

## Necessity of Agro Processing in India

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### SUMMARY

The agro-industry provides the crucial farm-industry linkage which helps accelerate agricultural development by creating backward linkages (supply of credit, inputs and other production enhancement services) and forward linkages (processing and marketing), adding value to the farmer's produce, generating employment opportunities, and increasing the farmer's net income. This in turn motivates the farmer for better productivity and further opens up possibilities of industrial development. The agro-industry generates new demand on the farm sector for more and different agricultural outputs which are more suitable for processing. An agro-processing plant can open up new crop and livestock opportunities to the farmer and thus increase the farm income and employment.

### INTRODUCTION

Agro processing could be defined as set of techno-economic activities carried out for conservation and handling of agricultural produce and to make it usable as food, feed, fiber, fuel or industrial raw material. Hence, the scope of the agro-processing industry encompasses all operations from the stage of harvest till the material reaches the end users in the desired form, packaging, quantity, quality and price. Ancient Indian scriptures contain vivid account of the post harvest and processing practices for preservation and processing of agricultural produce for food and medicinal uses. Agro-processing is now regarded as the sunrise sector of the Indian economy in view of its large potential for growth and likely socio economic impact specifically on employment and income generation. Properly developed, agro-processing sector can make India a major player at the global level for marketing and supply of processed food, feed and a wide range of other plant and animal products (Chengappa, 2004 and Srivastava 1989).

### Role of Agro Processing

Increasing GDP through the provision of additional goods and new processed products in the country. Providing income and employment in rural areas, because of their strong backward linkage to primary agriculture, thus reducing uneven income distribution and diminishing ongoing rural-urban migration problems. Creating a source of exports and foreign exchange. Providing training to unskilled new employees, as well as fringe benefits, thus upgrading the level of education and living standards prevailing in underdeveloped areas. Stimulating agricultural production by creating new stable intermediate markets for raw agricultural products and assisting producers in improving their farming now-how in some processing activities through vertical integration and production contracts with processors these are the some important roles of agro-processing (Kachru, 2015).

### The objectives of Agro-Processing

Following are some objectives of Agro-Processing

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|----------------------------|----------------------|-----------------------------------|-----------------------------|
| 1. Minimize Product Losses | 2. Add Maximum Value | 3. Achieve High Quality Standards | 4. Keep Processing Cost Low |
|----------------------------|----------------------|-----------------------------------|-----------------------------|

### Significance of Agro Processing

1. Employment Generation: It provides direct and indirect employment opportunities, because it acts as a bridge between Agriculture and Manufacturing.
2. Doubling of farmers' income: With the rise in demand for agri-products there will be commensurate rise in the price paid to the farmer, thereby increasing the income.
3. Reduce malnutrition: Processed foods when fortified with vitamins and minerals can reduce the nutritional gap in the population.
4. Reduce food wastage: UN estimates that 40% of production is wasted. Similarly, NITI Aayog estimated annual post-harvest losses of close to Rs 90,000 crore. With greater thrust on proper sorting and grading close to the farm gate, and diverting extra produce to FPI, this wastage could also be reduced, leading to better price realisation for farmers.
5. Boosts Trade and Earns Foreign exchange: It is an important source of foreign exchange. For e.g. Indian Basmati rice is in great demand in Middle Eastern countries.
6. Curbing Migration: Food Processing being a labour intensive industry will provide localized employment opportunities and thus will reduce the push factor in source regions of migration.
7. Curbing Food Inflation: Processing increases the shelf life of the food thus keeping supplies in tune with the demand thereby controlling food-inflation. For e.g. Frozen Safal peas are available throughout the year.
8. Crop-diversification: Food processing will require different types of inputs thus creating an incentive for the farmer to grow and diversify crops.
9. Preserve the nutritive quality of food and prolongs the shelf **life** by preventing them from spoilage due to microbes and other spoilage agents.
10. Enhances the quality and taste of food thereby bringing more choices in food basket
11. Enhances consumer choices: Today, food processing allows food from other parts of the world to be transported to our local market and vice versa.

### CONCLUSION

The agro process industries are supporting to generate respectable earnings of farmers and finally strengthen the Indian economy. Overall, it seems that the financial viability of agro process industries is featured by low level of technology use, seasonal nature of operation and poor access to formal credit institutions. In order to enhance the viability of agro enterprises there is urgent need to improve technologically and also provide financial support.

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