

The Socio-Economic Aspects of Maximising Crop Production

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'Agricultural efficiency is determined as much by the social, economic and legal status of the cultivator as by the technical perfection of implements, manures and soil. The two have necessarily to go together. The former reforms the cultivator himself and gives the needed incentive, the latter improves the soil, agricultural technique and farm equipment'.

The farmer at present is labouring under various economic handicaps like defective land tenures, uneconomic holdings, lack of working capital, a defective marketing system, unstable agricultural prices and under-employment. These are all disabilities which militate against the possibility of applying modern technological knowledge in maximising crop production.

Of all the socio-economic reforms suggested, agrarian reforms or the reform of land tenures loom large in the minds of people at present. The Land Tenure system in any country is the result of social, political, economic and technical environment and this system should be adaptable to cope with improvements in the technique of agricultural production. If the Land Tenure system gets fossilised and stands in the way of improvements in production technique, then it calls for reform. Any reform of the system, must aim at making the best of men, land, capital and management so as to ensure an ideal proportion between all the factors in agriculture and contribute to the highest output.

The problem therefore, is to find out whether our tenure systems contribute towards accomplishing maximum production. Before going into this however, mention may be made of an important reform already carried out by legislation, namely the abolition of the Zamnis, which has been acclaimed as a step in the right direction. Mention may also be made of the other agrarian reforms suggested by various committees. It is not intended here to criticise the conclusions of this or that committee on agrarian reforms. But it cannot be overlooked that the recommendations are directed more towards attaining social equality or political ends than the attainment of maximum crop production. The problem seems to have been approached more as a political question than otherwise. Some of the reforms suggested are (a) redistributing the agricultural wealth, namely land, by dividing the large holdings among small-scale operators, (b) making farm owners of all tenant cultivators and (c) maintaining an upper limit to the size of farms.

We, as agricultural technicians cannot afford to look into the question from the point of view of political justice or injustice. We aim at land tenure policies for maximum crop production and we should be guided by this simple rule. Such policies will in the long run contribute to national welfare much more than the proposals to subdivide the land in an uneconomic fashion or put a ceiling on the maximum size of a holding or making owners of all tenants.

The land tenure systems in this State have been simplified with the liquidation of the Zamindari which process is now already afoot. Barring some portions in Malabar and South Kanara, the land tenure system will be very soon wholly *Ryotwari*. In the *Ryotwari* system the products of cultivation are shared between the tenant when the land is leased, the land owner and the Government. The Government for all practical purposes is now out of the picture because the share of the Government as land tax has reduced itself to an insignificant amount with the increase in prices of agricultural produce. The main problem in the *Ryotwari* area is related to absentee landlordism, where the cultivator is not the owner of land. Fortunately in the Madras State the majority of cultivators cultivate their own land. It is only in the wet deltaic areas that absentee landlordism or tenant cultivation exist to some extent. The problem therefore cannot be said to be a major evil as it is in some other parts of the Indian Union.

Much is heard about the advantage of cultivation of land by the owners themselves but experience in this State as to whether the owner cultivator or the rented farms produce higher yields is quite the other way. In wet areas, where tenancy is most prevalent, it is the tenant who scores better returns and the owner operator is unable to compete with him. This can easily be explained as being due to the tiny size of the holdings they cultivate. The difference in efficiency as between an owner and a tenant in the cultivator of 3 or 5 acres of land is certainly not much when it is remembered that no difference exists in their methods of cultivation. Both of them lack the resources to achieve better production. On the other hand it is not unusual to find tenants operating a larger holding by leasing more lands when he finds his holding uneconomic. Further he has a responsibility to produce more as he carries a liability to pay a rent to the owner. In gardenland areas, where there is more of owner-cultivator, the owner and the tenant fare alike. One is therefore led to conclude that the magic of ownership as a factor of efficiency has rather been over-emphasised under the conditions existing in this country.

It is only when the owner with a large holding and adequate financial resources cultivates the land on modern lines that he is able to outbeat the tenant. Examples of such large-scale farming by an inflow of capital into landowning from trade and urban industry are

noticeable in all parts of the State, particularly in the Coimbatore district, where business profits have been ploughed back into agriculture on an extensive scale. The basic difficulty for owner operation seems to be the limitations of capital resources to bring about improvement, which alone will contribute to increased crop production. It is no good setting up a man as owner cultivator of a farm if he is starved of capital.

Owner cultivation has also other limitations. Apart from the holding being too small and uneconomic for the owner to cultivate it himself, it may sometimes involve the sacrificing of other profitable employment elsewhere on the part of the owner in his attempting to cultivate his holding. It may be that in certain extreme cases, he may lack the experience or the training to farm his own land. It is neither possible nor feasible for such owners to operate their lands as it will lead to disappointing results. It is well that such lands are left to tenants for cultivation.

The overall picture leads to the conclusion that very little can be expected towards maximising crop production merely by shifting rights to the land from the owner to the tenant except to give the him the right to raise money on the mortgage of the land which right is now retained by the owner. Unfortunately this point of view is not appreciated by many of our agrarian reformers. For instance, we come across all over the State holdings adjacent to each other cultivated by owners as well as tenants without any noticeable difference either in their methods of cultivation or efficiency in farming. We rarely notice an instance where an owner can assert that he is a better cultivator than a tenant.

There is justification however, for the strong indictment that the landlord-tenant relations and the lease conditions fail to accomplish the objective of achieving maximum production from a given piece of land. It has often been asserted and rightly too, that under the present tenancy system, the value of all benefits in farming tends to find its way into the pockets of the landlord in the form of higher rents. A tenant who improves the farm might be penalised by having his rent increased as a result of this rackrenting process. Another serious drawback of the tenancy system is the insecurity of tenure and the unreasonable disturbance of the tenant, having regard to the long-term nature of farming. Enquiries during village surveys have however revealed that eviction of the tenant is not the general rule but the exception. Though the duration of the tenancy is only for a year, it is renewed from year to year and there have been instances where the same tenant has continued for periods extending over thirty years. Another defect in the tenancy system is the imposition of restrictive covenants by the landlord in the lease, thus preventing 'freedom of farming' to the tenant.

Agrarian reforms are therefore called for and are more urgent in the field of landlord-tenant relations than in any other field. Legislation has to be directed towards (a) safeguarding against rack-renting by fixation of fair rents, (b) extending freedom of management to the tenant, (c) providing for compensation for unexhausted improvements at the end of the tenancy and (d) extending reasonable security of tenure and compensation for disturbance. These will provide the much-needed impetus to increase efficiency in production. All other talk of agrarian reforms like equal division of land or fixing ceilings to holdings will not contribute to increased production, but on the other hand, will only create instability in the industry and may have the opposite effect.

Mention was made earlier of the importance of capital and credit provision for agricultural development and maximum crop production. It is not here necessary to discuss the financial limitations of the farmer for agricultural development in this country. A large volume of information has been assembled by various committees, particularly the Banking Enquiry Committee, and a detailed discussion is found in their reports. The Credit agencies are the rural money lenders, the Co-operative agencies and the Government. It is well known that inspite of the recent drives, Government still play only an insignificant part in the matter of finance. The volume of credit supplied by the co-operative movement is also insignificant, though larger in volume than that supplied by the Government. The proportion of the rural population benefited by the movement was only seven per cent in 1928 and about 12 per cent now, in spite of the quickened pace of expansion of the movement in recent times. The provision of credit by the Land Mortgage Banks is also a very slow process and the volume is infinitesimally small. The co-operative movement, in spite of half a century's progress in this country, has not succeeded in solving the rural credit problem and it cannot be expected to meet the financial requirements of the cultivators for some more decades to come. It is therefore not surprising to find the rural money lenders still playing an important part in the field of agricultural finance. Over 80 per cent of the credit requirements of the farmers are still provided by them. It is therefore natural that Government have recently proposed legislation to control the activities of these money lenders and to the extent they do not act as deterrents to their lending, the provisions of such bill must be welcomed. The legislation is based on the policy that so far as the money lenders continue to be an indispensable element in the financial system of the country, the remedy is to mend and not end them.

In this context, the present scheme for mopping up rural savings must be viewed with disfavour. From time imemorial rural savings are used to finance agricultural development in this country as there are no other sources of finance for this purpose.

It has been a good policy to allow capital formed in the countryside to remain there and if this is pursued a large portion of the agricultural credit requirements could be met by this capital of rural origin. There is a tendency however, in recent years for agricultural savings to flow into urban investment, thanks to the loose talk of irresponsible people on agrarian reforms. It is time, therefore, that we say 'hands off' the rural savings in the interests of agricultural development and maximising crop production.

Controlling money-lending or expansion of co-operative activity may help only as a temporary expedient in normal times, but in a campaign to maximise crop production it is doubtful whether these agencies would be able to play their part effectively and meet the needs of the farmer. Under existing conditions, it is difficult for even institutional lenders to extend credit for financing land improvements, because not enough can be known by them of the productivity of those improvements. Many professional lenders and the Land Mortgage Banks, therefore hesitate to reopen mortgages or extend new or additional credit even for obviously desirable improvements like digging wells, drainage, &c. A strong financial organisation with very liberal outlook is called for and the need is persistent to organise an Agricultural Credit Corporation. This Corporation must inaugurate a long-term loan system at low interest rates to encourage land improvement. It must also achieve credit expansion by shifting the emphasis from the basis of security to that of ability to repay. This principle has never been recognised in practice by any institution in this country, not even by the Land Mortgage Banks and it is here that the money lenders score over other institutions. The Agricultural Credit Corporation must take as much risk as a money lender in extending credit. If the money lender is successful in his profession there is no reason why a Corporation should fail. Unless the rural credit system is revolutionised in this manner all talk of maximising crop production is mere idle talk.

Another incentive to the farmer in the economic field to maximise crop production will be stabilisation of agricultural prices. Fluctuating price levels with alternating periods of rising and falling prices have their counterparts in the general level of agricultural prices, and these in turn affect the fortunes of farmers from prosperity to adversity. Looking back for over half a century, it is possible to divide farming history into distinct periods of prosperity and adversity. One unfortunate peculiarity of these fluctuations in agricultural prices is that the lag in the movements of farming costs is more pronounced in periods of falling prices than in periods of rising prices. Naturally, therefore, the disadvantage of the lag to the farmer when the prices fall tend to outbalance the possible advantages when the prices move up and this situation is aggravated by the slow turnover of the farming industry.

A farmer's economy is therefore considerably upset by such fluctuations. Naturally he is diffident in investing money in long-range improvements which alone will contribute to maximise crop production. It is therefore of fundamental importance to stabilise agricultural prices to give the farmer a good return and to assure him that it will remain so. The need to stabilise agricultural prices has been stressed by the Famine Inquiry Commission and the Policy Committee on agricultural prices. The principle involved has been recognised not only in India but the world over. The

UNO have said that 'excessive short-term movements in the prices of food and agricultural commodities are an obstacle to the orderly conduct of their production'.

If stabilisation of agricultural prices is necessary to maintain orderly conduct of production, stabilisation of prices at a high level is called forth to attain maximum crop production.

There is a tendency to ignore this view point, but as pointed out by the Krishnamacharya Committee on agricultural prices. "Any deliberate efforts, to reduce agricultural prices merely to safeguard the interests of urban areas or of manufacturing industry will be at the cost of the standard of living in the rural areas which is already notoriously low. The unorganised character of Agricultural interests in this country has resulted in their case going by default in the past. A state of affairs in which urban prosperity, such as it is, has to be based on rural poverty cannot be tolerated in the future."

Other problems connected with maximisation of crop production are related to the size of holdings, their subdivision and fragmentation. Sporadic attempts at consolidation under Governmental auspices have been made in the past. Government view upto 1920 on this matter was that so long as subdivisions have to go on for one reason or another, any attempts at consolidation of existing fragmented holdings is bound to fail. Subsequently however, some co-operative societies were formed to assist in consolidation, but no tangible results have so far been achieved in this direction.

Co-operative farming is being recommended and various experimental co-operative farms have been organised in various States.

The report of the Indian Delegation on Co-operative Farming in Palestine has made it plain that Co-operative Farming on areas already occupied may not find favour. The land laws, the systems of tenure and individualistic attitude of the average Indian farmer may not contribute to their success. The Palestine experiment succeeded as the Jews settled in new land acquired and laid out at great cost and sacrifice. Some New World activities on Co-operative Farming had a similar origin and they are confined to 'able, industrious and self sacrificing pioneering leaders' who were not originally agriculturists. They took to co-operative farming as a new way of life, not merely as a means of living. In this context, Mr. Tarlok Singh's scheme of joint farming or joint village management must have a greater appeal to those interested in the problem. Though different from full-fledged co-operative farming, the scheme provides for the physical pooling of the land, dividing them into compact blocks to suit a family of cultivators who are to pay rent to the village community. All expenses towards improvement of land services are met first from the proceeds and from the balance, a dividend is paid to owners of land. Such experiments may be undertaken with the help of enthusiastic workers.

This brings us to a discussion of the future structure of the farming industry which will contribute to maximisation of production and increase efficiency. We are accustomed in this country to two general types of farming, the self-sufficient and under-sufficient type of farming over a larger area and a commercial type of farming over a limited area. In the intermediate stages, there are innumerable degrees and kinds of both self sufficient and commercial farming. Self sufficient or peasant farming is an inheritance from an age of relatively simple economic organisation. But throughout the world, this type of farming is greater importance than commercialised farms, which had led to farming being spoken of as a way of life. Self-sufficient farming was and still is a predominant feature of Indian farming and the farmers

are accustomed to seek the fulfilment of their wants through a village economy. This pattern of life has appealed to Indian philosophy. In depressions or booms, these farmers have shown an extraordinary spirit of sturdy independence and self-reliance.

But we find the world changing. Farmers have felt the influence of the new commercial age, technological developments and specialisation. But we are concerned here whether this self-sufficient pattern with all its accompanying satisfactions and advantages should be changed just to increase efficiency or to consider whether efficiency is not compatible with the present structure. It will be readily accepted that the latter view appeals to all. Wholesale and ill-considered adoption of mere technological efficiency is not advisable if it interferes with the spiritual and artistic cravings of man and destroys abruptly the general pattern of farm life. To submit therefore, to forces of economic or technological efficiency is to forget moral values and social welfare. But the same time, to cling stubbornly to the extreme forms of subsistence farming may be to deny that the world has changed or is changing and may constitute a social conservatism in an exaggerated form. We have to make a compromise between these extremes.

Barring certain phases of mechanisation, it can be said that technology has not reached such a stage as to put the family or the subsistence farm at such a disadvantage as to lose efficiency. We know that the family-sized farm is capable of great efficiency, particularly in lifting water and also capable of benefiting from improved seeds and better manuring. One may still remember what Dr. May said about Northern Europe where 'it has been proved to the full that the highest degree of technical excellence is entirely compatible with family farming, but on condition that the land unit is the subject of special State guardianship and individual family effort is supplemented by group effort in purchase, processing and sale'. On the whole, therefore, there seems to be no present cause for assuming, as is done in some quarters, that family farms are inefficient and must be abandoned in favour of co-operative or collective farms to attain new goals either of social welfare or economic advantage.

Irrigation as a means for Maximisation of Crop Production

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The importance of irrigation to step up production of crops has been well recognised and of late numerous irrigation schemes have been started in various countries. In the Madras State, two major schemes viz., the Tungabhadra and the Lower Bhavani Projects are expected to be completed by 1952. Of these, the