

GROWTH OF AGRO BASED INDUSTRIES

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Abstract:

*Introduction-agro based industries-globalization and liberalization -impact-
Technological progress-objectives – perspective- agricultural commodities- growth -
agro processing industries - food processing industry-wheat industry - fruits and
vegetable- dairy industry and paper industry- conclusion.*

KEYWORDS:

Growth , Agribusiness , globalization and liberalization .

INTRODUCTION

Agribusiness has strong linkages with the industrial agricultural and services sectors and has mutual impacts on each of these. It is the single largest sector of economy in many developing countries which is growing fast. Agriculture currently accounts for only about 30 per cent of GDP in India as also for many other countries like SriLanka and Bangladesh and has been on a decline. But if we take an agribusiness perspective of economy then even now more than 51 percent of India GDP comes from the agribusiness sector which includes the following agricultural input sector the farm production sector, agro processing, including food, manufacturing sector and the food/fiber distribution and marketing sector. Through sector like agro processing and retailing or distribution are considered as a part of the industrial and services sector respectively they are directly dependent on what happens on or around the farms. Therefore they are legitimately part of the agribusiness sector as agribusiness includes any land based or allied food or fiber production and activities deriving from them as long as the raw material base is biological in nature . most of the rural non farm sector which is targeted for employment generation today is nothing but agribusiness and depends directly on what happens in farm sector.

Globalization and liberalization are likely to have the greatest impact on the rural poor through their influence on the agricultural sector terms of trade availability and cost inputs and new investments in the agribusiness sector. Technological progress in farming can help the rural poor by raising farm productivity, lowering food prices, increasing employment and reducing farming risk. But the role and influence of multinational corporations in food production and trade will as an institutional mechanism, determine the exact impact of globalization on the rural poor who are mostly from the labour class. Contract farming promote participation of domestic firms and MNCs in farming ad is seen as the new investment aspect of globalization

OBJECTIVES

This paper examines the profile and impact of agribusiness corporations, supermarkets chains and such agencies on primary producers in India from the perspective of rural poverty reduction.

India is world largest producer of agricultural commodities and it has the largest livestock population reflecting the huge potential for India in the dairy and meat segments. This base in agriculture

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can not only feed India large and growing consumption base but also become a key supplier of food to the world. India possesses 11 per cent of the world arable land which is approximately 171 hectors the growth of agro processing industries are food processing industry, wheat industry ,fruits and vegetable, dairy industry and paper industry are discussed in following

FOOD PROCESSING INDUSTRY

The agro processing sector has grown appreciable during the last two decades. There are 40000 modern rice mills besides 100000rice hullers 5000 shelters and 9000 hullers cum sellers which together can process two thirds of Indian paddy production. The employment growth in the agro processing industries during the year 2013 as against the 1990 was higher in the case of only fruit and vegetable processing ,meat, fish, edible oil and cashew, while net value added growth rates were higher than those in the later 1990. The industry especially the MMSME(SSl&ARI) and rural based suffers from low productivity and lack of capital and market orientation. The major problem of the agro processing industry are non availability of quality raw material in adequate quantity at reasonable cost and at the right time besides financial and demand constraints.

WHEAT BASED INDUSTRY

Within the wheat based processing industry bakery constitutes the largest segments of grain based processed foods. The industry is characterized by the presence of large number of unorganized players exceeding 50000. There are only about 20 players who market branded packed bakery products as far as bread is concerned , the total bread production in the country is estimated to be 4.37 million tones annually.The unorganized sector is estimated to have as many as 75000 bread baker located in residential areas. From being a low priced commodity bread has gradually developed into a bread product.

FRUIT AND VEGETABLE PROCESSING INDUSTRY

Though only about 2 percent of these crops are processed ,the sector has many existing large scale players and many new ones entering the sector with large investments both in value added fresh and processed product. India meets around 80 per cent of the world demand for spice oils and oleroresins. Major spices in term chilli, cumin seed, mustard seed, coriander seed, pepper, cardamom, turmeric and fenugreek.

DAIRY INDUSTRY

The Indian dairy production system is dominated b small producers. There are around 125 million milk animals reared by 95 million farmers. The share of landless, small and marginal farmers is 72 percent in milk animals and 66 per cent in milk out put . There are 100000 village dairy co-operative with a farmer membership of the order of 22 million. These primary cooperative federated in to 180 district cooperative milk unions and further into state cooperative dairy federation. The dairy cooperative network collect about 20 million liters milk per day . A major share of the milk processed in the organized sector is in the form of packaged liquid milk. Other processed item include ethnic sweet, milk powder, ghee,butter,cheese and ice cream. In the unorganized sector a major share is processed into milk based sweet and a smaller share for making yogurt butter and ghee.

PAPER INDUSTRY

Indian paper industry has annual production capacity of 10 million tones. It generates annual turnover of approximately 150 million . it directly and indirectly employes nearly 1.5 million people. There are now 616 units engaged in the manufacture of paper and paperboards and newsprint in India. The country is almost self sufficient in manufacture varieties of paper and paperboards.

CONCLUSION

After independence the agro based industries growth was slow due to low investment level. Now the agro based industries are progressing well because the demand for processed food is growing due to population and also income levels are processing with the background the Indian agro based industry is stepping into 21st century.

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