

Rampur : A Village Economy

The story of Rampur village

This story of a village will take us through different types of production activities in a village. In villages across India, farming is the main production activity. The other production activities, referred to as non-farm activities include small manufacturing, transport, shop-keeping, etc. Let us look at both these types of activities in this chapter. The production systems - whether at a farm or a factory can be analysed using some ideas of the essential elements in any production process. How the production is organised in turn has an important bearing on people's lives.

The story of the Rampur village (*name changed*) is based on a detailed case study where the writer went and stayed in the area and observed closely various aspects. The study of the village was followed by subsequent visits. The writer could therefore note many changes in the village across time. As you read the story, you may like to think and enquire whether the phenomenon observed for Rampur is also present in your area. Or is the situation different? If so, in what ways?

In this chapter you will at times come across occasional reference to your own situation or the all-India situation. For instance, when we discuss distribution of land in Rampur, we also examine what has occurred to India as a whole. Interestingly, we find there are strong parallels. This helps us understand that while Rampur has some specific features, many of its features are prevalent across India with some variation. These could also be compared with your region.

- What do you know about agriculture? How do crops change in various seasons? Do most people depending on agriculture belong to land owning groups or are labourers?

Farming in Rampur

Rampur lies in the fertile alluvial plains of the Gangetic basin in the western part of Uttar Pradesh. Along with Punjab and Haryana, western Uttar Pradesh forms a contiguous belt of agriculturally prosperous region. The village is well-connected with the neighbouring villages and cities. Raiganj, a big village, is 3 kms from Rampur. An all weather road connects Raiganj to the nearest small town Jahangirabad (12 kms away). Many kinds of transport are visible on this road starting from bullock carts, *tongas*, *bogeys* (wooden cart drawn by buffalos) loaded with



jaggery and other commodities to motor vehicles like motorcycles, jeeps, tractors and trucks.

Farming is the main production activity in Rampur. Majority of the working people are dependent on farming for their livelihood. They could be farmers or farm labourers. The well-being of these people is closely related to the production on the farms.

Land and other natural resources

Land is the most crucial factor necessary for farm production. Land area under cultivation, however, is practically fixed. In Rampur, since 1921 there has been no expansion in land area under cultivation. By then, the nearby forests had been cleared and some of the wastelands in the village were converted to cultivable land. There is no further scope to increase agriculture production by bringing new land under cultivation.

There is no land that is left idle in Rampur. During the rainy season (*kharif*) farmers grow *jowar* and *bajra*. These are grown as cattle feed also. It is followed by cultivation of potato between October and December. In the winter season (*rabi*), fields are sown with wheat. From the produce, farmers keep enough wheat for the family's consumption and sell the surplus at the market-yard at Raiganj. A part of the land is under sugarcane which is harvested once every year. Sugarcane, in raw form, or as jaggery, is sold to traders in Jahangirabad, the nearby town.

To grow more than one crop on the same piece of land during the year is known as multiple cropping. It is the most common way of increasing production from land. All farmers in Rampur grow at least two main crops; many are growing potato as the third crop.

Farmers in Rampur are able to grow three different crops in a year due to the well-developed irrigation system. Electricity came early to Rampur. It transformed the system of irrigation. Till then, Persian wheels were used by farmers to draw water from the wells and irrigate small area. People saw that the electric-run tubewells could irrigate much larger areas of land easily. The first few tubewells were installed by the government, almost fifty years ago. Soon, however, farmers started setting up their own tubewells. As a result, by mid-1970s the whole of the cultivated area of 264 hectares (ha.) was irrigated.

Not all villages in India have such 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. Even today, a little less than 40 percent of the total cultivated area in the country is irrigated. In

Measuring Land

The standard unit of measuring land is hectare, though in the villages you may find land being measured in local units such as acre and cents or *gunta*. One hectare is 10000 square meters. Compare the area of 1 hectare field with the area of your school ground. Discuss with your teacher.

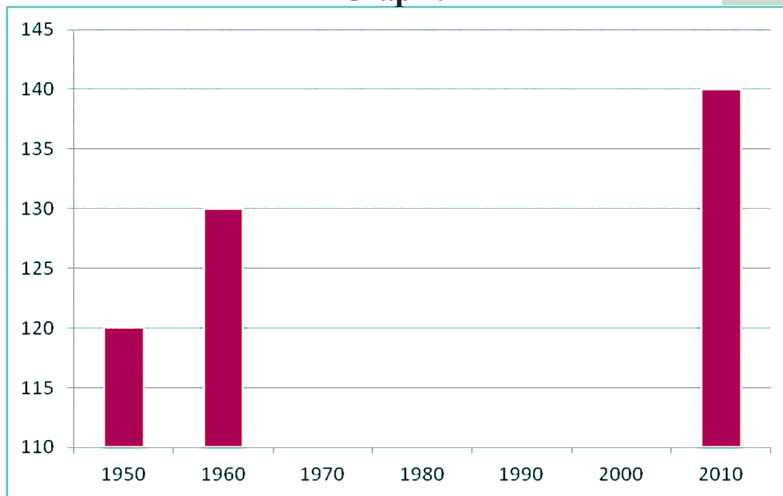
the remaining areas, farming is largely dependent on rainfall. See chapter 1 on regions in India.

While intensive use of natural resources like land and water has led to increased production and yields, the use of the natural resources has not always been judicious. Experience shows fertility of land is declining due to overuse, excessive use of chemical fertilisers and pesticides. The situation of water is equally alarming. Like in village Rampur, most of irrigation in India is based on tapping underground water. As a result underground water tables have fallen rapidly across the country. Even in regions with bountiful rains and favourable natural systems of recharge the water tables have reached dangerously low levels. As the water tables decline, farmers have to drill deeper tubewells than before. The use of diesel/ electricity for irrigation rises accordingly. We shall understand these issues further in chapters on Sustainability and Water Resource.

- Looking at an atlas identify areas that are well irrigated. Does your region fall under this category?

- The following table shows the land under cultivation in India in units of million hectares. Plot this on the graph provided. What does the graph show? Discuss in class.

Graph : 1



Year	Cultivated Area (in million hec)
1950	120
1960	130
1970	140
1980	140
1990	140
2000	140
2010	140

- You have read about the crops grown in Rampur. Fill the following table based on information on the crops grown in your region.

Name of crop	Month sown	Month harvested	Source of water/ irrigation (Rain, tanks, tubewells, canals, etc.)

- What are the reasons for multiple cropping in cultivation.

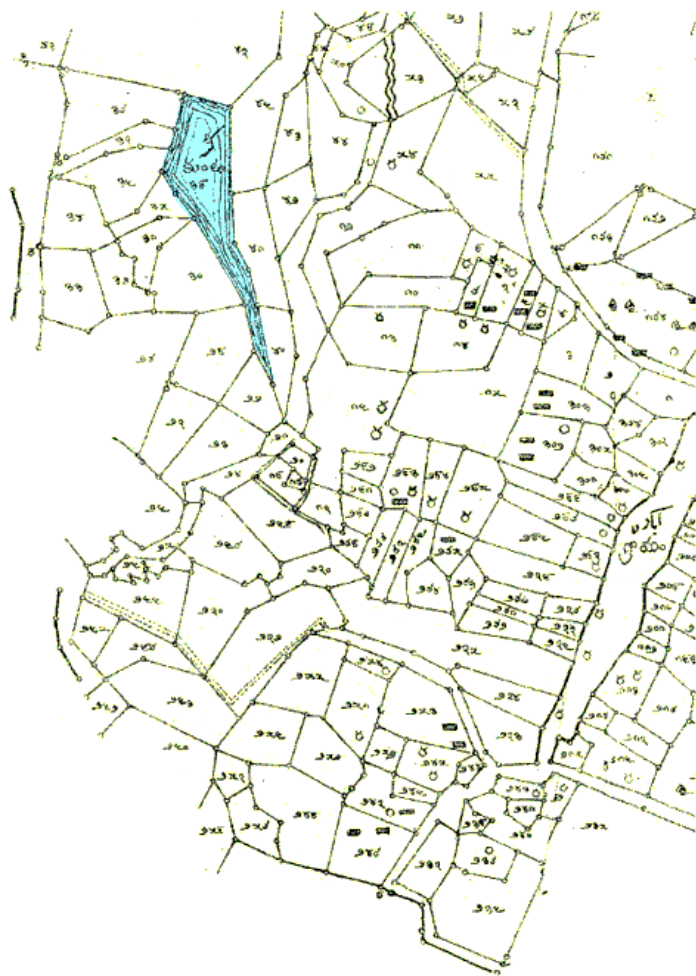
Land distribution in Rampur

You must have realised how important land is for farming. Unfortunately, not all the people engaged in agriculture have sufficient land for cultivation. The population of Rampur is about 2,660; there are about 450 families belonging to different castes. The upper caste families own majority of the land in the village. Their houses, some of them quite large, are made of brick with cement plastering. The SCs (dalits) comprise 1/3rd of the population and live in more modest houses, some portions of which may be thatched and are located in one corner, outside the main village area.

In Rampur, about 1/3rd, i.e. 150 families are landless. Most of the landless are dalits. 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. 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 1960, Gobind was a farmer with 2.25 hectares of largely unirrigated land. With the help of his three sons Gobind cultivated the land. Though they didn't live very comfortably, the family managed to feed itself with a little bit of extra income from one buffalo that the family possessed. Some years after Gobind's death, this land was divided among his three sons. Each one now has a plot of land that is only 0.75 hectare in size. Even with improved irrigation and modern farming methods, Gobind's sons are not able to make a living from their land. They have to look for additional work during part of the year.

Map 9.1 is a map of land holdings in an A.P. Village. You can see the different sizes of plots and the relatively large number of small plots. You can see a draft sketch of crops in a village on backcover of the book.



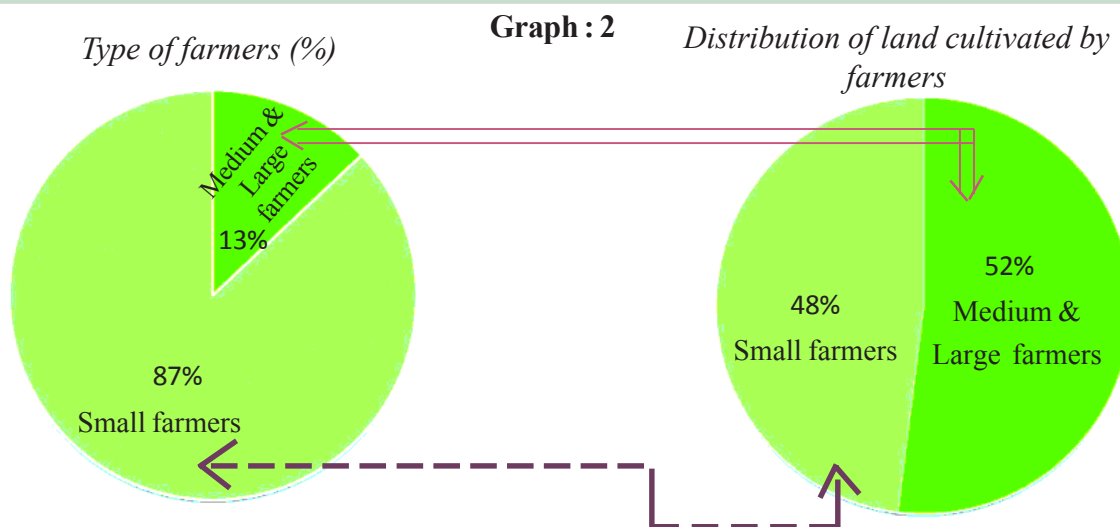
Map 1 : Distribution of land in an A.P. Village.

- In map 1 shade the small plots of land.
- Why do so many families of farmers cultivate such small plots of land?
- The distribution of farmers in India and the amount of land they cultivate are in the following table and pie-charts.

Type of Farmers	Size of Plots	Percentage of Farmers	Percentage of Cultivated Area
Small farmers	Less than 2 ha.	87%	48%
Medium and Large farmers	More than 2 ha.	13%	52%

Note: The data here refers to the land cultivated by farmers. It could be owned or taken on rent

- What do the arrows indicate? Would you agree that the distribution of cultivated land is unequal in India? Explain.



Organisation of Production

Let us try to understand the overall process of production in Rampur.

The aim of production is to produce goods and services that people need. Further, the producer requires a number of items to produce a good or service. These can be classified as follows.

The first requirement is land and other natural resources such as water, forests, minerals. We have read above how land and water are used for farming in Rampur.

The second requirement is labour, i.e. people who will do the work. Some production activities require highly trained and educated workers to perform the necessary tasks. Other activities require workers who can do manual work. Each worker is providing the necessary labour for production. Unlike common usage, labour refers to all human effort in production, not just manual labour. Hence, for example, whether one is an engineer, manager, accountant, supervisor, machine operator, sales representative or casual labour - all are providing labour for a factory to produce and sell its product.

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

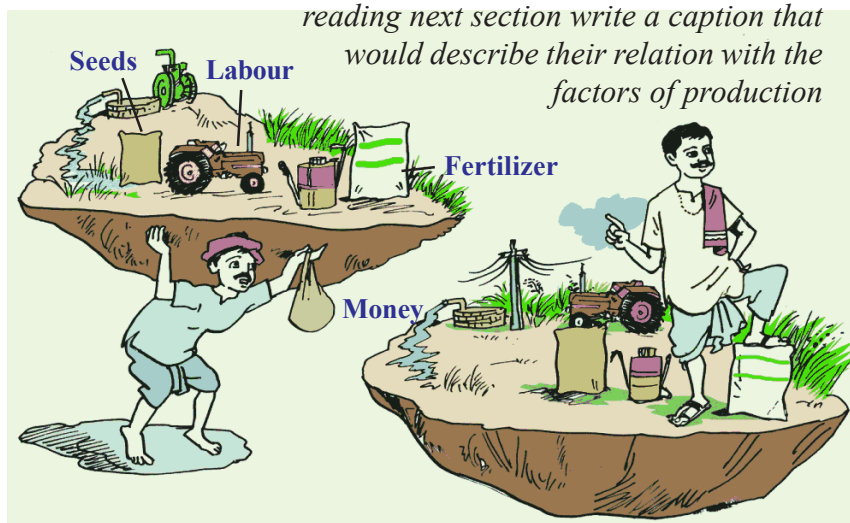
(a) Tools, machines, buildings: Tools and machines range from very simple tools such as a farmer's plough to sophisticated machines such as generators, turbines, computer automated machines, etc. They are not used up or consumed immediately in production process. They help to produce these goods over many years. They require some repair and maintenance so that they remain useful and can be used year after year. These are called fixed capital or physical capital. However, all machines etc have to be replaced after many years of being used by new and often better tools and machines.

(b) Raw materials and money required: The various raw materials such as the yarn used by the weaver and the clay used by the potter are used up in production. Also some money is required to buy other necessary materials for production and make payments for completing the production. It takes time to complete the production and then sell these goods or services in the market. Only then does money flow back into the production process. This requirement for raw material and money is therefore called working capital. This is different from physical capital because unlike tools, machines or buildings these are used up in the production cycle.

The fourth requirement is knowledge and enterprise: To be able to use land, labour and physical capital in a meaningful way to produce some goods or services, knowledge of the process of production and confidence is essential. Owners of the physical capital or managers hired by them provide this knowledge. The owners also have to take the risks of the market i.e. whether the goods or services produced would find sufficient buyers. In our society most goods and services are produced for sale in the market, hence the entrepreneurs who produce for the market have to plan, organise and manage. These entrepreneurs could be farmers, shopkeepers, small scale manufacturers, service providers such as doctors, lawyers, etc or large companies. Their goods or services are bought by people. They may earn a profit or could suffer a loss.

Every production is organised by people or entrepreneurs combining the elements of land, labour and physical capital. These are known as factors of production.

Fig 9.1 : Small farmer, Big farmer. After reading next section write a caption that would describe their relation with the factors of production



Labour for the Farm

After land, labour is the next necessary factor for production. Farming requires a great deal of hard work. Small farmers along with their families mostly cultivate their own fields. Generally, 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. Unlike farmers working on their own fields, 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. They have been employed to do the work.

Wages can be in cash or in kind (crop). Sometimes labourers get meals, too. Wages vary widely from region to region, from crop to crop, from one farm activity to another (like sowing and harvesting). There is also wide variation in the duration of employment. A farm labourer might be employed on a daily basis, or on contract for one particular farm activity like harvesting, or for the whole year.



Fig 9.2 Potato harvesting in the Himalayas

Dala is a landless farm labourer who works on daily wages in Rampur. This means he must regularly look for work. Dala's wages are less than what the Uttar Pradesh government has set as minimum wages for labourers. There is heavy competition for work among the farm labourers in Rampur, so people agree to work for lower wages. With large farmers increasingly relying on machines like tractors, threshers, harvesters, the number of days of work available to a worker is very low in rural areas. In the whole of last year, Dala got less than five months of work on the farm. In periods when no work is available, Dala and many like him have applied to village Panchayat for work under MGNREGA.

- Why are farm labourers like Dala poor?
- What do the large and medium farmers in Rampur do to get labour for their farms? Compare with your region.
- Fill in the following table:

Labour in production process	Give three different examples of production activity for each
Where owner/ family also provides the labour required	
Where owners hire labourers to do the work	

- What are the ways of providing labour, in the production of goods or services that you observe in your region?

Table 1 : Daily Wages for different farm activities in Andhra Pradesh in December 2011 (in Rupees)

Workers	Ploughing	Sowing	Weeding	Trans-planting	Harvesting	Winnowing	Threshing	Picking Cotton
Male	214	197	215	-	164	168	152	-
Female	-	152	130	143	126	124	118	136

The table gives average daily wages that are paid for different farm activities to workers in Andhra Pradesh. However, there's a lot of variation across regions.

A woman worker gets Rs. 136 for picking cotton for a full day. You will notice that certain tasks like ploughing are done primarily by men, so there is no wage recorded for women. Tasks such as transplanting paddy and picking cotton are primarily done by women. There are certain

production activities that are done by both men and women. The wages for men are higher than women, even when they are doing the same job. The State governments fix a common minimum wage to be paid by all employers (private and public) within the state.

- Compare the figures for daily wages given above with those prevailing in your region for any of the operations.
- Find out the minimum wage and compare with this.
- Why do you think men receive a higher wage than women for the same job? Discuss.

Capital: Arranging physical and working capital

You have read in earlier classes how modern farming involves high yielding variety seeds, assured irrigation, fertiliser and pesticides. This, in turn, means that the farmers require a sufficient amount of capital for production, and therefore money. Let's see how farmers arrange for physical capital and working capital required in farming.

Most small farmers have to borrow money to arrange for the working 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 a great distress to repay the loan.

Savita is a small farmer. She plans to cultivate wheat on her 1 ha. of land. Besides seeds, fertilisers and pesticides, she needs cash to buy water and repair her farm instruments. She estimates that the working capital itself would cost a minimum of Rs. 6000. She doesn't have the money, so she decides to borrow from Tejpal, a large farmer. Tejpal agrees to give Savita the loan at 36% per annum interest rate, which is a high rate, for four months. Savita also has to promise to

work on his field as a farm labourer during the harvest season at Rs 100/ day. As you can tell, this wage is quite low. Savita knows that she will have to work very hard to complete harvesting on her own field and then work as a farm labourer for Tejpal. The harvest time is a very busy time. As a mother of three children she has a lot of household responsibilities. Savita agrees to these tough conditions as she knows getting a loan is difficult for a small farmer.

In contrast to the small farmers, the medium and large farmers generally have their own savings from farming. They are thus able to arrange for seeds, fertiliser, pesticide, payments to labourers etc - the working capital needed for farming. How do these farmers have their own savings? You shall find the answer in the next section.

All large farmers in this village have tractors. They use this for ploughing and sowing their farms and hire out these tractors to other small farmers. Most of them also have threshers and some own harvesters. All such farmers have many tubewells to irrigate their farms. These tools and machines are all part of physical capital for farming.

Surplus or Loss for the farmer

Let us suppose that the farmers have produced wheat on their lands using the three factors of production. They retain a part of the wheat for the family's consumption and sell the surplus. Small farmers like Savita and Gobind's sons have little surplus wheat because their total production is small and from this a substantial share is kept for their own family needs. So generally it is the medium and large farmers who supply wheat to the wholesale market yard. The traders at the market yard buy the wheat and sell it further to shopkeepers in the towns and cities.



Fig 9.3 : Grain being taken to the market

Tejpal, the large farmer, has a surplus of 350 quintals of wheat from all his lands. He sells the surplus wheat at the Raiganj market yard and has good earnings.

What does Tejpal do with his earnings? Last year, Tejpal had put most of the money in his bank account. Later he used the savings for lending to farmers like Savita who were in need of a loan. He also used the savings to arrange for the working capital for farming in the next

season. This year Tejpal plans to use his earnings to buy another tractor. There's good business of hiring out tractors in the neighbouring villages. Another tractor would increase his fixed capital.

Like Tejpal, other large and medium farmers sell the surplus farm produce. A part of the earnings is saved and kept for buying capital for the next season. Some farmers might also use the savings to buy cattle, trucks, or to set up shops. These constitute the capital for non-farm activities. They may also buy more land.

There is often a loss in farm activities, especially when crops are damaged because of floods, pests, etc. The other risk is sudden fall in price of agriculture produce. In such situations farmers find it difficult to recover the working capital they have spent.

Surplus and Capital for Production

- Consider three farmers. Each has grown wheat on his field though the production is different as in Column 2. To analyse the situation faced by different farmers we need to assume that some conditions are the same for all. To keep things simple, let us suppose the following conditions:

1. The consumption of wheat by each farmer family is the same (Column 3).
2. The whole of surplus wheat this year is used as seeds for working capital for the next year's production by all the farmers. They also have land to do so.
3. Also suppose, production output is twice the working capital used in production in all the farms. There is no sudden loss in production.

Complete the table.

Farmer 1

Year	Production	Consumption	Surplus = Production - Consumption	Capital for the next year
Year 1	100	40	60	60
Year 2	120	40		
Year 3		40		

Farmer 2

Year	Production	Consumption	Surplus	Capital for the next year
Year 1	80	40		
Year 2		40		
Year 3		40		

Farmer 3

Year	Production	Consumption	Surplus	Capital for the next year
Year 1	60	40		
Year 2		40		
Year 3		40		

- Compare the production of wheat by the three farmers over the years.
- What happens to the Farmer 3 in Year 3? Can he continue production? What will he have to do to continue production?



Fig 9.4 : Tea and Rubber. Farming sector also includes crops like Tea, Coffee, Rubber plantations and fruit orchards

NON-FARM ACTIVITIES IN RAMPUR

Apart from farming, which is the main production activity, there are some non-farm production activities. Only 25 percent of the people working in Rampur are engaged in activities other than agriculture.

Dairy - the other common activity

Dairy is a common activity in many families of Rampur. People feed their buffaloes on various kinds of grass and jowar and bajra fodder cultivated during the rainy season. The milk is sold in Raiganj. Two traders from Jahangirabad have set up collection cum chilling centers at Raiganj from where the milk is transported to faraway places such as Bulandshahr and Delhi. The production factors of this activity are briefly described:

Land: Own shed in the village

Labour: Family labour, especially women to look after the buffaloes

Physical Capital: Buffaloes purchased at the cattle fair

Working capital: Feed from their land, some medicines are purchased

Small-scale manufacturing in Rampur

At present, less than fifty people are engaged in manufacturing in Rampur. Unlike the manufacturing that takes place in the big factories in the towns and cities, manufacturing in Rampur 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. Labourers are rarely hired.

Mishrilal has purchased a mechanical sugarcane crushing machine run on electricity and prepares jaggery. Earlier sugarcane was crushed by using bullocks, but these days people prefer to do it by machines. Apart from using the

sugarcane that Mishrilal has cultivated, he also buys sugarcane from other farmers and processes it into jaggery. The jaggery is then sold to traders at Jahangirabad. In the process, Mishrilal makes a small profit.

- What physical capital did Mishrilal need to set up this process?
- Who provides the labour in this case?
- Why is Mishrilal unable to increase his profit? Think of reasons when he could face a loss.
- Why does Mishrilal sell jaggery to traders in Jahangirabad and not in his village?

The shopkeepers of Rampur

People involved in trade (exchange of goods) are not many in Rampur. The traders of Rampur buy various goods from wholesale markets in the cities and sell them in the village. Small general stores in the village sell a wide range of items like rice, wheat, sugar, tea, oil, biscuits, soap, toothpaste, batteries, candles, notebooks, pen, pencil, even some cloth.

A few of the families whose houses are close to the bus stand have used a part of the space to open small shops. They sell eatables like tea, *samosa*, *kachori*, *namkeen*, some sweets, toffees, cold drinks, etc. The women and the children in the family all share the work. In our country a large section of people are self employed like farmers, shopkeepers, hawkers etc. They are owners because they have to plan and organise and take the risk of producing goods or services. At the same time they also provide their own labour to manage the process.

- On whose land is the shop located?
- Who supplies labour to these small shops selling eatables?
- Guess what working capital would such shops require.
- List the physical capital items.
- From a hawker in your area find out the daily sales. How will you find if there is some savings? Discuss with your teacher.

A few shopkeepers also buy goods that the villagers produce and supply it to shops/ markets in the bigger villages and towns. For instance, the person running the flour mill also buys wheat from the small farmers in the village and sells it at the Raiganj market. Flour milling and trading are two different businesses.

Transport: a fast developing sector

A variety of vehicles on the road connect Rampur to Raiganj. *Rickshawallahs*, *tongawallahs*, jeep- tractor- truck- drivers, and people driving the traditional bullock cart and *bogey* are people in the transport services. They ferry people and goods from one place to another, and in return get paid for it. The number of people involved in transport has grown over the last several years.

Kishora is a farm labourer. Like other such labourers, Kishora found it difficult to meet his family's needs from the wages that he received. A few years back Kishora took a loan from the bank. This was under a government programme

which was giving cheap loans to poor landless households. Kishora bought a buffalo with this money. He now sells the buffalo's milk. Further, he has at-

- What is Kishora's fixed capital?
- What do you think would be his working capital?
- In how many production activities is Kishora involved?
- Would you say that Kishora has benefited from better roads in Rampur?

tached a wooden cart to his buffalo and uses it to transport various items. Once a week, he goes to the Ganges to bring back clay for the potter. Or sometimes he goes to Jahangirabad with a load of jaggery or other commodities. Every month he gets some work in transport. As a result, Kishora is able to earn more than what he used to do some years back.

Summing up

Farming is the main production activity in the village. Over the years there have been many important changes in the way farming is practiced. These have allowed the farmers to produce more crops from the same amount of land. This is an important achievement, since land is fixed and scarce. But in raising production a great deal of pressure has been put on land and other natural resources. There is urgent need to review the methods of production and ensure sustainable use of the resources.

Farming now needs much more of capital. The medium and large farmers are able to use their own savings from production to arrange for capital during the next season. On the other hand, the small farmers who constitute about 87 percent of total farmers in India find it difficult to obtain capital. Because of the small size of their plots, their production is not enough. The lack of surplus means that they are unable to obtain capital from their own savings, and have to borrow. Besides the debt, many of the small farmers have to do additional work as farm labourers because of the low income.

Labour being the most abundant factor of production, it would be ideal if the new ways of farming used much more labour. Unfortunately, such a thing has not happened. The use of labour on farms is limited. The labour, looking for opportunities is thus migrating to neighbouring villages, towns and cities. Some labour has entered the non-farm sector in the village.

At present, the non-farm sector in the village is not very large. Though there is a variety of non-farm activities in the villages (we have only seen a few examples), the number of people employed in each is quite small. In 2009-2010, out of every 100 workers in the rural areas in India, 32 are engaged in non-farm activities. This includes the workers who are employed as part of MGNREGA on various projects. MGNREGA has provided some support to the incomes of rural workers.

In the future, one would like to see more non-farm production activities in the village. Unlike farming, non-farm activities require little land. People with some amount of capital can set up non-farm activities. How does one obtain this capital? One can either use his own savings, but more often has to take a loan. It is important that loan be available at low rate of interest so that even people without savings can start some non-farm activity. Another thing which is essential for expansion of non-farm activities is to have markets where the goods and services produced can be sold. In Rampur, we saw the neighbouring villages, towns and cities provide the markets for milk, jaggery, wheat, etc. As more villages get connected to towns and cities through good roads, transport and telephone, it is possible that the opportunities for non-farm activities production activities in the village would increase in the coming years.

Key words

Factors of Production	Land	Labour	Working capital
Fixed capital	Surplus	Farm activities	Non-Farm activities

Improve your learning

1. Every village in India is surveyed once in ten years during the Census and the details are presented in the following format. Fill up the following based on information on Rampur.

- a. Location:
- b. Total area of the Village:
- c. Land use (in hectares):

Cultivated Land		Land not available for cultivation (Area covering dwellings, roads, ponds, grazing ground)
Irrigated	Unirrigated	
		26 hectares
d. FACILITIES		
Educational		
Medical		
Market		
Electricity Supply		
Communication		
Nearest Town		

2. Why are the wages for farm labourers in Rampur less than minimum wages?
3. Talk to two labourers from your region. Choose either farm labourers or labourers working at construction sites. What wages do they get? Are they paid in cash or kind? Do they get work regularly? Are they in debt?
4. What are the different ways of increasing production on the same piece of land? Use examples to explain.
5. How do the medium and large farmers obtain capital for farming? How is it different from the small farmers?
6. On what terms did Savita get a loan from Tejpal ? Would Savita's condition be different if she could get a loan from the bank at a low rate of interest?
7. Talk to some elderly persons in your region and write a small report on the changes in irrigation and changes in production methods during the last 30 years.
8. What are the main non-farm production activities taking place in your region? Write a brief report on any one such activity.
9. Imagine a situation where labour is the scarce factor of production instead of land. Would the story of Rampur be different? How? Discuss in class.
10. Gosaipur and Majauli are two villages in North Bihar. Out of a total of 850 households in the two villages, there are more than 250 men who are employed in rural Punjab and Haryana or in Delhi, Mumbai, Surat, Hyderabad or Nagpur. Such migration is common in most villages across India. Why do people migrate? Can you describe (based on your imagination and previous chapter) the work that the migrants of Gosaipur and Majauli might do at the place of destination?
11. Land is also required for production of goods in an urban area. In what ways is the use of land different from a rural area?
12. Read again the meaning of “land” in the production process. Give three examples, other than agriculture, where this requirement is most significant in the process of production.
13. Water, a natural resource for production, particularly agricultural production, now requires greater capital for its use. Can you explain the statement?