



ISSN: 2230-9926

Available online at <http://www.journalijdr.com>

IJDR

International Journal of Development Research

Vol. 13, Issue, 10, pp. 63886-63888, October, 2023

<https://doi.org/10.37118/ijdr.27231.10.2023>



RESEARCH ARTICLE

OPEN ACCESS

SCOPE & CHALLENGES IN VALUE ADDITION & AGRO PROCESSING IN INDIAN AGRICULTURE

Anupama Verma*¹ and P. Shrivastava²

¹Assistant Professor (English), Institute of Agri Business Management, JNKVV, Jabalpur

²Assistant Professor (Ag. Extn.) & Assistant Registrar-Legal, JNKVV, Jabalpur

ARTICLE INFO

Article History:

Received 17th July, 2023

Received in revised form

07th August, 2023

Accepted 27th September, 2023

Published online 28th October, 2023

KeyWords:

Value addition, Agro processing, Post-harvest, GDP.

*Corresponding author: Anupama Verma

ABSTRACT

Based on the classification of the Ministry of Food Processing Industries, the value addition & agro processing sector includes dairy, fruit and vegetable processing, grain processing, meat and poultry processing, fisheries, and consumer foods and packaging, including canned food. India's agricultural production base is quite strong but at the same time, wastage of agricultural produce is also on a large scale. Processing in fruits and vegetables is about 2.20 percent which is very little compared whereas 35 percent in milk, 21 percent in meat and 6 percent in poultry. Value addition is only up to 20 percent. The contribution of the food processing sector to manufacturing in GDP was about 14 percent. R&D needs to be scaled up especially in core areas like product development, packaging and food technology. It is an area that has vast potential for business investment. There are vast opportunities available across India's entire food value chain, including post-harvest facilities, logistics, cold storage chain and manufacturing. If the food processing industry is expanded, there are immense possibilities for employment in it. There is immense scope for women in this sector as well, especially in the rural areas of the country; there is vast potential for women to emerge as micro-entrepreneurs by setting up small food processing units. The food processing industry can help farmers through various necessary information and can also suggest better methods of farming, so that high quality raw materials are accessible to the industries and farmers can get a fair price for their produce. The country's agricultural output has been lagging behind in terms of productivity and quality, as compared to developed countries. In order to bridge this gap, it is essential to add value to our agricultural products. This paper is an attempt to focus attention on various issues related to value addition and agro-processing, which will be helpful in increasing employment opportunities, enhancing farmers' income, and exploring areas for the expansion of the country's GDP.

Copyright©2023, Anupama Verma and P. Shrivastava. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

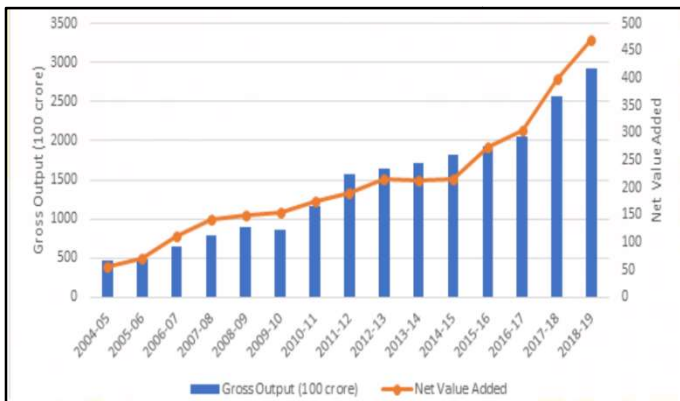
Citation: Anupama Verma and P. Shrivastava. 2023. "Scope & challenges in value addition & agro processing in Indian Agriculture". *International Journal of Development Research*, 13, (10), 63886-63888.

INTRODUCTION

Our country is one of the few countries in the world where almost every type of climate is found. This is the reason why different types of crops and vegetables are grown in our country. At present, India is second only to China in the production of fruits (88.9 metric tons) and vegetables (170.8 metric tons) in the world. About 30 – 40 percent of the production of fruits and vegetables gets damaged due to mismanagement after harvesting. If fruits and vegetables are processed at the right time, post-harvest losses will be reduced, as well as innumerable employment opportunities will also be created in rural areas. Apart from this, our youth can establish new dimensions of progress by adopting the processing of fruits and vegetables as an enterprise and setting up industries in the areas.

This will not only benefit the farmer financially but will also help a lot in improving the country's economy. Value addition in the agricultural sector can take many forms, such as processing raw products into finished goods, providing value-added services such as packaging and labeling, or even developing new products from agricultural inputs. There are many potential benefits of adding value to agricultural products, including improved incomes for farmers, product diversification, and increased employment in rural areas. It is an area that has vast potential for business investment. There are vast opportunities available across India's entire food value chain, including post-harvest facilities, logistics, cold storage chain and manufacturing. If the food processing industry is expanded, there are immense possibilities of employment in it. There is immense scope for women in this sector as well, especially in the rural areas of the country, there is vast potential for women to emerge as micro-

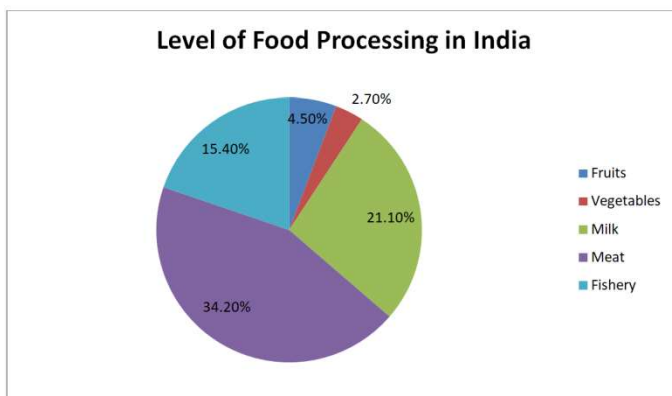
entrepreneurs by setting up small food processing units. Value addition led to a new start of innovative vision of value addition of Agro produce which would not only provide decent income to farmers' family but at the same time would also open up opportunities for both the farmers' family as well as the government. Gross output presents the values of all products manufactured by a firm presenting the trend of NVA and the gross output of factories over 15 years.



Source: (Annual Survey of Industries, 2020)

The rapid increase of Net Value Added positively indicates faster industrialization of the economy. It signifies that the industries are able to capture a growing share of the economic value-added paradigm. In the global manufacturing processes, industries capturing higher value additions are usually considered for rapid future growth and higher profitability. The government of India is constantly striving to improve the agricultural sector and add value to the products produced. The latest techniques in value addition are being implemented in Indian agriculture to make it more competitive. These include initiatives such as the Pradhan Mantri Fasal Bima Yojana, which is helping farmers reduce risks and increase their incomes. The government is also providing financial assistance to farmers for adopting new technology and improving their productivity. With continued support from the government and all stakeholders, India's agriculture sector is well positioned to make even further progress in the years to come. These initiatives are expected to result in further value addition in the agriculture sector, and make it an even more important driver of India's economic growth.

Value addition of various agri produce through processing



Source: Deloitte Study 2020-21

Value addition in the agricultural sector can take many forms, such as processing raw products into finished goods, providing value-added services such as packaging and labeling, or even developing new products from agricultural inputs. There are many potential benefits of adding value to agricultural products, including improved incomes for farmers, product diversification, and increased employment in rural areas. The government is also implementing a number of initiatives to support the sector's growth, including increasing investment in research and development, and providing subsidies and financial assistance in further value addition in the agriculture sector, and make it an even more important driver of India's economic growth. Still there are various ways in which value can be added to

agricultural products, such as by improving the quality of seeds, using better irrigation methods, and adopting modern farming practices. Such measures would go a long way in increasing the productivity of Indian agriculture and making it competitive on the global stage. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. Maharashtra is one such state among all the states of India that is leading as far as food processing is concerned. Maharashtra covers an area of approximately three lakh sq km and its population exceeds 12 crore. The state's contribution to the Indian food processing industry is about 25 per cent. It is also known for the processing of grapes, bananas, oranges, pomegranate, cashewnuts, strawberries, tomatoes, sugarcane, milk and milk products and fish. There is a good scope for the processing of all the aforementioned commodities. Through the table given below, the number of registered unincorporated food processing units by the State / Union Territories, India is listed:

State /Ut Wise No. of Registered an Unincorporated Food Processing Units in India

S No	Name of the State /UT	Number Of Registered Units As Per Annual Survey Of Industries 2017-18	Number Of Unincorporated Enterprises Manufacturing Food And Beverages As Per 73 rd Round Survey Of NSSO, 2015-16
1.	Andaman & Nicobar Islands	6	774
2.	Andhra Pradesh	5789	1,54,330
3.	Arunachal Pradesh	29	145
4.	Assam	1470	65,997
5.	Bihar	880	1,45,300
6.	Chandigarh (U.T.)	17	656
7.	Chhattisgarh	1468	26,957
8.	Dadra & Nagar Haveli	9	622
9.	Daman & Diu	30	136
10.	Delhi	171	14,350
11.	Goa	112	2,929
12.	Gujarat	2281	94,066
13.	Haryana	952	24,577
14.	Himachal Pradesh	171	21,885
15.	Jammu and Kashmir	174	28,089
16.	Jarkhand	235	1,16,536
17.	Karnataka	2313	1,27,458
18.	Kerala	1672	77,167
19.	Lakshadweep	0	127
20.	Madhya Pradesh	948	1,02,808
21.	Maharashtra	2762	2,29,372
22.	Manipur	27	6,038
23.	Meghalaya	27	3,268
24.	Mizoram	0	1,538
25.	Nagaland	21	3,642
26.	Odisha	1157	77,781
27.	Puducherry	61	3,482
28.	Punjab	2969	63,626
29.	Rajasthan	888	1,01,666
30.	Sikkim	20	101
31.	Tamil Nadu	4952	1,78,527
32.	Telangana	3949	80,392
33.	Tirupur	102	13,998
34.	Uttar Pradesh	2098	3,50,883
35.	Uttarakhand	394	18,116
36.	WEST Bengal	2006	3,22,590
37.	TOTAL	40,160	24,59,929

Annual Survey of Industries, 2016-17 and NSSO 73rd Round(July 2015- June 2016)

There are several challenges that need to be addressed in order to realize the full potential of value addition in the agricultural sector. One of the primary challenges is the lack of infrastructure and investment in rural areas. Without adequate infrastructure, it can be difficult for farmers to access markets for their value-added products. The sector is facing a number of challenges. One of the most

significant challenges is the low level of value addition. In India, the value addition in agriculture is only around 10 percent. This is significantly lower than the global average of 19 percent. The low level of value addition has a number of negative impacts. One of the most serious impacts is the low level of employment in the sector. In India, only around 2.5 percent of the workforce is employed in agriculture. This is much lower than the global average of 5 percent. There is also a need for greater awareness among farmers of the potential benefits of value addition, as well as the necessary skills. The future of value addition in Indian agriculture lies in leveraging new technologies such as AI, IoT and robotics for precision farming, improving access to markets for farmers and developing innovative business models that enable small and marginal farmers to benefit from value addition activities. By utilizing these tools, we can create a more efficient agricultural system that benefits both producers and consumers. This will not only benefit the farmer financially but will also help a lot in improving the country's economy. It is widely accepted that value addition is essential for the sustainable development of any economy. It is essential that we take steps to promote value addition in this sector. There are a number of ways in which this can be done, including increasing investment in R&D, promoting the use of technology, and improving linkages between farmers and agro-processing industries. A number of initiatives have been launched in recent years to support this goal.

These include schemes to promote investments in agro-processing and food processing infrastructure, as well as capacity building programmes to train farmers in modern production techniques.

REFERENCES

- Annual Survey of Industries, 2016-17 and NSSO 73rd Round(July 2015-June 2016)
- Annual Survey of Industries, 2020. Government of India, Ministry of Statistics and Programme Implementation
- GOI. 2019-20. *Report Of The Committee On Statistics Of Agriculture And Allied Sector* National Statistical Commission Government of India Ministry of Statistics and Programme Implementation. New Delhi.
- <https://mahades.maharashtra.gov.in/home.do?lang=en>
- <https://pib.gov.in/PressReleasePage.aspx?PRID=1883146>
- Kuijpers R, Swinnen J. 2016. Value chains and technology transfer to agriculture in developing and emerging economies. *Am J Agric Econ.*98:1403–18.
- Shashi Singh, R, Shabani A. 2017. Value adding practices in food supply chain: Evidence from Indian food industry. *Agribusiness;* 33(1):116–30.
