

“An analytical analysis of the commercial geography of India and its key agro-based industries.”

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Abstract

Value is increased by agro-processing since the raw resources are transformed into finished consumer items or intermediate goods. There is a wide spectrum of value addition procedures, from basic preservation to the creation of high-value goods. Population growth, increased urbanisation, and changing dietary preferences have all contributed to a rise in the demand for processed foods in recent years. Therefore, the agro-processing sectors have great potential to stimulate economic growth. The agro-processing industry's multiplier effect may have a significant impact on a country's economic growth. When the potential of the complete commodities system's processing options is considered, the possibilities explode. Paddy, straw, husk, bran, and rice kernel are all byproducts of the paddy plant, which a farmer can grow on his land. As a result, a complex of processing businesses (rice mills, solvent extraction plant for rice bran oil, processing of husk for variety of goods, and straw paper/board mills) may be supported by the output of paddy with an initial investment for cultivating paddy. The processing of raw commodities like meat, bones, leather, skins, wools, etc. derived from animals provide similar opportunities for value addition. Opportunities abound in India for businesses that handle agricultural goods such grains, fruits, vegetables, meat, and fish. This potential is, however, seldom used. Because of this, doing the research is crucial.

Keywords – Agro based industries, commercial geography, Nagpur, agri products

Introduction

India's large size and various geographies contribute to a commercial geography that is both diversified and complicated. Geographical features, weather patterns, natural resources, and political events all have a role in shaping the country's commercial operations. India's agro-

based industries are an important part of the country's economy and a notable feature of the country's commercial geography. Here is a quick rundown of India's business landscape and major agricultural sectors: India's Commercial Landscape: The northern plains of India are referred to as the "breadbasket of India" owing to the abundance of rich alluvial soil in this region. Wheat, rice, sugarcane, and cotton are just few of the crops that thrive in this area. Many food and agricultural products are processed there.

Western India: Maharashtra and Gujarat, in particular, are highly industrialised states. The state of Maharashtra is home to the commercial and financial hub of India: Mumbai. The agrarian industries of these states include the production of sugar, cotton, and oilseeds. The business environment in southern India is rather varied. Karnataka, Andhra Pradesh, and Tamil Nadu are all coastal states that are well-known for their IT and software sectors. Kerala, India, is well-known for its rubber and spice industries. When it comes to cars, Tamil Nadu is where it's at. States in Eastern India including Maharashtra, Bihar, and Jharkhand are well-known for their rice, jute, and tea production. Kolkata serves as a major hub for business and commerce in the subcontinent. The jute industry has made Maharashtra famous as well.

Northeastern India is a very biodiverse and resource-dense part of India. Assam is well-known for its tea, but the area as a whole also provides opportunities in bamboo and sericulture businesses. Important Indian Agricultural Sectors: India's economy relies heavily on its agricultural industry. Rice, wheat, sugarcane, cotton, and a wide variety of fruits and vegetables are among the most important crops. The nation is a world leader in the production of a wide variety of agricultural goods. Assam, Darjeeling, and the Nilgiris are all well-known for their contributions to the world's supply of fine tea, and India is also a major coffee supplier. States like Karnataka and Kerala are well-known for their coffee plantations.

Pepper, cardamom, cinnamon, and cloves are just few of the many spices that have made India famous. These spices constitute an important part of the country's agro-based export industry. India is a historic centre for the production of cotton and silk textiles. States like Gujarat, Maharashtra, Tamil Nadu, and Maharashtra are crucial manufacturing centres, and the nation as a whole is a significant exporter of textiles and apparel. Sugar and sugarcane: India's sugar industry is an important agricultural sector. Sugarcane is a staple crop, and the land is peppered by sugar refineries. India produces more milk than any other country. The

production of dairy products such as milk, ghee, and butter is a significant sector of the agricultural economy.

India is a large producer of oilseeds including groundnut, soybean, and mustard, as well as edible oils. Edible oils of several types may be made from these oilseeds. Growth in the poultry and fisheries sectors have made India a global leader in the production of both chicken and seafood. Bags, sacks, and textiles are just few of the many things that may be made out of the natural fibre known as jute. The state of Maharashtra is one of the world's leading suppliers of jute and jute goods.

India's southern states of Karnataka, Andhra Pradesh, and Maharashtra are among the country's most renowned centres for sericulture and silk production. The commercial landscape and agricultural sectors in India are constantly shifting in response to consumer preferences, new technologies, and regulatory initiatives. These sectors are vital to the country's economy and employ a sizable percentage of the working population.

Literature Review

According to Vikram Puri (2022), a major skill pool is required to fuel India's current agribusiness development. Despite being somewhat cyclical, agriculture in India will be fundamentally recession resilient due to its long-term nature and the growth in agricultural production that will result in increased revenues and assets. India's greatest success would be to attain and maintain food self-sufficiency.

According to a speech made by Vasant Gandhi in 2021, the agricultural sector of India's economy is a top government focus. In terms of both value added and revenue generated, the agro industrial sector in India is a major contributor. Contributing to small farm income and rural employment, especially for the landless poor, is crucial to its future role in supporting development and decreasing poverty. Managing the constant production and procurement needs of a large number of small farmers is a significant problem.

Discussion between Pawan Kumar Dhiman and Amita Rani in 2011. Because of its great development potential and expected socioeconomic effect, especially in the areas of employment and income production, the agro-based industry is seen as the dawn sector of the Indian economy. About 14% of the workforce in industrialised nations is involved in the agro-processing industry, according to some estimates.

According to Rajiv Khosla (2021), agro-based companies are seen as a crucial bridge between agriculture and industry that may address systemic issues in Indian farming. However, promoting agro businesses without being specific about what needs fixing in agriculture is not going to help. The relative labour, capital, and efficiency of a number of agro-based businesses reveals clearly and continuously bright prospects and a strong scope for their growth. Evidence of grim future growth is also abundant in many other agro-based businesses. Based on these indicators, we can confidently assert that the following agro-based sectors in India have excellent growth potential.

According to Prabeena Ambidattu (2015), India is the world leader in the production of milk, sugar cane, and tea, making it one of the top food producers overall. Producing rice, fruits, wheat, and vegetables, it ranks second in the world. Seventy percent of India's population relies on agriculture and related sectors for their livelihood. The growth of agro-processing sectors is indicative of advances in both agriculture and the broader range of sectors, connections, and investments that serve the needs of the population as their standard of living rises and the quality of their natural environment improves. It opens up opportunities to strengthen ties within the agricultural sector and increase exports.

Objectives of the study

The following goals have guided the current investigation.

- To outline the history and current state of the agro-processing sector.
- To take a look at where some agricultural businesses now call home.
- To investigate the effect that the agro-processing sector has on farming.
- To look at the business side of food processing plants.

Research Methodology

Primary and secondary sources were used to compile this report. The research uses secondary data, such as the National Sample Survey data from every five years on the unorganised manufacturing sector and the Annual Survey of Industries data from every year on the organised segment, to provide a full picture of the agro-processing industry. The data gathered by the Economic Census focuses on the informal sector of the economy and its goings-on. Since the Economic Census does not collect data on employment in field crops and plantations, estimates of non-agricultural firms are likely to be on the higher side, making

it difficult to directly compare Economic Census and National Sample Survey statistics. Therefore, the research primarily uses secondary data from the National Sample Survey's quinquennial survey of the unorganised manufacturing sector and the Annual Survey of Industries' data on the organised manufacturing sector.

Data analysis and interpretation

All sample processing units were found to have positive net income. However, depending on their classification and kind, the units have experienced a wide range of difficulties. This section examines the challenges encountered by the state's agro-based manufacturers. Using information provided by the National Sample Survey (NSS), it first describes the issues faced by the un-organized sector manufacturing businesses as a whole before moving on to an analysis of the primary level data gathered throughout the course of the research.

Issues Facing Manufacturing Companies: A Look at the NSS Data

Given the un-organized sector's disproportionate representation among agro-based businesses, this section will focus on the issues that plague the sector as a whole. The manufacturing businesses in the un-organized sector may learn more about the issues they encounter thanks to the information provided by the NSS. Business issues are broken down into two groups: "specific/common problems" and "other problems faced." The widespread/specific issues are linked to challenges in certain domains. The issues that manufacturing business owners often encounter may be shown in Table -1. That just 26.7% of Indian businesses reported experiencing zero difficulties during normal operations is made very evident. In Maharashtra, just 13% of these businesses reported having no issues. The most common challenge cited by businesses in Maharashtra is a lack of money, followed by other, less specific issues such as technical and institutional limitations.

Table – 1 Common Issues Reported by Different Types of Manufacturers

State	The proportion of factories that have had difficulties						he percentage of businesses that haven't reported any issues
	There is no access to power	Voltage drop	Lack of Funding	Failure to get necessary supplies	Product promotion	Other issues	
Maharashtra	17.5	12.7	68.1	19.1	25.9	40.7	14
All India	11.7	14.7	48.9	16.1	19.1	35.1	25.1

The aforementioned issues are only the tip of the iceberg when it comes to the challenges that modern businesses confront on a regular basis. Businesses also cited certain regional issues, although competition from bigger companies was by far the most common complaint throughout India. Most businesses in the state of Maharashtra shared a challenge with businesses throughout India: competition from bigger organisations.

Table – 2 Companies in the manufacturing sector that have encountered issues beyond those typically encountered

State	Percentage of factories with other complaints							
	Inadequate infrastructure	Regional issues	Harassment	Larger units provide competition	The Labour Supply and Demand Impasse	Low availability or high cost of fuel	Failure to recoup costs for services rendered	Others
Maharashtra	9.8	9.2	4.1	33.6	0.8	4.1	4.7	14.1
All India	7.1	16.1	4.2	28.1	2.1	3.1	3.6	17.9

Issues Facing Manufacturing Businesses: A Look at Primary Data

Given the prevalence of the informal economy in the state, most agro-based businesses are home-based operations. Such businesses often use antiquated manufacturing methods, have restricted access to markets, and suffer from diseconomies of scale. Aside from that, people may encounter even more challenging issues that can barely be emphasised. This section will summarise the replies about the difficulties businesses have encountered in sourcing raw materials and selling the finished product.

Among the many challenges faced by the business owners of OAME units in the food processing industries, the lack of consistent availability of raw materials, the fluctuating cost of those materials, and the lack of an information network to monitor these factors have risen to the forefront in recent reports. It has been claimed that the lack of an information network to monitor raw materials prices is the second biggest challenge encountered by the NDME units of food processing firms, after the unpredictability of raw material costs, which makes it impossible to establish pricing of product. One DME plant in the fruit processing,

paddy processing, and fish processing categories each reported having just the issue of raw material price fluctuations due to seasonality. In sum, the food processing units said that the lack of a reliable information network (72.22%) and the consistent unavailability of raw materials (66.67%) were the greatest challenges they experienced in sourcing these essential ingredients.

Conclusion

The structural shift from agriculture to non-agriculture was noticeable in the Indian state of Maharashtra. The percentage of agriculture contributing to the state's GDP fell from 31.81 percent in 1999-2000 to 25.35 percent in 2004-2005. There has been a comparable rise in the percentage of non-agricultural activity as agriculture's proportion has decreased. When looking at the non-farming pattern, manufacturing ranks second behind the service industries (hotels, restaurants, etc.). However, manufacturing's share increased from 8.56 percent in 1999-2000 to 9.67 percent in 2004-05, while agriculture's share decreased by 6.46 percent over the same time period. Agriculture and the development of agro-based enterprises are intrinsically linked. The agro-based sector relies on agricultural inputs and processes agricultural inputs to increase the value of farmers' goods. By connecting farmers and manufacturers, agro-based industries speed up the expansion of the agricultural sector. In this research, we used both regression and correlation analyses to infer factors influencing the expansion of the state's agro-based industrial sector.

When the estimated rank correlation coefficient is compared with the results of regression exercises, it becomes clear that there is some form of interdependence between the location of units and agricultural production in a district, rather than a simple causal relationship. As a result, we can confidently assert that the expansion of the agro-based industrial sector is both a prerequisite for and a determinant of agricultural expansion.

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