This chapter gives a resume of the thesis at a glance. The thesis is primarily based on the premise that agro-industries occupy a pivotal position in the economic development of any country irrespective of its stage of economic growth. They have a strategic role to play in the development of particularly backward economies like that of India where millions of the people are unemployed or under-employed and where there is dearth of investible funds and a general deficiency of sophisticated machinery and modern technology. Other factors which
stand in favour of agro-industries are their adaptability to semi-urban and rural areas where infrastructure is inadequate and under-developed. Such industries have a capacity to mobilise rural savings and put them into productive channels.

The main emphasis has, however, been laid on the financial aspects of agro-industries. The financial resources of these industries greatly depend on how the financial institutions look to their needs. It has been noted that though most of the financial institutions both at state and central level show liberal attitude towards financing agro-industries, yet their total requirements, in view of spiralling prices of inputs, are not fully met by these institutions.

Financing of agro-industries can not be studied in isolation. It is, therefore, imperative to study briefly the industrial structure of Uttar Pradesh. In the first chapter a study of industrial structure has been made in relation to economic regions, employment potential of various districts and contribution of agro-industries in the national income. Needless to mention that a large part of the plan expenditure in Uttar Pradesh was allocated for the development of village and agro-industries during the second and third plan period but these industrie
had to depend on comparatively much smaller funds. The percentage increase in average expenditure in village and agro-industries is much more smaller than the percentage increase in the population of the state.

The state of Uttar Pradesh has been classified into five major economic regions, viz., hill region, western region, central region, eastern region and bundelkhand region. The agro-industries are largely concentrated in central, western and hill regions which enjoy the infra-structure facilities while eastern and bundelkhand regions are devoid of any industrial activity. Out of 15 most backward districts of the country, 11 districts are from Uttar Pradesh alone which have been marked as 'most backward'. As regards employment potential, Uttar Pradesh ranks fourth, fifth and sixth in respect of employment, capital output and value added by manufacture, but the share of Uttar Pradesh in these variables is sufficiently below the percentage shares recorded in Maharashtra, West Bengal, and Karnataka.

The study of the industrial structure reveals that the economic and social change brought by our five year plans in the state are far from satisfactory. The industrial structure of the state continues to be backward as compared with the economic levels achieved by other
developed states of the country. As a consequence of this Uttar Pradesh is in the grip of poverty, unemployment, squalor and disease all round. It is depressing to note that even after more than two and a half decades of planning in the country, Uttar Pradesh's per capita income generated by industrial sector could not rise to any appreciable extent.

It is, therefore, suggested that the development strategy provide a strong base for improving agriculture and expanding agro-industries so that both sectors coupled with other sectors may accelerate the rate of growth as well as per capita income of the state. Economic growth with social justice can only be achieved through the healthy development of agro-industries.

The second chapter is devoted to highlight the socio-economic significance of agro-industries. The study reveals that economic prosperity of a developing economy like that of India is dependent on integration of its agriculture with industry. Rural people form bulk of our population and their emancipation from evils arising out of economic imbalances would depend upon how best we are able to diversify the rural economy. Taking away a few millions of people from villages to industrial sites could not remove the fundamental problems of increasing pressure of population on agriculture, lack of employment opportunities in the rural areas, and the resultant limitations on equitable distribution of national income.
This can be achieved only by inducting industry in the rural sector in a big way. In this process agro-industries are destined to play a vital role. The chapter further reveals that industrialisation feeds upon agricultural surpluses. Unless the farmers produce more than their needs, they will have nothing to sell and, therefore, nothing to buy. Increase in agricultural production furnishes purchasing power to the farmers to buy the manufactured goods and farm surpluses. Industrialisation, thus can not proceed, but will follow increased agricultural production. So long as productivity of land and as a result marketable surpluses are low, industrialisation will not catch up.

Increase in productivity of land is thus an important prerequisite for diversification of rural economy. This depends upon the structural and technological changes in agriculture. Agro-industries are considered most suitable agencies for achieving this.

It has also been observed that rural areas where agro-industries have come up in a big way have almost got the socio-economic transformation. This indicates that the development of agro-industries implies the development of agriculture on the one hand and the entire group industries on the other to cater to the needs of the masses in as decentralised a fashion as possible. It is high time
therefore, to recognise that agro-industrial development provides the true basis for a pattern of socio-economic development that could contribute to over-all growth of the economy.

The Third Chapter deals with the role of agro-industries in the planned economic development of Uttar Pradesh with reference to First Four Five Year and Three Annual Plans. From the chapter it emerges that the agro-industries have made steady progress during all four and three annual plans. But the progress of these industries has not been commensurate with the size and population of the state. The number of agro-industrial units increased by 161 percent, while total industrial units increased by 190 percent between 1966-67 to 1973-74. Similarly total agro-industrial employment and production increased by 16 percent and 241 percent respectively, while the total industrial employment and production in the state increased by 52 percent and 418 percent respectively during the same period. This indicates that the rate of increase in agro-industrial units, employment, and production is less than the rate of increase in the total industrial units, employment and production. Likewise the over-all share of agro-industrial sector in the total industrial structure of the state has declined by 3.2 percent in number, 9.15 percent and 81.54 percent in employment and.......

production respectively during the said period. Similarly the over all share of large and medium scale agro-industries in the total agro-industrial sector has also decreased by 22 percent by units, 30 percent in employment and 12 percent in production during the same period. In the same way the total small scale industrial units, employment and production increased by 266 percent, 374 percent and 1298 percent respectively in 1973-74 over 1966-67, while the total small agro-industrial units, employment and production increased by 246 percent 357 percent and 673 percent respectively during the same period. But over all share of small agro-industries in terms of number of units declined by 4 percent in number of units, 1.4 percent in employment and 23 percent in production. These figures show that the decrease in production was even more marked during the same period.

This state of situation was mainly due to the increasing contribution from industries such as engineering industries. One of the causes of their decline appears to be the shift in favour of small engineering and textile units. Another cause of this state of affairs was to be found in the capitalisation process of small scale factories in the agro-industries group. In fact, there has been a gradual change from traditional to modern methods of manufacture through the adoption of intermediate technology and automation.
Thus over all factors which have slowed down the pace of the growth of agro-industries are shortage of finance, and raw material, low productivity, the disparity in agricultural and industrial productivity, lack of skilled workers, paucity of managerial skill and technological know-how, problems of market research and export etc. Again the regional imbalances have further retarded the growth of these agro-industries. A close scrutiny of the factors that impede the sound progress of these industries is therefore, imperative. This forms the subject matter of the fourth chapter.

In this chapter it has been suggested to establish raw material depots adjacent to agro-industrial estates which should be financed by the National Small Industries Corporation (NSIC) and should be run under the supervision of Directorate of Industries. Raw material required by agro-industries should be stored and supplied in required quantity and quality. As regards low productivity, the chapter shows that the agro-industries have sprung in many parts of the state without exploring the economic feasibility, longterm planning and marketing facilities. If productivity of agro-industries is to be understood as producing the best and the most at the least cost, hardly a step seems to have been taken in that direction. It is, therefore, suggested to establish a Research and Design
Centre in each industrial estate to undertake product development on scientific lines. Productivity is bound to increase if the optimum utilisation of men, material and machine is integrated to management control charts. Regarding management problem, it has been found that agro-industrial sector is in the hands of those people who have migrated from Punjab and Sindh. Without having any knowledge of engineering and technology. The state has failed to induce young and ambitious men and women studying engineering and technology to take up these industries. As such, there is a paucity of experienced and qualified engineers having managerial talents. Hence, these industries are thriving on old and wornout methods of production with inadequate market facilities. For solving the problem of skilled workers it is suggested that these industries themselves should take positive steps. At the time of allocating a worker a specific job, they should judge his ability. So far as possible, they provide proper training facilities to their workers. But when an industry is expanding fast it may be further suggested that the Government should make special arrangements to train the workers to meet the requirements of the industry. Agro-industries are also facing the problem of marketing their products. Among other things, articles which are exported deserve
special attention. The main task should not merely to increase production but to decrease cost per unit. For achieving this it is recommended that the industries should take full advantage of the various programmes indicated by the National and Local Productivity Councils. The export promotion drive should be interlinked with the concept of productivity and quality. It is further recommended that these industries should have a vigilant eye on the improvement of quality if they want to capture export market. In exporting their products, agro-industries face many other obstacles like information about export entitlement, licences, shipment and cash subsidy. In this direction it is suggested that export information service in the offices of Small Industries Service Institutions should be introduced so as to keep the agro-industries abreast of the information regarding overseas trade regulations, price tenders, enquiries, market potential etc. It is further suggested that these industries should be given more cash subsidies by authorising regional authorities to follow liberal policies in this regard. It is, however, felt that the State Trading Corporation (STC) has failed to bring about an effective export oriented policy for agro-industrial products. To meet the specific needs of this
sector, it is necessary to establish a Agro-Industries Trading Corporation (AITC) which would exclusively deal in exportable goods of agro-industries. The problem of research development is also important to agro-industries. Besides, capital, labour and raw material research has its own role in the production. The need of market research is felt more and more as the seller's market is giving way to buyer's market and agro-industrial units will soon need detailed facts and analysis of complex market situation confronting their products. In this connection, it is suggested that practical content and ready acceptability the entrepreneurs working conditions and the experience should be examined closely. There is need for an evaluation of market research studies at regular intervals in order to keep pace with changes in the needs of agro-industries in the complex of market conditions. Agro-industries of Uttar Pradesh are deprived of market research facilities on account of their limited financial resources. The State Government must focus its attention to this vital aspect and establish a Market Research Centre in the state for the purpose. Without the help and encouragement of the Government in this regard the balanced development of these industries is not possible. Needless to mention that in all stages of development of these industries the market research has a dominant role to play. It is further suggested that
In order to handle problem of market research, programmes on collective basis should be chalked out because agro-industries individually can not afford their expenses.

So far as financial problem is concerned it is observed that agro-industries have very little reliable statistical data to offer as a financial security. As they are housed in rented premises they offer no security in the form of land and building. Moreover, many units procure plant and machinery on higher-purchase basis and hence they do not possess a title of their own on the machinery which could otherwise be pledged to the financial institutions. These industries do not have access to the organised capital market and can not avail themselves of the various facilities provided by their size and partly because of their scarcity of surpluses which can not be utilised to repay the loans. With the nationalisation of the banks the Government has taken a more liberal view in granting loans to agro-industries. The quantum of advances should not be based solely on security offered but should be on the purposiveness, proficiency and promise of the industry. It is suggested that there should be a free flow of adequate finance through institutional sources so as to achieve desired goals. Hence there will be considerable scope of attracting many more people to start such industries if
the financial institutions continue to meet the working capital requirements of agro-industries.

In the Fifth Chapter, the pattern of financing of Agro-Sector in Uttar Pradesh has been critically examined. The study reveals that finance is a basic requirement of an agro-industry big or small. One of the major constraints on the agro-industrial development of Uttar Pradesh is that of financial resources. This constraint becomes all the more acute when the resources for development have to come from domestic savings, which are necessarily low in a state like Uttar Pradesh.

Agro-industrial finance by its very nature is different from finance required for agricultural, commercial and other productive purposes. In the first place, agro-industrial finance is a long term investment in the sense that investment made in installing machinery and equipment, purchasing of plant, land and buildings will come to fruition only after a fairly long time. In contrast agricultural produce and business profits will replace and renew the initial capital investment within a short period and financial resources will not be blocked for a very long time. Secondly, agro-industrial finance has to bear the added responsibility of not only providing some profit to those engaged in the industry, but also to
spare some proportion of profit every year for the purpose of renewal and replacement of the original investment. Though such type of reserve and provisions are essential for an organised industry, the task becomes difficult particularly in the initial stages of development. Lastly, on account of the increasing role and the policies pursued by the Government, bulk of the finance is now not provided by those who float in industry.

It was pointed out in the first chapter that the state of Uttar Pradesh is far behind many states in the matters of total income as well as per capita income and that the rate of capital formation is very low. The vicious circle of low income and low savings resulting in low investment and again low income left no scope for the people of the state to provide sufficient finances from within the state. The state like other states did receive financial aid from the Central Government and various financial agencies operating outside the state but in view of the backwardness and enormous population of the state the financial accommodation provided by the external agencies has been quite inadequate.

The main external agencies providing finance to the aro-sector of Uttar Pradesh are State Bank of India, Commercial banks, Industrial Finance Corporation of India, Industrial Development Bank of India and Reserve Bank of

It has been noted that the assistance provided by institutional organisations both at state and central levels in relation to the actual requirements of agro-industries has been quite meager. To improve the working of these institutions which have shown liberal attitude towards the development of agro-sector, it is suggested that half-hearted policies be replaced by bold and imaginative policies.

The chapter clearly shows that although institutional measures have been adopted to overcome the shortcomings but there has been left a wide gap between actual requirements of agro-industries and the facilities provided by these institutions. To overcome these deficiencies, it is recommended that an apex financial institution be set up at the National or State level which could exclusively look after the financial affairs of agro-industries.
The sixth chapter of the present thesis is a resume of the findings of the study. The main purpose of the chapter is to sum up the main findings and suggest suitable measures to make agro-industries a healthy means of economic growth of the state of Uttar Pradesh.