

CHAPTER - VIISUMMARY

The recent emphasis on regional planning necessitated the research particularly at the level of planning unit. Sagar division is a newly constituted revenue division of the State which comprises of five districts namely Sagar, Damoh, Panna, Tikamgarh and Chhatarpur. Each district is basically a planning unit since it happens to be the administrative unit as well. The Sagar division is known for the richness of the resources and potentials of agricultural production. Panna is in the world map known for the precious diamonds whereas Chhatarpur and Tikamgarh districts are known as the Punjab of the State of Madhya Pradesh.

The purpose of the study was to explore the existing farm business of Sagar division to recommend policy measures for increasing agricultural production and farm returns. It was further intended to develop some norms for the division which are often needed for planning agricultural development. The peculiarity of the study is in its presentation of results for different technological categories of farms representing subdivision I (Sagar, Damoh and Panna) and subdivision II (Tikamgarh and Chhatarpur) of Sagar division covering both private and State management. The farms owned

and operated by farmers and State characterise different organisational and managerial set up which have been studied and compared all along.

The respondents of the study were the farm managers of all the government farms of the division and the farmers of the locality served by the government farms. The private farms were selected from the close vicinity of the government farms so that they represent the same physiographic and bio-physical conditions. There were 100 private farms and 12 government farms which were included in the study. Sagar division is characterised by medium black, mixed and black soils which receive the annual precipitation ranging from 1260 mm and 1320 mm. The tract is said to be wheat bowl of the State. Tikamgarh district is well known for irrigation facilities and technological advances in agriculture.

Farm business analysis was done for four technological categories of the farms, i.e. (i) traditional unirrigated, (ii) traditional irrigated, (iii) advance unirrigated, and (iv) advance irrigated. Traditional farms were those which practiced the age old practices of crop husbandry whereas advanced farms were those which had new technology. Irrigated farms were defined as those having atleast 25 per cent or more of the cropped area under irrigation. Farms having less than one-fourth of the planted area under irrigation were treated as unirrigated farms. The government farms were

classified as advance irrigated farms because all of them had more than 25 per cent of cropped area under irrigation. They also adopted improved farm techniques accompanied with better managerial input.

The primary data on various aspects of farm business was collected by survey method using pretested schedules and personal interviews. The observations were recorded on farm inventories, cropping pattern, expenditure and income pattern for each farm enterprise and farm unit as a whole. Cost of production data were also collected for each crop. Financial statements of government farms were available for working out the profit and loss account. The disposal pattern of farm produce was also recorded to have an idea about the mode and quantum of farm produce consumed, retained and actually marketed. The reporting period was the year 1975-76 for which the farm data were collected and analysed. The data were analysed for both the subdivisions so as to have a regional view of the farm business of private and government farms.

The size of private farms in subdivision I was found to be higher than that of subdivision II. The average size of government farms in the subdivisions was just the reverse of the private farms. The size of government farms of subdivision II was more than double of the farms of subdivision I. Average size of sample private farms was

4,388 hectares against 75,727 hectares of government farms of Sagar division. Government farms had larger proportion of cultivated area than those of private farms. Farms of subdivision II excelled in irrigation facilities over those of subdivision I. Surprisingly, the cropping intensity of farms of subdivision II was lower than that of subdivision I despite of the fact that subdivision II had larger irrigation facilities on the sample farms. This is a weakness of the farms having larger irrigation facilities but lower cropping intensity. This needs a separate investigation in depth so as to utilize the irrigation resources to the utmost extent and to raise farm production and income. Cropping pattern was dominated by food crops and there existed enough scope of introducing cash or commercial crops on the sample farms. Cropping intensity was inversely related to size of the farms. The net worth of the farms was positively associated with the size of the farm, level of technology and cropping pattern.

The total farm assets per farms were of much higher value on government farms than those of private farms because the former had larger operational area and had also the means of improved farm technology.

The total farm expenses were grouped in farm operating and non-farm operating expenses which was a common phenomenon of private farms. The family and social expenditures were found to be merged with the farm business of private farms

which was non-existent on government farms. The farm operating expenses valued from nearly 49 per cent to 62 per cent of the total farm expenditures on private farms. The proportion of operating expenditure was associated with the level of farm technology and the size of the farms. Expenditure on purchased inputs was the major component of operating costs on irrigated and advanced farms. The analysis of the farm expenditure justified the need for productive and consumptive uses of funds which may be self-financed or borrowed. Here self-financing means purchase of inputs in cash through own resources and taking funds from bank is described as borrowing.

The major sources of farm receipts were the crops and livestock. On private farms the farm operating receipts originating from crops alone ranged between 80 to 100 per cent. Hiring out of farm resources and miscellaneous incomes were although reported but were not of much significance. Non-farm operating expenses which contributed to the farm receipts of the private farm were insignificant on government farms. The prospects of upgrading farm receipts thus mainly depend upon improving the productivity of crops and livestock in Sagar division i.e. through per unit and total production on each farm. The cost of cultivation of paddy, wheat, pulses and miscellaneous crops were worked out considering the material costs, labour costs and other costs. The material

costs depended upon the availability of irrigation and the technological categories of farms. The investment on crops were directly associated with the yield levels. In other words the yield deficiencies were attributed to investment gaps between the actual expenditure and those desirable under recommended package of practices for each crop.

The yield rates of crops were found to be higher on the advance irrigated farms than those on government farms.

The distribution of total farm production of paddy, wheat, pulses and other crops indicated that no definite pattern or the proportion of total production of crops consumed by the family, retained for farm use and ultimately disposed off in the market existed in both the subdivisions. However, the traditional unirrigated farms had larger proportion of paddy and wheat produced reserved for family consumption and farm use. The improved farm technology leading to higher yield levels and larger volume of production and greater proportion of marketable and marketed surpluses.

An aggregate view of the farms as an operational unit was found to be profitable which means that the farm receipts were sufficient to cover farm expenses leaving some surplus as profit. The level of profit varied from region to region and depended upon the technological categories of farms. The analysis provided valid reasons to conclude that farm business in Sagar division is a profitable proposition,

however, the divisional variations were also clearly visible. The farms of subdivision II gave higher profit mainly because of wheat crop which dominated the cropping pattern.

The technological contribution to farm receipts were to the order of 16 per cent in subdivision I. Irrigation seems to contribute more than 100 per cent in subdivision I, while it was only 19 per cent in subdivision II. This is mainly due to the fact that the irrigation increases the yield to a greater extent specially in the fertile medium black soils of the area. Subdivision II had already higher proportion of cultivated area under irrigation. Additional irrigation facilities are therefore likely to contribute more in subdivision I than in subdivision II. The policy implication of this result may be kept in view while allocating funds for creating additional irrigation facilities in Sagar division.

The benefit cost ratio for private farms (advanced irrigated) was found to be higher than that for State farms. The government farms incurred higher operational expenditures which resulted in to lower benefit cost ratio. Under farmer's condition the thumb rule for committing an expenditure on farms should be the higher benefit cost ratio. If capital supply is not a constraint maximisation of profit should be the rule which suits well for State farms.

The analytical results which stand as an empirical evidence lead to certain recommendations which, if implemented would ^{at} enter the same of farm economy of the region in due course of time. The recommendations, policy implications and suggestions presented earlier converge on a singular motive of improving the operational efficiency of farms and the income from them. Some general and specific suggestions have been made such as improving the resource base of the farms, technological level and the rural infrastructure to have combined impact on the farm economy of the region. Further line of research work on resource productivity, optimisation of farm income under existing and changed situations representing perfect and incomplete knowledge situations are worth undertaking.

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