



A STUDY ON GOVERNMENT SUPPORT FOR AGRO AND FOOD PROCESSING INDUSTRIES IN VIDARBHA WITH RESPECT TO SUBSIDIES (2016-19)

Mr. DILIPKUMAR T. RATHI,

(B.com, MBA and FCA),

Research Scholar,

MBA Department

RTMNU, Nagpur. (MS) INDIA

DR. RAHUL KHARABE,

BE, MBA, MA, MIRPM, Ph D,

Supervisor

MBA Department,

TMNU, Nagpur. (MS) INDIA

ABSTRACT

India is one of the input victuals producers in the globe, with second leader in agricultural terra firma area. India's Food Processing industry is one of the largest industries in the country - it is ranked fifth in terms of production, consumption, export and expected growth. This paper focuses on the Vidarbha with their food processing industries; support from central and state government to expand their business. Maharashtra (14%) is a leading state in food processing sector behind to which are Andhra (13%), Gujarat (13%) and Uttar Pradesh (12%) in India. As per demography of Maharashtra Vidarbha area occupies near about 32% area of Maharashtra. The Indian food industry is expected to grow over US\$ 300 billion till 2020. Maharashtra is ahead not only in food processing industry sector but also so far ahead from other states in Information Technology. Agro sector is large ahead in production sector because at east west or south north same scenery districts with same agro climate conditions and soil types sited with its natural features. Agricultural sector in Maharashtra is comparable in Production as like Kokan lot of the varieties available in Vidarbha area. Paddy, mango, big Forest and lot of the minerals like kokan are available in Vidarbha. Rice mills, pulp productions, rice oil production, orange products, spicy sub taste food production milk and milk products and their sub production factories are situated in Nagpur and Vidarbha area. This paper concentrated on food processing industries and subsidies given by the government sector as well as other support given to expand their business. This paper also focuses on organized food processing factories in and around Nagpur and Varhad area with their production distinctiveness. All food processing industries are depending upon farming sector and this sector unable to work if rain fed has troubles in specific area.

Keywords: food processing, agricultural, government, subsidies, Vidarbha,

DILIPKUMAR T. RATHI

DR. RAHUL KHARABE

1P a g e



INTRODUCTION

As per consideration with title food processing and support from Government sector is paying attention for study. Long ago traditional farming sector only deals with production of agro goods and not deals with dissimilar processes after outcomes. India is the largest producer of milk and milk products it is now 105 million tons per year second largest in the world for fruits and vegetables where as Vidarbha is ahead in production of orange and sweet lemon. Government of India as well as State level Governments promoted to the farmers by giving support in the form of subsidies and much more things. In this secondary level study different type of supports are studied and recommendations given on that study base. Numbers of the subsidies are given by the Indian and Maharashtra Government to the organized and small scale industries for their Expansion and business. For horticultural and vegetable farming Indian government promote to the farmers in all way with giving schemes such as drip irrigation, poly-houses, green house, and boar well etc. Maharashtra has diverse agro climatic conditions suitable for the cultivation of a wide range of crops, and a progressive farming community. The State has a large urban population with high purchasing power. It is one of the major horticulture States in India, with more than 13 lakh ha under different fruit crops. Maharashtra is a pioneer and leader in the use of water saving technology like drip and sprinkler irrigation, and accounts for 60 percent of the total area under drip irrigation in the country. Almost all the area under grapes and more than 60 percent of the area under banana in the state has access to drip irrigation. The State is the largest exporter of Thompson seedless grapes, Alphonso mangoes, onions, orange, sweet lemon and long stems cut flowers. Vidarbha is ahead in production of orange and sweet lemon but water management is the big problem in front of the farmers in that area.

Indian Government Promoted to the industrialist as well as new entrepreneurs for food and agro industry development with declaring various subsidies in India due to this after 1950 lot of the industries are expanded their business.

Review of literature:

- 1) Indian Food Processing Industry – A Snapshot:(conference paper October 2008): Enplaning detailed about Indian agricultural and food processing industrial sector but not focuses on the sub area of any state.
- 2) Prospects and Problems of Food Processing Sector in India: In the Light of Make in India Initiative(September 2016) Author Mohammad zia (Aligarh university):

The growth in food processing industry will bring overall development in the economy as it establishes a vital synergy between the two main pillars of economy, agriculture and industry.



Also focuses on economy of India and food processing industries. not concentrated on micro section of the any state.

- 3) India's Food Processing Sector Poised for Growth Approved By: Adam Branson Prepared By: Radha Mani & Varun Anthony Report Highlights: This report is an update to the 2017 Food Processing Ingredient Report. The report contains additional information stemming from the Indian Fiscal Year (IFY) 2018/19 budget release and India's full year 2017 trade data. Concentrate on the data for total country not detected data area wise of states.
- 4) Agriculture Practices Sustainability in Vidarbha Dr. Raju M. Thakare¹ , Kalpana R. Thakare (Kawathekar)² , Name of journal IOSR Journal of Agriculture and Veterinary Science (IOSR-JAVS) e-ISSN: 2319-2380, p-ISSN: 2319-2372. Volume 9, Issue 7 Ver. I (July 2016), PP 05-10: Focuses on Agriculture is a largest economic sector and plays a very significant role in the socio economic development of our country, which is now in crises. The farmers of various states particularly in Maharashtra are in distress due to multiple factors ending in suicide in large scale. Drawbacks in agricultural sector of Vidarbha and bad impact on their life.

Research methodology:

- **Significance of study:-**
 - a) Take review of Agricultural sector in Vidarbha and generate suggestions for the farmers.
 - b) Generate suggestions for non organized and small scale food and agro industries for improve their business strategies.
 - c) Search gap in between traditional farming and moderated farming give suggestions for farmers related to orange and sweet lemon agro-business.
 - d) Focusing on subsidies distributed by the government sector in previous 30 years for food and agro business and inspecting its deployment for Vidarbha area.
- **Objectives of study:**
 - a) To study on agro-industrial policies by development of storage, transportation and promotion by government for Vidarbha in Maharashtra.
 - b) To study situation of farmers and small enterprises need qualitatively different support in terms of finance, infrastructure and skill development for Vidarbha.
 - c) To study various subsidies prearranged for farmers, organized food processing and small scale industries.



- **Scope of study:**

- 1) Vidarbha with both divisions are studied
- 2) Food processing industries and agricultural structure considered
- 3) Reports from Government of India and Maharashtra are taken for study purpose
- 4) Vidarbha industrial association various reports studied here.

- **Data analysis:**

- Data analysis and description is based on the secondary data
- Primary survey reports are studied here from various statistical analysis reports
- Various webs and data related to the agricultural and Govt. sector
- Conclusions and Economical data from web sites

Elucidation:

Government support for farmers:

- 1) Government of India and state Government provides large support to the agro sector not only in the form subsidies but also provides subsidies for fertilizers. There are two types of subsidies provided by the government direct subsidy and indirect subsidy.

Direct Subsidies:

Payment of these subsidies directly added in account of the farmers where as these subsidies are related to the Government provides Quality inputs (seeds, pesticides, Herbicides, Fertilizers, other Chemicals) with subsidies. Horticultural subsidies directly attached to the farmers account. As per Vidarbha Orange and Sweet Lemon are the major horticultural products but its production capacity is very high in limited season so cold storage and food processing industries have to Expand their business in direction. Subsidies are given for entrepreneurs for design and developing projects for food processing industries.

Indirect subsidies:

As like direct subsidies indirect subsidies were also given by the Government to the farmers in the form of subsidy for chemicals and fertilizers this subsidy given to the producing companies.

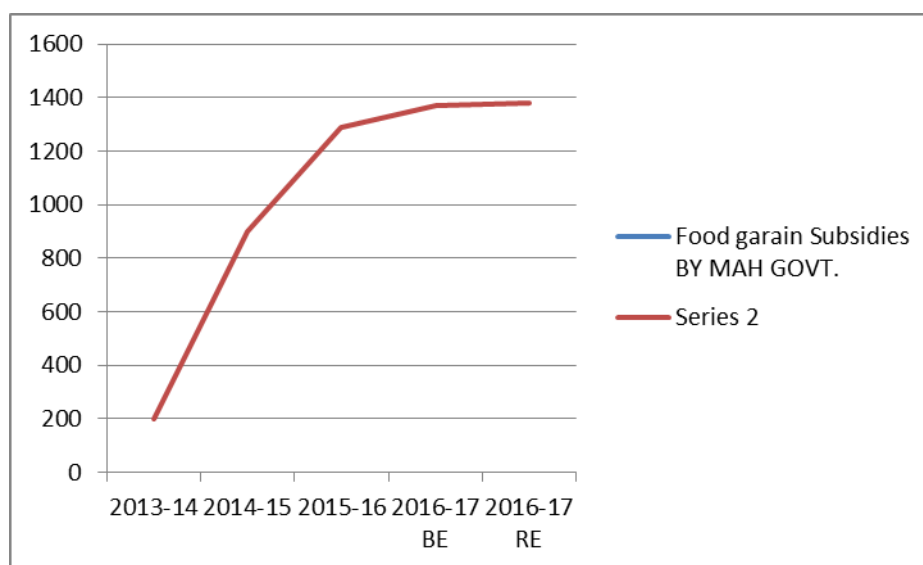
Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana:

DILIPKUMAR T. RATHI

DR. RAHUL KHARABE

4P a g e

The State Government initiated this scheme in June, 2017 to waive crop loan / agriculture loan of farmers who were unable to repay loans due to natural calamities. Under the scheme, online applications from eligible farmers were invited up to 22nd September, 2017. Accordingly 47, 46,222 farmers were found eligible for receiving loan waiver, one time repayment and incentive amount under the scheme. Upto December, 2017 an amount of ` 10,913.08 crore was credited to loan account of 27, 13,055 eligible farmers.



Courtesy: Economic survey of Maharashtra: 2016-17 RE: revised budget

Interpretation:

The food grain subsidy is the financial assistance provided under the PDS for food grain distribution, meeting the expenditure on maintenance of reserve stock to combat the adverse situation and the loss that the State has to bear due to difference in the cost of food grain procurement and sale price. As per the budget estimates food grain subsidy for 2017-18 is about ` 1,370 crore.

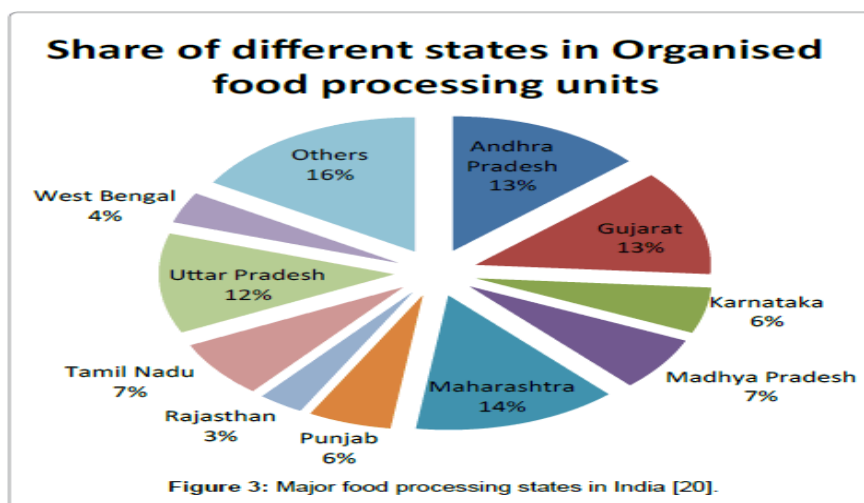
Due to the lot of troubles in the Vidarbha subsidy increases gradually and government tried to improve their productivity. Rain fed system attacks on the farmers and products have not perfect pricing in market due to this some solutions are required from researchers.

Modern food and horticultural production is the solution in front of the farmers but its pricing at time of production is the targeted problem. Vidarbha is now trying to improve their storage capacity with organized food processing companies. Lot of the schemes are given by the government of India and Maharashtra.

Food processing industries share:

- 1) Maharashtra is ahead state in the food processing units with 14% where as back to back Gujarat and Andhra-Pradesh is hanging west Bengal is long lagging than all states due to the political and environmental reasons.

Vidarbha have low population but well sophisticated agro sector with forest sector in Gadchiroli and Gondia.



Courtesy: Economic Survey of Maharashtra: 2016-17

Interpretation:

Amravati related division content six districts but its ahead in the pulses and grains only rain fed is again big problem in front of it. Food processing and agricultural industries are plays helpful role for farmers to give good price for their products. Government of Maharashtra and India promoted to the Industry sector of Vidarbha by providing subsidies. Sericulture is an agro-based industry which has high potential to generate employment opportunities in rural areas. Mulberry silk development program is implemented in 24 districts of the State. Information of mulberry plantation and silk production is one of the examples related to it.

CONCLUSION:

Seasonal Availability of raw materials: Indian agriculture is a gamble of monsoon. There always exists an uncertainty in the crop production. Apart from this the raw materials, especially fruits and vegetables are not available throughout the year, this proves to be a major hurdle in the growth of the industry. Other than the ab Seasonal Availability of raw



materials: Indian agriculture is a gamble of monsoon. There always exists an uncertainty in the crop production. Apart from this the raw materials, especially fruits and vegetables are not available throughout the year, this proves to be a major hurdle in the growth of the industry. Other than the Food processing sector is a key industry in India,

Indian Government promote to the producers and goods maker with giving land and water facilities as well as provides low interest capital to develop their industries. Vidarbha is the most valuable place for the Government to develop all the ideas related to the agro sector. India is the second largest producer of food products in the world next to China where as Maharashtra big ahead in horticultural sector with products such as banana, Sapota, lime, sweet lime, grapes with Vidarbha ahead in Orange. The growth in food processing industry will bring overall development in the economy as it establishes a vital synergy between the two main pillars of economy, agriculture and industry. If water source provided to Vidarbha agro sector then Vidarbha reaches to the big revenue as like Pune and Mumbai.

REFERENCES:

- 1) Prospects and Problems of Food Processing Sector in India: In the Light of Make in India Initiative Article: September 2016:Mahamad Zia Aligarh University
- 2) Economic survey of Maharashtra: 2016-2017.
- 3) Government of Maharashtra agro industrial policy 2010 draft for comments & suggestions
- 4) Food Processing MARKET & OPPORTUNITIES:IBEF report.