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Vol XXI
No. 4

ISSN 0019-5014

CONFERENCE
NUMBER

OCTOBER-
DECEMBER
1966

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

MODERNIZED VERSUS TRADITIONAL RICE MILLING

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SUMMARY

Rice milling is the largest single food industry in India. The total installed capacity is nearly 350 lakh tonnes. Modernizing the rice milling operations to increase efficiency from 62-68 per cent to 72 per cent of head rice is one of the recommendations of the seven-member committee of the Food Corporation as well as the Ford Foundation visiting team.

Data from two rice mills—one traditional and one modern—in Raipur are analysed and the main conclusions emerging from the study are :

(1) The annualized profits comparison shows that the investment in modern mill is better on economic grounds; (2) Capital-output ratio is more or less the same for both the traditional and the modern mill; (3) Rate of surplus is higher for traditional units; (4) The attendant difficulties of imported machines, large scale investment, may deter modernization of existing rice mills.

The modernizing of rice mill at the cost of high capital investment may lead only to marginal increase in efficiency and perhaps, the improvement of existing rice mills in the matter of handling, storage and drying can pay greater dividends through increased efficiency, higher output realization and profits.

CO-OPERATIVE SUGAR FACTORIES IN MAHARASHTRA STATE

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SUMMARY

With the small beginning made at Pravaranagar in Maharashtra about 16 years ago under the inspiring and imaginative leadership of Dr. D. R. Gadgil, the co-operative sector in sugar industry today produces 25 per cent of the sugar production in the country. In this paper, an attempt has been made to explain how from the small beginning in 1950, 20 factories have come into being successfully laying the sound foundation for agro-industries in the co-operative sector in Maharashtra State. The co-operative sugar factories have created stability in the life of the small farmer growing sugarcane by giving him assured income. The factories while increasing their own recovery have made efforts to improve the type and yield of cane per acre of the cultivators making expert advice available to them. These feed-back effects on agriculture are of significance. Besides, they have been the welfare centres in the area of their operations. The factories have not only given employment to the people in the villages but have built roads, hospitals and schools. This industry has given a lead for establishing similar industries based on other crops.

ROLE OF AGRICULTURAL PROCESSING INDUSTRIES IN AGRICULTURAL DEVELOPMENT—A STUDY ON THE ECONOMIC EFFECTS OF THE INSTALLATION OF THREE SUGAR MILLS IN ORISSA

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SUMMARY

In this paper an attempt has been made to evaluate the contributions of the sugar industry to the agricultural development of a region. The study covers three sugar mills situated in three districts of Orissa, viz., Banki (Cuttack), Rayagada (Koraput) and Aska (Ganjam). In order to assess the contribution of the sugar mills to the agricultural development, the condition of agriculture before the installation of the mills in these areas and the changes that had occurred in agricultural production after their installation were studied. Besides, the changes that had occurred in the employ-

ment, transport and communication facilities, etc., which had an indirect bearing on the agricultural development of a particular region were also examined.

The data revealed that within a period of two to three years there had been a significant rise in sugarcane growing in these regions. In Banki the area under sugarcane cultivation increased by 25 per cent and sugarcane production by 50 per cent within a period of three years. Similarly in Aska, the area under sugarcane cultivation increased by 63.2 per cent and the amount of sugarcane production by 95.6 per cent within a period of two years. In case of Rayagada when the factory started working in 1936, sugarcane was not produced at all. But in 1965-66 the total area under sugarcane production in this region was 3,500 acres and the amount of sugarcane produced was 45,000 tons. Besides, some qualitative improvement in the production of sugarcane was also noticed. Before the installation of the mill sugarcane grown in these areas had a low sucrose content (about 8 per cent) but in order to make sugar production a profitable enterprise from 1964-65 the farmers were growing sugarcane with sucrose content of 11.5 per cent and were using various types of plant protection and disease resistant measures to reduce the incidence of red-rot and other diseases of sugarcane. Besides, the sugar factories were also successful in ensuring fair and better prices to the sugarcane growers.

The increased area under sugarcane production did not appear to have any adverse effect on the production of other crops specially paddy. The area under paddy and the amount of paddy produced in these regions remained unaffected as sugarcane was usually grown on those lands where paddy was not cultivated previously. Besides, the improvement in transport and communication which was mainly due to installation of sugar mills induced many farmers to raise vegetables or other crops after the paddy cultivation.

The sugar mills in these regions were also successful to a certain extent in creating employment opportunities for the local surplus labour either directly or indirectly. Thus, the above study revealed that the establishment of sugar industry contributed to the agricultural development of these three regions to a certain extent.

SOME ASPECTS OF FRUITS AND VEGETABLE PROCESSING INDUSTRY IN INDIA

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SUMMARY

Generally speaking, processing means the conversion of raw material into finished products for consumption or for preserving farm products such as milk, eggs, fruits and vegetables. The milling of wheat, the husking of paddy, the conversion of milk into butter and canning or bottling of fruits and vegetables are some examples of processing. Processing, as a most suitable additional activity in the village, offers vast scope for employment. A growing processing industry is a concomitant of a growing economy with rising personal incomes. The important advantages of processing industry to the consumer include the convenience to the user, price stability and quality of product, variety and presentation of product. Fruits and vegetables processing forms an important post-farm industry in India. Owing to the high cost and non-availability of raw materials, technological backwardness, and under-utilization of capacity the prices of tinned food are many times higher than the prices of unprocessed ones in our country and the prices of processed food in other countries. Under these conditions, there is vast scope for increasing efficiency through utilization of by-products, modernization, by establishment of cold storages, and encouraging growers' co-operative and promoting horticultural research.

LOCATION AND ROLE OF AGRICULTURAL PROCESSING INDUSTRIES IN THE RURAL ECONOMY OF INDIA

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SUMMARY

The scope of the paper has been restricted to the discussion of the processing of food products. The paper is based on published and unpublished sources, and discusses the problem at the all-India level. Several issues of theoretical importance have been discussed. Illustrations have been given mainly from Bihar State.

In a poor agrarian country like India, agricultural processing industries provide productive employment for the agrarian excess population. Employment potential would depend on the decentralization of processing units, and whether farming operations and processing are done simultaneously or at an interval. Food processing industries have an important role to play in evening out the supply of agricultural commodities. These industries may provide a stable level of prices and an assured market for farm products. Another function of the processing industries relates to evening out of income disparities between rural and urban areas. The paper outlines the contribution of processing industries to defence services, export trade, and per capita incomes. Agro-industries also contribute indirectly towards agricultural production and productivity. The industries provide a necessary link between agriculture and large scale industries. On the basis of the findings of some case studies, the role of agro-based industries in providing incentives, encouragement and guidance to farmers has been outlined.

The paper has tried to examine some possible effects of food processing industries. When industry goes to villages, the impact on agricultural productivity would be indirect and would depend upon the help provided by the industry and the facilities availed of by the farmers.

A marked concentration of processing industries is easily observable in the regions producing basic raw materials. The food processing industries are concentrated in big towns or cities. Refrigeration and cold storage facilities have also contributed to this concentration, especially in the case of industries processing perishable commodities.

Wide dispersal of processing plants in rural areas is advocated on economic grounds. At least primary processing should be done in the villages. Such processing work, where fixed investment involved is negligible, can easily be decentralized. Decentralized small units would have multiplier impact. In India large scale food processing plants in towns should be avoided in the interest of an integrated development of agricultural production, processing and marketing.

Food processing industries offer vast scope in India, but there are various problems facing it. Inelastic supply, seasonal nature of production, marketing and financing difficulties, etc., are some of the important problems to be solved. Farmers should be induced to take up subsidiary industry like dairy, food preservation, etc., in addition to farming.

LOCATION OF AGRICULTURAL PROCESSING INDUSTRIES

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SUMMARY

Agricultural processing industries will get the widest coverage if the term 'agriculture' is extended to include horticulture, plantations, forests and animal husbandry. All stages of processing upto the stage that chemical changes are produced may be considered as agricultural processing.

In order to attract entrepreneurs to the rural areas, it is necessary to give wide publicity to the possibility of setting up individual processing industries. An essential condition for ensuring a steady flow of entrepreneurs is to ensure a successful working of industries already set up, for the successful working of industries in the area will have a far greater advertisement value than efforts to persuade people to set up industries.

The entrepreneurs may be helped by taking measures that will lead to geographical and occupational mobility of labour. Some of the measures that may be taken are the provision of a job placement service, training facilities, and starting of training service centres.

The industries in the developing rural areas may be handicapped by a lack of service facilities. This difficulty may be overcome by setting up Common Facility Centres.