

AGRO-PROCESSING INDUSTRIES IN INDIA: STATUS, GROWTH AND PROSPECT

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ABSTRACT

India, with agricultural economy, has made rapid growth in the agricultural sector since its Independence in 1947. In the last few decades agricultural production has substantially increased on account of adaptation of modern farming techniques with high yielding variety of seeds, irrigation and increased use of fertilizer. Agricultural sector has contributed 14% to India's GDP. Agro preparing is explained as deposited of electro-profitable pursuit, bided to every outcome, arising out of farming, domestic, water animals and plantation for their care, grasping and worth to construct them. The nation's nutriment merchandising is globe's ranked at 6th. The nation's nutriment preparing construction has nation's 32% of overall nutriment merchandising along with is positioned at 5th expression of outcome, utilization, anticipated extension and export. The exports of agricultural and processed food products total US\$ 14.275 billion. The writing paper issues a synopsis of the ranking and thickening of the area casing part of investigation and evolution, administration strategies, current tendency, ranking of agronomy mechanization, consignment movement, as long as receiving considerable character of this area in the federal providence.

Keywords: Agriculture, Agro-Processing, Status and Growth, Indian Economy.

Introduction

Agriculture plays a vital role in the Indian economy, contributing 14% to India's GDP through Manufacturing. Agriculture and allied activities is basis of the livelihood of three-fourths of country's population. Though the country has achieved self sufficiency in general and a good degree of stability in food grain production, the requirement of food security through proper distribution and purchasing power, has created an urgent need for providing diversified activities, based on agriculture and rural economy. India is considered one of the biggest producers of agricultural product. Some of the points below will explain why India is considered one of the most suitable places for Agro-Processing Industries with 157.35 million hectares of Agricultural land, India holds the 2nd largest agricultural land in the globe. Throughout pecuniary life 2015, whole nutriment cereal manufacturing in nation was put at 252.68 MT, which enlarged to 253.16 MT in pecuniary year 2016. Nation narrated for almost percentage 67 of a tractor all-inclusive manufacturing, in globe, added the tractor manufacturing in nation. Agronomy imaginably is explained as laid of electro financial undertaking for power and grasping of agronomy production. Consequently, the range of the agronomy fabrication encompasses fully pursuit. Better necessary mark in the agro-processing is that a sizable part of raw material processing is being

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traditional based and it has maximum employment ability with naturally less finance. Agro-processing industry creates new demand on the farm sector for more and various agricultural outputs, which are more relevant for processing. On the other hand, development of these industries would settle down net goods constraint to economic development by raising the supply of their products. In this situation there is a need for strengthening the capacity of the agro-industries to fix backward linkages with agriculture and bound action in order to efficiently convert part of the output to value added products acceptable to the internal and international markets. This would create employment opportunities for various kinds of skills with the help of food processing, packaging, grading and distribution. At the same time this will shift a volume limit to farmers with market connection.

In the aspect foreground signified of agronomy production in all agricultural evolution in common and mainly for attaining enlarging employment chances. So, to control the appearing provocation of jobless and destitution in pastoral sector of the nation to study the recent fabric in design and increasing of agronomy production, financial saving, outcome, manufacturing automation, application benefaction, association in contribution of basic material through agronomists, positioning of retailing the finished outcome and influence of agronomist.

Table 1: Evolution of Agriculture Sector In India

| 1950's | 1960-80 | 1980-2000 | 2000-2017 |
|--|--|---|--|
| <ul style="list-style-type: none"> Sluggishness in agronomy. Inexpensive widening in supply and cereal outcome as annually it is 0.4 % and 0.1%. Fare cereal outcome in 1952 – 1953 of mega tone of 59.2. | <ul style="list-style-type: none"> Developing toil of agronomy researcher and attempt of agronomist because of which revolt green held. Better quality seeds, enlarging utilizing of dressing and water concluded in rise in output. Accomplished certainty of food and lower bringing of food cereals from outside nation. | <ul style="list-style-type: none"> Enlarging grains outcome. Profitable amelioration launched. Excess of producing of farming supplements Nation appeared as overall overseas of agronomies outcome. Growth in inhabitants and powerful earnings | <ul style="list-style-type: none"> Aid in nut – 50% Monetary guidance for floriculture Programmes such as PMKSY grants preference for safety of water. PSF designing as cost standard way to moisten the collision on customers United States 830 dollar given for growth of small water facilities and basins. |

Source: Bureau of Exterior, Reserve Bank of India

As per above table, the evolution of agriculture sector has changed the whole scenario of Agriculture sector. After Independence Indian economy was fully dependent on Agriculture sector, but due to traditional approach and old methods of farming it was affecting the sector adversely. Continuous development in Agriculture sector has changed the picture of the sector completely, from production, yield, employment, export, quality of product everything has improved significantly. There are many schemes introduced by Government of India for the development of Agro-Processing Industries in India. These schemes are firstly, Agricultural Technology Management Agency (ATMA) under this scheme the method helps recovery of facts and facts appearance from the net constructed netting shored in effect owning. Also a loads of amenities of up to the minute automation like unstructured supplementary service data. Secondly, in 2016, Central Government introduced PM – Fasal Scheme for according financial help to agronomist. This strategy incorporates supply and also yearly floriculture and mercantile supply. Thirdly, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) in this plan, US dollar 7.64 billion has been diffused in water facilities, enlarging arable sector, expanding regulation of on-agronomy aqua to reduce its misuse, etc.. Administrations of, extremely, every areas are financing farming areas and captivating finest treads to achieve the focus of extension and inscribe the problems accepted by agronomists. In the fourth place, PKVY – Paramparagat Krishi Vikas Yojana, this plan furnished the encouragement of natural agronomy. Acquisition of agronomy will encourage the steady utilization of synthetic dressing and nurturing the standard of holding construction.

Review of Literature

(Kumar, 2014) India's farming bottom is totally powerful but misuse is also lofty and preparing of nutriment is little. The nation's cultivated area is little and preparation of nutriment to digestible quality in nation has attained percentage 10. Nation's division in consignment of refined nutriment in dealing in globe has endured billion 3.2 dollar. Agronomy constructed nutriment prepared production (ABFPI) is considered as the dawn areas of the nation wealth in sight of its big possible for extension and probable

communal profit making collision.(Kachru, 2010)Agronomy is explained as synchronization of electro-profitable venture, tried to every outcome, arising through farming, domestic, hydroponics origin and plantations for their saving, controlling and worth to construct them disposable as nutriment, cater to, filament, combustible or manufacturing basic materials. Agronomy areas have accomplished growth throughout rearmost five years, commencing with a bothering of potential who were mostly working. The study furnishes a abstract of the growth history of the sector covering role of R&D, recent trends face to face collected ranking of agronomy manufacturing and provocation, overseas movement, strengths, weaknesses, opportunities, threats investigation and plunge sectors for following for attaining substantial part of this area in the governmental wealth.(DR. Pawan Kr. Dhiman, August 2011) Agronomy manufacturer is considered as the dawn area of the nation wealth. Few guesses advises that in advancing nations, roughly 14% of the entire employees is occupied in agronomy areas. Although, in India, almost concerning 3% of the employees realizes work in this area. There is no denying that India has to live with the problem of unemployment for many years to come. Therefore need arises to make all over development among all sections of the society especially in rural agro based industrial units. The present paper is an attempt to find out the status of agro based units such as rice mill industry in the Patiala district of Punjab and to analyze the various problems being faced by them.(TAMBE, June-2015)The decade-and-a-half of Indian economic reforms have now reached a stage where it is bringing about changes in the agriculture and food processing sectors. Reforms had more or less bypassed the agriculture sector till recently. However, demographic factors, changing lifestyles and consumer demand for greater variety has increased pressures on the food processing sector to provide products at competitive prices. Experience of large developed agricultural economies has proven that the integration of production and processing stages are a universal feature of efficient food marketing systems in the advanced stages of economic development. (T.M. Sridhara Murthy, Sept-Oct 2014) India clasps the 2nd big capable ground in the globe accompanied twenty climatological areas, completely fifteen vital weather in the globe. The nation additionally have soil kinds 46/60. Nation is the considerable constructor of pulses, milk, tea, cashew and mangoes and the next sizeable manufacturer of tea, cereals, sugarcane and rice. Ultimatum extension for prepared nutriment has been increasing in addition to expanding distribution earnings, development, a youthful residents and mutiny in the quantity of single ancestry.

Objectives of Study

- To analysis the position of agronomy construction in India.
- To analysis the thickening of agronomy construction in India.
- To analysis provocations accepted by agronomy constructions.

Hypotheses of the Study

H0₁: The scope of agro-based industry is too high, so that our country depends on agriculture.

H0₂: Indian nutriment manufacturers have extremely big chance for development of Indian economy

Research Methodology

This study is based on Secondary Data. The data has been collected by accessing various libraries, web sites and government portals. For this research and testing of hypothesis researchers used mostly secondary data which has been collected from different sources such as internet, books, articles & public investigations. It uses already existed data. It is summarized and collated to increase the overall effectiveness of research paper. Business documents, technical and trade journals are also used.

Agro Processing Industries and Present Status Scenario

The nation nutriment manufacturer is sensible for big development, enlarging its part to globe nutriment business. In India, the food sector has emerged as a high-growth and high-profit sector anticipated to its huge possible for worth inclusion, especially inside the nutriment manufacturer. The administration between the MoFPI is building every attempt to uplift savings. It has accepted scheme for strategic alliance, overseas partnerships, commercial permit and EOU – 100%.

According to the data provided by DIPP, the nutriment processor sector in India has received around US\$ 7.54 billion worth of Foreign Direct Investment (FDI) during the period April 2000-March 2017. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the prospective to draw as many as 33 billion US dollar of speculation in 10 years and additionally to give rise to 9 million days of work to people. Few of the vital resourcefulness suggested by the administration of nation to better the nutriment areas in nation:

- The administration of nation focuses on developing the nutriment manufacturer areas by grasping amelioration like FDI 100%.
- In unification forecast of 2107 – 2018, the administration of India has laid up a butterfly manufacturer reserve of crore Rs. 8000.
- The administration has modified FDI rules for the area, permitting 100% FDI in nutriment areas.
- The FSSAI proposes to perfuse approximately 73 million US dollar to build up the nutriment trial in nation.
- The ICFNR will embrace overseas finest operation for investigation in fertilizer area.
- The HRD in the nutriment area declared a project. The project has succeeding parts:
 - Formation of architecture provision for track in nutriment manufacturer areas
 - Entrepreneurialism evolution Plan - EDP
 - FPTC – Nutriment processor teaching Central
 - Teaching at acknowledged organization

Development of Agro Processing Industries

The outcome of Budget 2016-17, The Ministry of Food Processing Industries discusses the key activities and projected 'outcomes' in respect of the plan schemes implemented by Ministry of food processing. The Fiscal incentives and policy initiatives such as, relief provided under The Income tax, Custom Duty, Excise Duty etc, taken by Government of India from time to time, to promote investment in the food processing sector. The total budgetary allocation for the Ministry of Food Processing Industries for year 2016-17 is Rs. 636.02 crores. A new umbrella scheme via National Mission on food Processing (SAMPDA) has been created with the following sub-schemes:-

- Immense nutriment ground
- Configuration for agronomy groups
- Contemporary butchery
- Non segregated freezing bonds
- Formation of Backward and Forward Linkages
- Quality Assurance
- Creation/Expansion of Food Processing and preservation
- Human Resource and Institutions

A particular reserve has been constructed – crores Rs. 2000 in nation development bank, that is, NABARD to furnish approval. Undergoing this reserve, credit is enlarged to independent business person, collaborative, farmer's producer's organizations, corporate joint venture encouraged by the administration for rearranging innovation, enlarging of nutriment sector and evolution of architecture.

The bureau of nutriment processor sector is accompanied by methodology and execution of plans for the nutriment sector. A powerful and energetic nutriment area takes part in an important diversity and profit oriented of agronomist, guarantees practicality to farming outcome, causes exercise, intensifies earnings of agronomists and generates retailing for overseas of agronomy nutriment.

The functions of ministry can be broadly classified in 3 Categories:

- Policy Support.
- Development initiatives.
- Promotional Activities.

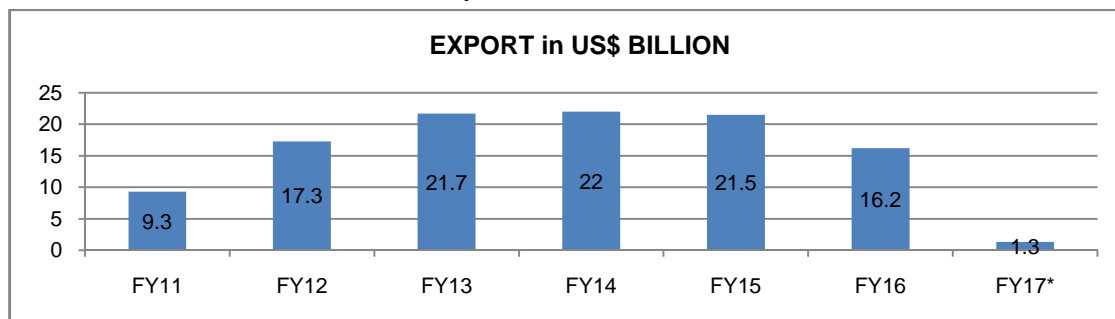
The nutriment sector is a main developer to exercise creator in nation.

- Strategy creators have recognized nutriment processor as a major area in uplifting employment motion out of agronomy to construction.
- Nutriment area is anticipated to have – 9 million persons in nation.

India has been a traditional exporter of raw agricultural products like spices. Overseas of basic materials has produced major dropping to nation of India. After GATT agreement and WTO membership, processed products manufactured as per international norms only offered at competitive prices, can be exported. Processed fruit and vegetable products possess substantial overseas possibility. Export of cereals and animal products accounted for 37.60 per cent of the total exports, followed by livestock

products 27.58 per cent, other processed foods 17.92 per cent, fresh fruits and vegetables 9.56 per cent, processed fruits and vegetables 6.38 per cent and floriculture and seeds 0.96 per cent.

Table 2: Export Data from FY11 to FY 17



Source: Agricultural & Processed food Products export development Authority (APEDA), DGCIS, TECH SCI Research, Notes FY-Indian Financial year (Apr- March)

*FY17 Date for April 16

Above table shows the different figures of export of Agro-Processed food from FY 11 onwards, as its gives a positive trend of growth of Agro-Processed Food

Major Challenges Faced by Agro-Processing Industries in India

- **Inadequate Infrastructure Facilities**

The insufficient aid architecture that is the considerable trouble in enlarging the nutriment areas, in declaration of pair savings and consignment incorporates: lengthy and lumpy contribution string, scanting freezing warehouse solutions.

- **Absence of Comprehensive national level policy on food processing sector**

The nutriment processor areas are ruled by circumstances preferably apart from solitary wide plans on nutriment processor. Nation actively requires governmental nutriment processor strategies that include tariff smashing for the area. The plans to be effectual will have to be extensive and embrace a quantity of judicial, managerial and marketing ways.

- **Food Safety Laws & Inconsistency in State and Central Policies**

The nation nutriment rules contains different nutriment plans that have been approved, and are undergoing the scope of different administrations of India. Factually they survived to support in registering all nutriment ample, comfort and quality. The output is that nutriment sector in nation is managed by a statistics of various rules preferably in comparison to full ratification.

- **Lack of Adequate Trained Manpower**

Numerous practical evolutions in the nutriment areas have arise in the unease regarding the appearing expertise scarcity. Actually, of behind schedule, scarcity of expert, fractional expert and not expert employees has appeared as a evaluative element striking the conflict of nation nutriment manufacturer.

There are some more factors which affects the agronomy refinement areas.

Table 3: Factors Affecting Production, Processing and Distribution

| | Construction | Production Market | Refinement | Dispersal |
|-------------------|---|---|---|---|
| Expertise | Conventional ways of agriculture | Merchandising by agents | Subjection to short flake performance, reductions in merchandising expertise | Adroitness needed for contemporary merchandising |
| Automation | Short utilization of automation, very less quantity of cybernation, lower utilization of combinations | Extremely small speculation in repository and grasping automation, hardly any forthcoming product interchange | Expired automation expected to short scute functioning, short quantity components | Operation of automation is small, law code, furnish bonds |

| | | | | |
|--------------------|--|--|--|--|
| Management | Collective rarely permitted in no estate, no executability in agreement agronomy | Accretion interference by administration organization, minimum price rules, limitation on depository | Commendatory to short plate speculations | Overseas speculation not approved, coast price giant |
| Fund | Reserve convenience to agronomist is substandard, take from adthiyas – percentage 80 | Managed by short dealers | Soaring price loans | Course of fund is confined awaited because of prohibition of foreign direct investment |
| Composition | Rating plate land dimensions, agronomist liability, charged percentage 70 on rain | Great quantity of short seller investors | Crucial short plate low planning | Jurisdiction of casual area, short conventional ancestry cache are the standards, restricted reverse links |

Conclusion

It is concluded that the scope of agro-based industry is too high, because of the fact that our country depends on agriculture. All branches of agro based industry are very important because they increase industrial products, provide employment, earn foreign exchange, increase income level and also provide employment to women and provide base for development for backward areas. At the same time it reduces pressure of population from migration, distributes the Wealth properly and can be established with small capital. All the branches of agro-based industry are essential to the human being. The nation nutriment manufacturer confers an extremely big chance to each sector of the Economy. This is primarily driven by a strong consumer demand, in the changing nature of the Indian consumer, who is now further enlightened, modern and prepared to attempt up to the minute outcomes. Undesired to attach, near are some differences in the present outcomes and conveyance structures of agro-processing industry if this gaps can be filled, it exists an enormous chances for the increasing of corporate in lengthy period. Nevertheless, the increase in nutriment manufacturer corporate has been less than the highest standard for the reason of greater prices, stubby steps of yield, elevated misuse and absence of competitor of nation nutriment outcomes in the global areas. Consequently, to comprehensive jurisdiction the widening capability of the area, present problems that are accepted by the construction required to be accurately inscribed and pace required to be grasped to reduce the challenges which slow the growth of this sector.

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