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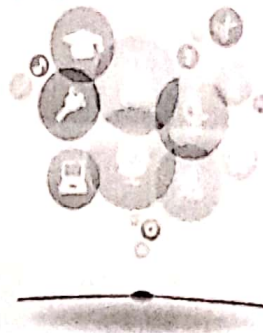
ISSN-2278-9308

B.Aadhar

Peer-Reviewed & Refereed Indexed
Multidisciplinary International Research Journal

May -2022

ISSUE No- 352(CCCLII) B



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**Sciences, Social Sciences, Commerce,
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Study on Institutional Agricultural Credit and Repayment Behaviour of Indian Farmers

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Abstract:

Economic development of rural India is directly related to productivity in agriculture and allied sectors. Institutional credit is one of the important factors influencing agricultural productivity. Increased availability of institutional credit is expected to boost investments in farming and rural non-farm sector activities that facilitates proliferation of economic activities in rural areas. It helps the farmers to purchase seeds, fertilizers, agriculture equipment and development of agriculture land and non-agriculture activities. I hope that study would be useful and it helps to create awareness among agriculturists and their development. The main aim of the present study is to underline the institutional agricultural credits and repayment behaviour of farmers and their development as well as national economy.

Keywords: *Agricultural Credit, NABARD, Institutional Credit, Noninstitutional credit, repayment behaviour*

1. Introduction:

India is one of the most population agricultural countries in the world. More than 60% employees are involved in the agricultural and allied sectors, 70% people are depending on agriculture for their livelihood. However, the agricultural sector and the farmers are facing the many problems due to the various causes and lack of credit or lack of capital they financing their day-to-day life and occupation.

Economic development of rural India is directly related to productivity in agriculture and allied sectors. Institutional credit is one of the important factors influencing agricultural productivity. Increased availability of institutional credit is expected to boost investments in farming and rural non-farm sector activities that facilitates proliferation of economic activities in rural areas. Several initiatives have been taken by GOI and RBI for augmenting the supply of credit to agriculture sector. As a result, ground level credit flow has trebled from ₹4.5 lakh crore in 2010-11 to ₹13.68 lakh crore in 2019-20. However, in spite of such massive expansion of rural credit, a large segment of farmers is still dependent on the informal sources for meeting their credit requirements. Further, credit disbursement is characterized by significant dispersion across the different Indian states. Regional imbalance in the distribution of agricultural credit has persisted over the years. In 2019-20, Southern region had the largest share (45%) in agricultural credit disbursements followed by the Northern region (20%). It was observed that the share of Southern region in the total agriculture credit flow has increased while Eastern region and Western region registered a fall in their share in 2019-20, as compared to 2018-19. The agriculture credit flow as a ratio to net sown area is relatively low in Central and Eastern regions as compared to Southern and Northern regions, mainly on account of lower penetration of formal credit among the farmers

1.2 Important of Agriculture:

According to Webster's Dictionary, "agriculture is the art or science of production of crops and livestock on farm". Agriculture plays very important role in the life of an economy. Agriculture is source of livelihood, contribution to national income, supply of food to fodder and also importance of

Issue - 289

March 2022

ISSN - 2348-7143

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Study of Institutional Agricultural Credit Policy Initiatives for Increasing the Flow of Credit

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Research Students
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Abstract: Agriculture plays a vital role in India's economy. 54.6% of the total workforce is engaged in agricultural and allied sector activities (Census 2011) and accounts for 17.8% of the country's Gross Value Added (GVA) for the year 2019-20 (at current prices). Given the importance of the agriculture sector, Government of India has taken several steps for its development in a sustainable manner. Steps have been taken to improve the income of farmers. The Government has taken many policy initiatives for strengthening of the farm credit delivery system for providing credit at lower rates of interest to support the resource requirements of the agricultural sector. The emphasis of these policies has been on providing timely and adequate credit support to farmers with particular focus on small and marginal farmers and weaker sections of society to enable them to adopt modern technology and improved agricultural practices for increasing agricultural production and productivity. The policy essentially lays emphasis on augmenting credit flow at the ground level through credit planning, adoption of region-specific strategies, rationalization of lending policies and procedures and bringing down the rate of interest on farm loan.

Keywords: Agricultural Credit, NABARD, Institutional Credit

1. Introduction:

India is one of the most population agricultural countries in the world. More than 60% employees are involved in the agricultural and allied sectors, 70 % people are depending on agriculture for their livelihood. However, the agricultural sector and the farmers are facing the many problems due to the various causes and lack of credit or lack of capital they financing their day-to-day life and occupation.

Agriculture plays a vital role in India's economy. 54.6% of the total workforce is engaged in agricultural and allied sector activities (Census 2011) and accounts for 17.8% of the country's Gross Value Added (GVA) for the year 2019-20 (at current prices). Given the importance of the agriculture sector, Government of India has taken several steps for its development in a sustainable manner. Steps have been taken to improve the income of farmers. Further, to mitigate risk in the agriculture sector, a scheme "Pradhan Mantri Fasal Bima Yojana" (PMFBY) was also launched in 2016. Schemes such as Formation & promotion of 10,000 FPOs & the Agriculture Infrastructure Fund have also been launched recently to benefit the sector.

1.2 Important of Agriculture:

According to Webster's Dictionary, "agriculture is the art or science of production of crops and livestock on farm". Agriculture plays very important role in the life of an economy. agriculture is source of livelihood, contribution to national income, supply of food to fodder and also importance of international trade, market surplus, sources of raw material, foreign exchange and provides the vast employment.

2. Agricultural Credit:

The Government has taken many policy initiatives for strengthening of the farm credit delivery system for providing credit at lower rates of interest to support the resource requirements of the agricultural sector. The emphasis of these policies has been on providing timely and adequate credit support to farmers with particular focus on small and marginal farmers and weaker sections of society to enable them to adopt modern technology and improved agricultural practices for increasing agricultural production and productivity. The policy essentially lays emphasis on augmenting credit flow at the ground level through credit planning, adoption of region-specific strategies, rationalization of lending policies and procedures and bringing down the rate of interest on farm loan.

2.1 Definition

Credit is one of the important supply side factors which contribute to agricultural production. An efficient and effective rural credit delivery system is imperative for providing timely, adequate, and equitable access to credit for raising agricultural productivity and income. Equitable access to institutional credit is important in this context of relative scarcity of credit and the high cost of informal credit. RBI

3. Institutional Agricultural Credit:



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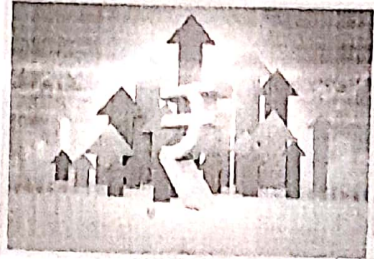


THE JOURNEY OF
 INDIAN ECONOMY
 IN THE LAST 75 YEARS



THE JOURNEY OF INDIAN ECONOMY IN THE LAST 75 YEARS

Banking, Insurance, Finance, Investment



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Dr. Thorat M. B.
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IMPACT OF GST ON SMALL SCALE INDUSTRIES IN MAHARASHTRA STATE

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ABSTRACT

A comprehensive dual Goods and Services Tax (GST) has replaced the complex multiple indirect tax structure from 1 July 2017. It is the biggest tax reform ever happened in India. Major intention behind introduction of GST in India is to abolish multiplicity of indirect taxes, cascading effect and reduce tax burden these can possible through only by levying GST. Because the name indicates, the GST can be levied each on items and offerings. GST is a tax that needs to pay on supply of products and services. Any person, who is supplying goods and services, is liable to pay GST. The paper highlights the impact of GST on Maharashtra SSIs. SSIs are a major driver in the Maharashtra economy, contributing to, it accounts for nearly 40% of the country's industries production, 42% of exports and 65% of the employment opportunities. Therefore an attempt made to address the impact of GST implementation on SSIs. This paper signifies benefits of GST on SSIs, and problems faced by SSIs by the implementation of GST.

Keywords: IGST, CGST, SGST, VAT, CENVAT, CVD, SAD, CST, SSIs and Service charges.

INTRODUCTION

GST (Goods and Service Tax) executed by Government of India on 1st July 2017, through the execution of 'One Hundred and First Amendment' of the Structure of India. It was tossed at midnight by the President of India, Shri. Pranab Mukherjee and Prime Minister of India Shri. Narendra Modi. It is a secondary tax system that reassured the various taxes i.e. VAT, excise duty, service taxes etc. which were applied before goods and services tax. According to the Government, GST is a well-structured and easy assessment system, where the convincing exclusion of central Government and the state Government has been done. Each enterprise has twin GST classical related, i.e. Central Goods and Services Tax (CGST) and the State Good and Services Tax (SGST). The several proportions related to numerous segments and productions are 0%, 5%, 12%, 18% and 28%. The GST is related on several communications such as obtaining, transactions, conversion, exchange, rental and significance of goods and services. In harmony with the creation of Small Enterprises Development Act, 2006, is divided under two groups business sector GST is intended to carry each indirect form of tax below one roof. For small business proprietors or producers have to take care of dissimilar taxes and have to track to numerous sections to accomplish all the tax-related certifications. Some files will have different taxes biannually, annually, half-yearly. The additional department, the extra is the annoyance. Now, the entire tax charged by the central and the state Governments enhance to 32% but with the execution of GST, the commercial owners have to pay a much lesser tax of about 18-22%. Likewise, they do not have to reimbursement different duties to numerous subdivisions. It styles the job much calmer to business owner. The inference of GST comprised of double assessment system. If the place of dealer and purchaser are in same state means seller has to accumulate both CGST and SGST from purchaser, both central and state Government will decide on the suitable ration of sharing income.

Small Scale Units in Maharashtra:

In view of large number of units in the state, it has been decided to carry out Maharashtra state has taken for the detailed study. There are six regions in Maharashtra state. i.e. Aurangabad, Nashik, Kokan, Nagpur, Amrawati and Pune.

**THE JOURNEY OF
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THE LAST 75 YEARS**
(Banking, Insurance, Finance, Taxation etc.)

**Dr. Thorat M. B.
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Mr. Malegaonkar N. P.**



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A STUDY ON CONSUMER PERCEPTION TOWARDS GOODS AND SERVICE TAX

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ABSTRACT

The Goods and Services Tax (GST) is an indirect tax which is used in India on the supply of various goods and services. It is indeed a multistage, comprehensive, destination-based tax: it is Multi-staged, because the GST is being imposed at each and every step of the production processes, but it is meant to be actually refunded to all the parties at the various stages of the production other than just the final consumer, it is considered to be comprehensive because of the reason that it has actually subsumed almost all of the indirect taxes barring a few state taxes. And finally as a destination-based tax, it is usually collected from the point of consumption and not at the point of origin as it was in the case of previous taxes. This study thus attempts to analyze the awareness of consumers about GST and there by analyze the perception of consumers about GST.

INTRODUCTION

The tax system in India classified in two, namely Direct and Indirect taxes. Direct taxes are those taxes which are directly paid by individuals to Govt (income tax, Wealth tax, Corporate tax) and indirect taxes are taxes on goods and services (Central and state sales tax, Custom duties, Value added taxes, excise duties etc). GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017; Goods & Services

Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country. Now let us try to understand the definition of Goods and Service Tax – “GST is a comprehensive, multi-stage, destination-based tax that will be levied on every value addition.”

GST Council as set up to monitor its affairs. GST council is the main decision – making body that has been formed to finalise the design of GST, consisting of union finance minister, the chairman of the council the minister of the state (Revenue) and the State Finance/ Taxation Ministers. GST council make recommendation to the Union and the States.

GST RATES IN INDIA AT A GLANCE

	Types	Rates of GST	Goods and Services items list
1	Zero rated	0%	Goods: Essential Commodities like food grains, fruits, vegetables, milk, salt, earthen pots etc. Services: Charitable trust activities, transport of water use of roads and bridges, public library, agriculture, related services, Education and Health care services etc.
2	Low rated	5%	Goods: Commonly used items- LPG cylinder, Tea, Coffee, oil, Honey, Frozen vegetables, spices, sweets etc. Services: Railway transport services, bus transport services, taxi services.
3	Standard rated (I slab)	12%	Goods: consumer goods: butter, ghee, dry fruit, jam, jelly, sauces, pickles, mobile phone etc. Services: Printing Jobwork, Guest house, Services, related to construction business.
4	Standard rated (II slab)	18%	Goods: Marble, Granite, Perfumes, Metal items, Computer, Printer, Monitor, CCTV etc. Services: Courier services, Outdoor catering, Circus, Drama, Cinema, Exhibitions, Currency exchange, Broker Services in share trading etc.
5	Highly rated	28%	Goods: Luxury items, Motor Cycles and spare parts, Luxury cars, Pan masala, Vacuum cleaner, Dish washer, AC, Washing machine, Fridge, Tobacco products, Aerated water etc. Services: Five star Hotel accommodation, Amusement parks, Water parks, Theme parks, Casino, Race course, IPL games, Air transport (business class) etc.

Economic Reforms and Agricultural Growth in India: Issues and Challenges

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Abstract

Agriculture is playing a dominant role in Indian economy. India is an agrarian economy with 70 percent of the population living rural areas and 80 percent of the people depend only on farming, as their source of income. It is contributing 13.9 percent of GDP in 2013-14 and nearly half of the total work force is depend on agriculture and allied activities. But in spite of predominance of agriculture in the Indian economy, there are several deficiencies in the agricultural sector which adversely affect the agrarian productivity and also the socio-economic conditions of the Indian farmers. There are sign of agrarian crisis in some parts of the economy in some years which resulted in the spate of suicides of farmers in different areas of the country.

Key Words: Growth, Farming, Production, Potential, Cultivation, Fertilizers, Credit.

Introduction

Agriculture is playing a dominant role in Indian economy. India is an agrarian economy with 70 percent of the population living in rural areas, where 80 percent of the people depend only on farming as their source of income. It is contributing 13.9 percent of GDP in 2013-14 and nearly half of the total work force is dependent on agriculture and allied activities. But in spite of predominance of agriculture in Indian economy, there are several deficiencies in the agricultural sector which adversely affect the agrarian productivity and also the socio-economic conditions of the Indian farmers.

The Growth rate of agriculture has declined and production of food grains has virtually stagnated. There are sign of agrarian crisis in some parts of the economy in some years which resulted into the spate of suicides of farmers in different areas of the country.

Objectives of the study

Following are the objectives of present study-

1. To examine the trends of agricultural area, production and yield in India
2. To study the state wise yield of food grain area, production in India
3. To study Area, Production and Yield of Principal Crops in Various Countries

- 4. To find out issues and challenges in agricultural growth in India

Methodology

In order to judge the above objectives, the present study would like to use descriptive statistics. The study is based on the secondary data that is collected from the various sources like Directorate of Economics and Statistics, Economical Survey's etc. yearly data was collected on the use of fertilizers and production of various crops like rice, wheat and paddy and they were thoroughly analyzed. Some of the data points were missing and are estimating using interpolation techniques. The study uses data from a number of sources like, Ministry of Agriculture, Central Statistical Organisation, Fertilizer Association of India, etc.

Results of Agricultural production

India is the second largest producer of sugar, accounts for 14 percent of global output and 6th largest exporter of sugar, accounting for 2.76 percent of global export. Similarly India is considered as the largest country in the world that uses largest land holding for cultivation. It is also largest producer, consumer and exporter of spices and spice products. Agricultural export constitutes 19 percent of the country's export and the 4th largest exported principal commodity. The growth of agricultural production can be shown with the help of Table no.-1 and Figure 1

Table No. 1

Production of Food Grains and Other major crops in India (Million Tonnes)

Crop	2004-05	2010-11	2011-12	2012-13	2013-14	2014-15	2016-17	2017-18
Rice	83	96	105	105	107	105	110	113
Wheat	69	87	95	94	96	89	99	100
Coarse cereals	34	43	42	40	43	42	39	47
Total cereals	187	226	242	239	246	236	252	260
Pulses	13	18	17	18	19	17	23	25
Food Grains	198	245	259	257	265	253	275	184
Oil seeds(Lakh Tonnes)	244	325	298	309	328	267	313	313
Sugar crops (lakh Tonnes)	2371	3424	3610	3412	3521	3593	3484	3769
Cotton	164	330	352	342	359	355	300	349

Source: Directorate of Economics and Statistics, Min. of Agriculture and Farmer Welfare (2017-18)

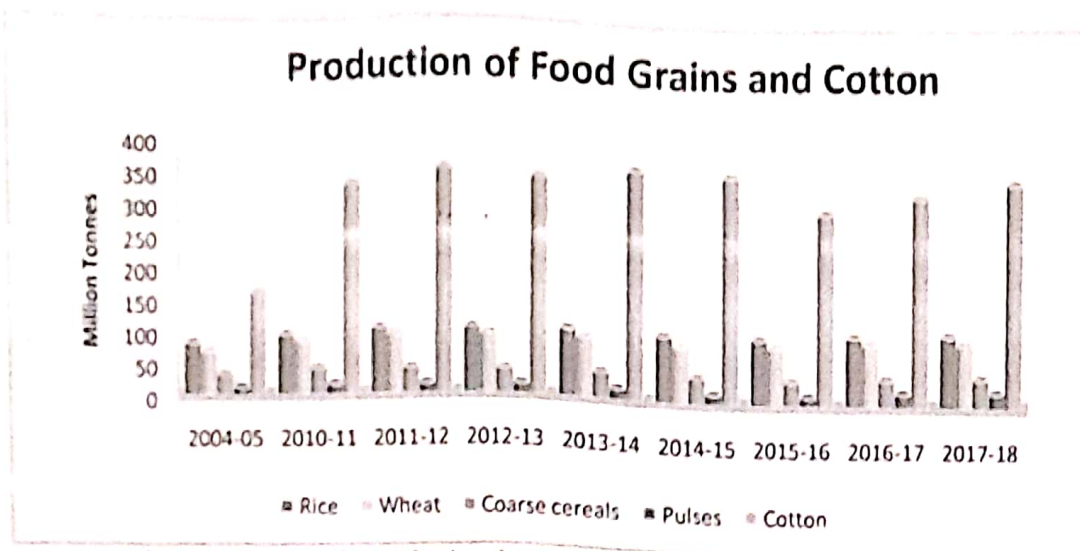


Figure 1- Trends of total food grain production in India 2004-05 to 2016-17

It is clear from Table -1 that the trend of food grain production is very fluctuating. In 2004-05 production of food grains is 198 million tonnes but in 2010-11 increased to 245 million tonnes. Again in 2011-12 it has risen to 259 million tonnes, but in 2012-13 it slightly decreases from 259 million tonnes to 257 million tonnes. Production of Rice and Wheat is also very fluctuating as shown in table. It is clear that from 2004-05 to 2011-12 production of both the crops increased from 69 million tonnes to 95 million tonnes and 83 million tonnes to 105 million tonnes. After that production of both the crops are almost stagnant as shown by table 1.

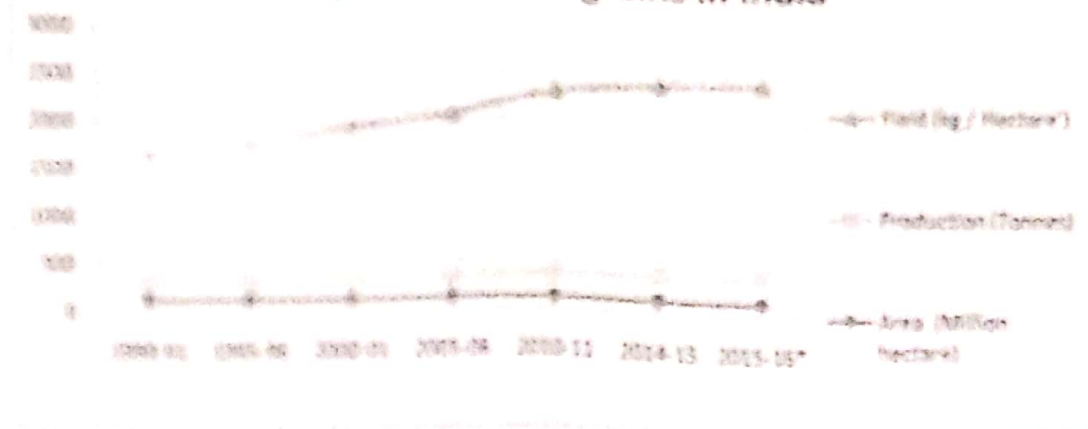
Table 2

Food Grains: All India Area, Production & yield with Coverage Under Irrigation

Year	Area (Million hectare)	Production (Tonnes)	Yield (kg / Hectare ¹)	Area under Irrigation (%)
1990-91	127.84	176.39	1380	35.1
1995-96	121.01	180.42	1491	40.1
2000-01	121.05	196.81	1626	43.4
2005-06	121.6	208.6	1715	45.5
2010-11	126.67	244.49	1930	47.8
2014-15	124.3	252.02	2028	-
2015-16*	122.65	252.22	2056	-

Source: Directorate of Economics and Statistics, Min. of Agriculture and Farmer Welfare (2017-18)

Figure 2- Area under food grains in India
Area under food grains in India



From Table 2 and Figure-2, it is clear that area under production has declined from time to time. In 1990-91, the area engaged in food grain production is 127.84 million hectares while in 2015-16 it is 122.87 million hectares (4th Adv. Est.). The percentage declines in Area under food grain production is (-) 4.05, while production increased by 42.98 percent during this period. Productivity increased by 48.98 percent from 1990-91 to 2015-16. It shows that Area under food grain production decreased but production and productivity remain increased because of appropriate use of critical input. A favorable monsoon and weather condition can also be responsible for good production.

Table 3
All India Estimates of Major Crops (kg./ hectare)

Crops	2005-06	2010-11	2013-14	2014-15	2015-16
Rice	2162	2279	2416	2391	2404
Wheat	2610	2989	3145	2750	3093
Maize	880	949	957	884	780
Bajra	802	1079	1184	1255	1154
Millets	1938	2540	2676	3632	259
Ragi	1534	1705	161	1706	1424
Coarse Cereals	1172	1531	1717	1703	1506
Pulses	598	691	764	728	652
Food Grains	1713	1930	2120	2028	2056

Source: Directorate of Economics & Statistics, ICAC & F.W (2016)

It is clear from Table no- 3 that yield of wheat, Ragi, Coarse Cereals, Pulses also declines during 2014-15 and 2015-16. Yield rate of Rice is 2416 kg./ hectare in 2013-14 declines to 2391 kg./ hectare in 2014-15. For Wheat it is 3145 kg./ hectare in 2013-14 and declines to 2750 kg./ hectare

in 2014-15. Yield rate of Pulses also declines from 764 kg./ hectare in 2013-14 to 650 kg./ hectare in 2015-16. Table 3 shows that Yield rate of Pulses, Coarse Cereals are almost stagnant or in decreasing trend.

Table 4

Area, Production & Yield of Principal Crops in Various Countries in 2014

Country	Area	Production	Yield	Production (%)
Paddy				
World	163000	741000	4546	100
China	43900	207000	6832	27.94
India	30300	157000	3576	21.19
Other Countries				50.87
Wheat				
World	220000	729000	3314	100
China	24100	157000	6515	21.54
India	30500	95900	3144	13.16
Other Countries				65.3
Pulses				
World	85191	77473	909	100
India	30309	19980	659	25.79
China	2379	4101	1724	5.29
Other Countries				68.92

Source: FAOSTAT (As on 26/12/2016)

When we compare the yield rate of India with other countries then we find that the yield rate is very low in India as compare to other countries as shown in Table no. 4. China uses less land than India but produces 28% Approx of world production of Paddy. The Yield rate of paddy in china is 6832 kg/ hectare as 3576 kg/hectare in India. In Wheat production yield rate of China is 6515 kg/ hectare where as in India it is 3144 kg/hectare. In Maize production USA got first with 10744 kg. / Hectare while in India it is 2560 kg./ hectare which is very low. In Pulses India produces 25.79% of total world production but again yield rate is very low as 659 kg./hectare where as in Canada it is 2031 kg./ hectare. The yield rate of Groundnut & Tobacco unmanufactured is very low in India as compare to others. Table 4 shows that India produces 21.19 percent of world production of Paddy whereas China produces 27.94 percent of world production of Paddy. China is number one in Paddy production. In Wheat production too China is number one with 21.54 percent of world production while India produces only 13.16-percent as shown by table-4. In Maize production USA is number one with 34.71 – percent, China second with 20.77 percent of World Maize production while India produces only 2.28 –percent of world Maize production. In pulse production, India is number one with 25.79 percent of world production.

Issues and challenges in agricultural growth in India

1. Pattern of land holdings and increasing landless:

Although significant changes are taking place in India's agrarian structure, but the basic agrarian structure has not changed much. There is only a slight tilt towards the expansion of small land holdings, over the years. Thus the Indian agriculture has remained primarily dominated by the small and the marginal holding. The reason behind the small size of land holding is sub-division and fragmentation of land due to the increasing population and breakdown of joint family system and also due to the forced selling of land to their debt repayment obligations.

2. Increasing cost of cultivation:

The two factors of rising cost of cultivation and the falling prices of agriculture produced were rooted in the policies of trade liberalization and corporate globalization. During the period of economic reforms, unemployment has also increased because of the unprofitability of agriculture. Decline expenditure on rural and agriculture development by the central government had also arrested the process of employment generation. The cut backs in the subsidies on fertilizer, fuel and power are not only the cost of the cultivation but also the possibility of surreptitious supply of spurious input increase.

3. Climate changes

According to Prof. S.S.Acharya, climate change and extreme weather events with greater intensity and frequency can have serious implications for our agriculture sector and create greater instability in food production and thereby farmers. In order to avoid harmful effects of global warming, small changes in our day to day life style is crucial turning point which need due attention. Techniques of remote sensing and geographical information system need to fully explore against various unpredicted outcomes because of fluctuating climatic condition.

4. Farmers suicide: A consequences of agrarian crises:

The most tragic part of India's agrarian crisis has been the increase in number of farmers suicides, not just the in the hotspot areas of Andhra Pradesh, Maharashtra and Kerala but in the allegedly once prosperous agricultural zone of Punjab. The main reason behind the suicide are the crisis of increasing per unit cost of cultivation, less increase in farm prices, low profit margin and incidence of indebtedness in agriculture. In most of the studies, indebtedness is the main factor linked with farmers' suicide. This co-exists with other risk factors such as decline in economic status, crop failure, dent in social position and inability to meet social obligations.

5. Improvement in agricultural productivity:

The strategy for doubling income of farmers would include raising agricultural productivity substantially. The productivity of the most of the crops is low comparing the international standard. Doubling income of farmers would have to involve massive investment in agricultural research and development, irrigation, fertilizer, agricultural market infrastructure (including development of e-markets) and agricultural value chains, supported by adequate and timely availability of bank credit and crop insurance.

Integrated farming for small farmers:

It is suggested that small and marginal farmers should be encouraged to adopt mixed farming for implementing. These farmers must be given incentives to adopt livestock activities and bee-keeping, duly supported by food processing.

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