

CHAPTER – I

INTRODUCTION AND METHODOLOGY

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1.1 Introduction

Indian economy is an agro based economy. More than 70% population based on agricultural for its subsistence. But Indian agriculture depends on monsoon which is always fluctuating. It leads to operating risk in cultivation of different types of crops. Natural calamities also affect the yield from agricultural sector. The absence of scientific approach in farming has caused hurdles in the development of agricultural sector and it also affects the economic condition of most of the farmers. Agricultural development is the foundation of our country and needs to be strengthened.

The importance of agriculture in the economic development of any country, rich or poor, is borne out by the fact that it is the primary sector of the economy which provides the basic ingredients, necessary for the existence of mankind and also provides most of the raw materials which when transformed in to finished products serve as basis necessities of the human race. In a preponderantly agrarian economy, agriculture plays a most strategic role from several points of view. At a minimum, farm production must be increased rapidly enough to keep pace with population growth. However, in a rapidly industrializing economy, this is not enough. Industrialization necessarily brings with it urbanization and a rapid expansion of the industrial labour force. This may then be expected to bring with it a rising per capital demand for food, based on higher urban incomes.

In addition to supplying food agriculture must provide many of the raw materials for industry. For instance, the fate of the textile industry will be crucially affected by the supply of raw cotton, the leather goods

industry will depend on availability of hides and skins, food processing and tobacco manufactures will all be dependent on agricultural supplies. Therefore, the pace of advance in a wide range of consumer goods manufactures will be eventually affected by the pace of agricultural development.

India is an important center of rice and wheat cultivation. The rice harvesting area in India is the largest in the world. Historians believe that the Indian varieties of rice was first domesticated in the area covering the foothills of the Eastern Himalayas (i.e. north-eastern India), stretching through Burma, Thailand, Laos, Vietnam and southern China. The Japonica variety was domesticated from wild rice in southern China and was introduced to India before the time of the Greeks. A Chinese record of rice cultivation goes back 4000 years. Rice is first mentioned in the Yajur Veda (C1500-800 BC) and then is frequently referred to in Sanskrit texts.

The farmers are performing agricultural activities traditionally. However, due to the changes in the recent past the farmers are turning to advanced technique, tools, inputs, high yielding variety (HYV) seeds, fertilizers, pesti-cides and putting more efforts in order to generate more and more income from agriculture. Ajara taluka in Kolhapur District is popular for the cultivation of Ghansal Rice. However, from the last two-three decades farmers have shifted to other crops due to a number of problems faced in Ghansal Rice cultivation.

1.2. Statement of Problem

Agricultural sector is backbone of Indian economy. Maharashtra state is one of the well-known states for agricultural sector, one of the important crop grown in the southernmost region of Maharashtra Ajara Taluka especially produce Ghansal Rice. Its quality is notable, in the area

of Ajara Tahsil. Ghansal Rice is produced on large scale in Ajara Taluka. The major intention of researcher is to identify focus on the problems faced by the farmers while cultivating the Ghansal Rice and the market potential for Ghansal Rice. The statement of problem is “A Critical Study of Financial Management Aspects of Ghansal Rice Farming in Ajara Taluka, Dist Kolhapur.”

1.3. Need of Study

After having put huge efforts the farmers are not sure about the yield and income. There is no mechanism to know the exact “input-output” and profit or loss position of Ghansal Rice farming in Ajara Taluka. The lack of financial management practices in this area has motivated the researcher to undertake the present research work. It will be an attempt to know how the efficient Financial Management of Ghansal Rice can be maintained by the farmers. This will be perhaps pioneering study in this area.

1.4. Hypotheses

Hypotheses of the study are as follows.

1. Due to reducing yield and income from Ghansal Rice farming the land under its cultivation was reduced.
2. However, from the last 4-5 years efforts made by different agencies have led to gradual increase in Ghansal Rice cultivation.

1.5 Objectives of the Study

- 1) To understand the production process of Ghansal Rice.
- 2) To analyse profitability of Ghansal rice in relation to other varieties of rice.
- 3) To study the present financial aspects of the Ghansal Rice Farming.

- 4) To know the various activities of Financial Management undertaken at farm household level.
- 5) To suggest few remedial measures for increasing the efficiency of Financial Management practices of Ghansal Rice farming.

1.6 Methodology

The field study method is used for the present research work. The activities performed at the farm household level throughout the year are taken into consideration.

a) Data Collection

1) Primary Data

The primary data related to micro level study is collected personally through intensive field work, questionnaire and personal discussion with the farmers.

2) Secondary Data

The secondary data - Published Reports, Periodicals, News papers, and Internet etc, - is also used for the present research work.

b) Analysis of Data

The data is analyzed by using simple mathematical tools. Ratio analysis technique is employed for analysis and interpretation of the data.

1.7 Chapter Scheme

1. Introduction and Methodology

Indian economy is based on agriculture. Agriculture occupations share and support more to national income. Agricultural sector earns maximum foreign exchange by exporting agricultural production to foreign countries, like fruits, flowers and many food grains. The activities performed at the farm household level throughout the year are taken into consideration.

2. Review of Literature

In this Chapter, an attempt is made to review the findings of the earlier studies related to the changes in agriculture, carried out by various researchers.

3. Conceptual Framework

1. Financial Management

Financial management is that managerial activity which is concerned with the planning and controlling of the firm's financial resources. The subject of financial management is of immense interest to both academicians and businessmen. Practicing managers are interested in this subject. And also they highlight the crisis of financial position. Their dedicative taken decision to the rice cultivation unable us to research properly in the taken topic.

2. Rice in India

It seems that today India is self-sufficient in grain production and also has a substantial reserve. The progress made in agricultural sector in the last four decades has been one of the biggest success stories of free India. Agricultural and allied activities constitute the single largest contributor to the Gross Domestic Product, almost 33%. Agriculture is the means of live-lihood of about two-third of the work force in the country.

3. Ghansal Rice

In Kolhapur District 'Ajara Taluka' is situated in located as the rural economically backward and hilly area of the Western Ghats. This area is famous for heavy rain fall and for production of Ghansal Rice. It is situated in the bank of Hiranykeshi and Chitri Rivers and surrounded by several hills.

Ghansal Rice is simple short grain rice. It is the leading crop in the study area locally called as 'Ghansal Bhat'. It is sown in June and

harvesting begins during the month of October. However, it depends upon whether. It is the loving tropical crop requiring high temperature and well distributed rainfall between 1800 to 3500 mm during the growing season.

4. Profile of Ajara Taluka

This chapter deals with the profile of Ajara Taluka which includes the historical background and the physical features of the taluka, it also includes the detailed information about taluka such as major rivers, climate, forest, infrastructural facilities, and administrative setup, educational and medical facilities, total population and the relevant map. Ajara is known to be one of the southernmost talukas of Kolhapur district of Maharashtra. Popularly known for very scenic and green atmosphere as well as the Ajara Ghansal Rice. Ajara is famous for hill station and its climate healthy for animal.

5. Data Analysis and Interpretation

The data will be analysed by using simple mathematical tools. The primary data is collected through intensive field work, questionnaire and personal discussion with the farmers. The secondary data is collected from various sources like published material, articles, government reports etc.

6. Findings and Suggestions , Conclusion . . .

Based on findings on the study a few suggestions are made to improve the condition of Ghansal Rice cultivation in Ajara Taluka, Dist Kolhapur. This may help the farming community to increase the per hectare yield and income from Ghansal Rice cultivation.

1.8. Limitations of Study

1. This is a case study and its scope is confined to Ghansal Rice Farming in Ajara Taluka, of Kolhapur district.
2. The quality of analysis and interpretation of data depends to large extent upon the data provided by the farmers.
3. The period of study is restricted to five years from 2004-05 to 2008-09.