

Chapter 1
The Story of Village Palampur

❖ Village Palampur

- The main production activity in the village is farming.
- Other activities carried out on limited scale are dairy, transport, small scale manufacturing etc.
- Palampur has a well developed road system, electricity, irrigation, health centre, schools and transport.
- The production activities carried out in Palampur require resources such as natural resources, human effort, money, man-made items, etc.

❖ Requirements for the Production of Goods and Services

- **Land** and other requirements such as water, minerals and forests.
- **Labour** (people who will do the work).
 - Some activities require educated and highly skilled workers.
 - The other activities require workers who can simply do the manual work.
- **Physical Capital** (inputs required during production)
 - **Fixed Capital:** Tools and machines such as generators, computers, buildings, turbines, etc. that can be used in production for many years.
 - **Working Capital:** Raw materials and money.
- **Human Capital:** Knowledge and enterprise is required for holding together land, labour and physical capital.

❖ Farming in Palampur

- **Land is fixed**
 - 75 % of the people in Palampur are dependent on farming. Some are farmers and some are farm labourers.
 - As all the land has already been used for cultivation, there is no possibility of increasing production by adding more land.
- **Increasing Production**
 - No land is left idle. Different crops are cultivated in different seasons on the limited land. It is called **multiple cropping**.

- Growing different varieties of crops in one year is possible only because of the developed system of irrigation.
- Electricity plays a vital role in the irrigation system. Tube wells run by electricity help in irrigating a large area of land quickly and more effectively.
- Introduction of the **Green Revolution** facilitated the cultivation of wheat and rice using High Yielding Variety of seeds (HYVs) instead of the traditional seeds. The HYVs are capable of producing more amount of grain on one plant.

• **Will the land sustain?**

- Modern methods of cultivation with excessive use of chemical fertilizers have weakened the natural resource base.
- It is difficult to restore it, thus better care of the environment should be taken for the development of agriculture in future.

• **Distribution of Land among Farmers**

- All people engaged in agriculture and cultivation do not have land/sufficient land. People without land, work for the people with land for earning their livelihood.
- People with small plots of land do not cultivate enough for a decent income and have no savings for the next season. Lack of surplus enables them to take loans and they work simultaneously on something else for earning their living.
- The large farmers produce and earn enough to save capital for the next season.

• **Labour**

- Labour is the next most important thing after land for production. Small farmers and their families farm themselves, while medium and large farmers hire labourers.
- Introduction of modern techniques of irrigation have lowered the employment opportunities for labourers further, thus forcing them to migrate to nearby villages for work.
- Landless labourers work on the lands of medium and large farmers and earn either in cash or in kind. They are hired on a daily basis, early basis or on the basis of a particular activity.

• **Capital needed in farming**

- Small farmers borrow money from large farmers or moneylenders for the capital required for starting production. However, the interest rate on these loans is very high.
- Medium and large farmers have their respective savings and so arranging capital is not a trouble for them.

- **Sale of Surplus Farm Products**

- After the completion of production, farmers keep a percentage for personal consumption and sell the surplus in the market.
- The profit made after selling off the surplus is either used for personal purposes or saved as capital for the next season.

- ❖ **Non-farm Activities in Villages**

- **Dairy**

- *Jowar* and *Bajra* grown during rainy seasons are fed to the buffaloes. The milk from the buffaloes is sold in nearby villages, from where they are further transported and sold to distant towns and cities.

- **Small-scale manufacturing**

- Involves simple production techniques.
- Done at home or in the fields with help from their families.

- **Shopkeepers**

- Villagers buy goods from wholesale markets in cities and sell them in their villages. Goods such as wheat, rice, sugar, oil, tea, soaps, biscuits, batteries, toothpaste, notebooks, pens, etc. are sold.
- Families with houses near bus stops, sometimes open small stalls next to their house and sell eatables.

- **Transport**

- People with *rickshaws*, *tongas*, tractors, trucks, bullock carts are the ones in the transport service and they transport goods and people to different places in return of money. People involved in this service have been growing steadily every year.