programmes that are already underway to tackle these problems and the measure of success achieved, especially through international organisation which member governments themselves have set up for this purpose. The difficulties encountered in increasing agricultural productivity and some of the ways round them are the subject matter of the first chapter. The second chapter is concerned with the problem of distribution and with the difficulties in improving marketing and also with the problem of trying to raise food consumption. The third chapter seeks to answer certain questions in regard to the knowledge of a country's existing and potential resources of the food consumption levels of its people, and of its actual production. Technical and administrative education is dealt with in chapter IV, while the need for international co-operation is the subject of the last chapter. The basic fact that emerges from a discussion of the problems in the various countries is that over a large part of the world, millions of people are still hungry, ill-clothed and unsheltered. The policies and programmes of the F.A.O. are directed towards raising of the living standards of the people.

*Study of Economic Potentialities of Five Acre Family Farming in Charotar Tract of Gujarat, Bombay State*, Bulletin 4, by M. D. Patel, N. K. Desai, S. U. Patel and A. J. Patel, Institute of Agriculture, Anand, March, 1958. Pp. 39.

This bulletin attempts to study the problem of the size of the operating unit of the family farm in relation to Charotar Tract (consisting of parts of Nadiad, Cambay and Anand Talukas and whole of Borsad and Petlad Talukas) in Kaira District of Gujarat region in Bombay State. An experiment was laid out on the 100-acre Commercial Farm of the Institute to study the production aspect of the family farm in four 5-acre holdings, each in charge of a family consisting of a man and his wife, and the data were collected for 4 years, from 1950-51 to 1953-54. The investigation makes a fair assessment of large and small scale farming by comparing the crop yields on the Commercial Farm which is commercially and financially organised with those on the holdings planned thereon, having equal advantages of production requisites, e.g., seed, manure, irrigation, plant protection, credit, marketing and extension services. This study, therefore, reflects the potentialities of increasing the per acre yield on the family farm, if it is not fettered by organisational, technical and economic handicaps.

The investigation revealed that the average crop yield indices on the holdings varied from 116 to 145 with the overall average of 129. The higher crop yields on the holdings to the extent of 29% showed that the advantages of small scale production are in practice large enough to counteract its disadvantages.

In regard to the human labour utilization for all the holdings, the available family labour was in excess of total labour requirement on the holdings, only about half of the available family labour was utilised and about one-third of the total requirement was hired. This is due to the inelastic time pattern of agricultural production. The cash crops, like vegetables, tobacco, groundnuts and spices absorbed double the labour units per acre with about 30% increased receipt per

labour unit employed as compared to non-cash crops. The emphasis on capital demanding cash crops, therefore, could afford considerable scope for increasing the volume of employment and labour productivity. However, the problem of providing employment for about half the family labour available could be solved only by the introduction of subsidiary occupations.

The average bullock units utilized on the four holdings came to 99.18 which formed only 13% of the available bullock units on the holding. The peak period for the utilization of bullock units was from June to September which absorbed a little over half of the total bullock units utilized.

The families on the holdings earned an average income of Rs. 3,682.86 per annum with an average expense of Rs. 2,183.22. The average profit was Rs. 1,499.64 per annum. The capital investment amounted to Rs. 8,000. The high profit was due to the war-time inflationary trends, shortages and consequent high prices of the food crops during the period. Wide variations in the profit were noticed during 1950-51 to 1953-54. The profit ranged from 39.69% above the average in 1950-51 to 36% below the average in 1952-53. This variation was due to the fact that the difference in the receipts, which was due to fall in general price level, was more than that in costs. The variation in receipts ranged from 17.55% above to 12.54% below the average, while the variation in expenses was only 3.58% above to 5.18% below the average. The relative stability of costs was due to the fact that interest and depreciation on fixed capital, land revenue, which formed about 18.34% of the costs, are hardly affected by the general level of prices, while the other items of costs such as family labour and bullock labour, which together formed 34.94% are almost immune to price changes. More than half of the total costs in agriculture are fixed costs, irrespective of the level of output. A way to reduce the unit cost and thereby to improve the incomes, is by spreading these fixed costs over greater output. This requires additional expenditure on production requisites which contribute directly to output. This would not only raise the level of employment in agriculture, but also would render it more remunerative.

The study reveals that family farming is not all problem and no possibilities. There are definite economic potentialities in family farming.

*International Journal of Agrarian Affairs*, Vol. II, No. 3, July 1957, and No. 4, January 1958: *Capital and Credit in Agriculture*: Issued by the Institute of Agrarian Affairs, University of Oxford, Oxford, England. 5 sh. each.

The third and fourth issues in this volume respectively contain four papers on capital formation and use in agriculture in Denmark, Norway, Sweden and the United Kingdom and six papers on the same topic in Australia, West Germany, Greece, Italy, Japan and Yugoslavia. The papers are prepared by specialists in the subject. They attempt to explain the problem of capital shortages in agriculture and the ways to meet these difficulties under varying conditions and the institutional systems involved in economically developed countries where the collection and distribution of capital are correspondingly advanced. The problems discussed in these papers will also be useful to under-developed countries which are making attempts by deliberate control and planning to raise the standards of living of their people.