

Performance of Agro Based Industries in Jaipur District

Abstract

Agriculture and its allied sector play a vital role in state economy. Though its contribution in NSDP has fallen from about 35 percent in 1990-91 to around 23 percent in 2011-12, agriculture still forms the backbone of state economy. Around two third of its population is dependent on agricultural activities for their livelihood. Thus, a higher priority to agriculture will meet the goals of reducing poverty and malnutrition as well as of inclusive growth. Since agriculture forms the crux for a number of agro based industries and agro services.

Agro based industries give most employment in rural area and help the farmers get better price for their production, thus increasing substantially, their quality of life. These industries are largely village based and have the best potential for employment generation and need less capital. Agro based industries are growing by the day in bringing glory to the nation's wealth and in eradicating unemployment and poverty. Its contribution to Indian economy in view of its large potential for growth employment and income generation has taken the leap in the last few years. As an extended arm to agriculture, the agro industries can make agriculture more remunerative and spawn employment opportunities, for production and marketing stages. The broad-based development of the agro based industry will improve both social and the physical infrastructure of the district. Thus, helping in processing agricultural products such as field crops, tree crops, livestock and fisheries and converting them to edible forms.

Jaipur, the capital of Rajasthan is well-connected to Delhi and other major cities across India. Major crops of the district being groundnut, bajra, mustard, barley, gram, tomato, pea, spices like chilli and fenugreek, Indian plums, guava, lemon etc, there is good potential for horticulture development, milk production. Jaipur encompasses 19 industries on an average. The host of industries including manufacturing, engineering, textile, leather, paper, food and beverages industry among others. A potential destination for agro based industries coming to the state. Within the Jaipur district, major processing clusters are spices and condiments processing, processing of milk, pulses, snacks, prepared food, oil and cereals processing. Jaipur District is widely respected in textile industry. It leads the place to produce polyester, viscose yarn and synthetic suiting material as well as well-known for processing of low-cost, low weight fabric.

Keywords: Performance, Industries, Development

Introduction

The performance of agro based industry in Jaipur district of Rajasthan which is the largest state of India constituting 10.4 percent of total geographical area and 5.67 percent of total population of India (GOI, 2011) is discussed below:

Review of Literature

Goyal, S. K. this paper analysis in first section agro-industrial relationships for pre-independence era when british machine-made products ,imported into india, which were substitute of the Indian cottage and rural industries.second section of paper provides a brief critique of the anti-machine,swadeshi and pro-khadi and village industries approach to rural industrialization. third section of paper include foreign direct investment and liberalization in development of agro-industries. Fourth and last sections of this paper explain place and role of agro-industries in the present day context.

Roy, B.C 1997, the study was undertaken by roy as growth and prospects of fruits and vegetables processing industry in india. Objective of the study to know the trend in area and production of fruits and vegetables.

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To evaluate the status of fruits and vegetables processing industry in the country in terms of processing, capacity utilization, performance of exports and prospects. Study is based on secondary data time period taken for the study is 1980-81 to 1995-96. He suggests that policy makers should provide suitable incentives and policy for the establishment of industries.

Objectives of the Study

1. To analyze the role of agro based industry in economic development of jaipur district.
2. To examine compound annual growth rate, capital and labour productivity of agro based industry

Research Methodology

For the purpose of this study agro based industry namely food and beverages, textile, tobacco, leather and paper industries have been included. The classification by the annual survey of industries (ASI) is used to identify the industries for the purpose of analysis. . The study has been based largely on secondary data, The study has covered the period

from 2010-11 to 2013-14. In order, to find out the behavior pattern of various variables, the CAGR of total number, productive capital, employment, and value of output have been calculated. For calculating the CAGR, the following formula has been used:

Exponential function of the form:

$$r = ((Y_0/Y_n) ^ (1/t))-1$$

Where,

Yn = wrking units/productive capital/net value added/ net income/value of output in `nth' year

Yo = Production in initial year

r = Compound annual growth rate

t = Time variable

Besides this, the partial productivity is measured in terms of inputs like labour and capital. For this purpose the labour and capital productivity is calculated for agro based industries in Jaipur. The labour productivity has been worked out by dividing value of output with value of labour that is total output/ employment. And capital productivity has been measured by dividing value of output with value of capital that is total output/ productive capital.

Table 1.1

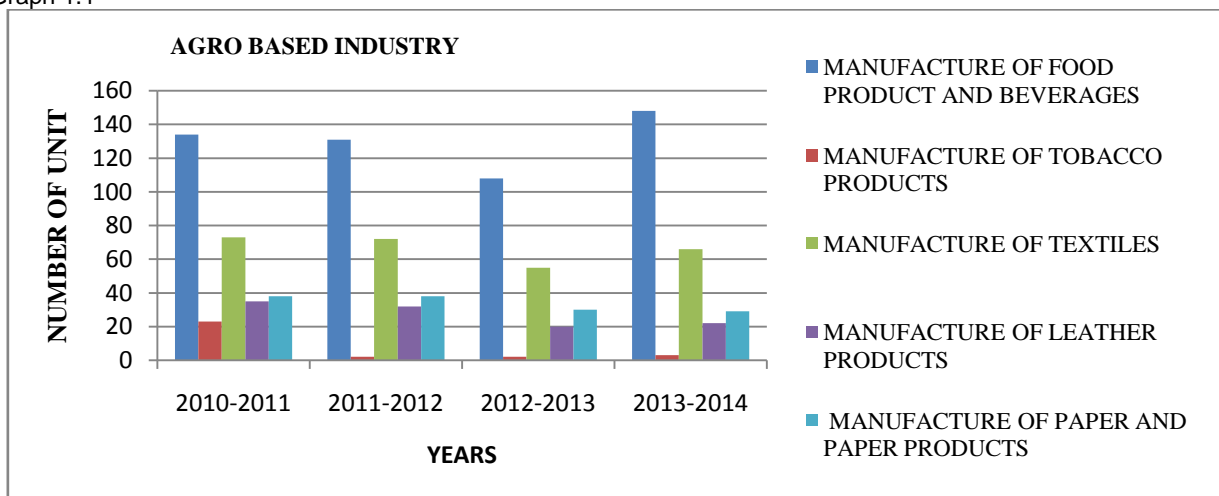
Category Wise Total Number Of Agro Based Industry In Jaipur.(Number Of Unit)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture of Food Product And Beverages	134	131	108	148	3%
Manufacture of Tobacco Products	23	2	2	3	-40%
Manufacture of Textiles	73	72	55	66	-2%
Manufacture of Leather Products	35	32	20	22	-11%
Manufacture of Paper And Paper Products	38	38	30	29	-7%
Total	303	275	215	268	-3%

Source: Report of annual survey of industries rajasthan at various year.

The above table represent the category wise total number and compound annual growth rate (CAGR) of various agro based industries in Jaipur from 2010-2011 to 2013-2014. The total number of agro based industry has decreased from 303 in 2010-2011 to 268 in 2013-2014 with -3 percent CAGR.

We can see that the total number of agro based industry has been through many crests and

troughs. As per the stats provided in the table, the leading industry is the manufacture of food products and beverages. The total number of this industry has increased from 134 in 2010-2011 to 148 in 2013-2014 With 3 percent CAGR. It's followed by textile industry, paper industry, leather industry and tobacco industry. The same is show in the graph



Source: Report of annual survey of industries rajasthan at various year.

As we can see in the graph 1.1, the growth of manufacture of food product and beverages has been the highest between 2010-2014. The growth in

units is followed by the manufacture of textiles, leather products, paper and products and the least growth has been by the tobacco industry.

Table 1.2

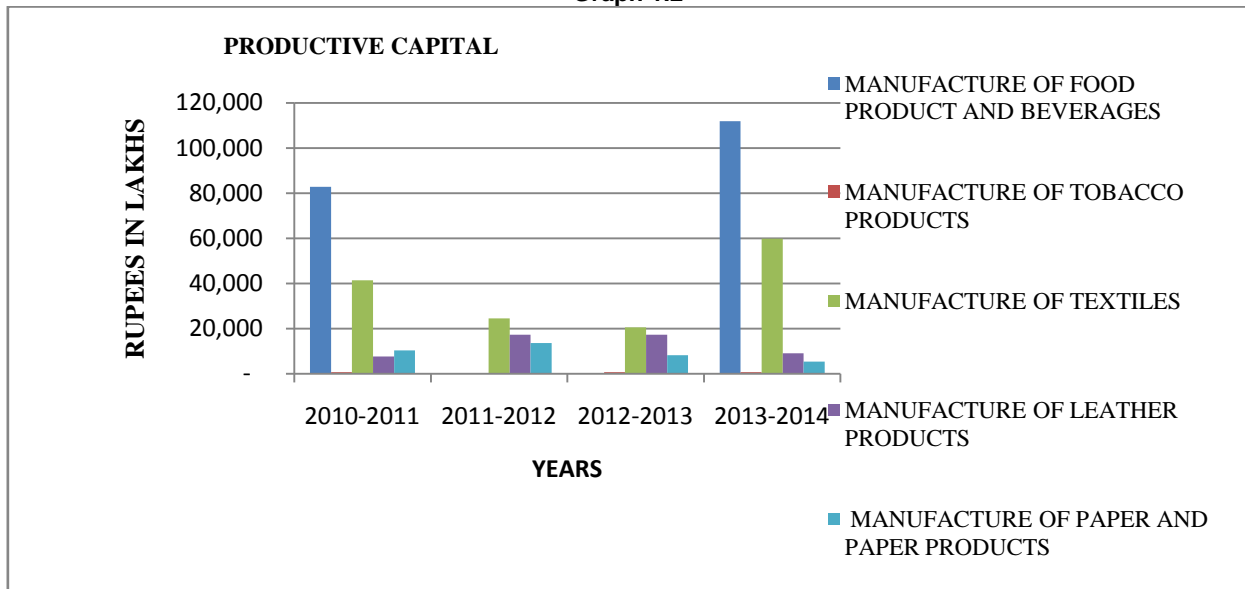
Category Wise Productive Capital Of Agro Based Industry in Jaipur.(Rs. In Lakhs)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture Of Food Product And Beverages	82,859	1,12,800	1,52,842	111,958	8%
Manufacture Of Tobacco Products	731	168	644	737	0%
Manufacture Of Textiles	41,390	24,577	20,591	59,848	10%
Manufacture Of Leather Products	7,639	17,246	17,361	9,109	4%
Manufacture Of Paper And Paper Products	10,406	13,576	8,273	5,340	-15%
Total	143,025	55,567	46,869	186,992	7%

Source: Report of annual survey of industries rajasthan at various year.

It is evident from the figures that over a period of four years, from 2010-2011 to 2013-2014 the productive capital of total agro based industry has increased from Rs.1,43,025 lakh to Rs. 1,86,992 lakh

with the CAGR of 7 percent. The productive capital under all agro based industry have shown fluctuations throughout during the whole study period. The same is shown in graph1.2.

Graph 1.2



Source: Report of annual survey of industries rajasthan at various year.

The graphical representation of the category wise productive capital of different agro based industries in India from 2010-2014. It shows the negligible growth of the leather and paper industry

while the tobacco industry and its flourishing seems nowhere in these years. Thus, the potential growth of the food and beverages industry, textile industry is by far more as compared to the others.

Table 1.3

Category Wise Employment of Agro Based Industry In Jaipur.(Number Of Persons)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture Of Food Product And Beverages	6,476	6,763	6,265	4,911	-7%
Manufacture Of Tobacco Products	504	38	36	90	-35%
Manufacture Of Textiles	1,629	3,160	1,746	3,491	21%
Manufacture Of Leather Products	1,683	2,447	1,599	1,726	1%
Manufacture Of Paper And Paper Products	679	1,366	1,557	1,167	14%
Total	10,971	13,774	11,203	11,385	1%

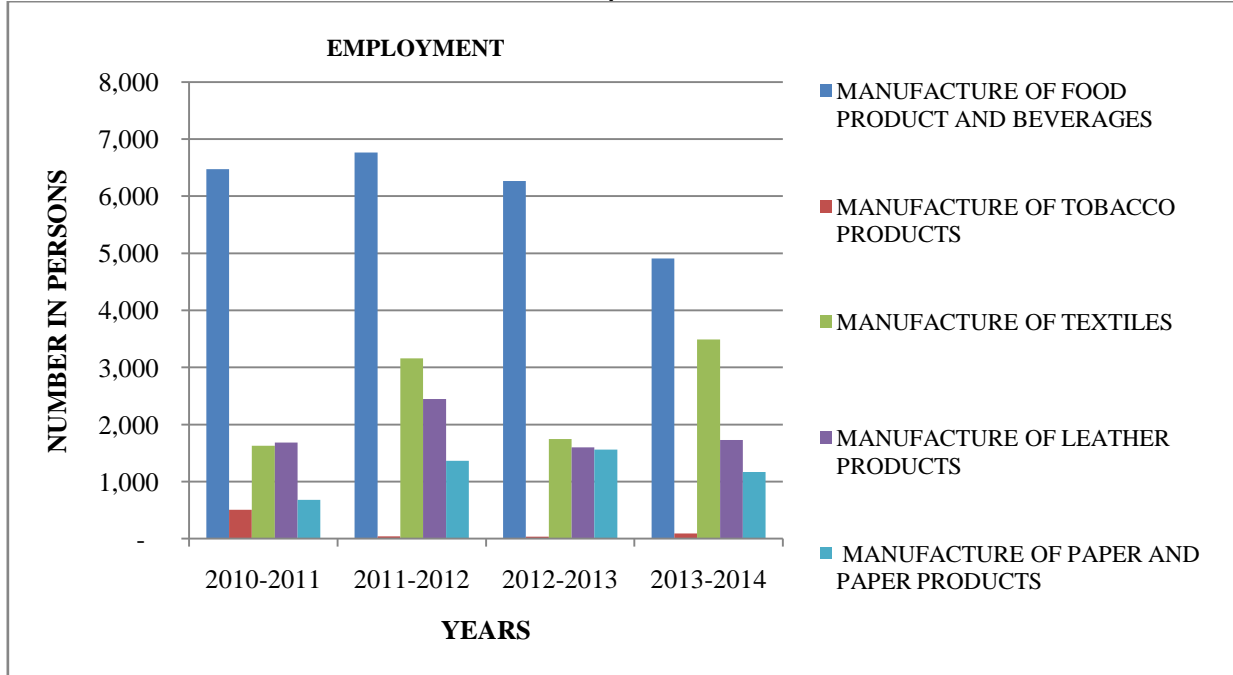
Source: Report of annual survey of industries rajasthan at various year.

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The above table shows employment situation under different agro based industry in Jaipur district. Total agro based industry were providing employment to 10971 persons in 2010-11 and it increased to 13774 persons in 2011-12, but it has decreased in 2012-13 and 2013-14. It has only 1 percent CAGR during the study period. The table shows textile,

paper and leather industry have positive CAGR to provide employment. To provide employment textile industry is leading industry with 21 percent CAGR and leather industry is lowest industry with 1 percent CAGR. Food products and beverages and tobacco industry have negative CAGR to provide employment. The same show in graph 1.3

Graph 1.3



Source: Report of annual survey of industries rajasthan at various year.

The employment rate of different agro based industries from 2010-2014 as represented, shows that the leader has been the food and beverages industry, followed by the textile industry in terms of

employment. Yet again the tobacco industry has been a major disappointment for nullified employment in these four years.

Table 1.4

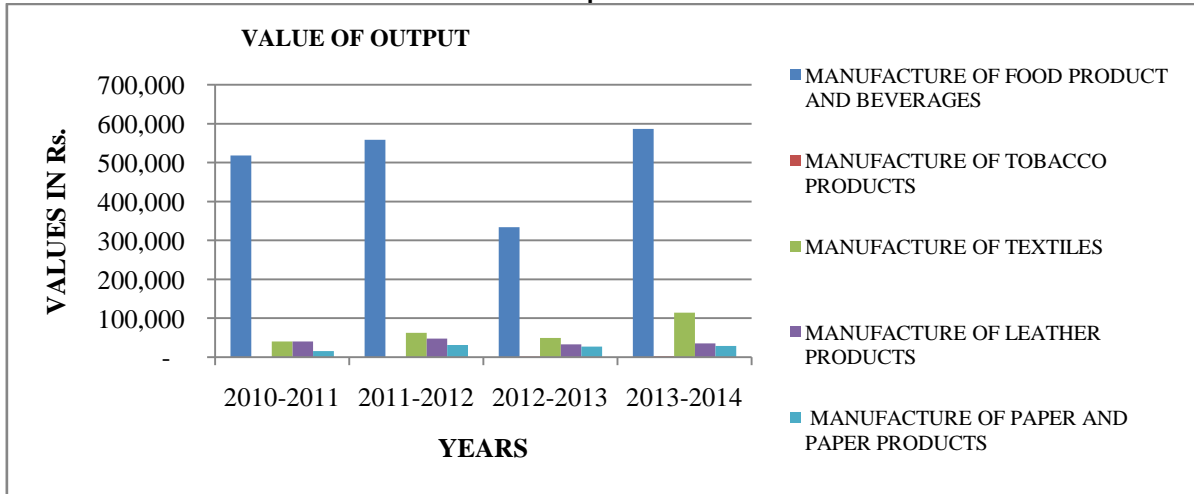
Category Wise Value of Output of Agro Based Industry In Jaipur.(Rs. In Lakh)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture Of Food Product And Beverages	518,192	558,300	333,898	586,164	3%
Manufacture Of Tobacco Products	518	455	2,173	3,154	57%
Manufacture Of Textiles	40,407	62,820	49,504	114,196	30%
Manufacture Of Leather Products	40,120	47,742	32,593	35,480	-3%
Manufacture Of Paper And Paper Products	15,821	31,659	26,862	28,883	16%
Total	615,058	700,976	445,030	767,877	6%

Source: Report of annual survey of industries rajasthan at various year.

The table shows the value of output of agro based industry increased from Rs. 6,15,058 lakhs in 2010-2011 to Rs. 7,67,877 lakhs in 2013-2014 with a CAGR of 6 percent. If we do compare CAGR then leather industry has negative CAGR and tobacco

industry has highest CAGR during study period. According to rupees wise food products and beverages industry is leading, followed by textile, leather, and paper and tobacco industry. Same is shown in graph 1.4.

Graph 1.4



Source: Report of annual survey of industries rajasthan at various year.

As we can see in the graph, the food and beverages industry has been the player in producing the value of output from 2010-2014. The others have barely reached the nominal value of output.

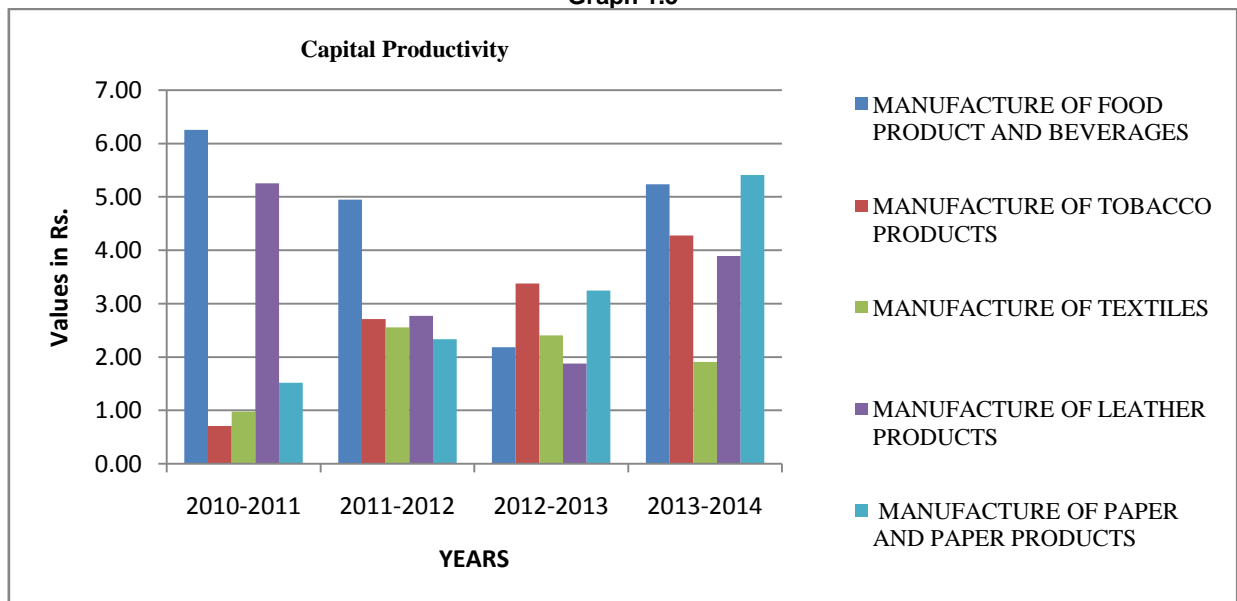
Table 1.5

Category Wise Capital Productivity of Agro Based Industry In Jaipur.(Values In Rs.)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture Of Food Product And Beverages	6.25	4.95	2.18	5.24	-4%
Manufacture Of Tobacco Products	0.71	2.71	3.37	4.28	57%
Manufacture Of Textiles	0.98	2.56	2.40	1.91	18%
Manufacture Of Leather Products	5.25	2.77	1.88	3.90	-7%
Manufacture Of Paper And Paper Products	1.52	2.33	3.25	5.41	37%

Source: calculated from table 1.2 and 1.4.

The category wise capital productivity of different agro based industries in Jaipur from 2010-2014 shows per unit capital production. The table shows that the manufacture of food products and beverages industry has generated the highest capital productivity and the textile industry has the lowest capital productivity. According to CAGR, the tobacco industry has highest capital productivity. The same is shown in graph 1.5.

Graph 1.5



Source: Source: calculated from table 1.2 and 1.4.

The statistics as shown on the graph of the capital productivity in Jaipur between 2010-14 make it clear that the food product and beverages industry has been at peak, while the textile industry has been

low on capital productivity. It is evident that the paper industry has grown its capital productivity over the years.

Table 1.6

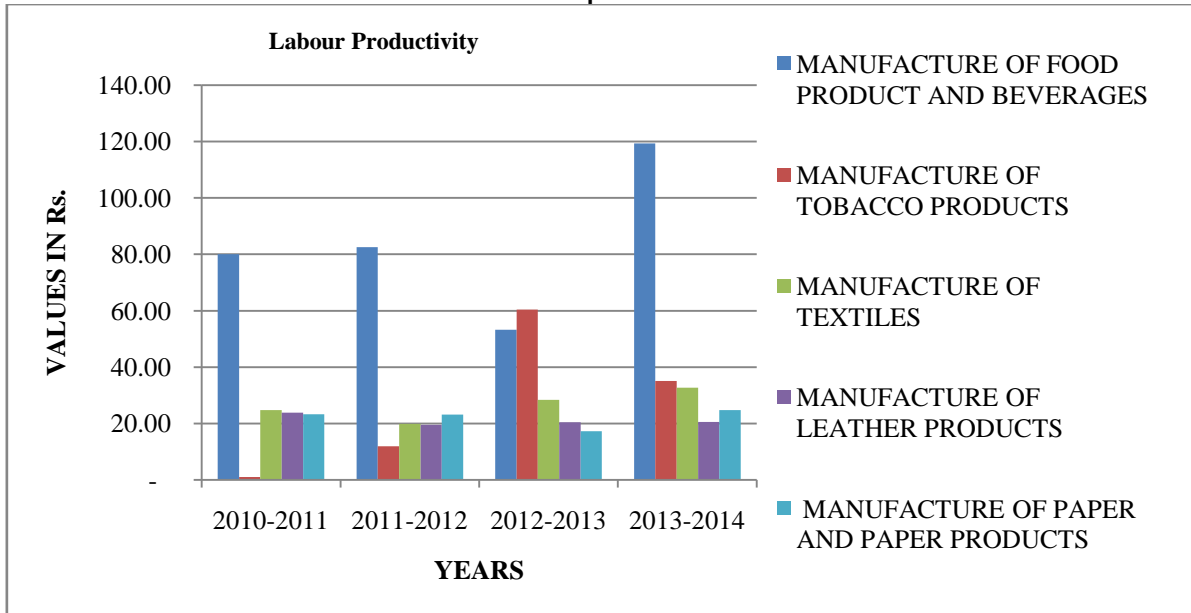
Category Wise Labour Productivity of Agro Based Industry in Jaipur.(Values in Rs.)					
Category	2010-2011	2011-2012	2012-2013	2013-2014	CAGR
Manufacture Of Food Product And Beverages	80.02	82.55	53.30	119.36	-63%
Manufacture Of Tobacco Products	1.03	11.97	60.36	35.04	752%
Manufacture Of Textiles	24.80	19.88	28.35	32.71	-67%
Manufacture Of Leather Products	23.84	19.51	20.38	20.56	-78%
Manufacture Of Paper And Paper Products	23.30	23.18	17.25	24.75	-73%
Total	56	51	40	67	-70%

Source: calculated from table 1.3 and table 1.4

The category wise labour productivity of agro based industries in Jaipur from 2010-14 show per unit production of labour. According to CAGR stats, the

labour productivity of tobacco industry has been the highest. While the other industries have shown negative CAGR.

Graph 1.6



Source: calculated from table 1.3 and table 1.4

The labor productivity of agro based industries from 2010-14 is shown above graphically. It is clear that on the food and beverages industry has gained momentum over these years on labour productivity while the others are barely seen on the graph.

Conclusion

When we point out productivity of agro based industry we see that in Jaipur district, the capital productivity of all agro based industry is more than labour productivity.

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