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RESEARCH PAPERS IN SUMMARY

A STUDY ON CONTRIBUTION OF AGRICULTURE TO INDIAN INDUSTRY

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An attempt is made in this paper to assess the contribution of agriculture to Indian industry through supply of raw material, supply of wage goods and provision of employment in some selected industries. The selected industries are of two categories namely major industry group (organised sector) and small scale, household industries (un-organised sector). The number of factories under major industry group are 3448 which employed about 25.69 lakh persons. The largest number of persons are engaged in the manufacture of food products. In the small scale and household industries one crore people are estimated to be engaged. The paper analyses the existing situation with regard to the industries. The paper stresses the importance of diversification of industries based on agriculture. Various possibilities in the industrial use of important crops and livestock are also provided. The research thrusts for greater diversification of industries and various steps for planning and promotion of agro-industries are suggested.

FRUIT PROCESSING INDUSTRY - AN OVERVIEW

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Fruit processing is one of the better organised sectors among the several sub-sectors of the food processing industry. India is the world's second largest vegetable producer and third largest fruit producer after Brazil and United States (12 and 8 per cent of world production). Currently, India produces 28.39 million tonnes (MT) of fruits and 54.36 MT of vegetables. Around 20 per cent of fruit and vegetable processing units are small units and the remaining are large units. Fruit processing can multiply the value of the raw material between 50 and 500 times. Due to low capacity utilization (about 40 per cent), the industry actually

can multiply the value of the raw material between 50 and 500 times. Due to low capacity utilization (about 40 per cent), the industry actually processes only less than one per cent of the production. Middle and high income group use more quantities frequently in off-season also. Indian fruits and vegetables exported after value addition is only one eighth of those exported fresh. About 45 per cent of the processed fruits and vegetables are exported. Value of the exported processed fruits and vegetables in 1988-89 was Rs. 77 crores and in 92-93 it was Rs. 263 crores. The international trade in preserved fruits and vegetables is around U.S. \$ 6,905 millions. Trial exports to different countries should be made and the response be studied. Among the processed products mango pulp, pickles and chutney, dried and preserved vegetables are important. Major fresh and processed fruit importers are West Asian Countries, former USSR, U.K., Western Europe and Canada. Gulf Countries, Japan, South Korea are other potential importers. The major exporters of fruit products are Brazil, the U.S., The Netherlands and Germany. India can capitalize on its natural advantages like cheap labour and tropical climate.

As per the FPO, fruits should not be crushed during night since there are possibilities of small insects falling in the fruit pulp. Ministry of Food Processing Industries delicensed the canned fruit and vegetables products industry which is considered as "Brown Revolution". The capital goods were included in Open General Licence (OGL) for imports. The Government grants air freight subsidy on selected fruits and flowers to increase exports. The function of the Development Council is to ensure better co-ordination and strengthen linkages between the raw material and processed stages of various items. The State Trading Corporation needs manufacturers of fruit products to become its associates for exports.

Since the consumption is limited to a section of population who are relatively well-off and live in cosmopolitan cities, there is a sluggish demand. Major constraints are the cost of raw materials, sugar, containers and labels.

The fruit and vegetable processing industry helps to increase the horticultural production, prevent post harvest losses of produce, generate

employment to eliminate poverty, improve the foreign exchange and supply nutritional diet to people. Even though there are numerous problems hindering the growth of the agro processing industry, there exists great potential for the growth of the processing industry. Hence Government must pay due attention to this sector to make this industry viable.

AGRO-PROCESSING INDUSTRIES IN HARYANA - SOME ISSUES

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The study pointed out that the production and employment in majority of the agro-processing industries as well as in agriculture sector as a whole have increased significantly over the last 25 years in Haryana State. However, in major agro-processing industries of oil, gur-khandsari and khadi, the employment registered negative growth rate. This may be attributed to the installation of big oil and sugar mills, and other large industries. The poor quality of products, high cost, inadequate infrastructural facilities were found to be major constraints to exports of agro-processed foods, thereby hindering the progress of agri-business. Thus, there is an urgent need of forward and backward linkages of agro-processing industries in addition to the creation of required infrastructural facilities. Diversification of agriculture and export oriented agro-processing industries in the rural areas are the need of the hour for sustainable growth of agri-business.

PRODUCTION OF OFF-SEASON VEGETABLES IN CENTRAL HIMALAYAS - POTENTIAL AND CONSTRAINTS

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The cultivation of off-season vegetables such as cauliflower, capsicum, tomato, potato, pea, etc. is an income and employment

generating enterprise in Central Himalayas (Uttarakhand). However, several constraints come in the way of increasing the production of off-season vegetables. An attempt has been made in this paper to analyse the production potential of off-season vegetables and the constraints in the production of these vegetables. Some policy suggestions are also made to improve the marketing, transport, institutional credit and extension education programmes.

FRUIT AND VEGETABLE PROCESSING SECTOR- POTENTIAL IN KERALA

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Fruits and vegetables produced in the state are mostly consumed without any value addition. Changing life style and food habits have created a demand for value added foods of fruits and vegetables. The important fruit crops of Kerala namely mango, banana, pineapple, jackfruit and papaya and also the vegetable crops like cucurbits, okra, etc. can be processed to value added products which have good market potential. Squashes, syrups, soft drinks, jams, candies, chips, fruit bars, canned and dehydrated vegetables are some of the products suggested. The profitability of commercial rural processing units and their employment generation potential are highlighted.

DEVELOPMENT OF POTATO AGRIBUSINESS IN INDIA- THE STATUS AND STRATEGY

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Potato ranks high amongst the commercial crops of India. In the year 1991-92, potato contributed 1.9 per cent (Rs. 2954 crores) to the total value of output from agriculture. Analysis of inputs supply system

indicates the imperative need for augmenting the production of quality seed potato for boosting potato productivity. During 1967-68 to 1991-92, potato excelled both rice and wheat while registering higher annual compound growth rates (AGCRs). For potato these were 3.42, 6.36 and 2.84%; for wheat 1.71, 4.97 and 3.19%; and for rice 0.59, 2.85 and 2.29% for area, production and yield, respectively. The chronically deficit states in respect of cold storage facilities are Assam, Karnataka, Bihar and Gujarat. Overall, there is a shortage of 5-15 per cent capacity for storage of potatoes. Presently, the country has 23 processing units with an installed capacity of 50 thousand tonnes resulting in utilization of 1.6% of potato production for processing. The margins between lean season price and farm harvest price ranged between 24% to 57% in the markets in the Indo-Gangetic region during 1981-83, which increased to 36% to 56% during 1991-93. Market integration and competitiveness were studied between producing markets and the consuming markets of Calcutta and Bombay for 1983 and 1993. By and large, the producing markets of Karnal, Meerut, Kanpur and Farrukhabad were competitive with the Calcutta market. Delhi and the other markets were not integrated with the Bombay market, indicating imperfections in the marketing system, due to infrastructural bottlenecks. Strategy for potato agribusiness development stresses on the supply of quality seed potatoes and True Potato Seed (TPS), effective transfer of technology programme, integrated development of cold storage units and processing units, particularly for promotion of processed potato products, and faster movement of potatoes, particularly during the potato harvesting season, between the producing areas in the north to the consuming markets in the south-western parts of the country.

ARRANGEMENTS FOR AGRI-BUSINESS DEVELOPMENT: ANALYSIS OF CONSUMPTION PATTERN OF EDIBLE OILS IN INDIA

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The important oilseed crops produced in India are groundnut, rapeseed and mustard, sesamum, linseed and castor. The country has a

highly developed oil based industry. Food oil accounts for 87 per cent of the total supply of oils. Due to increase in population and per capita income, the demand for oilseeds has increased considerably and the demand for edible oils is much higher than the available supply. Thus, the country has to import a large quantity of edible oils to bridge the demand-supply gap. Moreover, the consumption of the edible oils is considerably less than the prescribed norms. There is also a considerable variation in the consumption of edible oils in different states in the rural as well as in the urban areas. The consumption pattern of edible oils has not been properly investigated in the past. Therefore, the main objective of this study is to analyse the consumption pattern and expenditure elasticities of edible oils in rural and urban areas of different states. An attempt has also been made to analyse the changes and inequalities in the consumption of edible oils in rural as well as in urban areas within each state and for the nation as whole.

The analysis is based on the data of household consumption expenditure surveys conducted by the National Sample Survey Organisation for the period 1965-66 to 1973-74. The unit of analysis is all India/state and within all India/states rural and urban areas separately. The expenditure class were not comparable due to inflation over the years. Therefore, in the analysis various inequality measures have been used for comparison purposes rather than individual expenditure class. The constituents of edible oil are vanaspati, mustard oil, coconut oil, gingelli oil, groundnut oil, linseed oil, refined oil and other edible oil and oilseeds.

During the study period, Gujarat has remained the top ranking state for the consumption of edible oil. In the rural areas, the highest elasticity was estimated for Orissa and the lowest for Himachal Pradesh. Inequality in the consumption of edible oil was similar in rural as well as in urban areas. The highest inequality was observed in the state of Haryana followed by Orissa. However, the inequality in consumption of edible oil did not increase during the period of analysis.

GROWTH OF COCONUT PRODUCTION, ITS MARKETING AND PROSPECTS OF COCONUT BASED AGRI-BUSINESS DEVELOPMENT IN ORISSA

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Coconut production in Orissa has increased from 98.80 million nuts in 1980-81 to 245.70 Million nuts in 1992-93, the compound growth rate being 7.54 per cent. The increase in production is attributed both to increase in area as well as productivity of coconut in the State. Though productivity has increased from 4391 nuts per hectare in 1980-81 to 6406 nuts per hectare in 1992-93, it is much below the national average of 7032 nuts per hectare. The low yield is attributed to very low use of inputs and poor management of coconut plants.

A large number of intermediaries have been observed in coconut trade in the State. Net producer's share was 53.64 per cent of the consumer's price when coconut trade passes through regulated market, whereas it was 51.55 per cent in case of unregulated market. The marketing costs involved in marketing of 1000 nuts for both regulated and unregulated markets were same, whereas the marketing margin appropriated by intermediaries was higher by Rs. 85.17 when traded through unregulated market. Coconut growers received only Rs. 2.10 per mature nut which was comparatively less than that of the prevailing market price of other states. Due to near absence of coconut based industries in the State, value addition to the crop is meagre and thus farmers are constrained to receive better price.

Orissa is importing 8350 tonnes of coconut products worth Rs.35.41 crores from four southern States. This quantity could well be generated from the coconuts produced within the State. The external market of Orissa coconuts amounts to 33.26 per cent of total production. The internal market of mature nuts is 41.68 per cent and that of tender nut is 20.5 per cent of total production. The marketable surplus of mature coconut is estimated to be 75 per cent of total production i.e. 164.5

million nuts. A portion of this surplus can be diverted for value addition in the processing units. Suitable coconut based industries should be set up in the State by the corporate sectors who will provide assistance to the small and marginal farmers by providing them necessary inputs and procuring the nuts from the door steps. This will ensure better price to the coconut growers and thus in the long run farmers will increase the acreage under the crop. The productivity will also increase due to the use of monetised inputs in coconut farming.

The value added products produced from coconut can be exported thus bringing valuable foreign exchange. Also with the establishment of coconut based industries there is considerable scope of generating gainful employment in the rural sector.

IMPACT OF ECONOMIC REFORMS ON THE EXPORT OF FRUITS AND VEGETABLES

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This study analyses the impact of the Economic Reforms which were initiated in India in the mid 1991 on the export of fruits and vegetables. India is the second largest producers of these commodities in the world. In spite of high production, India's share of export of these commodities in the global export is less than half per cent, in terms of values. The high rate of perishability and inadequate facilities of agro-processing, storage and transportation lead to an estimated loss of about 20 to 50 per cent of crop (about Rs 3000 crores to Rs 5000 crores in value terms) per annum. In fact, only less than one per cent of their total production is being processed. The data on the export of different commodities from the mid seventies to 1992-93 were collected from various sources. The period was divided into pre-reforms period (i.e. 1976-77 to 1990-91) and post reforms period (i.e. 1990-91 to 1992-93). The study revealed that the share of agricultural exports in total export declined from 35 per cent in 1976-77 to 17 per cent in 1990-91, though the increase in value terms was almost three times, from Rs. 1800 to 5500 crores. However, during the post reforms period the share of the

agricultural commodities not only increased by more than 22 per cent but export value also more than doubled, about Rs 5500 crores in 1990-91 to Rs 12000 crores in 1992-93. The share of horticultural crops in agricultural exports increased from about 2 per cent in 1976-77 to 11 per cent in 1992-93. In value terms, the horticultural export increased from Rs. 42 crores in 1976-77 to 1294 crores in 1992-93.

The study revealed that the export of fresh fruits, vegetables and their processed products increased at a faster rate in the post reforms period. The increase in the export of fresh and processed fruits and vegetables indicates that the reforms have made a remarkable impact on the export of these commodities. Looking at the magnitudes of supply elasticities, it appears that there is an immense scope for export of fresh and processed fruits and vegetables. The losses in fruits and vegetables occurring due to lack of infrastructural facilities could be prevented by providing adequate processing, transportation and storage facilities. It would not only add substantially to the food supplies (availability) but also generate more income and employment through export and domestic consumption. The provision of infrastructural facilities, especially for processing, transportation, distribution and storage will not only reduce the post harvest losses but also increases the income and employment opportunities. This will help in making the exportable surplus of these commodities available for earning precious foreign exchange. Thus New Economic Reforms have further increased the scope of export of fruits and vegetables. The only constraint in achieving the export targets set in the 8th Five Year Plan will probably be low availability of exportable surplus.

EFFICIENCY IN JASMINE PRODUCTION IN MADURAI DIST. - A FRONTIER PRODUCTION FUNCTION APPROACH

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Among the southern states of India, Tamil Nadu is an important state where jasmine is cultivated on a commercial scale and accounts for

nearly 58 per cent of the area under flowers in India (Ramesh Kumar, 1991). In view of the commercial importance and perennial nature of the crop, the farmers grow jasmine on a large area. Steps must be taken for efficient use of available resources in jasmine cultivation. Efficiency is important parameter for augmenting productivity in jasmine crop, especially where resources are scarce. The estimates of its magnitude will help in deciding the extent to which improvement in efficiency can raise the productivity.

The technical efficiency measure among small and large jasmine growers shows that among small and large farmers there exists a 32 to 51 per cent potential for increasing their gross income. Allocative efficiency was low among small farmers. The economic efficiency ranges from 22 and 39 per cent among small and large farmers, respectively. There is 78 per cent and 61 per cent of potential for increasing the gross income on small and large farmers, respectively, by adopting improved practices through optimal resource allocation.

MARKETING OF AGRO-PROCESSED PRODUCTS IN INDIA

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The future agro exports basket of the country is likely to be dominated by fish and its preparations, rice, wheat, tea, tobacco, fruits, vegetables and their processed products. India has to make special efforts in developing appropriate policies for the future exports of items in which it has a comparative advantage. All export controls and regulations like canalization, export quotas and minimum export prices need to be abolished. Infrastructural facilities for speedy handling of perishable items need to be developed. Long term investments in research, development and extension are required to improve yields, quality and packaging of exportable products.

AGRI-BUSINESS DEVELOPMENT FOR SMALL HOLDERS IN INDIA- AN ANALYSIS

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The study examines some aspects of agri-business, namely, processing, marketing, public and private interventions, institutional arrangements, etc for small holders agriculture. Small holders agriculture continues to be subsistence in nature, indicating that past policies have not been able to encourage this group. Overall development of small holders agriculture calls for strategic planning at all levels of the continuum from subsistence to commercial agriculture. It is suggested that the size of business may be increased through vertical integration.

AN ANALYSIS OF COST OF PRODUCTION AND MARKET PRICE OF GROUNDNUT IN ORISSA

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A parity between costs and prices is necessary to protect the interest of groundnut growers. The present study undertaken in Orissa examines the cost of production and market price of groundnut both with and without subsidy and the return per rupee at various cost of production in major groundnut producing districts of Orissa. The returns over the cost A1, cost A2, cost B and cost C per quintal (with subsidy) in the state are Rs. 382.60, Rs. 369.75 and Rs. 219.01 and Rs. 138.45 respectively at the market price during the year 1991-92. The return per rupee is Rs. 3.06, Rs. 2.86, Rs. 1.6 and Rs.1.3 respectively at cost A1, cost A2, cost B and cost C during the year. This indicates that the market price available for the groundnut growers in the state is favourable. The return over cost A1, cost A2, cost B and cost C per quintal in the state are Rs. 341.44, Rs. 329.00, Rs. 177.95 and Rs. 94.55 respectively without subsidy. Here the per rupee return is Rs. 2.65, Rs. 2.50,

Rs. 1.48 and Rs. 1.23 at cost A1, cost A2, cost B and cost C during 1991-92, respectively.

In Ganjam District, the growers incurred a loss of Rs. 3.35 over the total cost of production per quintal of groundnut because the major area under groundnut is in *kharif* season, where local varieties seeds are used. So an attempt has to be made to promote high yielding varieties for *kharif* with other packages by Govt. to suit small and marginal farmers of the State.

PRODUCTIVITY AND OPTIMISATION OF RESOURCE USE IN PULSE CROPS IN PUNE DIST. OF MAHARASHTRA

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The paper examines productivity and resource use in pulse crops viz. mung and gram in Pune district using cost A, cost B, cost C and comparing the estimated MVPs of various inputs with their respective prices. It was observed that the returns from gram enterprise were lower than those for mung enterprise. Output-input ratios were found to be less than one in case of gram enterprise. From optimisation analysis it appears that plant nutrients were used below the optimum level by the farmers growing both these crops. It can be inferred that except plant nutrients other factors were in excess use for gram enterprise. Therefore, it is essential to take necessary steps for making gram enterprise economically viable by making efficient use of factors of production. Gram being an important pulse for human requirement should be given due preference.

IMPACT OF MADHYA PRADESH AGRICULTURAL DEBT RELIEF SCHEME FOR AGRIBUSINESS DEVELOPMENT

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Agribusiness development is gaining importance so far as the operation of production of different types of crops, their transportation,

processing, distribution and selling is concerned. Importance of technical institution in the development of rural economy is being felt in agricultural sector. The problem of non-availability of credit for the agribusiness development is under study. Co-operative banks, land development banks and other Government agencies are the sources of finance for agricultural sector. Co-operative sector gets more facilities than any other banks. But it has been experienced that the co-operative sector is not being provided sufficient credit. The present study reveals the importance of debt relief scheme in Chattisgarh region of Madhya Pradesh in the period 1990 to 93. The data were collected from 50 respondents spread over two villages, viz., Saragaon and Bengali of Raipur district and secondary information was collected from district Central Cooperative Bank, Raipur. Because of defective and insufficient credit system the agriculturalists are facing problems. The agriculturalists are not being provided with required loan facilities so that they could produce more valuable crops. Banking finance has some drawbacks such as inadequacy of finance, time lag, complex procedure to obtain loan, high interest rate etc. Loan required by the farmer is to be refunded in instalments. Some times failure of crop is a hindrance in the way of repayment of loan. Under such circumstances the government writes off their entire loan. Such relief is a temporary one, but the farmers form the habit of defaulting. The government must formulate the policy for agribusiness development. New technology of crop production, quality improvement, setting up of agribusiness units, agro processing units, input suppliers and industrial units is a demand of the day. Our country is facing unemployment problem. More and more opportunities for agribusiness development should be provided in order to solve the problem of unemployment in rural agricultural sector. Government can overcome this problem by forming attractive policy of financing to agriculturalists for agribusiness development. In order to make the agricultural industry viable in all respects, the distribution of loan should be based on use, purpose and requirement of loan amount. It is also to be looked into whether the person borrowing is able to utilize the same for the benefit and improvement of agriculture and allied business. Crop insurance scheme can be introduced in rural areas.

PERFORMANCE EVALUATION OF THE KARNATAKA STATE SEEDS CORPORATION: PRINCIPAL COMPONENT ANALYSIS

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Seed is a very vital input and a dynamic instrument for increasing agricultural production. The Karnataka State Seeds Corporation (KSSC) was established in 1979 to widen the net work of production and distribution channels for certified seeds in Karnataka. A critical study of the performance of the KSSC will be of immense use in knowing the strong and weak points in its working and evolving strategies for efficient functioning.

In all 26 performance indicators- five physical and 21 financial were identified to have close association with the performance of the KSSC. To analyse the performance of the KSSC, time series data were abstracted from the annual reports of the KSSC for a period of 12 years from 1978-79 to 1989-90. Principal component analysis (PCA) technique was employed for the analysis of the data.

The three principal components had the eigen values more than one. The first component which explained 84.04 per cent of the total variation extracted all the five physical variables and the financial variables related to the assets and liabilities and income and expenditure of the Corporation. Of the physical variables, number of sub offices, quantity of certified seed procured and quantity of seeds sold were highly associated. This indicated that infrastructure and volume of business were the most influencing indicators on the performance of the Corporation. Paid up share capital, total share capital, total assets, total liabilities and value of total sale of seeds were the financial indicators which were closely associated with the first component. Hence, it can be said that gross financial status of the Corporation influenced to a greater extent the performance of the Corporation. Performance of an organisation depends upon the growth of physical and financial resources and their effective

management to ensure maximum turnover and also the induction of outside resources to take the organisation to higher potential. In the light of the above discussion the first component dimension was named as 'physical and financial growth of resources'.

The second component explained 5.18 per cent of the total variation. Of the nine variables extracted by the second component share capital of NSC, share capital of Government and long term loans had close association. This showed that funding by NSC, funding by State Government and borrowing influenced highly the performance of the Corporation. In order to achieve the faster growth in physical and financial resources (first dimension), there is a need to maintain the tempo of resource mobilisation for investment purposes. Hence, this dimension was named as 'resources mobilisation for investment'. The factors falling closer to first and second dimensions, their loadings and the per cent variation explained clearly indicated that efforts were made to manage the resources. The variable net profit found place in the third component which explained only 4.56 per cent of the total variation. This clearly showed that the profitability position of the KSSC was not good.

THE ROLE OF M.P. STATE CO-OPERATIVE OILSEED GROWERS FEDERATION LTD. TO INCREASE PRODUCTION IN JABALPUR DISTRICT (M.P.)

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Agriculture today contributes about one third to India's GDP. An unfortunate dichotomy is that while in terms of total output India compares well with rest of the world, while in terms of yield performance is extremely low. Thus how to increase productivity is a serious issue. Government has launched many programmes to increase productivity level of food grains and oilseeds. M.P. State Cooperative Oilseed Growers Federation Ltd. is one of the Government agencies playing an important role in solving such serious issues by taking programmes like enhancement of production by supplying seeds,

fertilizers, culture etc. and also procuring the farmers' produce, particularly soybean. The study was an attempt to assess the impact of programmes taken by OILFED, Jabalpur like distribution of seeds, fertilisers, culture and insecticides to the farmers through their societies and the extension programme of soybean crop. Jabalpur district was selected purposively as it covered largest area under soybean than other oilseed crops. The secondary data were collected from M.P. State Co-operative Oilseed Grower's Federation Ltd., Jabalpur for the year 1991-92 to 1993-94.

The Oil Federation consisting of societies of oil seeds growers showed a top progress in increase in number of societies, members strength, members share capital, increase in soybean area, etc. The number of members and share capital tripled in 1993-94 over 1991-92. The Oil Federation distributed a very good quantity of seeds, fertilizers, culture and plant protection materials to the farmers. Oilfed has shown a lot of interest in extension programme to reach the agricultural technology up to fields through field demonstrations, seed growers training programmes, farmers induction programmes and field visits of scientists of various disciplines. The Oil Federation had procured the seed as well as soybean produced for commercial purpose. On the whole, the M.P. State Co-operative Oilseed Growers Federation Ltd. is on the way to solve the important problems of the soybean production in the area.

LOCATIONAL ISSUES IN AGRO-INDUSTRIALISATION: A CASE STUDY OF OIL MILLING INDUSTRY IN PUNJAB

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The paper attempts to understand the dynamics of location of agro-processing industries with specific reference to small scale oil mills in Punjab. Conceptualizing the oil mill industry in the oilseed production scenario of the state, the paper reveals, with the help of a primary survey, the factors in location and analyses the survival and growth of the industry in the state. It is found that the industry is becoming more and

more market-oriented and footloose in raw-material procurement. However, the role of incentives and infrastructure emerges as significant along with availability of raw-materials and markets.

The issues of employment generation and linkages (backward and forward) are also addressed in the special context of the State economy. It is observed that the employment and raw-material linkages are quite weak in terms of their significance for the local economy. Finally, suggestions are attempted towards improvement of the functioning and meaning fullness of the State's oilseeds production and processing sector. These are backward and forward linkages, constituting financial assistance, technology, extension services, transport, communication network for mobility of output in various trade linkages, etc. Agri business in India lacks for want of infrastructure facilities, poor literacy, lack of awareness among farmers, lack of extension services, lack of proper market regulations and shortage of surplus funds with farmers.

Agri business needs to be developed by diversifying and defining the responsibility of various agencies responsible for economic development, so that every agency can play vital role and bring tremendous success to agri business. In the light of new economic policy privatisation of agri business can also be thought of, but even then the basic bottlenecks have to be removed.

PROSPECTS OF AGRIBUSINESS IN THE CONTEXT OF CHANGE IN ECONOMIC POLICIES IN INDIA

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Economic development of developing countries largely depends on the agricultural development. This is true in the Indian context too. It received impetus with the advent of green revolution. This revolution brought about commercialisation of agriculture in some pockets of the country and gave a business touch. Agribusiness is a very new concept and has gained importance in the recent past with the advent of new economic policies in the country. Agribusiness consists of integration of

the activities of production, processing, storage, marketing, import, export, distribution etc. under a single organisational set up. The structural changes in the economy affects the performance of agribusiness sector in the economy.

In view of the changing economic policy, one can visualise the changing dimensions of agribusiness. The potentials can be visualised through growth in the input supply, production, processing, exports etc., in agriculture and allied sectors. An upward trend has been observed in the level of consumption of purchased inputs such as chemical fertilizers, seeds of high yielding varieties, plant protection chemicals etc. Various institutions like National and State level corporation, Agro industries corporations in the public sector and also in the corporate sector as well as the efforts made in the cooperative sector have all made it possible for bringing about such changes. Agricultural input sector is one where the private investment is high compared to public or crop sector and calls for high potential for investment and expansion. Significant performance has also been observed in the export of seeds in general and particularly the vegetables.

In comparison with the developed countries, India seems to be in the back position in connection with the average consumption of agricultural inputs, etc., though institutionalisation has taken place. This inefficiency may be attributed to lack of organisational planning and extension of technical skills to farmers. Though India's foodgrain production has shown continuous increase, but the growth rate has declined from 4% in 1980's to 2% during 1990's. India has tremendous potential for exploiting productivity of oilseeds, fibre crops, sugarcane, horticultural products, sericulture etc. The low productivity and production have been mainly attributed to lack of backward and forward linkages leading to post-harvest losses. Lack of effective investment is the main reason that can be ascertained for this phenomenon. The capital formation has also declined particularly in the private sector due to lack of incentive for investment in case of low value addition and high cost of production.

The recent changes in the economic policies have provided stimulus to every sector for changes in the level of production, investment, management and efficiency for balanced growth of various sectors with high scope for development of agribusiness. This policy would provide professional touch to agribusiness. This may provide incentive for investment in different sectors. This may change horizons in providing agro processing and service sectors in agribusiness. The agribusinesses know how may promote higher quality products keeping in view the export potential which may undergo lot of changes as a result of increased demand for processed food in the domestic and international markets. This will invite huge private investment. This investment would bring about entrepreneurial development through establishment of small and decentralised enterprises in the agricultural sector since agricultural sector provides ample scope for self-employment. Thus in order to boost agribusiness, the policy should divert its attention to establish business development centers to coordinate the activities. The cooperative sector should diversify its activities for promotion of agribusiness and should compete with private sector with the professional management skills for rapid development of agribusiness in India.