

Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018 ISSN(o): 2249-7382 | Impact Factor: 6.939 |



# THOMSON REUTERS

## Contribution of Decision Making Process in Agriculture: A Perspective

Dr. Ashwini. H. Bidaralli Assistant Professor Department of Economics Govt. First Grade College, Shikaripura-577427, Karnataka State, India

#### **Abstract**

The human society today is witnessing unprecedented changes in all walks of life due to rapid development of science and technology. Consequently, every human being is called upon to make adjustments, which involve series of decisions. Decision-making is at the root of all human activities. Every individual is confronted with problems of decision making in all walks of life. Decision-making is important because much of the success of any enterprise and particularly farming depends upon how well the family makes decision. Every action of an individual is the result of conscious or unconscious decisions. The present decision has its roots in the past and reflects upon the future decision. It is a well-known fact that the success of rural development process largely depends on the participation of people at large irrespective of sex.

The problem of involving people whether it is men or women participation in the development process is now catching the attention of planners and policy maker because of increasing generation imbalance out of development process. The decision is the heart of farm management. Decision-making plays a vital role in agriculture enterprise, where women's high involvement in necessary. The participation of female in decision-making process is an important segment of each and every household. For agricultural modernization in the country as well as transformation of family life in rural society, it is very important to make cocksure the role of female in decision-making process. However, women are mostly used as manual power without any opportunity to take decision. Men's dominant and authoritative role while that of women's subtle and persuasive role which has been in vogue since time immemorial, joint family system vast gap between the improved technology and women certain norms of tradition and culture are some likes, which debar women from participation in decision making. So this necessitated the researcher to conduct a detailed study on the role of rural men and women in farm decisionmaking with respect to all farm and allied activities.

## **Key Words:** Decision Making Process, Farm Management, Participation of People

## Introduction

The human society today is witnessing unprecedented changes in all walks of life due to rapid development of science and technology. Consequently, every human being is called upon to make adjustments, which involve series of decisions. Decision-making is at the root of all human activities. Every individual is confronted with problems of decision making in all walks of life. Decision-making is important because much of the success of any enterprise and particularly farming depends upon how well the family makes decision. Every action of an individual is the result of conscious or unconscious decisions. The present decision has its roots in the past and reflects upon the future decision. "Decision making is the process of consciously choosing courses of action from available alternatives and integrate them for the purpose of achieving the desired goal." It is a well-known fact that the success of rural development process largely depends on the participation of people at large irrespective of sex.

The problem of involving people whether it is men or women participation in the development process is now catching the attention of planners and policy maker because of



Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018 ISSN(o): 2249-7382 | Impact Factor: 6.939 |





increasing generation imbalance out of development process. The decision is the heart of farm management. According to Bernard (1992) "decision may be organizational and personal." Again decision may be positive or negative both of which are inescapable but the negatively non – logical. A family woman as wife and mother has a considerable part in decision-making in the farm and home matters. Only when a woman in the family is convinced about the efficiency of new ideas in agriculture, they would be implemented on a large scale. Farm business is a family enterprise, in which husband and wife participate equally. It is therefore expected that all decision related to farm and home operations are taken without consulting others or by consulting the spouse/elder or by consulting all the family members, individually by the husband or wife.

Agriculture generally involves five stages viz. production, processing, consumption, storage and marketing. In most of the stages, farm women are actively involved. They participate in most of the agricultural operations like field preparation, sowing of seed, inter-cultivation, weeding, and plant protection measures harvesting, compost making, application of manures and fertilizers, cleaning of farm produce and storing of seed and food grains and processing of farm by-product. In the second stage, women have an all important role as they cook and serve the food to the family members, looking after children and husband and general house work. They are also actively involved in the third and fourth stages where processing and storage of grains are almost entirely the responsibility of women. Food crops and vegetable play a vital role in the maintenance of human health and make the diet nutritive and balanced.

The Government has been implementing various programmes for women such as soil and water conservation, nursery management, dairy development, social forestry and other income generating occupations related to agriculture like sericulture, mushroom cultivation, beekeeping, lac cultivation etc. in order to strengthen the women sector and make them confident and enhance their decision making ability. The Indian rural women generously credit their spouse for all decisions taken on their farm and allied activities. As the involvement of women in farm and allied activities remain invisible, so also their contributions to the decision-making. Earlier researchers have studied the participation of women in decision-making relating to few aspects of farming. But few studies have been conducted on the participation pattern of rural women in farm decision-making. Decision-making plays a vital role in agriculture enterprise, where women's high involvement in necessary. The participation of female in decision-making process is an important segment of each and every household. For agricultural modernization in the country as well as transformation of family life in rural society, it is very important to make cocksure the role of female in decision-making process. However, women are mostly used as manual power without any opportunity to take decision. Men's dominant and authoritative role while that of women's subtle and persuasive role which has been in vogue since time immemorial, joint family system vast gap between the improved technology and women certain norms of tradition and culture are some likes, which debar women from participation in decision making. So this necessitated the researcher to conduct a detailed study on the role of rural men and women in farm decision-making with respect to all farm and allied activities.

## Stages of Decision Making Process in Agriculture

The following paragraphs clearly describe how the process of decisions take at different stages viz., production, operational, strategic, administrative and marketing management. The classification of farm management functions indicates that the farm management decisions or functions can be categorized into production, administration and marketing functions.



Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018

ISSN(o): 2249-7382 | Impact Factor: 6.939 |



## I. Production and Organization Decisions

The farm manager (farmer) has to take vital decisions on production of enterprises and organization of his business. His decisions mainly focus on what to produce and how to produce. Such decisions can be further classified into i) strategic and ii) operational decisions.

## A) Strategic Management Decisions

These are the management decisions, which involve heavy investment and have long lasting effect. These decisions give shape to overall organization of the business.

- a) Deciding the best size of the farm: The size of farm depends upon type of farm business, irrigation potential, level of mechanization, intensity of usage of land and managerial ability of the farmer. The economic efficiency of each crop/or livestock enterprise and their combinations, when they are operated on different scales, are considered to decide upon the optimum size of the holding.
- b) Decisions on farm labour and machinery programmes: Deciding the most profitable combination of the factors to be used in producing a commodity is one of the important farm management decisions. What combination of farm labour and machinery should be adopted to get maximum returns? Would it be profitable to vary labour or land to better utilize a given set of machinery? These decisions are to be taken so as to reduce the cost of production.
- c) Decisions on construction of buildings: Decisions on size and type of buildings involve heavy investment, which become fixed resource for the business. Type of buildings, for the present pattern and level of production depends upon the kind and level of crops or livestock produced.
- d) Decisions regarding irrigation, conservation and reclamation programmes: As improvements of alkalinity, salinity and other soil defects require heavy investments, soil conservation and reclamation programmes often have to be spread over years. The choice of most economical method or a combination of methods of reclamation has to be made from among mulching, contouring, bunding, terracing and application of soil amendments, laying down of proper drainage and so on. Decision on irrigation programme is also very crucial because it involves heavy investment and it gives a flow service over long period of time and also improves the productivity of other related inputs.

## **B)** Operational Management Decisions

Operational management decisions are continuously made to carry out the day-to-day operations of the farm business. The investment involved in such decisions is relatively small and hence, the impact of such decisions is short-lived. These decisions are generally: i) what to produce? ii) how much to produce? how to produce? and when to produce? A brief discussion is made on these decisions below:

- What to produce? (Selection of enterprises): The objective of the farm business, i.e., maximization of returns, could be achieved through the best combination of different enterprises. The relative profitability of these enterprises will be useful to determine what to produce and what not to produce.
- How much to produce? (Enterprise mix): This decision has two aspects: Enterprise mix and resource use.
- A) Enterprise Mix: Combination of crop and livestock enterprises will depend upon the level of resources available, fertility of the soil, prices of factors and products in addition to the existence of complementary and supplementary relationship. Principle of substitution is used to decide the level of each enterprise, i.e., the scarce farm resources are first used for the most profitable enterprise and then the next best profitable enterprise is considered for inclusion.



Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018

ISSN(o): 2249-7382 | Impact Factor: 6.939 |



However, apart from profitability of each enterprise, factors like labour availability for each enterprise, size of land holding, use of by-products, maintenance of soil fertility, relative risks, distribution of incomes over time and efficiency in the use of machine power and building are considered to decide the level of each enterprise.

- b) Resource Use: The best combination and optimum level of inputs can be determined based on the substitution principle and these have to be decided for minimizing the cost of production and maximization of returns.
- How to produce? (Selection of least cost / efficient method or practice): Decisions, here, are made on the best practice or combination of practices and methods, which involve the least cost. The choice making from among the various alternatives has become a management problem. Although the objective generally is to select the least cost combination of inputs methods, consideration has to be given on the availability of resources in required quality and quantity at right time.
- When to produce? (Timing of production): Since the agricultural production is season-bound, it's timing has to be properly decided. However, farmer faces difficulty in selecting season, i.e., normal, early or late, for a particular crop due to non-availability of inputs in time and as a result he could not fetch maximum price for the produce.

#### II. Administrative Decisions

Along with production and organization decision, the former has to see that the work is done in a right way. Such administrative decisions are briefly discussed below:

- 1. Financing the farm business: While some farmers have their own sufficient funds, others may have to borrow. The problem is twofold, viz., a) utilization of funds within the farm business, and b) acquisition of funds, i.e., proper agency, time, type, and terms of credit. Cash flow analysis would be used to decide the timing and quantum of credit required.
- 2. Supervision of work: The farm manager has to ensure that each job is scrupulously done as planned.
- 3. Accounting and book keeping: Collection, analysis and evaluation of data have to be done in order to assess the performance of the farm at any point of time. Here decision is to be made on the kinds of farm records, time allocation and money to be spent on this activity.
- 4. Adjustments to government programmes and policies: Government programmes and policies on food zones, restriction on product movements, price support policy, input subsidy, etc. influence farm production and marketing. The farmer has to decide on the level of production and resource-use with the maximum economic efficiency at the farm level consistent with the government policies concerned.

## **III. Marketing Decisions**

A farm manager has to buy various farm inputs and sell out the produces in which he has to take rational decisions. While purchasing inputs he has to consider the following aspects: a) what to buy? b) when to buy? c) from whom to buy? d) how to buy? and e) how much to buy? Similarly, in selling out the farm produces he has to carefully ponder over the following points in order to maximize his farm income: a) what to sell? b) when to sell? c) to whom to sell? d) how to sell? and e) how much to sell?

#### Relationship between Farm Management and Other Sciences

Farm management is an integral part of agricultural production economics. Farm management is an intra-farm science whereas agricultural production economics is an inter farm or inter region science. The distinction sometimes made between production economics and farm management is based on macro and micro level contents respectively. In so far as various



Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018

ISSN(o): 2249-7382 | Impact Factor: 6.939 |



agricultural economic problems regarding agricultural finance, land tenure, marketing, etc., are concerned at farm level, the field of specialization related to each problem becomes an integral part of farm management.

Farm management is closely related with other social sciences like psychology and sociology. Farmer's ability to bear risk and uncertainty is influenced by his psychological characteristics. His decisions are also influenced by the customs, habits and cultural values of the society in which he lives. The acceptance of new production techniques and methods in farming is influenced by political decisions of the government like restriction or encouragement of growing of crops, ceiling on land holding, price policies, etc.

Statistics is another science that helps in providing methods and procedures by which data regarding specific farm problems can be collected, analyzed and evaluated.

Farm management relies closely on other branches of agricultural sciences such as agronomy, soil science, plant protection studies, animal husbandry, agricultural engineering, forestry, etc. These physical and biological sciences are not directly concerned with economic efficiency. They provide input-output relationships in their respective areas in physical terms, i.e., they define production possibilities within which various choices can be made. It is the task of the farm management specialist and agricultural economist to determine how and to what extent the findings of these sciences should be used in farm business management.

## Farm Management Problems under Indian Conditions

Farm management problems in India vary from place to place depending mostly on the degree of infrastructural development and the availability of resources. The following are some of the most common problems in the field of farm management:

- Small size of farm business: The average size of operational holding in India was 1.55 ha in 1990-91. The holdings are fragmented, too. Unfavorable land man ratio due to excessive family labour depending upon agriculture have weakened the financial position of the farmers and limited the scope for farm business expansion.
- Farm as a household: In most parts of the country, farmers, especially dry land farmers, follow the traditional combinations of crops and methods of cultivation. Work habits are closely associated with food commodities consumed and living conditions. Farm has become the means of livelihood of farmers and hence, subsistence farming is followed. Home management, thus, heavily influences and gets influenced by farm management decisions.
- Inadequate capital: The new technology demands costlier inputs such as fertilizer, plant protection measures, irrigation and high yielding variety seeds as well as investment on power and machinery. But perpetual debt and low marketable surplus prevent the farmers from adopting new technologies.
- Under employment: Unemployment results from 1) small size of farm, 2) large supply of family labour, 3) seasonal nature of production and 4) lack of subsidiary or supporting rural industries. It reduces efficiency and productivity of rural manpower.
- Slow adoption innovations: Small farmers are usually conservative and sometimes skeptical of new techniques and methods. However, once they try a new idea and find it effective, they are eager to adopt that. The rate of adoption, however, depends on farmer's willingness and his ability to use the new information.
- Inadequacy of input supplies: Farmers may be willing to introduce change, yet they may face the difficulty in obtaining the required inputs of proper quality, in sufficient quantity and on time in order to sustain the introduced changes.



Available online at: http://euroasiapub.org

Vol. 8 Issue 12, December- 2018

ISSN(o): 2249-7382 | Impact Factor: 6.939 |



- Lack of managerial skill: Due to lack of managerial skill among small farmers, adoption of new techniques and use of costly inputs could not be followed up by them.
- Lack of infrastructural facilities: Infrastructural facilities such as marketing, transport, and communication are either inadequate or inefficient and this results in the shortage of capital and quality inputs and non-availability of inputs in time.

## Conclusion

The decision-making plays a vital role in agriculture enterprise, where men and women high involvement is necessary to improve their agricultural productivity. The participation of male and female in decision-making process is an important segment of each and every household. For agricultural modernization in the country as well as transformation of family life in rural society, it is very important to make cocksure the role of females in decision-making process. However, women are mostly used as manual power without any opportunity to take decision. Men's dominant and authoritative role while that of women's subtle and persuasive role which has been in vogue since time immemorial, joint family system vast gap between the improved technology and women certain norms of tradition and culture are some likes, which debar women from participation in decision making. So this necessitated the researcher to conduct a detailed study on the role of rural men and women in farm decision-making with respect to all farm and allied activities.

#### **References:**

- 1. Bernard, L., (1992). PhD thesis, University Blaise Pascal, Clermont-Ferrand II, France.
- 2. Gokhe, Trupti (2007). A study on role of tribal farm women in decision making towards agricultural operations in Kurai block of Seoni district (M.P.).*M.Sc.* (*Ag.*) *Thesis*, JNKVV, Jabalpur.
- 3. Huddar, Nandini (1971). Decision-Making Practices with regard to Clothing Purchases. *An Unpublished M.Sc. Dissertation*, Nagpur University, Nagpur.
- 4. Sharma, B.M. (1988). Participation of Rural Women in Decision-Making Process Related to Farm Business. *An Unpublished M.Sc. Thesis*, P.A.U., Ludhiana.
- 5. Sunita (1977). Decision-Making Pattern of Rural Families with special Reference to the Role of Women in selected Agricultural Practices. *An Unpublished M.Sc. Thesis*, P.A.U., Ludhiana.

### Websites

- 1. William DM 2003. *Production Costs Critical to Farming Decisions*. From http://www/ers.esda.goc/
- 2. http://www.census2011.co.in/census/district/266-shimoga.html