

## Ministry of Education

Secondary Engagement Programme

October 2020

Week # 5

Lesson # 2

Grade :10

Subject : Agricultural Science

Topic : The role of the Government and the Private sector

### The role of the Government and the Private sector

#### Subsidies

- An **agricultural subsidy** is a cash or kind payback system paid to agricultural business, agricultural organizations and farms to supplement their income, manage the supply of agricultural commodities, and influence the cost and supply of such commodities.
- Agricultural subsidies were originally instituted to stabilize markets, help low-income farmers, and aid rural development.
- It is meant to lower the cost of production
- Savings are passed on to consumers

#### Training

- Training is critical input for the farmers for quick transfer of technology.
- It serves to develop skills and knowledge
- It helps farmers to keep up with science and technology
- It promotes modern methods of agricultural practices
- Government programmes include Extension workshops.

#### Incentives

- Incentives to agricultural production are continuously changing in response to shifts in both agricultural policies and agricultural prices.
- These shifts impact the production and consumption choices made by farmers and consumers, which in turn impact hunger and malnutrition, change labor markets, and shape the global picture on climate change.
- Incentives help to build self-esteem and encourage more people to get into agriculture.
- Providing incentives to farmers keep them involved in agriculture eg. Most innovative farmer, best farmer of the year, etc.

#### Credit

- Credit can play a pivotal role in increasing agricultural production and also in improving the level of living standard of the rural households.
- By credit one means, “ability to command the other’s capital in return for a promise to pay at some specified time in the future”.
- It provides the opportunity to use additional inputs and capital items especially to the farmers who intend to bring in improvement with their lot.
- Government provides credit at low rates of interest to enable farmers to develop agriculture projects and to pay bills eg. labour and feed.
- The Agriculture Development Bank (ADB) is one institution that extends credit to farmers.

## **Infrastructures**

- Infrastructural services including roads, recreational and educational facilities, electricity, telecommunications and irrigation, are all considered to be of major importance in stimulating agricultural investment and growth.
- However, their existence is still very limited in most rural areas of many developing countries.
- Lack of rural infrastructure development results in ;
  - -rural-urban drift
  - -abandonment of agricultural lands
  - -shortage of agricultural labour

## **Market facilities**

- Efficient marketing infrastructure such as wholesale, retail and assembly markets and storage facilities is essential for cost-effective marketing, to minimize post-harvest losses and to reduce health risks.
- Markets play an important role in rural development, income generation, food security, and developing rural-market linkages.
- Planners need to be aware of how to design markets that meet a community's social and economic needs and how to choose a suitable site for a new market.
- Rural assembly markets are located in production areas and primarily serve as places where farmers can meet with traders to sell their products.
- The characteristics of whole sale markets have changed considerably as retailing changes in response to urban growth, the increasing role of supermarkets and increased consumer spending capacity.

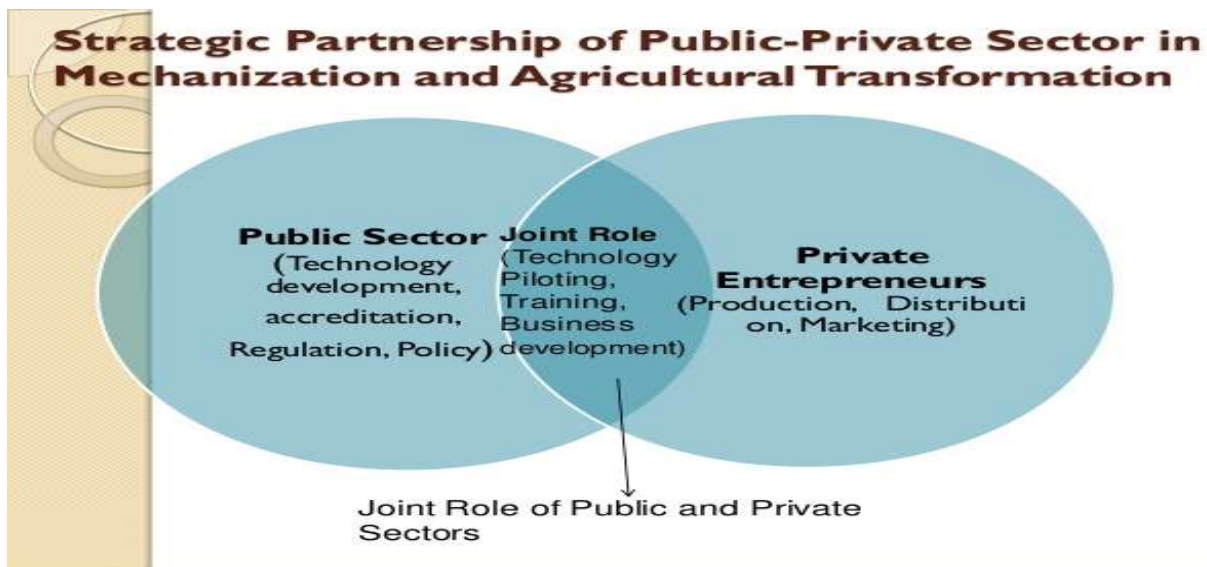
## **Downstream Industries**

- They usually involved the private sector. They convert raw materials to manufactured products.
- They generate employment.

- They are important in the market chain.

## Agriculture Policy

- This is a course or method of action that is in the best interest of the nation
- The policies are designed to guide and determine present and future decisions
- The policies can be developed for individual enterprises.



## Review questions

1. List three subsidies that are offered to farmers in your country
2. List four requirements farmers need to produce when applying for a loan from a financial institution.
3. State three negative impacts of poor market facilities
4. Why is training a critical role in the development of Agriculture?
5. Who are the Agriculture policy framers in your country?

## References

**S. Ragoonanan, Agriculture for C.S.E.C Revision course. Caribbean Educational Publishers.**

**R. Ramharacksingh, Agricultural Science For C.S.E.C Examinations Macmillan Publishers.**

### Internet

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