

Rural Development

1. Identify which of the following alternatives indicate the incorrect components combination of Agriculture Marketing System : (2024)

- (A) Assembling, Storage, Processing, Packaging
- (B) Production, Assembling, Processing, Grading
- (C) Assembling, Processing, Packaging, Transportation
- (D) Processing, Packaging, Grading, Distribution

Ans. (B) Production, Assembling, Processing, Grading

2. Identify from the following alternatives the incorrect objectives of regulated agriculture market : (2024)

(i) To make the marketing system efficient and effective for farmers to get best price of their products.

(ii) To discourage improvement of marketing infrastructure for farmers.

(iii) To prevent exploitation of farmers.

(iv) To discourage farmers from improving quality and quantity of their produce.

Alternatives :

- (A) (i) and (ii)
- (B) (i) and (iii)
- (C) (iii) and (iv)
- (D) (ii) and (iv)

Ans. (D) (ii) and (iv)

3. State any two problems faced by farmers during the initial years of organic farming. (2024)

Ans. In the initial years of organic farming, farmers used to face a lot of problems such as:

- Yields from organic farming are relatively less.
- Inadequate infrastructure.

4. "In the current situation, Information Technology plays a vital role in achieving food security in a nation like India."

Justify the given statement (2024)

Ans. In India, Information Technology (IT) plays a crucial role as government can predict areas of food insecurity and vulnerability using appropriate information and software tools. It helps in disseminating information regarding emerging technologies and their applications, prices, weather and soil conditions for growing different crops etc. Hence, IT plays a vital role in achieving sustainable development and food security in a nation like India.

5. Mention any two examples of diversification activities in the non-agro processing industries. (2024)

Ans. Examples of diversification activities in the non-agro processing industries are:

- Fisheries
- Animal Husbandry

6. "Every coin has two sides – debate over farm subsidies is one such classic example of the same."

Justify the given statement with two arguments each in favour of and against the continuation of the farm subsidies. (2024)

Ans. The introduction of farm subsidies had been an opinionated step taken by the Government of India.

Arguments in favour of continuing farm subsidies:

- Eliminating subsidies may increase inequalities of income between rich and poor farmers.
- Most farmers (small and marginal) may not be able to afford expensive agricultural inputs without subsidies.

Arguments against farm subsidies:

- It is often argued that farm subsidies have helped the fertilizer industry much more than helping the needy farmers.
- Economists argue that subsidies are a huge burden on government's finances.



Previous Years' CBSE Board Questions

5.1 What is Rural Development?

MCQ

- _____ markets were organised to protect the farmers from malpractices in mandis.
(a) Regulated
(b) Periodic
(c) Daily
(d) Weekly (2023) (R)
- _____ is the apex institution which plans and evaluates policies related to rural credit needs.
(a) Cooperative Credit Societies
(b) Regional Rural Banks
(c) Self Help Groups
(d) NABARD (2023)
- "If India has to make real progress, it has to develop its rural areas.' Which of the following is incorrect reason for the above mentioned statement?
(a) Approximately one-third population of rural India still lives in abject poverty.
(b) More than 50 per cent India's population depends on agriculture for their livelihood.
(c) Growth rate in the Indian agriculture sector has been quite lower than of other sector.
(d) Majority of rural people have access to the basic necessities of life. (Term-I, 2021-22)
- Given below are two statements. One is labelled Assertion (A) and other is labelled as Reason (R).
Assertion (A) : After independence there was an expansion, in farm and non-farm output, income and employment.
Reason (R) : Rural banking has helped farmers to avail benefits of credit facilities for meeting their needs.
In the context to the above two statements, which of the following is correct?
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
(c) (A) is true but (R) is false.
(d) (A) is false but (R) is true. (Term-I, 2021-22)
- Identify which of the following statement is not correct with reference to Self Help Groups?
(a) Group members in need of funds can borrow at normal rate of interest.
(b) Borrowings in micro-credit system are mainly taken for consumption purposes.
(c) Micro-credit system has helped men in rural areas to become self-dependent.
(d) Formal credit system has failed to provide credit to the needy people in the rural areas. (Term-I, 2021-22) (Ev)

VSA (1 mark)

- Name the apex institution for rural financing in India. (2020)
- State the meaning of cooperative marketing. (2020)

SA I (3 marks)

- Discuss any two problems being faced in the process of rural banking in India. (2023) (An)
- State any three challenges facing rural development in India. (2020)

SA II (4 marks)

- Read the hypothetical case study, carefully and answer the questions on the base of the same.
This is the story of Simran Agro Ltd's Project Simran. Project simran was aimed at strengthening farmers capacity for enhancing productivity by ensuring usage of highquality inputs. Project Simran used agricultural best practices for the same. Simran Agro works towards providing fair price markets to the farmers. Tomato is the major crop of the area.
Objectives of Project Simran:
 - To set up an ideal tomato crop management system for farmers.
 - To implement modern technology.
 - To provide marketing support to the farmers.Project Simran used the soil testing technique for selection of seeds. It procured all the inputs for farmers, to reduce the production cost. Training by agro-scientists has also helped in reducing crop failures. (2021C)
 - Project Simran adopted agriculture best practices for ensuring _____.
 - State any one objective associated with project Simran.
 - Contribution of _____ (agro-scientists/ agro-engineers) played an important role in reducing crop failure.
 - _____ (Use of better technology/use of costly technology) may not generally lead to higher income for the farmers.

5.2 Agricultural Diversification

MCQ (1 marks)

- A process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country is known as _____.
 - Agricultural Diversification
 - Agricultural Banking
 - Agricultural Management
 - Agricultural Marketing (Term-I, 2021-22) (R)

12. Identify the incorrect statement from the following.
- Diversification into other sector is essential to enable rural people to overcome poverty.
 - Diversification is an essential component because there is greater risk in depending exclusively on farming for livelihood.
 - Diversification provides supplementary gainful employment.
 - Diversification activities are not beneficial.
- (Term-1, 2021-22)

VSA (1/2 mark)

13. Define agricultural diversification. (2023)
14. State the meaning of agricultural marketing. (2020)

SA I (3 marks)

15. "The Prime Minister urged to increase the rural income by increasing non-farm activities." Explain how non-farm activities can lead to rise in income of people of rural sector. (2020)

5.3 Sustainable Development and organic Farming

MCQ

16. ____ system restores, maintains and enhances the ecological balance.
- Chemical farming
 - Organic farming
 - Conventional farming
 - Multi-layered farming
- (2023)
17. Which of the following is not an advantage of organic farming?
- Cheap inputs
 - Attractive returns on investment
 - Greater possibilities for import
 - High nutritional value
- (2020) 

SA II (4 marks)

18. State the meaning of organic farming. Discuss how does it help in promoting sustainable development. (2023)

CBSE Sample Questions

5.1 What is Rural Development?

MCQ

1. Identify which of the following is a source of non-institutional credit in the rural areas of India?
- NABARD
 - Regional Rural Banks
 - Money Lenders
 - Commercial Banks
- (2022-23)

2. Given below are two statements. One is labelled Assertion (A) and other is labelled as Reason (R).
Assertion (A) : Since the default rates of farm loans have become chronically high due to multiple reasons, the rural banks are facing a lot of cash crunch.
Reason (R) : Due to lack of proper storage facilities a lot of farm produce is wasted.
 In the context to the above two statements which of the following is correct:
- Both (A) and (R) are true and (R) is the correct explanation of (A).
 - Both (A) and (R) are true but (R) is not the correct explanation of (A).
 - (A) is true but (R) is false.
 - (A) is false but (R) is true. (Term-I, 2021-22) 

3. Read the following statements carefully and choose the correct alternative.
- Statement I** : The emergence of Self-Help Groups (SHG's) ensured the reduction in the fissures of the formal credit system.

Statement II : The borrowings from SHGs mainly confined to consumption purposes by its members.

- Both statements are correct.
 - Both statement are incorrect.
 - Statement I is correct but statement II is incorrect.
 - Statement II is correct but statement I is incorrect.
- (Term-I, 2021-22)

SA II (4 mark)

4. (a) Define agricultural marketing.
 (b) Discuss briefly the importance of micro-credit programmes in rural development.
 (c) Enlist any two problems faced by farmers in the initial years of organic farming. (2022-23)
5. **Read the hypothetical case study, carefully and answer the questions on the base of the same.**
 Since ages, farmers in India have taken recourse to debt. In the earlier times the same was from informal sources. Since independence with the efforts of the government, formal sector has actively come into picture. Farmers borrow not only to meet their investment needs but also to satisfy their personal needs. Uncertainty of income caused by factors likes crop failure caused by irregular rainfall, reduction in ground water table, locust/other pest attack etc. These reasons push them into the clutches of the private money lenders, who charge exorbitant rates of interest which add to their miseries.

Various governments in India, at different times for different reasons, introduced debt relief/waiver schemes. These schemes are used by governments as a quick means to extricate farmers from their indebtedness, helping to restore their capacity to invest and produce, in short to lessen the miseries of the farmers across India. The costs and benefits of such debt relief schemes are, however, a widely debated topic among economists.

Some economists argue that such schemes are extremely beneficial to the poor and marginalised farmers while others argue that these schemes add to the fiscal burden of the government, other believe that these schemes may develop the expectation of repeated bailouts among farmers which may spoil the credit culture among farmers. (2020-21) **Ev**

- (i) Uncertainty of income for farmers in India is majority caused by _____ (irregular rainfall/unavailability of loans).
- (ii) Some economists argue that debt waiver schemes are extremely beneficial to the poor and marginalised farmers, as these schemes reduce the burden of _____ (indebtedness/personal expenditures).
- (iii) The rural banking structure in India consists of a set of multi-agency institutions _____ (Regional Rural Banks/Small Industries Development Bank of India) is expected to

dispense credit at cheaper rates for agricultural purposes to farmers.

- (iv) _____ (Regional Rural Banks/Land Development Banks) is the most prominent body responsible for providing loans for long term land development.

5.2 Agricultural Diversification

MCQ (1 mark)

6. Identify the incorrect statement from the following:
 - (a) Diversification in agriculture sector provides sustainable livelihood rural population.
 - (b) Diversification includes - change in cropping pattern, shift of workforce from agriculture to other allied activities and non-agriculture sector.
 - (c) Objective of investment in new agricultural avenues (non-farm activities) increases financial risks for the rural population.
 - (d) Diversification reduces the proportion of unemployed population in the rural areas to considerable limits. (Term-I, 2021-22)

SA II (4 marks)

7. Discuss any two steps taken by the government in the direction of improving agricultural marketing system in India, since independence. (2020-21) **Ap**

Detailed SOLUTIONS

Previous Years' CBSE Board Questions

1. (b) : Periodic
2. (d) : NABARD
3. (d) : Majority of rural people have access to the basic necessities of life.
4. (a) : Both (A) and (R) are true and (R) is the correct explanation of (A).
5. (c) : Micro-credit system has helped men in rural areas to become self-dependent.
6. NABARD

Related Theory

→ The Kisan Credit Card Scheme 1998, aims at adequate and timely support to the farmers for their short-term credit needs.

7. Cooperative marketing is a system in which the farmers pool their marketable surplus of crops and distribute the sale proceeds on the basis of each individual share.
8. (i) With the possible exception of the commercial banks, other formal institutions have failed to develop a culture of deposit mobilisation — lending to worthwhile borrowers and effective loan recovery.

(ii) Agriculture loan default rates have been chronically high. Farmers failed to pay back loans. It is alleged that farmers are deliberately refusing to pay back loans.

9. Three challenges faced by rural development in India are :

- (a) inappropriate development of human resource
- (b) poor of infrastructure
- (c) poor measures for alleviation of poverty
10. (i) Farmers capacity for enhancing productivity
- (ii) To set up an ideal tomato crop management system for farmers.
 - (a) To implement modern technology.
 - (b) To provide marketing support to the farmers.
- (iii) Agro-scientists
- (iv) Use of better technology

11. (d) : Agricultural Marketing

12. (d) : Diversification activities are not beneficial.

13. (I) **Diversification of crop production** : It refers to a system of multiple cropping rather than mono cropping.

(II) **Diversification of productive activities** : It implies a shift of labour force from crop-farming to non-farming areas of employment, like - Animal husbandry, fisheries, horticulture, etc.

14. Agricultural marketing is a process that involves assembling storage, processing, transportation,

packaging, grading and distribution of different agricultural commodities across the country.

15. Non-farm activities (agro-processing industries, poultry, craft, handloom) provide alternative avenues for sustainable livelihood and may raise the level of income as the risks due to fluctuations in production and market prices is generally less. Agriculture in India is mainly a seasonal occupation, however, during off seasons, it becomes difficult to find employment and stabilise farmer's income. Thus, the Prime Minister has urged appropriately in the best interest of the farmers of the rural India.

16. (b) : Organic farming

17. (c) : Greater possibilities for import

18. Organic farming is a system of farming in which organic inputs (basically include animal composts) are used for cultivation. It helps in promoting sustainable development

(i) Organic agriculture is a whole system of farming that restores, maintains and enhances the ecological balance and enhances the food safety, thus encouraging the practices towards sustainable development.

(ii) Organic farming substitutes costlier agricultural inputs such as HYV seeds, chemical fertilisers, pesticides, etc. with locally reduced organic inputs which are cheaper and thereby generate better returns on investment for farmers.

(iii) Organic farming promotes soil that is teeming with life and rich in micro nutrients which can be used for decades to grow crops virtually year round in many parts of the world.

CBSE Sample Questions

1. (c) : Money Lenders (1)

2. (b) : Both (A) and (R) are true but (R) is not the correct explanation of (A). (0.80)

3. (a) : Both statements are correct. (0.80)

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

(b) Self-Help Groups (SHG's) have emerged to fill the gap in the formal credit system in India as its delivery mechanism has not only proven inadequate but has also not been fully integrated into the overall rural, social and community development. It came up as the micro finance program. Focus of SHGs is on those rural people, small and marginal farmers, agricultural and non-agricultural labourers who, do not have sustainable access to formal banking system.

(c) (i) Inadequate infrastructure and marketing.

(ii) Compared to conventional farm products, organic products have more shorter shelf life span. (4)

5. (i) irregular rainfall (1)

(ii) indebtedness (1)

(iii) Regional Rural Banks (1)

(iv) Land Development Banks (1)

6. (c) : Objective of investment in new agricultural avenues (non-farm activities) increases financial risks for the rural population. (0.80)

7. Two major steps by the government in the direction of improving agricultural marketing system in India, since independence are :

(i) **Regulation of markets** : This step was necessary in the post-independence period so as to create an orderly and transparent marketing condition across India. This policy benefited both farmers as well as consumers.

(ii) **Physical infrastructure** : This is another important aspect tackled by the government. Improvement of physical infrastructure facilities like roads, railways, warehouses, godowns, old storages, processing units, etc, has been the target of the government since decades.

(2 × 2)