Chapter - VIII
SUMMARY, CONCLUSIONS & SUGGESTION

India’s development strategy through industrialisation consists in
(i) Establishing public sector industries in strategic and key sectors and
(ii) promoting and regulating private sector industries, including control
of concentration of economic power. However the objective of
augmenting agro industrial ship was accorded very low priority in the
initial plan period. Government of India started playing a significant
agro industrial role by launching public private and government sector
which were almost non-existent in pre-independence period. This
attracted the private sector to start manufacturing units. Further the
employees in those industries could also get some work experience
acquire knowledge about the modern industrial skill and develop into
agro-based sector.

However, faced with heavy budgetary deficits, the government
had to turn to agro industrial and managerial expertise in private sector
to set up units in heavy and capital good industries also. Hence, the
government has recently started towards privatisation encouraging rapid
growth of private sector.
In the private and government sector agro-based industries play a vital role in generating employment, reducing regional disparities and supplying cheap consumer and durable goods to the low income groups. Also agro-based ancillary industries could supply semi-finished raw material to large and small scale agro-based industries and at the same time avoid the problems of large and small scale agro-based industries. Thus, the agro-based industries may act as nurseries for the emergence and development of agro industrialship.

Having studied the role of agro industries in the development of agro-based industries with special reference to the district Auraiya, it is now possible to summarise the findings and conclusions of the study. It is also possible to critically examine the entire issue and offer suggestions for development of agro-based industries in the district Auraiya.

The present study had sought to analyse the role of agro-based industries in district Auraiya. An attempt was made to examine the process of development of agro-based industries in order to mobilise the local resources lying unexploited due to lack of agro-based industries. An attempt was also made to study the extent and pattern of employment and capital labour ratio in different types of agro-based industries. A critical valuation was also made of the government policies and
programmes formulated for the development of agro-based industries with special reference to district Auraiya.

A survey on the existing literature in the field of role of agro-based industries carried out is inadequate and these studies also suffer from the following significant limitations:

- Most of the studies have a predominant bias of being macro studies. Such studies by their nature do not touch the core of reality since it is not possible to know from the top what is going on at the inner base of the mountain of the problem. However this is not to suggest that macro level studies were meaningless. What is intended to highlight is the fact that it is always safe to have several representative micro studies before undertaking a macro level study for making safe generalization at the national level.

- In the present developmental context in India, rapid changes are taking place on the economic scene which bring in their trail for reaching changes in social, cultural, and political aspects of life. Therefore, even if a number of micro studies were existing. Initiating of a new study in this area would have undiluted importance as such an attempt is bound to throw up several new facts in any empirical exercise having a bearing on policy issues.
Thus, on its own, the necessity of a new micro study remains ever green.

Agro-based industry has an important role to play in the industrial development of India is now widely recognized. It already accounts for a substantial share of employment and though to a lesser extent, of gross output in the industrial sector. Its rapid development is often regarded as the principal as the principal means of providing an additional employment opportunities outside agriculture, given the relatively slow growth rate of output and the high capital intensity of techniques of production in large scale manufacturing. Agro-based industry also believed to economise on scarce capital resources, to bring about the decentralisation of economic power to increase exports to help in developing agro-based skills among artisans and possible among skilled labourers and to contribute towards the development of backward regions. In order to achieve these objectives. Agro industry has been allotted a not inconsiderable share of investible resources in the various Five Year Plans, including the sixth Plan. It has also been sought to be encouraged through the adoption of various policy measures including reservation of particular categories of output for production by agro industry, favouring agro-based industry in the allotment of scarce raw material and policies relating to taxation, subsidies and pricing etc.
The development of agro-based sector too requires some amount of information, facilities, skill and funds. For providing these basic things to potential agro-based industry, it was realised some time back that public sector agencies must come forward, for the profit seeking private agencies could be reluctant. As a part of human resource development, quite a few steps were taken to promote agro-based qualities at various stages. Institutes of technologies and management have been set up to increase the supply of specialized expertise. In the recent past, serious attention has been paid to promote to growth of agro-based industries.

Auraiya a very peculiar position being the district level capital of U.P. In this district have two national level plant like GAIL & NTPC indicating high literacy rate, irregular growth rate, enormous density of population with substantial share in agriculture and some services sector. It may be stated that there has been substantial development of industrial units in Auraiya. Few these industrial units belong to small scale industrial units which have been set up by agri sector.

The term Manager are used interchangeable in so far as agro-based. It is generally, industry who manages his unit after the inception phase. In the agro-based sector, in this area is required to develop a set of diversified abilities. In the agro-based sector, may not be an innovator
par excellence, than the totality of his activities could nevertheless, be subsumed under the three important aspects of agro sector activities viz. (i) perception of an opportunity (ii) setting up an industrial management (iii) to make the unit a going (profitable) and growing concern. Agro-based industries may be regarded as co-extensive with starting of small unit. One who starts a small unit is considered in the present study.

The study revealed that the role of agro-based industries play an important role in generating employment opportunities in the economy at macro as well as micro level. Thus is a fact that next to agriculture these industries provide employment opportunities to the largest number of people. Therefore, an ample employment opportunities are available in Auraiya due to development of agro-based industries. It is therefore, to be realised that it is only though the development of self employment and the agro-based industries sector that the growing of unemployment may be tackled through a massive programme of self employment. It is to be stated that sustained effort for agri industrial ship development is an essential. It is suggested that a wide net work of agri industrials training programme is absolute necessary for the purpose of employment generation on a mass scale in the economy.

The study concluded that there has been a remarkable expansion of registered factories in the census and sample sector in all U.P. level as
well as district Auraiya. It may be emphasized that agro-based industries have been utilizing their resources regularly in order to increase production, investment, employment opportunities and export of goods etc. It was found that number of registered factories in the Auraiya have not been increased more than last years. Similar trend has been observed in productive capital inputs (such as fuel, electricity, lubricants etc.) of output and value added by manufacture in agro-based industries in district Auraiya.

The government has all through these years adopted a positive attitude towards the small agro-based units. The government has set up a number of institutions the National and state level and district industries Centers, agro-based industries extension and Training institute. Servicing Institute, State financial Corporation, Commercial Banks, etc. to support agro-based industries. Apart from that a number of fiscal concessions are also provided by the government viz. Procuring of machinery for agro-based manufactures on a hire purchase basis on concessional terms, liberalization of imports and marketing services. The Government also extend facilities for training to upgrade the skills of workers. Large credit is also extended to these industries on liberal terms by several agencies like the commercial banks, co-operative banks.
Besides, failure of the role of the government to provide support systems becomes serious in growth of agro-based industries. Its licensing policy, financial policy, industrial policy, export policy and import policies are facilitating merely the opening up of the opportunities in the socio-economic and political environment rather than the creation of new personality types of agro-based units.

The U.P. Government did take positive steps to develop agro-based industries in district Auraiya. Various schemes like quality Marking Scheme for Domestic Electrical Appliances, Block Loan, and Training Center, Vocational Training Center in collaboration with central Government, Margin Money for revival of stick units, Publicity, Propaganda and exhibition, financial Indicatives to scheduled castes, Financial Assistance for Modernization of agro-based industries, Market Development Assistance to Boost Exports, District Level Awards to agro-based industries, contribution to society for Self-Employment, Technical Consultancy organisation. Quality Marketing scheme and Industrial Estates etc. have been started in district Auraiya to provide all facilities to agro-based industries.
During the course of the study, certain deficiencies like lack of publicity and awareness and proper selection of beneficiaries, Lack of the facility of infrastructure, regional variation and apathy officials etc. were found in the proper implementation of number of schemes for agro-based Sector development in district Auraiya. These could be resolved if following measures are taken:

- Priority should be given to the identified groups.
- Long term follow up measures should be taken in appropriate time.
- Adequate infrastructure should be provided to achieve the objectives of the agro-based sector development programmed.
- Adequate training counseling guidance should given in appropriate time.
- Loan facilities should be available at liberal terms and conditions.
- Adequate provision of required inputs in post training period be extended to agro-based sector to nurture self employed units till they become self sufficient.

It is therefore suggested that an integrated approach should be adopted covering employment, training, education, application of
science and technology and other related aspects in areas of interest to agro-based sector. Efforts should also be made to extend facilities to the technically qualified and other educated youth, to obtain real life experience in the better run industrial units in district Auraiya. The educational pattern should be reoriented to include vocational training and subject to develop agro-based sector qualities in young students at the school and graduation stages. Further, the cooperative sector should be strengthened and small unit holders should be brought, into its fold, from better ability in financing. Manufacturing and market operations. Efforts should be made to an initial repayment of loans for first three years, and tax concessions for an equal period. There should be local deposit to stock scarce and imported raw materials so that the agro-based industrialists could get adequate quantities of good quality material locality.

Promotional agencies should be developed in the region which could assist the agro-based unit holders such as land registration, clearance of plans for local authority, procuring the services of architects or engineers construction of factory premises and registration with Directorate of Industries etc. A constant research for evolving an appropriate technique should be undertaken in the small units to improve the quality of production the criteria for sanctioning loans to the small
units should be liberalised. Capital should be advanced against semi-finished and finished goods also, besides fixed assets, raw material and other inventory. The procedure should be made less complicated, and the actual sanction of loans should not be delayed beyond two months. Efforts should also be made to set up a regional testing and research laboratory to assist in the improvement of the quality of products. The agro-based industry product should not have multiple stages of taxation, to protect them from unequal competition against other agro industry products. A reasonable segregation of market should be carried out so that consumer goods and other products are allotted to agro-based industries. In the end state policy should be pragmatic and frequent change of emphasis should not be carried out.

A complete package of infrastructure facilities to the agro-based industries to run the units successfully should be provided. Evaluation of the programme from time to time and monitoring then should be done effectively to ensure efficient performance of programme. All these special arrangements will enable the agro-based industries participate successfully in the process of economic development.
PLAN AND STRATEGY

The objectives of agro-processing programmes in India should be to:

- Minimize product losses,
- Add maximum value,
- Achieve high quality standards,
- Keep processing cost low,
- ensure that a fair share of added value goes to the producer.

STRATEGY FOR DEVELOPMENT

- Related groups of units have to be set up in a coordinated manner in a cluster so that utilisation of by-products can be possible simultaneously.
- Advanced management and marketing methods needs to be introduced for the cluster.
- Extension and dissemination of information through mass media, technical development research activates and training programmes need to be improved.

On the basis of the observation made above a strategical blue-print can be structured to boost-up agro-based industrialisation in Indian economy. This is strategy oriented towards employment and income generation in such a way that it would not accelerate not only an
alternative pattern of industrialization and process of development but it would also consistent with rural development programmes operating in the economy.

**To achieve these objectives following strategy is suggested:**

(a) National plan for improvement and extension of agro-processing technology at farm, traditional small industry and modern industry levels should be prepared. The plan should take into account the diversity in resources and needs of different regions in the Country. It should include programme details and implementation schedule for the first four or five years. The progress of plan implementation should be periodically reviewed to allow adjustments and corrective measures, and to develop programme details for the years beyond the period under review.

(b) Thrust areas for research and development should be identified and medium term research and development programme should be prepared and implemented to support the national plan for improvement and extension of agro-processing technology at different levels. Treatment and utilization of effluents from agro-processing industry should be included in the R.D. programme.

(c) Emphasis should be put on the establishment of new agro-industrial plants in the production catchments to minimize transport cost, make use
lower cost land and more abundant water supply, create employment opportunity in the rural sector and utilize process waste and by-products for feed, irrigation and manure.

(d) Infrastructure in the production catchments selected for agro-industrial development should be improved. Because of uncertain grid power supply to rural areas, decentralized power generation using locally available resources may become an integral part of agro-industrial development. Similarly, if the raw materials and processed products are perishable or semi-perishable in nature, cold chain will have to be established.

(e) The national plan should provide for management of agro-industrial activities in the catchment area, both by private companies and individuals as well as cooperatives.

(f) Financial incentives and support should be provided on liberal scale to promote the modernization of agro-processing industry and for establishing new such industries in production catchments.

(g) Arrangements to supply market information to the farmer and agro-processor should be put in place.

(h) Primarily, the agricultural sector is to be given a status and standard of industry and they are to be furthered on the concept of mutual interdependence.
(i) A newer techno-economic survey of the economy should be performed for the industrialization as such and a list of potential Agro-industries, at the block level, should be released by the state government on the basis of comparative costs differences of producing and processing different variety of agricultural produce and block/village level local resources, comparative advantages be calculated on the criterion of appropriate technology and marketing of these products;

(j) Towns’ and village entrepreneurs should be induced to establish these units on priority basis and for this they must be provided with Units viability and feasibility report alongwith the knowledge of techno economic aspects of the same free of costs;

(k) An Agro-based industrialisation center should be formed district-wise and a cell like Inputs-out all be opened under the control of the center which would be suggesting and guiding rural entrepreneurs regarding inputs’ purchase and output selling with allied relevant information’s for a particular unit;

(l) The agro-industrialisation process is to be integrated I.R.D.F., N.R.E.P. and TRYSEM etc.;

(m) The sick and old Units’ state is to be investigated with and they should be re-involved. Alongwith, R&D efforts facilities should be
provided to these Agro-units with minimum charges by the state
government;
(n) The entrepreneurs of the Agro-units should be given cheaper and
adequate finances and bureaucratic delay for registration are to be
checked properly and timely;
(o) Adequate and uninterrupted supply of power with reasonable tariffs
should be a certain to the entrepreneurs;
(P) For higher labour efficiency and increased productivity per woker
there should be an “Agro-products Processing Course” for one month,
organised by technical institutions such as I.R.T. and I.I.T. Alongwith,
human relations are to be maintained and labour welfare programmes are
to be implemented with sincerity in the ‘Units’.
(Q) For skill formation the management Techniques programmes are to
be imparted to the units, managers through Agro-Economic Research
Centre;
(R) For diversification of products and markets there should be a
‘window’ like Marketing and Diversification Window Under Agro-
based District-Industrialisation Centre;
(S) There should be a “system of Accountability” in each Agro-Unit.
Hence a monthly performance is to be reviewed and a strategy as such
be in the process of dynamic revision as per problems;
(t) The entrepreneurs must seek population participation of the local and village people so as to get momentum to such industrialisation of the economy in reference; and

(u) Here comes the role of voluntary agencies to give a thrust to the popular participation of the local people in a planned manner.

(v) The Processed Food sector has been facing serious problems in financing the projects as the food processing industries are high risk prone with long gestation period and the returns are small. As a result, the projects in this sector were not finding favourable consideration by the financial institutions. Inadequate rural credit and working capital is a major area of worry for small farmers. Considering the Demand of the industry and in view of the vast potential of the growth of the agro processing sector, the Government has decided to include agro-processing sector within the definition of ‘priority sector of bank lending’. Priority sector lending norms were not applicable to financial institutions and the commercial banks provided only 18% of the net Bank Credit for the entire agriculture sector. No separate target with in priority sector has been fixed for lending to food and agro based industries.

(w) The Food processing industries world over was considered sunrise industries and had the potential of attracting huge local and foreign investments. These investments would not only accelerate the pace of
industrialization, but also lead to improvement in both rural and urban infrastructure. The Committee felt that the strategy of the Government to attract high level public investment and foreign investment was not clear because the Government was unable to even provide adequate direct budgetary allocation or investment facilities through their protected public financing.

(x) By simply placing the processed food sector under priority sector lending would not serve the purpose of better financing of food processing sector. This provision just enables the public to apply for finance within the 18% made available to Agriculture Sector.

(y) Food processing technology has not developed in the proper manner. Whatever technologies are available are home-based or of the cottage industry type. The necessary infrastructure is also lacking. The food processing technologies in the country at present are limited to the preparation of traditional products, e.g. pickles, achar, mango leather, salad and brined products, jam, jelly, etc. The existing food processing industries should effect their own improvement by taking advantage of emerging technologies and making more efficient use of existing technologies which are adapted to local conditions. There is a need for R&D activities in this direction by national institutes like the Institute of Food Science & Technology and other Post-Harvest Technology
Division. In order to upgrade traditional technology the following steps are necessary:

i) To create awareness of the importance of agro-processing at all levels.

ii) To develop the necessary trained manpower.

iii) To develop appropriate technology.

iv) To prevent food losses by:

a) Improving the farm- and village-level storage structure.

b) Improving rodent control.

c) Creating facilities for handling and processing fresh produce.

In view of the finding of the present study of the impact of the selected agro-based industries on the rural economy with special reference to U.P. and district Auraiya, the following suggestions and recommendations have been made for the policy makers of both the state and central government.

The agro-based industries are cornerstone of the economies of development countries. Especially in India, because they strike deep roots in indigenous economic environment. It is necessary therefore, that at least an important part of the development effort should by pass the big cities and be directly concerned with the creation of 'an agro
industrial structure' in rural and small town areas. In this connection, it is necessary to emphasize that the primary need in India is work places of course, no one would suggest that output per man is less significant but the primary consideration for the unemployed and underemployed. For a poor man, the chance to work is one of to greater need and even poorly paid and relatively unproductive work is better than idleness. Thus the solution of unemployment of agro-based industries in rural areas.

Despite the fact that agro-based industries occupied an predominant position in the industrial structure of Auraiya, they did not keep pace with the all industry average growth rate, whether in terms of employment, productive capital or value added, an a large-scale sector. In the context of the need for rapid industrialisation and for balanced regional development, the role of state government in development agro-based industries in pivotal.

As Auraiya is considered “Industrially backword,” the state should follow two broad objectives to ensure the development of the maximum number of industries based on agricultural products. First, all the agricultural products which are cased as raw materials for the industries should be utilized to the maximum possible extent within the state, because agricultural raw materials are not only a strong factor for
the location of these industries by reason of their bulky nature, they would create many indirect and secondary benefits through a chain of varied industries based on each product. More over, it is necessary to coordinate the plans and activities of agriculture and industry to take the maximum advantage of the states strong agricultural base.

In this connection, it may be pointed out that the development of agro-based industries depends mostly on regular and adequate should manage to supply the maximum amount of industrial raw materials, without disturbing the advantageous position which the state now enjoys in food grains. In this connection, it is imperative to note that the improvement in the quality of agricultural and agro- industrial corps depends upon various factors, viz irrigation facilities. Loan facilities and supply of modern agricultural equipment (Such as tractors H.Y.V.seeds, chemical fertilizers etc). So the state government should provide all sort of infrastructural facilities to the farmers, particularly to those growing agro- industrial crops.

To sum up, it can be argued that appropriate schemes should not only be made for crop diversification in order to develop more industries, but also efforts be made for the development industries which will strengthen agricultural base.
Needless to state the components of such strategy may be equally good for other parts of the Indian rural economy which have similar characteristics as that of the district Auraiya economy.

Thus, the rural industrialisation based on Agro-products' processing and manufacturing of agricultural implements is highly significant form the perspective of employment and income generation for the agriculturally dominated regional rural economies such as Auraiya. What is of strategical importance that the Agro-based units be linked to Rural Development and Employment Programmes and be accelerated on Cost-Benefit Analysis, comparative costs difference, regional advantages appropriate technology, regular and cheaper power, entrepreneurship and managerial skills, will-knit diversified marketing system and with a popular participation of the local and rural people, made good by voluntary agencies.