"IMPACT OF AGRO-BASED INDUSTRIES ON RURAL ECONOMY"
(With Special Reference to District Auraiya.)

Preface

Agro-based industries play a vital role in the development of rural economy on which that of the national economy depends, since it is largely an agrarian one. This study is essentially empirical in nature and attempts to evaluate the impact of agro-based industries on the rural economy of District Auraiya.

In view of the important role played by agro-based industries in providing employment in rural and in bringing about an improvement in rural economy in general. The government of India has laid a special emphasis on these industries in recent years. At present, the government has been promoting agro-based industries as one of the important measures for rural development. It is in this context the present study on "The impact of agro-based industries on the Rural Economy of District Auraiya" assumes importance.

In view of the importance of agro-based industries at the macro level too, a brief reference to rural industrialisation is not out of place. Industrialisation is considered as a panacea for many of the socioeconomic
ill of developing economies; they therefore, place a greater reliance on the process of industrialisation for improving the standard of living of the people. Any plan of industrial development should be based on the exploitation of the available resources natural, human and financial. The controversy often raised for achieving the maximum return on investment is about whether it is better to place greater emphasis on agro-based industries or on non-agro-based industries. It has been said, in support of agro-based industries, that because they are labour intensive, they should be developed on a priority basis vis-à-vis non agro-based industries. In this context, the present study is considered relevant because it evaluates the impact of agro-based industries on the various sectors of the rural economy.

In this thesis chapter I is introductory and describes that agro-based industries are very important for economic development for district Auraiya. It describes the methodology for agro-based industries role in the district Auraiya and U.P. The second chapter is devoted towards production process of agro-based industries. Starting with a small number of production facilities in 1950-51, a fairly well spread network of production facilities has been developed in U.P. Chapter III analyses the cropping pattern explains the proportion of area under different crops at a particular period of
time. The relationship between agro-based industries and the cropping pattern may be considered to be mutually complementary, reflecting a semblance of cause-and-effect relationship. The exact relationship between the agro-based industry and the cropping pattern was examined in the selected 25 villages taken up for study, representing different types of 40 agro-based industries.

Chapter IV discusses the finance for agro-based industries. It is provided by commercial banks—the State Bank of India Group, nationalised banks, private sector banks and development corporations which have been especially established to provide industrial finance. The Small Industries Development Organisation (SIDO) functions as a policy formulating, co-coordinating and monitoring agency for the development of agro-based industries. Other important institutions are NATIONAL SMALL INDUSTRIES CORPORATION (NSIC), DIRECTORATES OF INDUSTRIES OF THE STATE GOVERNMENTS, STATE SMALL INDUSTRIES CORPORATIONS, SMALL INDUSTRY EXTENSION TRAINING INSTITUTE, SMALL-SCALE INDUSTRIES BOARD. Chapter V deals with marketing of agro-based industries. Chapter VI presents a critical review of the impact of different agro-based industries on employment, occupational pattern, wage structure, income structure and migration. Chapter VII highlights the major problems & difficulties of agro-based
industries like lack of raw material, shortage of finances, old methods and inferior technique of production, inadequate marketing facilities, competition from other industries and unused capacity etc. The last Chapter VIII presents major findings and provides suggestions to develop agro-based industries.