



## Role of Agro-Based Industries in Indian Economy

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### Abstract:

The foundational pillars of the Indian economic structure and socioeconomic growth are agriculture and agro-based businesses, and these industries are destined to be crucial to both of these processes of development. In light of rising unemployment, balanced agro-industrial

The sole option to enhance socioeconomic growth appears to be development. The current study, Agro-Industries and their Impact on the Socio-economic Development in Indian economy has been undertaken as a model with this viewpoint in mind. Analysis and justification of the actual connection between agro-industries and socio-economic growth are also on the agenda. The Indian is rich in agricultural raw materials and agro-sectors, including the sugar, rice, flour, textile, and oil industries. items from agriculture, such as Sugar cane, wheat, rice, cotton, oil seeds, and other live animal wealth and horticulture goods offer agro-based enterprises both direct and indirect access to a plentiful supply of agricultural raw materials as well as a means of estimating that supply. Major agro-based industries' growth and distribution patterns, as well as those of minor agro-based cottage businesses, live stock-based industries, and horticulture industries, are crucial for the socioeconomic development of the region.

**Keywords:** Agro-based industries, development, Agriculture, socioeconomic

### Introduction:

Due to their reciprocal dependence—agricultural supplies inputs to industry, which uses output from agriculture to increase production—agriculture and industry are essential elements of the development process. There are several industries which are centered on agricultural produce. Agriculture provides the raw materials and other essential inputs for agro-based enterprises. This interdependence must be tailored to our nation's and state's needs. Agro-industries experience rapid growth in output and employment as agricultural production stabilises and increases. Also, the expansion of agro-industries and agriculture together create



more chances for the integration of the many economic sectors and for industrial growth. Food processing industries and non-food processing industries are the two categories into which agro-based industries can be divided. The major tasks of the food processing industry are to preserve perishable goods and use byproducts for other things. Processing of grains such as wheat, rice, maize, barley, pulses, meat, fruits, and vegetables is one of these industries.

### **Classification of agro-based industries**

Generally Agro-based industries divide in four types

- 1. Agro-produce processing units:** These organisations primarily deal with the preservation of perishable goods and the use of byproducts for other purposes; they do not engage in manufacturing. They just refine the basic material so that it can be delivered and preserved at a lower cost. Rice mill and dal mill is a good example of Agro-produce processing units.
- 2. Agro-produce manufacturing units:** These sectors of agro-based industries specialise in the production of novel items, where the completed goods diverge significantly from the starting components. Sugar factories, bakery, solvent extraction units, textile mills is a example of Agro-produce manufacturing units.
- 3. Agro-inputs manufacturing units:** Industrial facilities that generate commodities for the mechanisation of agriculture or for boosting productivity fall under this category. Agricultural implements, Seed industries, Pump set, Fertilizer and pesticide units it's an example of Agro-inputs manufacturing units.
- 4. Agro service centre:** Agro service centre *provides non-industrial, agriculturally-oriented services to the rural community*. Pump sets, diesel engines, tractors, and other types of farm equipment are repaired and serviced at agro service centers, which are shops and service facilities.

### **Objectives:-**

- To study the role of agro-based industries in economic development.
- To understood the need of agro-based industries in Agriculture sector.
- To study the role of the agro-based industry to reduce the regional imbalance.
- To understood the need of agro-based industries in Sustainable Development.
- To understood the problem and challenge of agro-based industries.

**Research Methodology:**

Secondary research was conducted to review the role of agro-based industries in economic development. Data has been collected through secondary sources i.e. published articles, journals, newspapers, reports, books websites and Government record like that economic survey, statistical record.

**Role of Agro-Based industries in Economic Development in India**

- 1. Generate the job opportunity:** Employment generation it's a need of Indian economy, agro-based industries play the important role in employment in this. Direct and indirect employment prospects in the farm sector and tertiary sector may be anticipated as a result of the development of agro-based industries. The farm sector's indirect employment would primarily take the form of modifications in the cropping pattern came first, followed by the creation of more jobs. In sources of sugar factory, rice mill, dal mill, textile mills, Edible oil companies as well as Agricultural Complementary Industries like that fertilizer manufacturing companies, Agricultural Equipment Manufacturing Companies this all agro-based industries provide more job to skill and unskilled worker in rural area.
- 2. Control the rural to urban migration:** agro-based industries made most helpful to reduce the rural to urban migration. Because agro-based industries directly or indirectly have depended on agriculture sector, so that the agro-based industries will be established in the rural areas and Job creation will be more. Hence migration of labours rural to bigger cities will be reduced and its will be made most supportive to reduce the problem of migration and urbanization.
- 3. Development of Agriculture sector:** Development of agriculture sector and farmers it's a target on Indian government the government has planned to double the income of farmers in upcoming period. The agro-based industry can play an important role in this function because agro-based industries do the more and more demand of agriculture product ex. Rice, cotton, oil seeds, sugar cane, etc. on well price. This large and regular demand always motivates to farmer to increases the production. Agro-based industries not only do the demand of agriculture product but also they are product much different production which have helpful to increases the productivity of agriculture sector, as well as Approximately 35% of food production is wasted due to post-harvest losses. Storage facility will be available for the industry then losses can be minimised.



- 4. Increases the wages:** The wages for various agricultural operations significantly increased as agro-based industries grew in rural areas. Compared to men, the increase was more noticeable in the cases of women and child labors. Clearly, the Pay disparities between men, women, and children working as casual laborers were greatly decreased.

Nonetheless, in rural regions, there are now salary disparities between those working in agriculture and those in agro-based sectors. In short, regardless of the type of agro-based industries in rural areas, the salary rates of all agricultural workers grew. Agro-based industries had the greatest impact on the occupations of agricultural employees, while having the least of an effect on farmers. There was an expansion in rural areas as a result of the establishment of agro-based companies. In agro-based enterprises, skilled and unskilled workers were distributed equally, with the latter group primarily working in agricultural vocations.

#### **Problems and Challenges in Development of Agro-Based industries**

The majority of agro-based businesses are modest, home-based operations. These businesses typically have diseconomies of scale, limited market penetration, and outdated production technology. Aside from those, people could encounter extra challenging issues that are hardly worth mentioning. Hence, the solutions to the issues those businesses have when obtaining raw materials and marketing the finished good include. The problems and challenge of agro-based industries better explain in bellow point.

- 1. Issue of marketing:** agro based industries are not spending much money on paid advertisement such as T.V, radio, newspaper etc. so their production is not so popular. Agro-based industries lacking in market knowledge with regard to competitors, market trends and consumer preferences. Since their production volume is small and generally most of agro based industries ignore to create their slogan, brand identity etc. There is no separate marketing organization of these units.
- 2. Seasonal availability of raw material:** Seasonal availability of raw material is a major issue of agro-based industries because maximum agro-based industries regarding raw material, depend on agriculture sector like that Sugar factories, fruit processing industries, textile mills and Edible oil companies etc. and all agriculture product have available in seasonal period as well as agro-based industries owners do not have a capacity to store raw material. So they cannot keep their production steady. This discontinuation of raw material does the more bad effect on productivity of production and profit of owners.



- 3. Technological issue:** Agro-based goods like jam, jelly, ketchup, ready-to-eat food, etc. are in high demand on the market. Technology that is appropriate for the processing of such items is crucial. Technology use and application are crucial for the growth of the agro-based industry. However in agro-based sectors, there is a lack of efficient research and technology utilisation, a shortage of skilled staff, and insufficient technical and management assistance.

**Suggestion:**

1. Bring about steady expansion in the agricultural industry so that it can consistently supply the raw materials.
2. Improving product and quality control while standardising production to better market agriculture and agro-based products.
3. Production and processing are linked, which results in the sale of one product at a time and less waste.
4. Improved agricultural extension services that give farmers technical advice on best practices for using these inputs and services result in higher productivity.
5. Agro-based industries play crucial roles in rural economies, which can be revived by the growth of rural markets.
6. Provide a comprehensive food management programme to the people that can manage the farm and decreases susceptibility.
7. Duty-free import and export are necessary to support the sector.

**Conclusion**

The income levels of all groups of rural residents were significantly impacted by agro-based industries. The households of agricultural workers employed in agro-based industrial units experienced a more dramatic income growth than other households, Farmers received indirect benefits from agro-based enterprises, such as increased earnings and guaranteed employment in the agricultural sector, whilst workers in agro-based industrial units received direct benefits. Agro-based industries are a pillar of the Indian economy, contributing to employment, revenue generation, industrial inputs and outputs, regional growth, and relationships with people from all walks of life. Development in the agriculture sector led to growth in the nation's socioeconomic development. As a result, it can be said that exporting agricultural products in the future has enormous potential and will generate significant amounts of foreign currency. The promotion of agro-based exports in the future will require specialised and effective action.



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