

St. Aloysius Sr. Sec. School, Cantt Jabalpur Academic Session 2020-21

Class: IX
Subject: Social Science
Book: Economics (NCERT)
Chapter: 1
Title: The Story of Village Palampur
Submitted by:
Mrs. Purnima Francis Peter

Introduction:

The purpose of the story is to introduce some basic concepts relating to production and this we do through a story of a hypothetical village called Palampur. Farming is the main activity in Palampur, whereas several other activities such as small scale manufacturing, dairy, transport, etc. Are carried out on a limited scale. Palampur is well-connected with neighbouring villages and towns. An all weather road connects the village to Raiganj



and further on to the nearest small town of Shahpur. Many kinds of transport are visible on this road starting from bullock carts, tongas, bogeys (wooden cart drawn by buffalos) loaded with jaggery (gur) and other commodities to motor vehicles like motorcycles, jeeps, tractors and trucks. This village has about 450 families belonging to several different castes. The 80 upper caste families own the majority of land in the village. Their houses, some of them quite large, are made of brick with cement plastering. The SCs (dalits) comprise one third of the population and live in one corner of the village and in much smaller houses some of which are of mud and straw. Most of the houses have electric connections. Electricity powers all the tubewells in the fields and is used in various types of small business. Palampur has two primary schools and one high school. There is a primary health centre run by the government and one private dispensary where the sick are treated.

Organisation of Production:

The aim of production is to produce the goods and services that we want.

There are four requirements for production of goods and services:

The first requirement is land, and other natural resources such as water, forests, minerals.

The second requirement is labour, i.e. people who will do the work.

The third requirement is physical capital, i.e. the variety of inputs required at every stage during production. The items that come under Physical Capital are:

- (a) **Fixed Capital:** Tools, machines, buildings can be used in production over many years, and are called fixed capital.
- (b) **Working Capital:** Raw materials and money in hand are called working capital. Unlike tools, machines and buildings, these are used up in production every time.

The fourth requirement is Knowledge and Enterprise (Human Capital) we will need knowledge and enterprise to be able to put together land, labour and physical capital and produce an output either to use yourself or to sell in the market. This these days is called human capital.

Every production is organised by combining land, labour, physical capital and human capital, which are known as factors of production. As we read through the story of Palampur, we will learn more about the first three factors of production.

Farming in Palampur

1. Land is fixed: Farming is the main production activity in Palampur. 75 per cent of the people who are working are dependent on farming for their livelihood. Land area under cultivation is practically fixed. Since 1960 in Palampur, there has been no expansion in land area under cultivation. By then, some of the wastelands in the village had been converted to cultivable land. The standard unit of measuring land is hectare. One hectare equals the area of a square with one side measuring 100 metres.

2. How production increases on the same piece of land?

Multiple cropping Method:

To grow more than one crop on a piece of land during the year is known as multiple cropping. It is the most common way of increasing production on a given piece of land. All farmers in Palampur grow atleast two main crops; many are growing potato as the third crop in the past fifteen to twenty years.

All land is cultivated in Palampur. No land is left idle. During the rainy season (kharif) farmers grow jowar and bajra. These plants are used as cattle feed. It is followed by cultivation of potato between October and December. In the

winter season (rabi), fields are sown with wheat. A part of the land area is also devoted to sugarcane which is harvested once every year. The main reason why farmers are able to grow three different crops in a year in

Cultivated area over the years	
Year	Cultivated Area (in Million Hectares)
1950–51	129
1990–91	157
2000–01	156
2010–11 (P)	156
2011–12 (P)	156
2012–13 (P)	155
2013–14 (P)	156
2014–15 (P)	155
(P) - Provisional Data	
Source: Pocket Book of Agriculture Statistics 2017, Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare.	

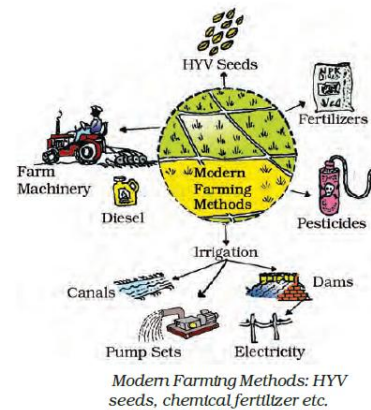
Palampur is due to the well-developed system of irrigation.

Modern Farming Methods: Yield is measured as crop produced on a given piece of land during a single season. Till the mid-1960s, the seeds used in cultivation were traditional ones with relatively low yields. Traditional seeds needed less irrigation. Farmers used cow-dung and other natural manure as fertilizers.

The Green Revolution in the late 1960s introduced the Indian farmer to cultivation of wheat and rice using high yielding varieties (HYVs) of seeds.

Higher yields were possible only from a combination of HYV seeds, irrigation, chemical fertilisers, pesticides, etc. Farmers of Punjab, Haryana and

Western Uttar Pradesh were the first to try out the modern farming method in India. In Palampur, the yield of wheat grown from the traditional varieties was 1300 kg per hectare. With HYV seeds, the yield went up to 3200 kg per hectare.



3. How will the land sustain?

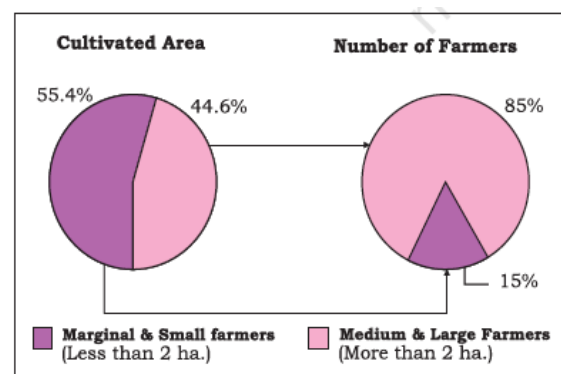
In many areas, Green Revolution is associated with the loss of soil fertility due to increased use of chemical fertilisers. Also, continuous use of groundwater for tubewell irrigation has led to the depletion of the water-table. Environmental resources, like soil fertility and groundwater, are built up over years. Once destroyed it is very difficult to restore them. We must take care of the environment to ensure future development of agriculture.

Drawbacks of chemical fertilizers: Chemical fertilizers provide minerals which dissolve in water and are immediately available to plants. But these may not be retained in the soil for long. They may escape from the soil and pollute groundwater, rivers and lakes. Chemical fertilizers can also kill bacteria and other microorganisms in the soil. This means some time after their use, the soil will be less fertile than ever before....(Source: Down to Earth, New Delhi)

The consumption of chemical fertilizers in Punjab is highest in the country. The continuous use of chemical fertilizers has led to degradation of soil health. Punjab farmers are now forced to use more and more chemical fertilizers and other inputs to achieve the same production level. This means cost of cultivation is rising very fast....(Source: The Tribune, Chandigarh)

4. How is land distributed between the farmers of Palampur?

In Palampur, about one third of the 450 families are landless, i.e. 150 families, most of them dalits, have no land for cultivation. Of the remaining families who own land, 240 families cultivate small plots of land less than 2 hectares in size. Cultivation of such plots doesn't bring adequate income to the farmer family. In



St. Aloysius Sr. Sec. School. Cantt., Jabalpur

2020-21 / Class-IX / Economics / Ch.1- The Story of Village Palampur / Mrs. Purnima Francis Peter

Palampur, there are 60 families of medium and large farmers who cultivate more than 2 hectares of land. A few of the large farmers have land extending over 10 hectares or more.

5. Who will provide the labour?

Small farmers along with their families cultivate their own fields. Thus, they provide the labour required for farming themselves. Medium and large farmers hire farm labourers to work on their fields. Farm labourers come either from landless families or families cultivating small plots of land.

How are labours paid?

Labours are paid wages by the farmer for whom they work. Wages can be in cash or in kind e.g. crop. Sometimes labourers get meals also. Wages vary widely from region to region, from crop to crop, from one farm activity to another (like sowing and harvesting). There is also a wide variation in the duration of employment. A farm labourer might be employed on a daily basis, or for one particular farm activity like harvesting, or for the whole year. Dala is a landless farm labourer who works on daily wages in Palampur. This means he must regularly look for work. The minimum wages for a farm labourer set by the government is Rs 300 per day (March 2017), but Dala gets only Rs 160. There is heavy competition for work among the farm labourers in Palampur, so people agree to work for lower wages.

6. How is the capital obtained for farming?

- 1) Most small farmers have to borrow money to arrange for the capital. They borrow from large farmers or the village moneylenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high. They are put to great distress to repay the loan.
- 2) In contrast to the small farmers, the medium and large farmers have their own savings from farming. They are thus able to arrange for the capital needed.

7. Sale of Surplus Farm Products

Let us suppose that the farmers have produced wheat on their lands using the three factors of production. The wheat is harvested and production is complete. What do the farmers do with the wheat? They retain a part of the wheat for the family's consumption and sell the surplus wheat. **Small farmers** have little surplus because their total production is small and from this a substantial share is kept for their own family needs. So it is the medium and large farmers who supply wheat to the market.

Large and medium farmers sell the surplus farm products. A part of the earnings is saved and kept for buying capital for the next season. Thus, they are able to arrange for the capital for farming from their own savings. Some farmers might also use the savings to buy cattle, trucks, or to set up shops.

Non-Farm Activities in Palampur

Only 25 per cent of the people working in Palampur are engaged in activities other than agriculture.

- 1. Dairy:** It is a common activity in many families of Palampur. The milk is sold in Raiganj, the nearby large village from where the milk is transported to far away towns and cities.
- 2. Small-scale manufacturing:** Manufacturing in Palampur involves very simple production methods and are done on a small scale. They are carried out mostly at home or in the fields with the help of family labour. Rarely are labourers hired.
- 3. Shopkeeping:** The traders of Palampur are shopkeepers who buy various goods from wholesale markets in the cities and sell them in the village.
- 4. Transport:** There are variety of vehicles on the road connecting Palampur to Raiganj. Rickshawallahs, tongawallahs, jeep, tractor, truck drivers and people driving the traditional bullock cart and bogey are people in the transport services. They carry people and goods from one place to another, and in return get paid for it.

EXERCISE

MULTIPLE CHOICE QUESTIONS

- 1) Multiple cropping and modern farming methods:
a) Increase agricultural productivity b) decrease agricultural productivity
c) increase income level d) All of these
- 2) Physical capital is of two types:
a) Fixed capital, Working capital b) Farming capital, human capital
c) Fixed capital, human capital d) All of these
- 3) Resources used in production like tools, machines and buildings are considered as:
a) Working capital b) Fixed capital
c) Human capital d) None of these
- 4) Which of the following is grown in the rainy season?
a) Jowar and Bajra b) Wheat
c) Soyabean d) All of these
- 5) Which of the following is a Rabi crop?
a) Wheat b) Jowar
c) Rice d) All of these
- 6) Which of the following is fixed capital?
a) Money b) Seeds
c) Machines & tools d) All of these
- 7) The minimum wages for a farm labourer set by government is:
a) ₹ 60/- b) ₹ 50/-
c) ₹ 75/- d) None of these
- 8) Money in hand is example of:
a) Fixed capital b) Working capital
c) Physical capital d) None of these

- 9) HYV seeds stand for:
a) High Yielding Variety of seeds b) Half Yielding Variety of seeds
c) Heavy Yielding Variety of seeds d) None of these
- 10) What is the main production activity in Palampur Village?
a) Farming b) Transport
c) Bee hiving d) Dairy farming
- 11) Multiple cropping means growing:
a) only one crop b) more than one crop
c) more than two crops d) None of these
- 12) Land under cultivation (in million hectares) in India in the year 2000 was:
a) 140 b) 120
c) 130 d) None of these

COMPLETE THE FOLLOWING STATEMENTS WITH APPROPRIATE WORD(S).

- 1) Most of the houses in Palampur have _____ connections.
2) Tube wells are the main source of _____ at Palampur.
3) The aim of production is to produce the _____ and _____ that we want.
4) Palampur has _____ primary schools and _____ high school.
5) Every production is organised by combining land, labour, physical capital and human capital which are known as _____.

STATE TRUE OF FALSE.

- 1) Farming is the main production activity in Palampur.
2) In Palampur, about two third of the 450 families are land less.
3) Labour is the most abundant factor of production.
4) The new ways of farming need less land, but much more of capital.

QUESTIONS & ANSWERS

NCERT TEXTBOOK QUESTIONS:

Q1) Modern farming methods require more inputs which are manufactured in industry. Do you agree?

- Ans. 1) Yes, modern farming methods require more inputs, which are manufactured in industry. The Green Revolution in late 1960s introduced the Indian farmers to the cultivation of wheat and rice using HYV seeds compared to the traditional seeds.
2) Tubewells are set up for irrigation, and the farmers used pesticides and chemical fertilizers in farming which are produced in the industries.

3) Farm machinery like tractors, threshers, harvesters, which made ploughing and harvesting faster are also being used as modern farming methods, which are also manufactured in the industries.

Q2) How did the spread of electricity help farmers in Palampur?

Ans. 1) The spread of electricity helped farmers to install and use tube wells for irrigation purposes.

2) This allowed the farmers to grow different crops in a year and earn greater profits.

3) Shops, sugarcane machines, small scale industries and computer centres were introduced by the farmers to get supplement income.

Q3) Is it important to increase the area under irrigation? Why?

Ans. 1) Yes, it is important to increase the area under irrigation.

2) By having a supply of continuous water, farmers can grow multiple crops in a year.

3) By growing multiple crops, farmers earn greater profits thereby improving economic conditions of the village and area.

4) The supplement income can provide them more capital for further investment in non-farm activities also.

Q4) How is land distributed among the farmers of Palampur? Explain.

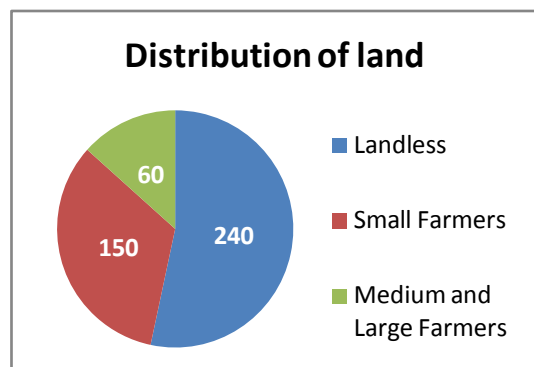
Ans. 1) In Palampur about one third of the 450 families are landless, i.e. 150 families, most of them dalits, have no land for cultivation.

2) Of the remaining families who own land, 240 families cultivate small plots of land less than 2 hectares in size.

3) On the other hand, more than half the area of the village is covered by plots that are quite large in size.

4) There are 60 families of medium and large farmers who cultivate more than 2 hectares of land.

5) A few of large farmers have land extending over 10 hectares or more.



Q5) Why are the wages for farms labourers in Palampur less than minimum wages?

Ans. 1) Labourers are paid wages either in cash or in kind such as crops, etc.

2) There exists competition among labourers for work so they are willing to work for lesser amount.

3) There is an increased supply of labourers than demand. As a result, labourers are paid less than the minimum wage.

Q6) What are the different ways of increasing production on the same piece of land? Use examples to explain.

Ans. 1) An availability of irrigation facilities will allow year-around supply of water.

- 2) The farmer then can plant multiple crops throughout the year thereby increasing his production and profit.
- 3) The use of high quality seeds will lead to higher yield thereby increasing production.
- 4) The use of fertilizers will improve the quality of production.
- 5) The use of insecticides will avoid the destruction of crops by insects.

Q7) How do a medium and large farmers obtain capital for farming? How is it different from the small farmers?

Ans. **Small Farmers**

- 1) Most small farmers have to borrow money to arrange for the capital.
- 2) They borrow from large farmers or the village moneylenders or the traders who supply various inputs for cultivation.
- 3) The rate of interest on such loans is very high and these farmers are in great stress to repay the loans taken

Medium and Large Farmers

- 1) Medium and Large farmers have their own savings from farming.
- 2) They use their savings to arrange for next year's capital and make high profits by selling surplus production.
- 3) Sometimes, they deposit their savings in a bank or lend their money to small farmers or buy cattle, trucks etc.

EXTRA QUESTIONS:

Q1) What are the main factors for production of goods and services?

- Ans.
- 1) The first requirement is land and other natural resources like water, forests, minerals, etc.
 - 2) The second requirement is labour, *i.e.* the people who will do the work. Some activities require educated workers to perform the necessary task and other activities require workers who can do manual work.
 - 3) The third requirement is physical capital, *i.e.*, the variety of inputs required at every stage during production. It includes fixed capital (tools, machines, building) and working capital (raw material and money in hand).
 - 4) The fourth requirement is knowledge and entrepreneurship.

Q2) What is the 'multiple cropping' system?

- Ans.
- 1) Multiple cropping is the most common way of increasing production on a given piece of land.
 - 2) When more than one crop is grown on a piece of land during the year, it is known as multiple cropping system.
 - 3) All the farmers in Palampur grow at least two main crops and grow potatoes as their third crop.

Q3) What do you understand by the term ‘Green Revolution’?

- Ans.
- 1) The ‘Green Revolution’ was introduced in India, in the late 1960’s.
 - 2) Indian farmers used it for the production of major food crops like wheat and rice.
 - 3) They made use of a High Yielding Variety seeds, which produced much greater yield than the traditional seeds.
 - 4) However, they needed plenty of water, chemical fertilizers and pesticides to produce best results.

Q4) What are the harmful effects of chemical fertilizers?

- Ans.
- 1) Chemical fertilizers provide minerals which dissolve in water and are immediately available to plants. But they may escape from the soil and pollute the groundwater, rivers and lakes.
 - 2) Chemical fertilizers can also kill bacteria and other micro-organisms in the soil. It means sometimes, after their use, the soil will be less fertile than ever before.
 - 3) Continuous use of chemical fertilizers has led to the degradation of the soil’s health.

Q5) Define Physical Capital, Fixed Capital, Working Capital and Human Capital with examples.

- Ans.
- 1) **Physical capital:** Physical capital is a variety of inputs required at every stage during production. It includes fixed capital and working capital.
 - 2) **Fixed capital:** The tools, machines, buildings which can be used in production over many years are called fixed capital.
 - 3) **Working capital:** Production requires a variety of raw materials. It requires money to make payments and buy other necessary items. Raw materials and money in hand are called working capital.
 - 4) **Human capital:** One needs knowledge and enterprise to be able to put together land, labour and physical capital and produce an output. This is known as human capital, which enables better production with human skill and knowledge.

Q6) What are the merits of the Green Revolution?

- Ans. Green Revolution introduced a number of modern farming methods in India:
- 1) Higher yield due to the use High Yield Variety (HYV) Seeds.
 - 2) Machines like harvesters, tractors and threshers have made ploughing and harvesting faster and easier.
 - 3) Higher yield enabled farmers to sell the surplus food in the market and earn more.
 - 4) Pesticides and insecticides are able to protect the crops from pests and insects.
 - 5) A good irrigation system is able to enhance crop production.

Q7) Which non-farm activities are practised in Palampur? Explain.

Ans. The non-farm activities of Palampur are:

a) Dairy Farming:

- 1) The milk is sold in nearby villages.

2) Some people have set up collection centres and chilling centres from where milk is transported to far away towns and cities.

b) Small-scale manufacturing:

1) Manufacturing in Palampur involves very simple production methods and are done on a small scale.

2) They are carried out mostly at home with the help of family members.

c) Shopkeeping:

1) Shopkeepers buy various goods from the wholesale market in the cities and sell them in the village.

2) Small general stores in the village sell a wide range of items like rice, wheat, sugar, oil, etc.

d) Transport:

1) *Rikshawallahs, tongawallahs*, jeep, tractor, truck drivers and people driving the traditional bullock carts and bogeys are the people in transport services.

2) They carry people and goods from one place to another and in return get paid for it.

Q8) Who are farm labourers? How do they get wages?

Ans. 1) Farm labourers come either from landless families or families cultivating small plots of land.

2) Unlike farmers, farm labourers do not have a right over the crops grown on the land. Instead they are paid wages by the farmer for whom they work. Sometimes labourers get meals also.

3) Wages vary widely from region to region, from crop to crop, from one farm activity to another.

4) There is also a wide variation in the duration of employment.

5) A farm labourer might be employed on a daily basis, or for one particular farm activity like harvesting, or for the whole year.

Q9) What were the limitations of Green Revolution?

OR

What are the ill-effects of Green Revolution?

Ans. 1) Loss of soil fertility due to increased use of chemical fertilizers.

2) Continuous use of groundwater for tubewell irrigation has reduced the water table below the ground.

3) The chemical fertilizers, easily soluble in water, can dissolve in the groundwater and pollute it.

4) They can kill bacteria and other micro-organisms helpful for the soil.

5) Excessive use of fertilizers can also make the soil unfit for cultivation.

§ % §