

Trend of Cost of Production and Price in Manipur, India

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ABSTRACT: *The most important economic issue of income generation for farmers hinges on the prices received by them for their product, cost of production and profitability which are determined by a host of factors. It is, therefore, important to examine cost, price and profitability of agriculture to know the progress of agriculture in the state of Manipur. In this paper an attempt is made to analyse various issues of production cost, prices received by the farmers of their product and marketing aspects as well.*

KEYWORDS: *agriculture, capital, cost, income, production, rice, weather.*

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I. INTRODUCTION

Cost of production differs from season to season and place to place. There are also a number of external or other factors that affect the cost of production of agricultural product. Agriculture is the riskiest profession in the world, since natural factors like temperature, precipitation, hail and thunder storms, and pest epidemics influence crop yield and thereby the economic fate of the farmers. (Swamanathan 2010,7) It is a fact that the success of any economic activity depends upon proper planning and execution. However, in agriculture, the plan may look to be very sound but various conditions might change before it is properly executed. There are fundamental factors which make agriculture distinct from other economic activities and, therefore, difficult to determine cost of production beforehand.

Manipuris farmer are poverty stricken and indebted. They have no means to make sufficient investment in agriculture. Above all, knowledge of modern technology in agricultural practices and new agricultural development programmes i.e. farm water management focusing on exploitation of surface water, water harvesting technology, technology mission on oilseeds and pulses, adoption of High Yielding Variety (HYV) seeds with modern agricultural inputs, cropping intensive resource management, balanced and integrated use of fertilizers, importance of soil test and organic manure, bio-pest management, minimum support price programme of the central government, benefit of contract farming etc. are yet to reach the cultivators of the state. In a word, agriculture in the state is still practicing at a subsistence level as a survival of the ancestral line of activity.

Changing agricultural practice in the state requires various inputs which are imported from other states at high transport cost. Almost all variable inputs viz. chemical fertilizers, HYV seeds, pesticides etc. are imported from other states. Due to law and order problem, many times farmers in the state encountered shortage of these inputs. The price of inputs is exceptionally high in the state, but farmers cannot wait for cheaper price and used to buy at any price. Thus, with the rising input costs and wage rate makes the cost of production very high in the state. On the other hand, market for agricultural products in the state is very backward and farmers sell their product at local markets at low prices. Today price of local rice is greatly influenced by the price of imported rice. Sometimes farmers who have a large quantity of marketable surplus find it difficult to sell their product during the same season and compelled to store for quite a long period of time. Virtually market of rice in the state has been captured by the market of other states of India. Thus, farmers of the state are facing price fluctuations and uncertainty of their produce. Availability of imported rice at cheaper price discourages our farmers to grow rice. They consider rice farming is already a losing profession on account of high cost of production and no remunerative price. The present trend of declining profitability together with higher cost of new technology and a degree of uncertainty, in both price and productivity, meant that farmers had to bear tremendous risks in agriculture. Thus the present condition of agriculture in the state is very critical. High yield rate, high cost of production and low profitability is the present scenario of agricultural enterprise in the state.

1.1 Objective

The objectives of the paper are to examine rural economic scenario, to assess Land available for agriculture and water issues, to examine the trend of agriculture practice, productivity and production to assess cost of production, prices of agriculture produce, profitability and availability and access to credit of the state.

1.2 Hypothesis

- (i) A large number of surplus rural workers who are engaged in agriculture with low marginal productivity and low level of income.
- (ii) Over time the cost of production is increasing continuously not commensurate with the returns, thus making agriculture a non-profitable enterprise.

1.3 Methodology

An ideal approach to a study of this type involves a systematic and quantitative examination of the historical materials. Thus while probing the basic questions, the following general approach have been adopted. In the first place, the situation relating to all the aspects has been examined carefully using the secondary data. Then attempts have been made to analyse the agricultural practice at different points of time during 1951 and 2008. Statistical data relating to the present study have been represented at relevant places for empirical examinations. Secondary data collected from Agricultural census, population census, Economic Census, Periodical reports published by the Directorate of Economics and statistics, etc. are extensively used. In addition, primary data collected by carrying out field survey have been presented for micro level analysis. A detailed Cultivators Questionnaire was used to collect relevant information from the sample farmers of valley districts on cost of inputs, use of new technology, productivity, profitability and marketing of their products. On the basis of the requirement of the primary data, purposive sampling technique was adopted.

II. DISCUSSION

Agriculture deals with plants which are prone to a number of hazards resulting from unfavorable weather condition, infection etc. Protection of young plants from irregular climatic conditions, weeds, insects etc. are very expensive and difficult. In agriculture the law of diminishing returns begins to operate at an early stage and thus application of additional capital and labour units on a given piece of land leads to a less than proportionate increase in output and increase in the costs of production. The time-lag between the point of time when expenditure is incurred and the time when returns for such expenditure is another aspect for cost expenditure. The farmer who grows paddy has to go on spending in its cultivation, and wait till its harvest and sale of their product for a period of about six months. Agriculture being the household affair in the state, units are very small and widely scattered which are not feasible for large scale practice with modern technology. Therefore, the economy of large scale cannot be achieved by the farmers. The technical changes which have come up recently in terms of high yielding variety of seeds, chemical fertilizers, pesticides, farm machinery etc. lead to increase cost of production of agriculture.

What constitutes true element of cost of production is a big question. However, to examine a broad trend of increasing cost of production the present study considered land is the only fixed capital and other variable inputs are hired. It is also assumed that the imputed value of the services of family labour as paid out cost. Based on the above considerations a trend of cost of production without the land value, of agricultural production in state is analysed in Table No. 1.

Table No. 1

Trend of cost of production of rice per sangam/ (per.62 acre) in valley area of Manipur during 1995-2008

Sl.No	Item of Expenditure	Year			
		1995	2001	2005	2008
1	Ploughing				
	i) 1 st round	Rs. 180	Rs. 300	Rs. 400	Rs. 560
	ii) 2 nd Round	Rs. 180	Rs. 300	Rs. 400	Rs. 750
	iii) 3 rd Round	Rs. 200	Rs. 380	Rs. 650	Rs. 800
2	i) Lingba/Pamphe	Rs. 450	Rs. 650	Rs. 350	Rs. 300
	ii) Phoudi	Rs. 150	Rs. 250	Rs. 340	Rs. 500
3	Pengba/Weeding	Rs. 750	Rs. 1400	Rs. 2150	Rs. 2850
4	Fertilizers				
	i) Urea (Nitrogen)	Rs. 190	Rs. 250	Rs. 325	Rs. 750
	ii) D.A.P.				
	iii) MOP (Potasium)	Rs. 110	Rs. 280	Rs. 350	Rs. 700
	iv) S.S.P. (Single Supper phosphate)	Rs. 60	Rs. 110	Rs. 160	Rs. 300
		Rs. 85	Rs. 120	Rs. 250	Rs. 480
5	Pesticides (Hildal, Indosulphade Labourcharge)	Rs. 160	Rs. 150	Rs. 210	Rs. 310
6	Khaoba/harvesting	Rs. 500	Rs.750	Rs. 1050	Rs. 1350
7	Yeiba/Thrashing	Rs. 800	Rs. 1200	Rs. 1600	Rs. 2400
	Total	Rs. 3815	Rs. 6140	Rs. 8235	Rs. 12050

N.B : Cost of production is calculated per Sangam (i.e. 0.62 acre).

Source: Information collected from 57 localities/leikai were selected from Imphal East, 43 from Imphal West, 45 from Thoubal and 30 from Bishnupur respectively.

The reason for calculation of cost per Sangam i.e. 0.62 acre is that all the contracts for ploughing, transplanting, weeding etc. are made by the farmers in terms of sangam as the farmers hardly know acre or hectare. It is observed from the Table No.1 that soil preparation takes several rounds of ploughing and cost of ploughing during the period under study has been increasing which was Rs. 180.00 only in 1995 increased to Rs. 400.00 in 2005 and further increased to Rs. 560.00 in 2008. Most of the ploughing is done by tractors in the valley areas of the state. What is seen is that the cost of ploughing in 3rd round is greater than 1st or 2nd round because it involves much more internship plough in 3rd round than earlier only. It is pertinent to mention that cost of production is affected by the prevailing law and order situation in the state. As Manipur is plagued by a number of complex issues, any time there can be road blockade or economic blockades which lead to sharp price rise. Fuel for tractors is brought from other states and its availability fluctuates when there is any kind of disturbance in the state. The farmers have to purchase them from black market where the price have sky rocketed due to shortage in official sources. Similarly price of other inputs fluctuates very frequently due to economic blockade in the state and lead to increase cost of production for agriculture. Most of the inputs are time bound and cannot wait for cheaper price. Thus many factors have contributed to increase cost of production for agricultural products in the state. The total cost of production per Sangam in 1995 was only Rs. 3815.00 which increased to Rs. 12, 050 in 2008. It is also noticed from the same table that weeding expenditure has increased tremendously from Rs. 2325.00 per sangam in 2001 to Rs. 3815.00 per Sangam in 2008. The same is the case in harvesting and thrashing which indicates increasing labour cost in recent years. Thus, there has been a steady increase in cost of production. Besides this increasing cost of production, the farmers may also face unfavorable climatic conditions i.e. flood or drought situation.

2.1 Price Trend of Agricultural Product

It is true that the prices of agricultural products are a testimony of the general economy of a country or state. As agriculture is the mainstay of the state's economy, prices of agricultural product play a significant role in the economy. Thus, prices of agricultural products form the pivoted round which all other prices revolve. A fall or rise in price of agricultural goods always impacts a similar fall or rise in general price level of the economy. As agriculture depends essentially on the vagaries of the monsoon, it is subject to frequent fluctuations depending upon the success or failure of the monsoon.(Economic review1981-82,37) In Manipur price of agricultural product is also influenced by other social factors i.e. general strike and economic blockade called by different organizations. Since agriculture of the state cannot feed the growing populations a large portion of agricultural products are brought from other states of India. When there is an economic blockade price of rice and other agricultural goods automatically shoot up. Thus social factors are also responsible for fluctuations of price of essential commodities in the state. Fluctuations in the prices of agricultural goods affect the economic condition of all types of farmers-big, medium or small, to a great extent. The worse sufferers are the small farmers in the state. Harvesting season prices which are generally low are more relevant to small farmers as they cannot wait for better price and they suffer losses. Hence high prices at any time other than harvesting time do not bring about any increase in the incomes of small farmers. When there is low price of their produce farmers do not get enough income and forced to a life of bare subsistence and used to borrow from friends, relatives or money lenders to meet their family expenses. It is also true that small farmers, who cannot store enough stock for their family consumption, are compelled to buy rice at high price during post harvesting time. In both the cases they face hardship and always indebted. Thus price fluctuation leads to adverse impact on economic condition of the small farmers. The fluctuations in price of their products breed inefficiency in agricultural activities. Thus uncertainty of price of their produce discourages the farmers to undertake intensive cropping and proper planning to increase productivity and production. Thus, farmers lose confidence and incentive when there is uncertainty of price of their product, and they undertake indifferent farming which leads to low productivity and production. They become a victim of circumstances and trapped in the vicious circle of poverty. Price fluctuations have many harmful effects both to the producers and consumers. It is, therefore, important to examine the trend and nature of price of agricultural product in the state.

In the past, rice produced by the farmers could feed the population of the State. In fact, there were no facilities for import and export of goods, and whatever produced were meant for local consumption. A handful of outsiders, mostly small traders, started business of all kinds and introduced rice mills in Manipur. They collected rice from different parts of the state through their agents and exported to other states. A large number of people who earned their living by husking paddy were thrown out of their employment.(Singh1989,53) The poor people could not, therefore, purchase rice and were starving. These were the main causes of the great agitation in Manipur known as Nupilal (women's war) in December 1939. In a subsequent event there was a mass agitation by students organizations for price rise in the state in 1972. In the agitation many students were

injured and one girl student was killed on 27th August by government force. The day is still observing as hunger martyr's day in the state. Thus food inflation is not a new phenomenon in the state and price fluctuation is a regular phenomenon.

Table No. 2
Average wholesale price of rice in Manipur during 1962 to 2007 (in Rs. per quintal)

Year	Fine Rice	Medium	Coarse
1	2	3	4
1962	44.93	42.48	NA
1971	134.14	123.60	102.52
1975	206.46	181.04	175.00
1978	224.00	209.00	185.00
1980	300.42	275.83	239.09
1981	333.33	301.25	258.33
1992	808.75	778.75	679.37
1994	883.3	854.91	734.66
1995	969.00	643.92	816.00
1996	1036.17	966.08	819.86
1998	1150.35	1103.13	1042.71
1999	1378.64	1321.59	1164.52
2000	1326.75	1276.88	950.00
2002	1225.00	1175.00	NA
2004	1137.50	1075.00	1025.00
2006	1500.00	1450.00	NA

Sources : i) Government of Manipur, Directorate of Economics-Statistical Handbook of Manipur, 1982, p. 104, 105, 199, 196 and 197.
ii) Government of Manipur, Directorate of Economics and Statistics- Price Statistics Manipur, 2008, p. 7.

Table No. 3.
Percentage variation of price of rice over the previous year during 1997 to 2007 at Imphal Khwai Bazar, Manipur

Year	Fine Rice	Medium	Coarse
1	2	3	4
1997	9.41	12.24	10.77
1998	1.72	1.73	14.81
1999	19.16	19.04	11.68
2000	3.21	2.76	18.42
2001	12.88	13.64	5.26
2002	5.98	6.55	NA
2003	10.20	10.64	NA
2004	15.74	17.31	NA
2005	9.89	10.47	NA
2006	20.00	22.11	NA
2007	6.67	6.90	NA

Source : Government of Manipur, Directorate of Economics and Statistics, Price Statistics of Manipur, 2008, p. 8.

It is observed from Table No. 2 that there was continuous rise in price of rice which more than double during 1971 and 1981. Further, during 1981 to 1992 the same trend could be observed i.e. price of rice which was Rs. 333.33 per quintal in 1981 increased to Rs. 808.75 per quintal in 1992. Another peculiar feature of price rise in the state is sharp fluctuations of price for all grades of rice available in the state (Table No. 3).

2.2 Causes of Price Rise

There are a large number of factors which lead to the rise in price of rice and frequent fluctuations of prices in Manipur. Some of the main factors may be analysed as followed:

- a) Poor performance of agriculture which could not keep pace with the rate of increase in population.
- b) The prices of agricultural products are governed not by local conditions alone but also by national and international factors. The trend of price rise at national and international level greatly influenced the price trend in the state.
- c) Since agricultural production of the state cannot feed increasing population, a large portion of our requirements are imported from others states and thus transport bottleneck has become an important contributing factor to the present price rise in the state. It is pertinent to mention that rice market of the state

has been captured by the competitors of other states. Price of rice, which is the only main agricultural product of the state, is determined by the price of imported rice. When there is any trouble in supply from other states price fluctuates in Manipur.

- d) Another serious factor that leads to price fluctuation in the state are social factor i.e. the prevailing law and order conditions. Since the state is plagued by a number of complex issues a number of disobedience movements in the form of general strike, economic blockade, bandh etc. are experiencing which lead to price fluctuation every now and then in the state.
- e) The Government of India has adopted various measures for development of agriculture since 1951. In order to ensure remunerative price for the farmer, and to safeguard the interest of the consumers the Agricultural Price Commission was set up in 1965. Under this policy Minimum Support Price and Procurement prices are regularly announced by the Government in advance. Similarly, to safeguard the interest of the consumers, the agricultural price policy has made provision for buffer stock of food grains for its distribution among the consumers through public distribution system. However, such programmes of the government are not effectively working in the state and the price of essential commodities is determined by market mechanism.
- f) Financial conditions of the farmers in the state are also responsible for the fluctuations of price in the state. Most of the farmers are poor and compelled to sell their product just after the harvest as they cannot wait for better price. It results in excess supply in the market and fall in prices but when there is a short supply in the off season, prices shoot up.

2.3 Need for Stabilisation of Agricultural prices

Price stabilization is very important both for producers and consumers of a state or country. Uncertain trend in the production of agricultural crops and the resultant fluctuations in the prices of these commodities-particularly of foodgrains are the most disquieting features in the agricultural economy of the state. (Islamuddin1984) As a result of the continuous failure of supply to adjust to the increasing demand for the essential commodities, the price situation has become more complex and difficult in recent years. The increasing prices of foodgrains worked to the disadvantage of the farmer and are too obsessed with the interests of the consumers. (Nadkarni1973,104) They worked rather to the advantage of only a handful of trader-profiteers. Thus a handful of traders play a significant role to fix prices of agricultural products in the state.

Thus price fluctuation has been one of the main obstructing factors for success of agricultural progress in the state. In a situation of persistent shortages of supply and high consumer prices, price policy must be directed towards providing an assured minimum support price to an increasing proportion of low income families in the state. This becomes all the more important in the case of developing countries where even a marginal deficit in foodgrain supplies is likely to generate a sharp rise in prices due to low price elasticities of demand for foodgrains in these countries.(Kaur1975,5) The statement of Mrs. Kaur is quite relevant to prevailing conditions of the state. Since 90% of the population of the state take rice as their staple food, any kind of abnormal situation in the food front makes the few hands easily handle and direct to their advantage position. The state government should come forward to stabilize the price of essential commodities in the state and protect the interest of the producer and the consumer. The farmers in the state have been facing financial burden since rice cultivation is already a losing profession on account of high cost of production and no remunerative price. It is a fact that, if interest on land value and wages to family labour are taken into consideration there is hardly any profit to the producer. It is need of hour to find out ways and means as to how cost of production could be brought down substantially and remunerative price given to the poor farmers.

Table No. 4
Cost of production and selling price of rice in Manipur valley during 1995-2008

Year	Cost of production per Sangam (0.62) Acre	Output Maund (40 kgs)	Market price per Maund (40 kgs.) October/November	Income per sangam (0.62 acre)	Profit/Loss
1995	Rs. 3815	30 Maund	Rs. 160	Rs. 4800	Rs. 985
2001	Rs. 6140	33.5 Maund	Rs. 240	Rs. 8040	Rs. 1900
2005	Rs. 8235	37.5 Maund	Rs. 300	Rs. 11250	Rs. 3015
2008	Rs. 12050	39 Maund	Rs. 450	Rs. 17550	Rs. 5500

Note : Harvesting time price of rice is relevant to the farmers.

Source: Information collected from 57 localities/leikai were selected from Imphal East, 43 from Imphal West, 45 from Thoubal and 30 from Bishnupur respectively.

It is observed from Table No. 4 that cost of production of rice in the state is substantially increasing. The total cost of production per Sangam increased sharply from RS. 3815.00 in 1995 to Rs. 6140.00 in 2001, which further increased almost double upto Rs. 12,050.00 in 2008. On the other hand growth of output during the corresponding years could not increase much. From the same table it can be seen that profitability of rice

cultivation in the state is negligible. Therefore, farmers are not willing to stay on agricultural activity and ready to leave the profession if they could find an alternative job. Unemployed youths of the state are not ready to join the profession. If the agriculture is remunerative as is done in Punjab, Haryana etc., where farmers could fetch considerable income, educated youths of the state can be attracted to agricultural sector and utilized their service productivity. The present trade regime demands competition in which technology, skilled workers, investment etc. are the important ingredients. Agriculture in the state is in a traditional stage, farmers both landless or land owners carried out cultivation without business consideration or profit motive. They consider agriculture only for annual family consumption, beyond that farmers hardly expect income from agriculture. Many constraints led to poor performance of agriculture in the state and farmers cannot compete in the market.

It has been seen that the price of local rice, which is considered superior in quality, is influenced to a great extent by the price of imported rice. Availability of rice from neighbouring states at cheaper prices leads to discouragement of paddy cultivation which is chief agricultural activity in the state. If this trend continues for a longer period of time, the foundation of our economy will not be able to establish. It is, therefore, necessary to labour positively as to how agriculture sector could be transformed to a profitable economic activity in the state. No business can survive without a reasonable return. Without a proper infrastructure we cannot dream for agricultural development in the state. In this age of competitive market, our agriculture is in a pathetic condition.

2.4 Agricultural Marketing in Manipur

Marketing of agriculture products at reasonable price is the most important for the farming community as it is the only means to getting a value of their product. It is all the more important for small farmers, with small marketable surplus. Since agricultural product is a seasonal phenomenon there is every possibility of price being low in the harvest season and the farmers being exploited. It is, therefore, necessary on the part of the public authorities to organize market centres for agricultural goods and regulate market through such networks of market. The purchase of the agriculturists' requirements and the sale of his produce are key activities in the business of farming. Due to his inability to secure a fair deal at these two stages, the average agriculturist is denied the full fruits of his industry.

Marketing of agricultural produces starts in the village or in the nearest local markets. Farmers used to sell small portion of their produce to meet family requirements. Due to lack of transport and communication facilities and also to avoid mischief of middlemen farmers hardly go to big markets. Thus village markets are very important market centres for selling agricultural goods in the state. These village markets are very important centres and these are the socio-economic institutions of villagers because not only the transactions of buying and selling are held here; but these are also the centres for the social intercourse of the people of the surrounding villages on various important programmes and engagements. (Islamuddin 1984,90) Women traders, professional dehuskers, buy rice from the farmers at the village market and mill it to sell to the big traders.

Thus, there was a chain of rice marketing viz. small and marginal producers, village Mahajans, professional dehuskers, rice mill owners, co-operative etc. Another form of rice marketing which still found in the villages of Manipur is selling the crop in advance, while the crops are standing in the field, at a very low price which is known as Phoudam Sel. (A local term: A system of taking loan/advance by small farmers from the traders, mill owner etc. and made the repayment in kind i.e., Rice) Sometimes, "the mill owners and their agents visit villages and advance money before the crop are harvested. They also meet the growers and brokers in the villages and central markets, inspect samples and settle prices and the produce is delivered to their godowns. In Manipur, trading of agricultural products are mainly done by the women folk. They earn good income to support their family. Before Manipur state merged in the Indian union, the main source of income of the state was from the export of rice and other agricultural products. A Government sponsored company was formed and started procurement of paddy from the year 1946. The situation of rice trading changed from 1959-60 onwards. On account of the devastating floods, rat menace, other natural calamities, disturbed law and order situation in the hills etc. production of rice dwindled and the price shot up sharply. The State Trading Organisation could not procure new stock of rice at the procurement price fixed by the Manipur administration. The Manipur A per-co-operative Marketing Society, Chingmeirong was entrusted with the work of marketing of agricultural products of the state. However, the society could not take up the marketing business successfully and left the business.

In recent years demand for local rice for primary consumption has declined considerably. One of the reasons for such decrease in demand for local rice is health consciousness by the urban population. Demand for imported rice has increased during the two decades. (Statistical handbook, 2002) Thus the market share of local rice has come down considerably during the last few years. Due to low price most of the poor families consume imported rice. When there is more stock of imported rice in the market, it becomes a problem to sell local rice at a reasonable price. However, rice mill owners used to collect rice during harvesting time and hoarded for about three or four months and sell at profitable price. Marginal and small farmers who have small marketable surplus sell their products to the mills located in the nearby village. Local liquor producers are also the main buyer of local rice as imported rice is not suitable for the purpose.

2.5 Availability and Access to Credit

Any productive economic activity requires capital. Next to land, capital is the most important input as it enables the farmer to make necessary investment for agriculture. Capital requirement is more serious in the case of agriculture because there is a time lag between ploughing, harvesting and selling of produce, which lasts at least six to seven months. The farmers need credit support for long term investment viz. improvement of land and other infrastructure and short term credit while waiting for the harvesting time. From the time immemorial, credit support was provided by landlord-trader-moneylender who often combined as the same source. In fact this made an inter-linking of the labour, credit and product markets in exploitative relationship. A small or marginal farmer who borrows money from a landlord has to pay interest or work for him with or without remuneration in the process because getting money is at the mercy of the landlord. This system of credit practice in rural areas imposes a heavy burden on the farmers. However, in the absence of other agencies for agricultural finance the role of moneylenders cannot be ignored in a state like Manipur. In rural areas of the state the moneylenders remained a preferred source of finance. In this context the All India Rural Credit Survey Committee observed perhaps most important of all and at the same time, illustrative of his adaptation to needs is his ability promptly to hand over the money, in order that some expenditure which brooks no delay may be helped to be met at once, there is no need for him to wait someone else's sanction, and the compulsions mentioned above enable him, if he so chooses, to dispense with or postpone all or any of the legal formalities. (Singh 2002, 292) In Manipur the role of institutional credit agencies is very far behind as compare to other parts of the country. In India a major thrust to the provision of institutional credit was provided by the nationalization of the major commercial banks in 1969. This was followed by the establishment of Regional Rural Banks in 1975 and the National Bank for Agriculture and Rural Development in 1982. Thus the flow of institutional credit to agriculture has increased considerably (Table No. 5).

Table No. 5
Flow of institutional credit of agriculture in recent years in India

(Rs. Crore)

Source	1990-91	1995-96	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
Co-operative Banks	4608	10479	20801	23604	24296	26959
Commercial	5010	11553	35026	39441	46514	60022
Regional Rural Banks						
Total	9618	22032	55827	63045	70810	86981

Source : Economic Survey 2003-4, Govt. of India, Ministry of Finance.

In Manipur, institutional credit facility is inadequate, only a few rich and large farmers have easy access to institutional credit. Neglect of small and marginal farmers coupled with the general level of inadequacy of credit further accentuates the inequalities within the rural farming community.

III. CONCLUSION

In the forgoing pages an attempt has been made to examine increasing cost of production, marketing system and changing price of agricultural produce, and availability and access to credit for agricultural activities. The responsible factors for fluctuation and low growth rate of income in the state could be backwardness of agriculture and low rate of food grain production. The present crisis cannot be solved by the poor farmers alone. The public authorities, agricultural scientists, officials, academicians and NGOs should consider agriculture as the foundation of any development plan in the state. Yoginder K. Alagh rightly pointed out, without a dynamic agriculture, inclusive growth becomes a mirage. Due to lack of knowledge and physical connectivity poor farmers do not know market orientation. Government officials and agricultural scientists who know present market trend should educate our farmers the value of market orientation in terms of what to produce, when to produce, and how much to produce a particular product. Market oriented agricultural production planning should be introduced at state and farm level.

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