



# To Study the Role of Agro based Industries in Rural Development of Lanja Tehsil, Maharashtra state

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## Abstract:

India is a rural based country. It is also pointed by Mahatma Gandhi. He said India is the country of village. Rural economy plays a significant role in the development of Indian economy. According to 2011 Census out of total population of India 83.37crore (68.75%) population live in rural area. The prime occupation of rural population is agriculture. Agriculture play a vital role in industry development. As the raw material requirement of the industry is fulfilled by the agricultural activities. Small scale industry also depends on agriculture. Rural development can be attained with the help of the development of agriculture and allied activities, rural or village industry, agro based industry, social services etc. The present research paper aim is to study there ole of agro based industries in rural development. Present study is confined to the Lanja tehsil of Maharashtra state. Indian economy provides huge scope and opportunity for rural agro based industry development. Rural development helps to reduce the rural unemployment, poverty, and increases income level of rural people.

**Key word: Agro based industry, Agribusiness, Rural Development, Industry, Rural area, Agriculture sector**

## Introduction:

Rural economy is the backbone of Indian economy. Out of the total population of India 68.75% population lives in rural areas and rural population mainly depend on agricultural activities. To overcome the problem of declining growth rate, there is a need to boost economy and it is possible through the development of rural sector. Hence, there is a need to focus on the rural area development. Present research paper studies the role of agrobased industries in rural area. The study is confined to state of Maharashtra.

Father of nation Late Mahatma Gandhi had truly pointed out that India is the country of villages. He accentuated on cottage and small industries to reduce poverty and create employment opportunities for the development of rural economy which will ultimately lead in development of Indian economy. The rural development sector policy paper of World Bank, 1975 has defined, “rural development is strategy designed to improve the economic and social life of a specific group of people- the rural poor.

Sustainable rural development is vital to the economic, social and environmental viability of nations. According to 2011 Census 68.86% of the total population of India lives in rural areas. The prime occupation of rural population is agriculture. A healthy and dynamic agriculture sector is a significant base of rural development and creating strong linkages to other economic sectors. Rural development consists of the following:

- 1) Agriculture and allied activities
- 2) Rural industries
- 3) Social services
- 4) Basic infrastructure

Village industries play a significant role in rural development. Village industries include agro based industries, khadi industries, cotton industries, etc. It is helpful for reducing poverty and unemployment in rural area.

In Indian economy food processing industry has huge opportunity for investment and employment generation. Food processing industry contributes 32% in India's food market and 11.60% in employment of food industry. Food industry has major contribution in rural development, because rural area provides the raw material to food industry or food processing industries. Establishment of food processing industries in

rural areas will give the opportunity for raising the agricultural production, employment generation and curbing the cost of production.

The potentials of the farmers can be enhanced for improvement in rural industries and agriculture & allied activities. The research is confined to study the role of agro based industries in developing rural area of Maharashtra state. 'Rural poverty' and 'unemployment' are the twin obstacles in rural development which can be overcome by development in agro industries in rural area. Agro industries play a vital role in modernizing agricultural sector, increasing incomes of the farmers and production. These industries contribute towards diversification of rural economy so as to create employment and reduce poverty.

### **Objectives of the Study:**

- ❖ To study the role of agro based industry in rural development.
- ❖ To study the challenges faced by Agro based industry in Lanja.
- ❖ To study the benefits and opportunities of agro based industries.

### **Research Methodology:**

The study of the paper is of descriptive nature. Primary and Secondary data is used for the study presented in this paper. Information related to agribusiness, policy of government is collected from the secondary source of data.

### **Sample Size:**

Data collection is done through the random sampling method. 50 respondents are selected for the study.

### **Role of Agro Based industries in Rural Development:**

Agro based industries play significant role in industrial development in rural area which is supported to rural development. agro based industry provide the employment opportunity in rural area. Government frames policies to encourage development of the agribusiness. Many states of India are taking efforts for strengthening the agro based industries. Agro based industry benefits are employment opportunity, agriculture development, income opportunity, use of technology, reduce poverty in rural area etc. The state of Maharashtra has also taken an active participation in the development of agribusiness. Maharashtra is the third largest state in area and second largest state in population of India. Sahyadri, the rural ranges running

parallel to the coast at an average elevation of 1200 mtrs (4000 ft.) divides Maharashtra in two parts geographically, first, Konkan coastal plain, 50-80 km in width and around 720 km in to the west and second, Deccan plateau (Western Ghat) to the east.

Lanja tahasil situated at Ratnagiri district of Maharashtra state. According to the census data from 2011, the total area of lanja tahsil is 747 square km., with 729.64square km., designated as rural area and 17.11 square km. as urban area. The total population of lanja tahsil is 106,986 with 14,377 residing in urban areas and 92,609 in rural areas. The population density of Lanja tehsil is 143.3 inhabitants per square km. Lanja tehsil population depend upon the agriculture sector. Now a day's starting agro industry provided the employment opportunity to rural people. Agro industry also help to agriculture development.

Agribusiness has proved a boon to the farmers who got engaged in commercial farming. Hence all the farmers can develop their farm and convert the traditional farming into agribusiness such as horticulture, floricultural, organic farming, agro-tourism, poultry, animal husbandry etc.

**Table no. 1 Classification of Agro based industries in Lanja Tehsil**

Tahsil	Classification of Agribusiness				
	Agro Produces Processing Unit	Agro Service Center	Nursery	Agro Produce Manufacturing units	Total
Lanja	08	06	06	03	23
Percentage	34.78	26.09	26.09	13.04	100

Source: Primary data, Field visit

Above table no.1 shwos the classification of agro based industries in Lanja tehsil. Agro produces processing units are highest in Lanja tehsil which is 34.78% and agro produce manufacturing units are 13.04%. These agro industries supported to employment generation, income opportunity to rural people.

**Table No. 2: Total No. of Employment in Category wise of Agro based industries**

Tahasil	Processing Unit		Nursery		Agro Produce Manufacturing units		Agro Service Centers		Total Employment
	No.	Employment	No.	Employment	No.	Employment	No.	Employment	
Lanja	08	122	06	48	03	62	06	20	252
		<b>48.41</b>		<b>19.05</b>		<b>24.60</b>		<b>7.94</b>	<b>100</b>

Source: Primary data collected during field survey

Table no. 2 showing the status of employment which is provided the agro based industries in Lanja tehsil. Agro manufacturing units provide more employment as compare to other agro based industry.

**Table No. 3: Responses of the selected respondents related to agribusinesses in Lanja Tehsil**

Tahshil Name	agribusiness helped you to raise your production		fair price		generate employment opportunities		agribusiness helped to develop your village	
	Yes	No	Yes	No	Yes	No	Yes	No
Lanja	42	08	33	17	38	12	37	13

Source: Field Visit

Above table show the Lanja tahsil responses of selected sample. According to the survey it is found that 84% respondents agree that agribusinesses help to increase the production of agriculture. 66% respondent agrees upon getting a fair price for agriculture produce. According to 34% respondents are agreed the agribusiness is not helpful for getting fair prices as compared to market. Farmers need support and market facility to sale there product and get fair price. In district the farmer is not well aware about the regulated market and market related information.

According to 76% respondents agribusinesses have helped to generate employment in rural area of Lanja tehsil. In rural area unemployment rate will reduce by the increasing opportunity of employment. In rural area employment opportunity is widely provided by MSME sector as well as agribusiness. Present research study found that agribusiness provides the employment opportunity in rural area in reference of Ratnagiri district. The benefits are in terms of employment generation, income generation and rise in agricultural productivity.

The prime need for setting an agribusiness is the availability of raw materials. The agribusinesses set up in rural areas are benefited with abundant raw material available locally. Similarly maximum population of India resides in rural area so the employees are also available locally. Setting up of the agribusinesses in rural area has helped in development of rural infrastructure.

#### **Challenges faced by agribusiness:**

As each coin has two sides, similarly agribusiness carries some limitations along with the benefits. Following are the challenges faced by the agribusiness in the state of Maharashtra:

- ❖ **Requires huge capital for initial investment** – Capital is a crucial element for the success of any business. For agro-based industries, significant fixed capital is needed for initial investments in purchasing capital assets. In addition, there is a high requirement for working capital to cover daily expenses. However, one of the major challenges faced by agro-based industries in rural areas is the shortage of capital. This can be attributed to a lack of understanding about ways to secure capital, manage financial risks, and utilize government schemes designed for agribusinesses. As a result, these businesses often encounter financial difficulties that hinder their growth and profitability.
- ❖ **Climate Change**– The agriculture sector serves as a primary source of raw materials for industries. As such, it can be deemed that agro-based industries rely heavily on agricultural production for their processing inputs. The natural environment and its fluctuations, such as climate change, have a profound impact on agricultural production. Natural disasters like floods and droughts often result in decreased agricultural output, leading to shortages in the supply of raw materials to agro-based industries.

- ❖ **Storage Facilities**– Availability of storage facility is another important challenge for the agro based industries. Insufficient Warehouses, Cold storage, godown facilities affects the growth of agro based industries. Perishable produce of agro based industries requires proper storage facility. Stock holding of raw material, semi finished goods and finished goods is required to maintain the continuous supply of the production.
- ❖ **Requires skills and training** –The dynamic business environment requires developed techniques of production. Lack of proper training programs for labours is also one of the obstacles to growth of agro base industries. There is lack of availability of trained and skilled labours at the rural level. The cost of training the labour is also high.
- ❖ **Requirement of modern technology**- Technology upgradation, such as automation, is required to cope up with the dynamic business environment and to raise the quality as well quantity of production. Lack of capital is one of the constraints for adopting modern know how.
- ❖ **Marketing knowledge**–Today's business world is of marketing. The product marketing has become an inseparable activity of a business. Effective marketing techniques lead to increase in sales volume. Agro based industries face the problem of unskilled marketing personnel.
- ❖ **Basic infrastructure facility** – Basic infrastructure facilities are the back bone of any business establishment and development. Transportation and road development, Power and electricity, water facility, storage facility, etc. are the required infrastructure facilities for the smooth functioning of a business. But insufficient infrastructure development in the rural area is one of the obstacles in the development of agro based industries.

### **Conclusion and Suggestions:**

Agro based industries are play a prime role in rural development. agro industries help to employment generation, income opportunity, agriculture development and rural development. present research find and suggest the some facts.

1. Agro produces processing units are highest in Lanja tehsil which is 34.78% and agro produce manufacturing units are 13.04%.

2. Agro based industries are provided employment opportunity to rural area, in Lanja tehsil agro produces processing unit provide 48.41% and 24.60% agro manufacturing unit provide employment.
3. According to the survey it is found that 84% respondents agree that agribusinesses help to increase the production of agriculture. 66% respondent agrees upon getting a fair price for agriculture produce.
4. According to 76% respondents agribusinesses have helped to generate employment in rural area of Lanja tehsil.

### **Suggestions**

1. Encourage the young generation to establish agro based industries.
2. Provide training of marketing, management skills to the existing and emerging businessmen in agro industries.
3. Creating awareness about the importance of the agrobased industries among the people through schools, colleges and local authority bodies.
4. Implementation of the scheme should be done keeping in the view the direct benefit to the agrobased industries

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