**THE STORY OF VILLAGE PALAMPUR**

**Introduction**

In the diverse Indian subcontinent, people reside in urban as well as in rural areas. A hypothetical village, Palampur introduces concepts related to production.

Natural and man-made resources are together used to produce desired goods and services in the village. The major population of Palampur is involved in farming. The rest of the people are engaged in small scale manufacturing, dairy, transport, etc.

In the village of Palampur all these production activities are carried out with the help of natural resources, manmade items, human effort and money.

**Road and transport system**

* Palampur is well-connected with neighbouring villages and towns.
* The nearest small town Shahpur is connected through an all-weather road.
* Raiganj is a big village located 3 kms away from Palampur.
* It is also accessible through the same road.
* The transport system in Palampur consists of bullock carts, tongas, bogeys and also, motor vehicles like motorcycles, jeeps, tractors and trucks.
* Bogey: It is a wooden cart drawn by buffalos loaded with jaggery (gur) and other commodities

**Housing and electricity system**

* There are 450 families of which 80 belong to the upper caste and own major portion of land.
* Their houses are big and made of brick and plastered with cement.
* The SCs who are known as dalits constitute one-third of the population and live in small mud and straw houses.
* Electricity is available at all houses and and is used to power tubewells and small businesses.

**Education and health centre**

* There are two primary schools and one high school in Palampur.
* There is a government run primary health centre and one private owned health dispensary.

**Organisation of Production**

* Production aims at providing goods and services that people require.
* The four requirements or factors for production of goods and services are:
* Land and other natural resources like water, forests, minerals.
* Labour: Some production activities require highly educated labour while others require labour that can do manual work.
* Physical capital or capital:
* **Fixed capital:** Tools, machines and buildings

These include very simple tools such as a farmer’s plough to sophisticated machines such as generators, turbines, computers, etc. As tools, machines, buildings can be used in production over many years and is not exhaustible, they are called fixed capital.

* **Working capital:** Raw materials and money

This includes a variety of raw materials such as the yarn used by the weaver and the clay used by the potter. Also, some money is always required during production to make payments and buy other necessary items. Raw materials and money in hand are called working capital. Working capital is used up in production.

* Human capital: Knowledge and enterprise is required for integration of the land, labour and physical capital to produce output either for use or for selling.
* Every production is organised by combining land, labour, physical capital and human capital, which are known as factors of production.

**Farming in Palampur**

* **Land is fixed.**
* Three fourths of the population are either farmers or farm labourers.
* They depend on farming, which is the main production activity of Palampur.
* However, since 1960 the land area under cultivation has remained fixed.
* Some wastelands had been converted to cultivable land, so no new areas could be brought under cultivation.
* **Is there a way one can grow more from the same land?**
* All the available land in Palampur is cultivated.
* Persian wheels were initially used to draw water from the wells and irrigate small fields.
* With the advent of electricity in the village, electric tubewells were installed by both government and farmers themselves.
* The entire cultivated area of 200 hectares was irrigated by the mid-1970s.
* Due to the well-developed system of irrigation, all farmers grow at least two and also, three different crops in a year.
* This is known as multiple cropping and leads to increase in production on a given piece of land.
* Jowar and bajra are grown in the rainy or kharif season and used as cattle feed.
* Potato is cultivated between October and December.
* In the winter or rabi season, wheat is sown.
* Farmers sell surplus wheat at the Raiganj market.
* Sugarcane is harvested once a year.
* It is sold raw or as jaggery in Shahpur.
* Another way of increasing production from the same land is using modern farming methods to obtain higher yield.
* Traditional seeds were used for cultivation till mid-1960s.
* They had lower yield and needed less irrigation.
* Cow-dung and other natural manure were used as fertilizers.
* The high yielding varieties (HYVs) of seeds were used in the Green Revolution in the late 1960s.
* These seeds led to greater yields of wheat and rice.
* HYV seeds require a lot of water and chemical fertilizers and pesticides.
* These were first used by farmers of Punjab, Haryana and Western Uttar Pradesh.
* The farmers bought tractors and threshers, in addition to tubewells, HYV seeds, chemical fertilizers and pesticides.
* In Palampur, the yield of wheat was 1300 kg per hectare but increased to 3200 kg per hectare with HYV seeds.
* Not all villages in India have high levels of irrigation.
* Apart from the riverine plains, coastal regions in our country are well-irrigated.
* In contrast, plateau regions such as the Deccan plateau have low levels of irrigation.
* Of the total cultivated area in the country a little less than 40 per cent is irrigated even today.
* In the remaining areas, farming is largely dependent on rainfall.

**Will the land sustain?**

* Scientific reports indicate that the modern farming methods have overused the natural resource base.
* Green Revolution has had adverse effects.
* There has been a loss of soil fertility due to increased use of chemical fertilizers.
* The water table has depleted due to continuous use of groundwater for tubewell irrigation.
* Soil fertility and groundwater are formed over several years.
* These are very difficult to restore once depleted and must therefore be used carefully.

**How is land distributed between the farmers of Palampur?**

* Out of a total of 450 families, the dalits and some others who constitute one third of the population are landless.
* 240 families own plots less than 2 hectares in size and do not earn not sufficient income from them.
* 60 families are of medium and large farmers who cultivate more than 2 hectares of land.
* A few among them own more than 10 hectares of land.

**Who will provide the labour?**

* Small farmers cultivate their own fields and provide the labour for faming themselves.
* Medium and large farmers provide for labour required by hiring farm labourers.
* Such farm labourers are those that do not own land or own small plots.
* They do not have right over the crops cultivated.
* Wages given to farm labourers may be in cash or in kind or free meals.
* Wages and duration of employment show wide variation.
* The minimum wages for a farm labourer is fixed at Rs. 300 per day by the government in March 2017.
* However, some agree to work for lesser wage if there is heavy competition among farm labourers.

**The capital needed in farming**

* Most small farmers borrow money from large farmers or moneylenders or inputs for cultivation from traders.
* They charge very high interest rates and cause distress to small farmers to repay loans.
* The medium and large farmers arrange capital needed from their own savings.

**Sale of Surplus Farm Products**

* A major part of crops in the market are supplied by medium and large farmers who cultivate in bigger farms than those of small farmers.
* Traders buy crops from the market and sell it to shopkeepers in towns and cities.
* Large farmers save part of their earnings in banks.
* They lend the money to small farmers; arrange working capital for farming in the next season.
* Some use their savings to buy cattle, trucks or to set up shops.

**Non-farm activities in Palampur**

* Dairy-the other common activity
  + Buffalos feed on jowar and bajra.
  + The milk is sold in Raiganj.
  + Collection cum chilling centres has been set up in Raiganj by two traders from Shahpur town.
  + From these centres milk is transported to far away towns and cities.
* An example of small scale manufacturing in Palampur
* There are less than 50 people engaged in manufacturing in Palampur.
* Manufacturing is carried out on a small scale by simple production methods.
* Labourers are not hired.
* Manufacturers carry out production at home or in their fields with the help of family labour.
* People like Mishrilal have purchased a mechanical sugarcane crushing machine run on electricity and have set it up on the field.
  + **The shopkeepers of Palampur**
    - A small number of people are involved in trade or exchange of goods.
    - They are shopkeepers who buy various goods from city wholesale markets and sell them in the village.
    - Some families own lands near the bus stop where they sell eatables.
  + **Transport**: a fast developing sector
    - People engaged in the transport service ferry people and goods from one place to another, in return for money.
    - Some means of transport are rickshaws, tongas, jeep, truck, bullock cart and bogey.
    - People like Kareem have opened computer class centres. Women with relevant degrees are employed to teach students.