

# **To Study the Role of Agribusiness in Rural Development in Ratnagiri district Maharashtra**

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## ***Abstract***

*Agriculture is prime sector of economy development. Indian economy is a depending on agriculture sector. Industrial development is possible through the growth of agriculture sector. Agriculture sector provides employment opportunity in rural area. Agri production is inducing the rural agro based industry establishment in rural area. India being a developing country with second largest population in the world is rich in manpower, natural resources and biodiversity. Out of total population of India 83 core population live in rural area. Prime occupation of peoples is agriculture. Now recent period farmers are divert to cultivation of commercial crops which help to raise income level of farmers. Change in cropping pattern leads to the setting agribusiness in rural area as well as increases the export of agriculture production. Agribusiness are play significant role in rural development. Agribusiness generates the employment and income opportunity to rural people.*

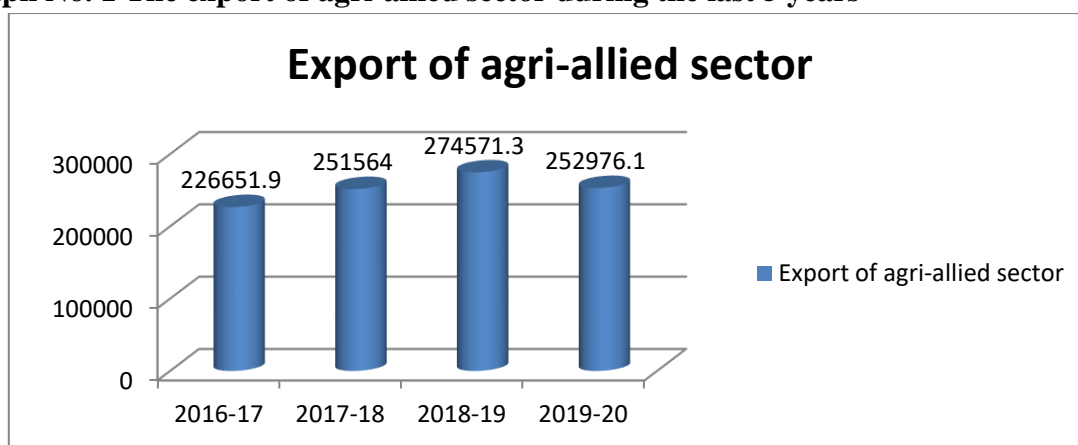
***Key words: Agribusiness, Cropping pattern, Horticulture, Rural development.***

### 1. Introduction

Agribusiness is important for rural development. Agriculture and agribusiness are correlated to each other. Agriculture sector provides raw material to industrial sector. These industries are a agro based industries such as sugar, cotton, textile, juice, processing industry and food industries. This is play vital role in rural development as well as economy development. These industries are boost to agriculture sector development, production of crop is increased by raising the demand of agriculture product. It is possible through the agribusiness and agriculture development. In India agriculture sector play important role in economy development. India is the second largest food producing country in the world in sense of the total value of agriculture production. India ranks second in the production of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton. India is the world's largest producer of milk, pulses and jute. India also leads in the production of spices, fish, poultry, livestock and plantation crops.

Diversity in the climatic condition of India ensures availability of all varieties of fresh fruits & vegetables. India ranks second in fruits and vegetables production in the world. The area under cultivation of fruits stood at 6.3 million hectares while vegetables were cultivated at 10.1 million hectares. As per National Horticulture Database published by National Horticulture Board, during 2015-16, India produced 90.2 million metric tonnes of fruits and 169.1 million metric tonnes of vegetables. Hence, production of fruits and vegetables has a great potential in India. The vast production of fruits and vegetables proffers India huge opportunities for export. India has emerged as a significant agri-exporter in crops like rice, spices, cotton, oil meal cake, castor oil, coffee, cashew, tea, fresh vegetable and sugar As per available WTO's Trade Statistics (2018), the share of India's agricultural exports and imports in the world agriculture trade were 2.15% and 1.54%, respectively. Share of agricultural exports as a percentage of agricultural GDP has decreased from 9.9 % in 2018-19 to 8.3 % in 2019-20. Major destinations of exports for India's agri and allied commodities are the United States of America, Vietnam, the United Arab Emirates, Bangladesh, audi Arabia, Iran, China, Malaysia, Indonesia, Nepal, the Netherlands, Japan, Pakistan, Thailand and the United Kingdom.

**Graph No. 1 The export of agri-allied sector during the last 5 years**



Source: Department of Agriculture, Cooperation & Farmers' Welfare Annual Report 2020-21

The above graph shows the India's export of agri- allied sector has increasing trend. Growth of export agri- allied sector during 2016-17 to 2019-20 is 11.6143%. It was show the positive growth of agriculture export.

**Table No. 1 Area, Production & Productivity of Horticulture crops**  
**Area: Million Hectare, Prod: Million Tonnes, Productivity: Tonnes/Hectare**

| Year                              | Area                   | Production     | Productivity   |
|-----------------------------------|------------------------|----------------|----------------|
| 2009-10                           | 20.88                  | 223.9          | 10.69          |
| 2010-11                           | 21.83                  | 240.53         | 11.02          |
| 2011-12                           | 23.24                  | 257.28         | 11.07          |
| 2012-13                           | 23.69                  | 268.85         | 11.35          |
| 2013-14                           | 24.20                  | 277.35         | 11.46          |
| 2014-15                           | 23.41                  | 280.99         | 12.00          |
| 2015-16                           | 24.47                  | 286.19         | 11.69          |
| 2016-17                           | 24.85                  | 300.64         | 12.10          |
| 2017-18                           | 25.24                  | 310.67         | 12.31          |
| 2018-19                           | 25.74                  | 311.05         | 12.09          |
| 2019-20(3rd<br>Advance Estimates) | 26.22                  | 319.57         | 12.19          |
|                                   | <b>Arithmetic mean</b> | <b>279.73</b>  | <b>11.63</b>   |
|                                   | <b>S. D.</b>           | <b>30.47</b>   | <b>1.99</b>    |
|                                   | <b>C.V.</b>            | <b>0.11</b>    | <b>0.17</b>    |
|                                   | <b>Growth rate</b>     | <b>42.7288</b> | <b>14.0318</b> |

Source: Department of Agriculture, Cooperation & Farmers' Welfare Annual Report 2020-21

The above table shows the production and productivity of horticulture crops in India. The production of horticulture crops has increased from 223.9MT in 2009-10 to 319.57MT in 2019-20. The growth rate of production is 42.7288% during the period of 2009-10 to 2019-20. It shows the horticulture production rate is increased positively. But productivity increased 14.0318% as compare to production the productivity not increased much more but it increasing trend. The arithmetic mean of the production is 279.73, slandered deviation is 30.47 and 0.11 correlation variant, productivity of horticulture land mean is 11.63 slandered deviation is 1.99 and correlation variant is 0.17.

Following table no. 2 show the Agro-based industries in India from 2010-11 to 2013-14

**Table No. 2: Category-wise Number of agro-based industries in India**

| Categories         | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--------------------|---------|---------|---------|---------|
| Food and Beverages | 29874   | 30510   | 30654   | 30874   |
| Tobacco Products   | 4136    | 4157    | 4285    | 4136    |
| Textile            | 15654   | 15698   | 16454   | 16654   |

|                  |              |              |              |              |
|------------------|--------------|--------------|--------------|--------------|
| Leather Products | 3420         | 3896         | 4055         | 4125         |
| Paper products   | 4124         | 4568         | 4213         | 4124         |
| <b>Total</b>     | <b>57208</b> | <b>58829</b> | <b>59661</b> | <b>57208</b> |

Source: Kamal kumar - "Agrobased industry in Indian Economy-  
www.slideshare.net>mrbhatiwal

From the above table it is been seen that the number of agro based industries has shown an increasing trend since 2011-12.

**Table No. 10: Industry wise employment in India**

| Sector/ Year                        | 2018-19 | 2019-20 |
|-------------------------------------|---------|---------|
| Agriculture                         | 19.86   | 23.27   |
| Mining and Quarrying                | 0.20    | 0.15    |
| Manufacturing                       | 6.12    | 6.24    |
| Electricity, Water etc.             | 0.28    | 0.35    |
| Construction                        | 5.86    | 6.22    |
| Trade hotel and Restaurant          | 6.39    | 7.47    |
| Transport storage and communication | 2.99    | 3.15    |
| Other services                      | 7.05    | 6.71    |

Source: [https://www.ibef.org/download/Economic\\_Survey-2021-22.pdf](https://www.ibef.org/download/Economic_Survey-2021-22.pdf)

The above table shows the employment opportunity of agriculture industry was increased as compare to other industries. In 2018-19 agriculture industry provides 19.86 employments and it increased 23.27 in 2019-20.

Agribusiness helps to generate employment and raising the production of agriculture. Agriculture sector has provided the opportunity to development of industry. Agriculture and agribusiness are correlated to each other.

## 2. Objective

1. To study the role of Agribusiness in rural development in Ratnagiri district
2. To study the relationship of agribusiness, agriculture and Rural Development.
3. To study the cropping pattern of agriculture in Ratnagiri district.

## 3. Review of Literature

1. Julie V. Stanton (2000) in her article studied the role of Agribusiness in development at rural level. She concluded that Agribusiness enterprises at the local level offer the possibility of capturing value added and thereby increasing local incomes. She also focused on the replacement of the diminished role of government by the agribusiness in rural area with concern to small holder agriculture.
2. Kandeh K. Yumkella, Patrick M. Kormawa, Torben M. Roepstorff and Anthony M. Hawkins : "Agribusiness for Africa's Prosperity", e-book studied the seven key indicators of agribusiness development in Africa. Those key pillars are Enhancing agricultural productivity, upgrading value chains, exploiting local, regional and international demand,

Strengthening technological efforts and innovation capabilities, Promoting effective and innovative source of financing, Stimulating private sector participation and Improving infrastructure and energy access. The research aimed to provide information about the opportunities and challenges for accelerating competitive agribusiness value chain development at global, national and regional levels.

3. Yadav, J.R. & Gupta, B., "Rural Industrialisation & economic development in Ganga Plain: A case study of Hardoi district", *National Geographical Journal of India*, 42( 1-2), Mar & June 96, 94-105. researcher while concluding study on rural industrialization and eco-development in Hardoi district of Uttar Pradesh concluded that demand based industries and resources based industrial units particularly food processing units may check migration of unemployed person to the urban centres and it may also help farmers in getting better return of their produce. Rice Mills, pulse mills and other by product units may be up at suggested growth centres. Cold storage, units should be increased for improving rural economy.
4. Santosh Kumar Singh (2008) *Socio-Cultural Dimensions Of Agribusiness Practices in Selected Villages Of The Terai Region Of Uttarakhand- Centre For The Study Of Social Systems School Of Social Sciences Ja Waharlal Nehru University New Delhi India* he studied the socio-cultural energetic connected with agribusiness activities in a few villages represented by the agri-entrepreneur (Agripreneur) families (floriculturists) in the terai region of the state of Uttarakhand. He focused to study the socio cultural activities of floricultural families. He adopted the ethnography method for his research that is the method for qualitative social science research. The data so collected included general descriptions of behavior, descriptions of physical layout, intimate analysis of thoughts, feelings, emotions of persons from the research field. This makes the research design descriptive and analytical. Data was collected from secondary and primary sources. The period of secondary data is of 10 years duration from 1986-87 to 1996 – 97. He tested the data by applying the statistical techniques of correlation, regression and averages. His analysis concluded that the socio-cultural factors influence the agricultural activities at large. To substantiate the research problem he compared the agriculturalists of Punjab origin and agriculturalists of Uttarakhand origin.

#### **4. 1 Research Methodology**

Primary and Secondary data is used for the study. Data and information related to present paper is taken from various governments published data, internet, news paper, etc. The study of present research paper is confined to Ratnagiri district. Present research study has used the descriptive analysis method.

#### **4.2 Sample design**

The study area of the research is confined to Ratnagiri district. There are 9 talukas in Ratnagiri district and 1,537 villages in total. 318 villages are selected for the study by using solvency formula.

#### **4.3 Data Analysis**

The present study is more of descriptive nature and hence data will be processed by using simple statistical techniques such as mean, percentage, standard deviation and compound growth rate and time series. Different types of graphs are used to present the data analysed graphically.

## 5. Geographical location of Ratnagiri district

The study area of Ratnagiri district is one of famous district of 36 districts in Maharashtra state. Considering the geographical location of Ratnagiri district, the district is surrounded by the Arabian Sea to the West, Sindhudurg district to the South, Satara, Sangli, Kolhapur to the East and Raigad district to the North. Bounded by the Sahyadri range on the East and the Arabian Sea on the West, it is a rugged, convex-shaped district stretching South-east. The total geographical area of Ratnagiri district is 8208 sq. kms., which is 2.7% of the total Maharashtra State. The coastline of the district is about 170 kms long. Ratnagiri district falls in the geographic belt of 16.30 degrees to 18.04 degrees North latitude and 73.02 degrees to 73.52 degrees East longitude. The climate of the district is humid. As Ratnagiri district is near to the sea coast, there is no significant change in temperature during the day and night as well as in different seasons. (District Social and Economic Commentary 2017, District – Ratnagiri, page – 2)

### 5.1 Cropping pattern

As per the census of 2011 41.58% of the total workers in Ratnagiri district were engaged as cultivators and 21.44% were engaged in as agriculture labour. They together constitute 63.02% total workers in the district. (Source: www.pincodindia.net).

The District is well known for its' Alphonso mangoes, apart from Alphonso mangoes people of the district are also engaged in production of following crops:-

- 1) Cereals - Paddy, Nagli & Wari
- 2) Pulses – Toor, Udid, Waal, Pavta, Moong, Chavali,
- 3) Oil Seeds
- 4) Horticulture – Mango, Cashew, Coconut, Kokum , Jackfruit, Banana
- 5) Vegetables – Lady finger, Leafy vegetables, Brinjal, Crural , etc.
- 6) Floriculture - Gerbera, Lily, Marigold

**Table no.3 Production of Mango and Cashew nut in Ratnagiri district from 2013-14 to 2019-20**

| Year    | Fruit Crop (000MT) |            |
|---------|--------------------|------------|
|         | Mango              | Cashew nut |
| 2013-14 | 127.77             | 127.20     |
| 2014-15 | 128.22             | 129.05     |
| 2015-16 | 128.76             | 131.03     |
| 2016-17 | 129.32             | 132.10     |
| 2017-18 | 129.74             | 133.68     |
| 2018-19 | 129.86             | 136.08     |
| 2019-20 | 130.22             | 136.55     |
| A.M.    | 129.12             | 132.24     |
| S.D.    | 0.8405             | 3.4749     |
| C.V.    | 0.0065             | 0.0262     |

Source: NAP phase II Ratnagiri district

Above table no. 3 shows the production of mango and cashew nut in Ratnagiri district. Average of mango production was 129.12 mt during the 2013-14 to 2019-20. Cashew nut average production during the same period was 132.24mt. Increase in Cashew nut production is more as compared to the increase mango production. Ratnagiri district soil and climate is favorable for mango and cashew production as well as kokum, water melon. Standard deviation of mango production is 0.8405 and coefficient variant is 0.0065, cashew nut production standard deviation is 3.4749 and coefficient variant is 0.0262.

Despite of the natural blessing the agricultural sector has remained under – developed, From the point of view of commercial farming in Ratnagiri district. Some farmers have developed agri-business by overcoming the problems such as lack of capital, lack of modern technology, lack of knowledge, etc. The Agribusiness will help to bring revolution in agricultural development in rural area like Ratnagiri District. Agribusiness has proved a boon to the farmers who got engaged in commercial farming. Hence all the farmers can develop their farm and convert the traditional farming into agribusiness such as horticulture, floricultural, organic farming, agro-tourism, poultry, animal husbandry etc.

**Table No. 4: No. of Agro based Industries in Ratnagiri District**

| Sr. No. | Commodity      | Processing units | Functioning Processing units | Commodity processed  |
|---------|----------------|------------------|------------------------------|----------------------|
| 1       | Fruits         | 2127             | 1997(97.75%)                 | Mango, Cashew, Kokum |
| 2       | Fish           | 3                | 3(0.15%)                     | Fish Prawns          |
| 3       | Bakery         | 14               | 14(0.69%)                    | Flour                |
| 4       | Flour products | 5                | 5(0.24%)                     | Papad, Coconut       |
| 5       | Milk Products  | 5                | 5(0.24%)                     | Milk                 |
|         | Rice Mill      | 19               | 19(0.93%)                    | Paddy                |
| Total   |                | 2173             | 2043(100%)                   |                      |

Source: District Development *phasa II*- National Council of Applied Economic Research August 2021

To conclude, for the rural development agriculture sector is a foundation of development. Rural people are engaged in agricultural activities. It is a primary occupation of rural people.

## 5.2 Role of Agribusiness in rural development in Ratnagiri district

Present study took the effort for review of role of different agribusinesses on employment, cropping pattern. The detailed analysis of the collected primary and secondary data of various portions related to the impact of agribusiness units on rural development in Ratnagiri district is conducted during the study. The present study found the different agribusiness in Ratnagiri district in selected villages is 102.the classification of agribusiness as per follow

Table No. 5 Selected Agribusiness and employment in Ratnagiri distrit.

| Agribusiness          | units | employment |
|-----------------------|-------|------------|
| Agro processing units | 47    | 654        |
| Agro service centers  | 7     | 09         |

|                    |     |      |
|--------------------|-----|------|
| Agro Manufacturing | 7   | 122  |
| Nursery            | 41  | 238  |
| Total              | 102 | 1023 |

Source : Field visit 2021

Ratnagiri district has more numbers of Agro produces processing units and its follow the nursery units. Above table shows the number of agro processing units is maximum(47) out of 102 agribusiness. Ratnagiri district climate is favorable for cultivation of horticulture crops specially Alphonso mango and Cashew nut. The present study analysed the employment generated by the selected agribusinesses in Ratnagiri district. The employment pattern of agribusinesses in Ratnagiri district differs from one agribusiness to another, depending on the nature and size of the agribusinesses. It is observed that the Agro processing unit and Nursery created comparatively more employment opportunities in the district than the other agribusinesses.

## 6. Conclusion

Present research found that agribusiness play important role in employment generation and raising the production of agriculture crops in Ratnagiri district. 102 selected agribusiness provide 1023 employment opportunity to rural people in Ratnagiri district. Starting the agribusiness leads to raise agriculture production. In Ratnagiri district demand for Alphonso mango, cashew nut, kokum and other crops is more, which boost to start the agribusiness in the district. Agribusiness is one great opportunity for income generation of rural people.

## 7. Suggestions

1. Create awareness among farmers to quality and packing through the various activities like workshop, seminar at village level.
2. Modern cultivation methods should be adopted to maintain and raise the quality of crop production for exports.
3. To established the agro zone or centers for export promotion.
4. Training for job to the workers and skill development programmes at farm levels should be organized.
5. Creating easy crop insurance process and awareness among the farmers to cover the risk of natural calamities.

## 8. Reference

1. Mr. S. S. Acharya studied “Agribusiness in India: Some facts and emerging issues” in 2007 (Conference Volume 20 pp 409-424). He concluded that a shift of agriculture to agribusiness is being viewed as an essential pathway to revitalize Indian agriculture after studying the facts and current issues of agribusiness in India.
2. Shoji Lal Bairwa and Udhav Prasad Singh studied “Development of agribusiness Industry in India: opportunities, Challenges and solutions” (Article – April 2015). According to them the development of agribusiness sector is the need of future to strengthen rural employment, food security and living standard of people in the country.



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