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CONCLUSICNS AND SUGGESTIONS

INTRODUCTION

Through the above analysis of the working of MSCLDB and the sample survey conducted by the researcher tc study the impact of grape garden finance, certain broad conclusions have been derived. These conclusions are helpful to understand -

(1) the impact of the working of MSCLDB and

(2) to analyse the impact of loans taken by the farmers to develop grape gardens on production, income generation, employment generation, on the farms of the farmers. These conclusions also help us to understand the problems that the farmers face while developing grape gardens. The above conclusions are given in the following chapter. The conclusions have been divided into two parts (1) conclusions regarding the working of MSCLDB by analysing the secondary data and (2) analysing the impact of loan taken by farmers from MSCLDB for grape farming development, by interpretation of primary data collected through the sample survey.

SECTION -I

CONCLUSIONS REGARDING WORKING OF MSCLDB

(1) Presently the MSCLDB has a three tier structure and this structure is unitary in character.

(2) Share capital of MSCLDB increased from Rs.51 lakhs in 1961 to Rs.3931 lakhs in 1985-86. In this share capital State Government contribution increased from Rs.20 lakhs in 1960-61 to Rs.493 lakhs in 1985-86.

(3) Long-term loans advanced increased from Rs.215 lakhs in 1960-61 to Rs.5722 lakhs in 1985-86.

(4) Growth of loan advanced was also accompanied by increasing over dues, which increased from Rs.23 lakhs in 1961 to Rs.3560 lakhs in 1985-86. This indicates that overdues is a problem even in a well developed State like Maharashtra.

(5) Issue of debentures to raise resources have also significantly increased from Rs.35 lakhs in 1960-61 to Rs.4718 lakhs in 1985-86.

(6) Purposewise distribution of loans by MSCLDB shows that loans for minor irrigation were most important purpose for which loans were distribution. Loans for minor irrigation as a percentage of total loans were 72% in 1980-81. 65.30% in 1983-84 and 46.87% in 1984-85.

(7) In recent years loans for lift irrigation are also increasing, they have gone up from Rs.145 lakhs

in 1980-81 to Rs.769.69 lakhs in 1983-84. The above data reveals that MSCLDB is providing more loans for development of irrigation potential in Maharashtra which is a less developed state as far as irrigation is concerned.

(8) Loans for horticultural development have increased in recent years.

(9) Of the total loan sanctioned loans to small farmers have increased from 35.65% in 1980-81 to 57.52% in 1985-86.

(10) The Sangli district branch of MSCLDB has increased loan sanctioned from Rs.178.64 lakhs in 1981-82 to Rs.394.01 lakhs in 1985-86.

(11) Repayments by the farmers of the above loans are satisfactory of this branch. Repayments of loan increased from Rs.179.90 lakhs in 1979-80 to Rs.272.94 lakhs in 1985-86. This proves that the Sangli branch has kept up a good recovery drive.

(12) Of the total loan sanctioned loans for lift irrigation schemes are the main purpose of loan sanction. Alongwith it loans for digging of wells, purchase of pump-sets, development of pipelines are also important as this district has a major area which is rainfed and hence loans for these purposes are important.

(13) To encourage grape farming in the district loans for grape farming have been increasingly provided by

the Sangli branch and Miraj sub-branch of MSCLDB. For this purpose the MSCLDB has developed a special grape garden financing project, which is implemented from 1976. In the development of grape farming in this district the loans provided by MSCLDB played a significant role as with the help of loans provided for grape farms and irrigation development by MSCLDB the farmers increased grape farming because of which Sangli district is well known today for the production of seedless varieties of grapes.

SECTION - II

CONCLUSIONS REGARDING IMPACT OF LOANS TAKEN FOR GRAPE GARDEN DEVELOPMENT ON THE FARMERS SURVEYED

Increased long-term loans provided by the Miraj sub-branch of MSCLDB led to increase grape farming by farmers even in the rainfed areas of eastern Miraj taluka where well-irrigation was the only source of water supply. All the 50 farmers surveyed took loans from the Miraj sub-branch of MSCLDB for development of grape farming. The impact of these loans on the 50 farmers surveyed was analysed in Chapter Three. Based on this analysis the following broad conclusions emerge.

(1) Due to limited water availability mainly through well-irrigation the average size of the grape farms developed were between one to less than one acre.

Of the 50 farmers only 10 farmers could develop a grape garden whose size was above one acre. The remaining 40 farmers developed grape gardens whose size was less than one acre. The major constraint on the size of grape farms in this part of Miraj taluka is lack of sufficient water supply. Availability of credit was not a problem.

(2) The farmers surveyed developed grape farms by replacing cultivation of cash crops like sugar-cane, Beetul leaves and turmeric by grape gardens. Thus while developing grape farms there was shift in cropping pattern adopted by the farmers.

(3) While developing grape gardens the farmers surveyed also undertook production of Kharif and Rabi crops on a greater part of their land holding. Thus, grape farming was developed in a mixed farming cropping pattern.

(4) Majority of the farmers who undertook grape farming had a family size of more than 5 members and had joint family system. This type of family size is advantageous for grape farming as family members when needed can supervise the grape farms and also work on the grape farms.

(5) As grape farming is highly intensive cash crop cultivation the farmers should possess agricultural implements and other farm inputs. All the

50 farmers surveyed had the necessary farm inputs and implements with them.

(6) Grape farming in the initial period requires high investment for which self-finance has to be provided by the farmers. Of the farmers surveyed 32% of the farmers invested money between Rs.1,000 to Rs.5,000 to develop grape farms, while 62% of the farmers invested between Rs.5,000 to Rs.10,000 to develop their grape farms. Thus, grape farming requires capital investment by the farmers also which has to be invested alongwith bank loans taken for grape farm development.

(7) The impact of development of grape farms on production cost and yield brings out the following conclusions :

a) In the area of study, with the help of loans provided by the Miraj sub-branch of MSCLDB, the 50 farmers surveyed developed grape farming in an area of 42 acres. The 10 big farmers developed 10 acres of grape farms, and the remaining 40 small and medium farmers with the aid of bank finance provided by MSCLDB developed 32 acres of grape farms. Thus, in our area of study the 50 farmers with bank finance developed 42 acres of grape farms. With income generation from this initial grape farms, the farmers in subsequent years, expanded their grape gardens and brought more area under grape farming.

b) In the 42 acres of grape farms developed by the 50 farmers the following was the total production, total cost and total net profits in the terminal years of our study that is in 1982-83 and 1986-87

	1982-83	1986-87
i) Total Grapes Production (kgs.)	2,91,100	3,10,600
ii) Total Yield	Rs.17.17 lakhs	Rs.18.75 lakhs
iii) Total cost of production	Rs. 7.95 lakhs	Rs. 9.52 lakhs
iv) Total Net Profits	Rs. 9.21 lakhs	Rs. 9.24 lakhs.

c) Actual production on one acre size grape farms per one acre farm shows fluctuating trends, per acre production increased from 1982-83 to 1983-84 but afterwards it shows a declining trend. On the less than one acre size of grape farms relatively the actual production shows more increase in production and relatively fall in production is less than one acre size of grape farms.

d) Total cost of cultivation of grapes, however, show a increasing trends in the period of study. Total cost of production on the one acre size grape farms increased from Rs.19,600 in 1982-83 to Rs.21,200 in 1985-86. However, in 1986-87 they declined to Rs.17,250. Total cost of production on the less than one acre size of grape farms show a relatively higher increase. Total

cost increased from Rs.18,735 in 1982-83 to Rs.24,345 in 1986-87.

e) Net profits on both size of grape farms are showing a declining trend in the period of study. The main reasons for this are -

1. Fall in actual production,
2. Rise in cost of production and
3. Relative stable price of grapes obtained by the farmers.

f) While formulating the grape garden scheme, the Sangli branch of MSCLDB made its own estimates of costs/yield/net income which would accrue to the farmer who develops one acre size of grape farms. We can compare these estimates with the actual cost and yield that the 50 farmers whc undertook grape farms had while undertaking actual grape farming. Comparison of these two show that -

(a) As far as yield per acre is concerned the Bank estimates are higher. In actual practice the yield per acre that the farmers got was much lesser and shows a decline yearwise also. The bank estimated per acre yield of 7000 kgs. to 8000 kgs. per acre. However, in actual grape-farming the farmers surveyed could manage a yield per acre of between 7000 kgs. to 6000 kgs. in the period of study. This yield also shows a decline each year. The main reason for this is shortage of water,

and non-seasonal climatic factors affecting grape farming in the area of study.

(b) As far as net income per acre of grape farms developed the bank estimates were higher but in actual grape farming done by the farmers surveyed the net income per acre of grape farm developed is lesser than bank estimates. The bank estimated per acre net income between Rs.28,000 to Rs.32,000. However, on the grape farms actual developed by the farmers per acre net income got was less between Rs.25,000 to Rs.20,000 only. This actual net income per acre was less than bank estimate mainly due to short-fall in actual production per acre and rising costs of production.

(8) a) The development of grape farms by the 50 farmers has had a positive impact in the area of study as far as additional employment generation is concerned. With the development of grape farms more farm labourers have got employment on the grape farms as grape farming requires more farm hands in its development. However, the employment generation is mainly seasonal in nature. In addition to higher labourers family members working on the grape farms have also increased. In this increase of employment we find that female labour force has also been provided more employment opportunity. This is so because working on

the grape farms is not hard work and female workers can ccpe with the work on the grape farms, without much physical exertion.

b) Additional employment generated by the development of grape farms by the 50 farmers surveyed shows that on the farms of the big farmers permanent employment increased from 6 permanent labourers employed before grape farming to 8 permanent labourers employed after grape farms were developed. Before grape farms were developed these big farmers employed 37 seasonal labourers but after development of grape farms seasonal labour employed increased to 140. After development of grape farms even family male labourers employed increased. Thus, due to development of grape farms by these 10 farmers, labcurers employed increased for 74 employed before grape farming to 182 employed after grape farming development.

c) Employment generation on the grape farms developed by 20 middle class farmers surveyed shows that total employment before grape farming was 99 but after these 20 farmers developed their grape farms. They could provide employment to 318 farm labourers. However, of these 248 farm labourers could get only seasonal employment.

d) Even on the grape farms developed by the 20 small farmers surveyed we find that they could provide more employment to farm labourers after they developed their grape farms. Before development of grape farms these farmers provided employment to 124 farm labourers but after they developed grape farming they employed 355 farm labourers of which 281 got seasonal employment. Thus, our study reveals that development of grape farming has led to more labourers being employed but the nature of this employment is essentially seasonal in nature.

(9) Development of grape farming and proper growth of grape farm requires availability of farm labourers who are specialised in grape farming work. Due to seasonal nature of employment during season of more demand, naturally the supply of such labour will be limited and this results in such labourers being given more wages. This has resulted in farm workers working on grape farms getting relatively higher wages than those working on other farms. The average wages paid to the labourers by the farmers surveyed shows that currently male labourers are paid Rs.12/- per day and female labourers get Rs.9/- per day. This wage rate compared to wage rate given on other farms is definately higher.

(10) The development of grape farms by the 50 farmers surveyed has resulted in additional income being generated for these farmers with the help of which the farmers have used the income for different purposes. Of the 50 farmers surveyed we find that 80% of the farmers used a part of this income for increasing water availability by digging a new well or repairing the existing well. Thus, most of the farmers used additional part of income for solving their water problem, which in coming years will be a major problem faced by these grape growing farmers, unless other sources of irrigation are developed. 74% of the farmers also use a part of additional income to repay private loan. Other purposes for which this additional income was used include non-productive purposes like expenditure of marriages, purchase of gold and productive purposes like purchase of farm equipment extention of grape gardens. Purchase of land and savings with the bank.

(11) Additional income generated however, led to regular repayment of loans taken from the bank by these farmers. 40 of the 50 farmers regularly repaid the loan instalments while 10 of the 50 farmers were defaulters regarding repayment of loans-taken from the Land Development Bank.

(12) Introduction and development of grape farming with the help of finance from Land Development Bank by these 50 farmers has however, not lead to diversification of horticulture development as only seven of the fifty farmers surveyed have developed fruit gardens of Pomogranates and Chickoo along with development of grape farms. Moreover, none of the fifty farmers surveyed have cultivated new local varieties of grapes and still persistently show a tendency to cultivate the original variety of Thompson seedless grapes only.

(13) Development of grape farms by these 50 farmers however, has created certain problems for these farmers of which the most important is the proper marketing of grapes produced. The marketing of grapes produced by these farmers is carried out by the private middlemen namely the fruit dalals of Miraj who after charging a commission help the farmer to market his grapes through the wholesale private merchants of Bombay. The cost of harvesting, packing of grapes, transportation of grapes is also increasing each year. All the farmers surveyed were not satisfied with the existing marketing structure nor were they satisfied with the price paid by the local merchants for their grape production. The farmers in the taluka have

developed a grape producers association but this association does not help the member farmers in marketing of grapes. Retail selling of grapes without packing in near by cities is also not done by the farmers surveyed.

(14) The production of grape farms of these 50 farmers in recent years is affected to a great extent by natural factors of which unseasonal rains excess cold are important, against which these farmers are not in a position to undertake adequate precautions. These natural calamities to a great extent affect crop productivity and bring losses to the farmers. In addition the grape farms are also affected by insects and pests. Against which timely spraying of chemicals and pesticides has to be undertaken. Timely spraying of pesticides to a great extent depends on availability of these chemicals and pesticides. Most of the farmers complained that these are not available and therefore, have suggested that these inputs be provided by the Land Development Bank itself.

(15) Another problem associated with grape farming is that the farmers have to be provided with adequate farming information with the help of which the farmers can take precautions before the disease affects the grape farms. Provision of this type of information, however, is not provided by the Banks nor the local

Agricultural College. As a result of which the farmer has to depend upon nearby local grape growing farmers or friends for advice.

SECTION - III

SUGGESTIONS

Based on the above conclusions we can make certain broad suggestions which emerge from this study. They are as follows -

(1) Grape farming in this rainfed region of Miraj taluka if has to be developed and expand in future will have limited scope as water availability is a problem. Therefore, it is suggested that alongwith well irrigation other sources of irrigation have to be developed if grape farming has to increase in future. Canal irrigation can be developed and drip irrigation also has scope for development. Ultimately, however, irrigation throw tubewells has to be developed.

(2) Rising cost of production is a problem faced by grape growing farmers for which farm inputs will have to be provided by the Land Development Bank itself with subsidies offered for the farmer more so to the small farmer.

(3) Proper marketing channel will have to be developed wherein the farmers are associated in the actual marketing of grapes. For this the grape grower

association will have to enter into the marketing of grapes both within India and abroad.

(4) Another way of getting remunerative prices would be to process the grapes and develop cold storage facility. Through processing grapes can be converted into dry grapes, grape juice concentrate can be prepared through which better prices for grapes can be obtained. Through development of cold storage the grapes can be preserved and marketed in distant cities and can also be exported by which the local farmers will get better prices.

(5) Proper insurance coverage can be provided to farmers who undertake grape farming.

(6) The grape farmers association can take further measures to provide information regarding proper grape farming cultivation with the help of modern audio-visual aids.

(7) The local Agricultural College and the College of Agriculture at Kolhapur can increase extention activities and solve the problems of the grape growers in the nearby local areas.

(8) Grape farming is a high-risk, high investment cash crop cultivation which has to be developed with proper care of the gardens by the farmers and with scientific method of cultivation. Unless both these qualities are not developed by the farmers themselves,

grape-farming may prove to be a risky enterprise. For this the outlook of the farmer has to be more dynamic and scientific, qualities which have to be developed by the farmer himself if he wants more profits through grape farming. In addition while undertaking grape farming, close supervision of the farms, timely provision of fertilizers spraying of insecticides, and other inputs, minute observation of plants, and pre-planned precautions have to be taken by the farmers. Only then will he be satisfied with this profitable type of cash crop cultivation.