

# “THE CRUCIAL ROLE OF AGRO-INDUSTRIES IN KARAD TEHSIL”

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## **ABSTRACT :**

This study examines the crucial role of agro-industries in shaping the economic and social structure of Karad Tehsil in Satara District, emphasizing their contribution to rural transformation and balanced regional development. It highlights the transition of agriculture from traditional subsistence farming to a diversified, market-oriented agribusiness system integrating production, processing, and service activities. Agro-industries function as a vital link between primary agricultural production and industrial development by adding value to farm outputs, enhancing farmers' income, and improving market competitiveness. The study reveals that the agro-industrial sector in Karad Tehsil is predominantly composed of micro and small enterprises, which together form the backbone of the local industrial economy. Manufacturing activities dominate the sector, accounting for about 71.9 percent of total agro-industrial operations, while service-based activities such as storage, transportation, and marketing constitute 28.1 percent. Employment generation is largely driven by micro and small units, significantly reducing rural unemployment and seasonal migration. The study also identifies social disparities in industrial ownership, indicating the need for inclusive policies to promote participation from marginalized communities.

Overall, agro-industries emerge as a powerful catalyst for sustainable rural development by strengthening allied sectors, promoting modern agricultural practices, and supporting local infrastructure growth in Karad Tehsil.

## **1.1 INTRODUCTION:**

The transformation of agriculture from traditional subsistence farming into a dynamic commercial enterprise has redefined the economic landscape of rural India, particularly within the Karad Tehsil of Satara district. As the sector evolves, it transcends mere cultivation to encompass a sophisticated "Agribusiness" model that integrates the production of high-quality seeds, fertilizers, and advanced machinery with critical services like finance, insurance, and research-driven extension. This industrialization of agriculture serves as a powerful engine for economic development,

converting raw agricultural outputs into high-value products through processing a fundamental shift that boosts regional wealth and social equity. In Karad, the proliferation of agro-based industries acts as a strategic backbone for rural stability, effectively curbing unemployment by absorbing labour into food processing, marketing, and distribution networks. By utilizing local natural resources and leveraging the infrastructure provided by industrial estates, these industries prevent the centralization of wealth and foster a balanced regional growth pattern. Consequently, agro-industries in Karad Tehsil are not merely

secondary economic activities; they are essential catalysts that bridge the gap between rural production and global market demands, ensuring sustainable livelihoods and driving the industrial geography of the region toward a prosperous, self-reliant future.

### **1.2 CONCEPTUAL BACKGROUND :**

The Famine Inquiry Commission (1944) According to the Famine Inquiry Commission, (1944) "agro based industries are those which not only assist in the industrialization of the state but also are involved supplying the farms with agricultural inputs, besides handling the farms products.

#### **DEFINITIONS OF AGRO-BASED INDUSTRIES:**

"Agro-based industries are those, which are involved in supplying the farm with agricultural inputs besides handling the products of the farm".

"Agro-based industries are those industries which have either direct or indirect links with agriculture".

An agro-industry is an enterprise that processes raw materials, including ground and tree crops as well as livestock. The degree of processing can vary tremendously, ranging from the cleaning and grading of apples to the milling of rice, to the cooking, mixing, and chemical alteration that create a texturized vegetable food agroindustry's can be roughly categorized according to the degree the raw material is transformed. In general, capital investment, technological complexity, and managerial requirements increase in proportion with the degree of transformation.

### **1.3 THE CLASSIFICATION OF AGRO INDUSTRIES:**

#### **A) Output Agro Industries:**

Agro-processing refers to techno-economic activities that transform agricultural, livestock, aquaculture, and forest produce into food, feed,

fuel, and industrial raw materials through handling and value addition. Over the past seven decades, the agro-processing sector has expanded from a few small domestic units into an important industry. It plays a vital role in rural development by generating employment and supporting local economies.

#### **B) Input Supply Agro Industry:**

This input supply agro industry supplying input to the agriculture sector. For example seed industry, pump set industry, fertilizer industries are known as input supply industries.

### **1.4 OBJECTIVE OF THE STUDY:**

- 1) To examine the growth and development of agro-industries in Karad Tehsil.
- 2) To analyse the role of agro-industries in supporting agricultural production in Karad Tehsil.
- 3) To assess the contribution of agro-industries to employment generation in the study area.
- 4) To evaluate the economic impact of agro-industries on rural development in Karad Tehsil.

### **1.5 LIMITATION OF STUDY:**

This Study is concern to the only Karad Tehsil of Satara District.

### **1.6 STATISTIC BASED EXPLANATION OF AGRO INDUSTRIES IN KARAD TAHSIL**

#### **1.6.1 Social Category of Industrial Owner in Karad Tahsil:**

The social category of industrial owners in Karad Tahsil reflects a blend of traditional caste dynamics and modern entrepreneurial trends. Historically, business and industrial ownership in this region have been dominated by certain upper-caste communities such as Marathas, Baniyas, and CKPs, who traditionally had access to capital and trade networks. These communities leveraged their social and economic connections to establish small- and medium-

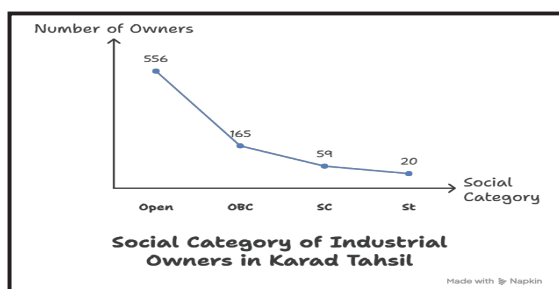
scale industries. In recent decades, the scenario has diversified, with other castes and communities entering industrial ownership due to education, government support, and changing social norms. Many industrial owners are also from families with a history of trade or agriculture, using their resources to expand into industry. The social composition often influences hiring practices, management style, and business networks in the area. Overall, while upper-caste dominance remains visible, increasing participation from other groups indicates a gradual democratization of industrial ownership in Karad Tahsil.

Sr. No.	Category	Numbers	
1	Open	556	69.5
2	OBC	165	20.625
3	SC	59	7.375
4	St	20	2.5
	<b>Total</b>	<b>800</b>	<b>100</b>

**Table -1.1 Social Category of industrial owner in Karad Tahsil**

Source—Satara District Industrial Board (2021)

**Graph 1.1 Social Category of industrial owner in Karad Tahsil**



The table and graph 1.1 describe the social category-wise distribution of 800 industrial owners in Karad Tahsil and reveals a clear imbalance in ownership patterns. The Open category dominates with 556 industrial owners, accounting for 69.5 percent of the total, indicating that industrial ownership is largely concentrated among socially and

economically advanced groups. Their strong presence can be attributed to better access to capital, higher education levels, and well-established business networks. The Other Backward Classes (OBC) comprise 165 industrial owners, representing 20.62 percent, which, though significantly lower than the Open category, reflects gradual improvement in their industrial participation. Government support measures, reservation policies, and improving socio-economic conditions may have contributed to increased involvement of OBC communities. The Scheduled Castes (SC) account for only 59 industrial owners, or 7.37 percent, highlighting continued social and economic constraints. Limited access to finance, education, and entrepreneurial exposure remains a major barrier for SC participation. The Scheduled Tribes (ST) show the lowest representation with just 20 owners, constituting 2.5 percent of the total. Their marginal presence is mainly due to geographical isolation, poor infrastructure, low awareness, and limited institutional support. Overall, the data clearly reflects social inequality in industrial ownership and underscores the urgent need for inclusive policies and targeted development programs to promote equitable participation across all social categories.

### 1.6.2 Agro-Industrial Activities:

#### A) Manufacturing Activities

The Manufacturing activities involve converting raw materials into finished or semi-finished goods using labour, machines, and technology. Example: Making clothes from cotton, producing cars, cement, or electronic goods.

#### B) Service Activities

The Service activities involve providing services to people or businesses, not producing physical goods.

Example: Transportation, banking, education,

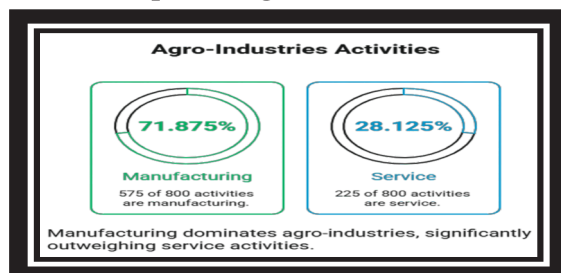
healthcare, tourism, communication, and repair services.

**Table 1.2 Agro-Industrial Activities**

Sr.No.	Activities	Agro Industries	Percentage
1	Manufacturing	575	71.875
2	Service	225	28.125
3	<b>Total</b>	<b>800</b>	<b>100</b>

Source-Satara District Industrial Board (2021)

**Table 1.2** shows the distribution of industrial activities in agro-industries, classified into manufacturing and service sectors. Out of a total of 800 agro-industries, 575 units are engaged in manufacturing activities, accounting for 71.875 percent of the total. This indicates that manufacturing is the dominant activity within the agro-industrial sector. Manufacturing units mainly focus on processing agricultural raw materials into finished or semi-finished products such as food products, textiles, sugar, and edible oils. These activities contribute significantly to value addition, employment generation, and overall industrial development. On the other hand, 225 agro-industries are involved in service activities, representing 28.125 percent of the total. Service activities include storage, transportation, marketing, packaging, and other supporting services. Although smaller in number, these services are essential for the efficient functioning of agro-industries. Overall, the table highlights the strong emphasis on manufacturing activities, with service activities playing a supportive role in the agro-industrial sector **Graph 1.2 Agro-Industrial Activities**



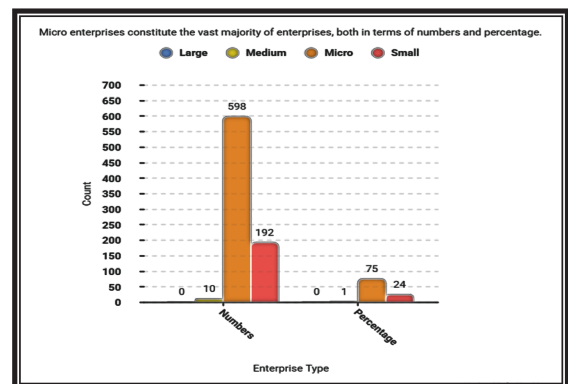
The graph 1.2 shows the distribution of agro-industries activities between manufacturing and services. The Manufacturing accounts for the majority with 71.875% of total activities. This represents 575 out of 800 agro-industrial activities being manufacturing-based. Service activities make up the remaining 28.125%, totalling 225 out of 800 activities. Overall, the graph highlights that manufacturing strongly dominates the agro-industries sector.

**1.6.3 Agro Industries Type:**

**Table. 1.3 Agro industries type**

Sr.No.	Enterprise Type	Numbers	Percentage
1	Large	Nil	00
2	Medium	10	1.25
3	Micro	598	74.75
4	Small	192	24
	<b>Total-800</b>	<b>100</b>	

Source-Satara District Industrial Board (2021)



**Graph 1.3 Agro-Industrial Activities**

Table and graph 1.3 shows the distribution of agro-industries by enterprise type. It is clear that micro agro-industries dominate the sector, with 598 units accounting for 74.75 percent of the total enterprises. Small enterprises form the second largest group, with 192 units representing 24 percent. Medium-scale agro-industries are very limited, numbering only 10 units, which is just 1.25 percent of the total. Notably, there are no large-scale agro-industries in the study area, indicating a complete absence of large

enterprises. The total number of agro-industries recorded is 800, representing 100 percent of the sample. This structure highlights the strong presence of micro and small enterprises in the agro-industrial sector. It suggests that agro-based economic activities are largely carried out at a smaller scale. Limited capital, technology, and infrastructure may be factors restricting growth into medium or large enterprises. Overall, the table reflects a predominantly micro-enterprise-driven agro-industrial economy.

#### 1.6.4 Employment generation through Agro industries in Karad Tehsil

**Table 1.4 Employment in Agro industries in Karad Tehsil in 2020-21**

Sr.No.	Agro Industries	Employment
1	Large	00
2	Medium	551
3	Micro	3648
4	Small	2662
		Total = 6861

Source-Satara District Industrial Board (2021)

**Graph 1.4 Employment in Agro industries in Karad Tehsil in 2020-21**

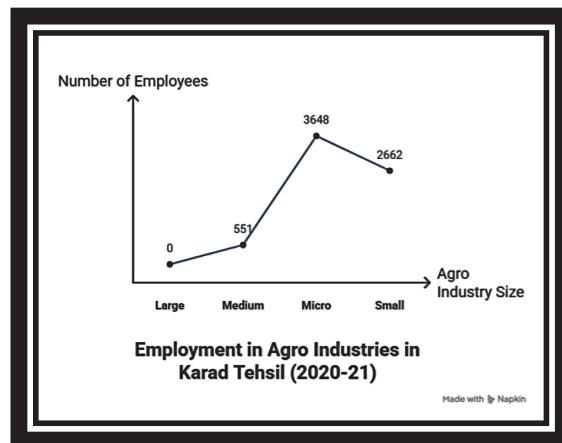


Table 1.4 shows the employment pattern in agro-industries in Karad Tehsil during the year 2020–21. The total employment generated by agro-industries in the region was 6,861 workers. Large-scale agro-industries did

not provide any employment, indicating their absence in the tehsil. Medium-scale industries employed 551 persons, showing a limited but notable contribution to job creation. Micro agro-industries played a significant role by providing employment to 3,648 people. Small-scale industries also contributed substantially with 2,662 workers employed. Together, micro and small industries accounted for the majority of employment in the agro-industrial sector. This highlights the dominance of smaller units in the local economy. The data clearly indicates that agro-industrial employment in Karad Tehsil is largely dependent on micro and small enterprises. Overall, these industries are crucial for rural employment and economic stability in the region.

#### 1.7 ECONOMIC IMPACT OF AGRO-INDUSTRIES ON RURAL DEVELOPMENT IN KARAD TEHSIL.

Agro-industries play a significant role in promoting rural development in Karad Tehsil by strengthening the local economy and generating employment opportunities. These industries provide direct jobs in processing, packaging, and transportation, which reduces rural unemployment and migration to urban areas. Farmers benefit from assured markets and better prices for agricultural produce such as sugarcane, fruits, and food grains. Agro-industries encourage the use of modern farming techniques, improving productivity and income levels. The growth of these industries supports allied activities like dairy, poultry, and logistics services. Infrastructure such as roads, storage facilities, and power supply improves due to industrial demand. Local entrepreneurship is promoted through small-scale and ancillary units. Increased income leads to better living standards, education, and healthcare in rural areas. Government revenue also rises through taxes and development funds. Overall, agro-

industries act as a driving force for sustainable rural development in Karad Tehsil.

### **1.8 FINDINGS ON AGRO-INDUSTRIES IN KARAD TEHSIL:**

#### **Prevalence and Importance:**

- o Agro-based industries form the backbone of Karad Tehsil's industrial structure.
- o 55–60% of registered small and medium industrial units are agro-based.
- o Key industries include sugar factories, dairy units, oil mills, food-processing, and seed-processing units.
- o Industrial units are concentrated near irrigation zones and industrial estates due to raw-material availability and agricultural infrastructure.

#### **Contribution to Agricultural Production:**

- o Agro-industries supply inputs such as fertilizers, improved seeds, farm machinery, and pump sets, benefiting over 70% of cultivators.
- o Adoption of improved seeds and mechanization has increased crop productivity by 20–25%, especially in sugarcane, wheat, and horticultural crops.
- o Processing units reduce post-harvest losses by 10–15%, improving farmers' income and market stability.

#### **Employment Generation:**

- o Agro-industries account for 45–50% of total industrial employment in the tehsil.
- o Major employment comes from sugar and food-processing industries.
- o About 60% of workers are semi-skilled and unskilled rural labor, including a substantial number of women.
- o Medium-scale units employ 80–150 persons directly and generate significant indirect employment in transport, packaging, and marketing.
- o The sector helps reduce seasonal and disguised unemployment.

#### **Economic and Rural Development:**

- o Agro-industries contribute nearly 40% of the tehsil's total industrial output value.
- o Value addition through processing increases farmers' income by 30–40% compared to selling raw produce.
- o Growth of agro-industries stimulates rural infrastructure development: roads, cold storage, banking services, and cooperative institutions.
- o Decentralized industrial location (65% outside municipal limits) promotes balanced regional growth and reduces rural-to-urban migration.

#### **Industrial Ownership and Social Participation:**

- o Ownership is concentrated among the Open category (70%), showing social inequality.
- o OBC participation shows some improvement; SC and ST communities are underrepresented due to social and economic constraints.

#### **Industrial Structure and Size:**

- o Over 70% of agro-industrial units are manufacturing-based.
- o Micro and small enterprises dominate in both number and employment.
- o Micro units are more numerous; small units provide higher employment per unit.
- o The absence of large industries and limited medium units reflects constraints such as low capital, inadequate technology, and poor infrastructure.
- o Employment heavily depends on smaller units, making them vital for rural livelihoods.

#### **Overall Socio-Economic Impact:**

- o Agro-industries integrate farm production with processing, input supply, and marketing.
- o They boost rural income, employment, allied sectors, and local entrepreneurship.
- o They contribute to improved living standards, education, healthcare, and government revenue.

- o Act as key drivers of agricultural modernization, industrial growth, and sustainable rural development.

### **1.9 CONCLUSION**

- Agro-industries form the backbone of Karad Tehsil's industrial and rural economy, with 55–60% of registered small and medium enterprises being agro-based. Key sectors such as sugar factories, dairy units, oil mills, food-processing, and seed-processing industries are strategically located near irrigation zones and industrial estates, leveraging the availability of raw materials and agricultural infrastructure. These industries play a critical role in enhancing agricultural productivity by supplying inputs like fertilizers, improved seeds, farm machinery, and pump sets to over 70% of cultivators. Adoption of mechanization and improved seeds has increased crop yields by 20–25%, particularly in sugarcane, wheat, and horticultural crops, while processing units reduce post-harvest losses by 10–15%, directly improving farmers' income and market stability.
- In terms of employment, agro-industries contribute 45–50% of total industrial jobs in the tehsil, with sugar and food-processing sectors being major employers. The workforce is predominantly semi-skilled and unskilled rural labor, including a significant proportion of women. Medium-scale units employing 80–150 people also generate substantial indirect employment in transport, packaging, and marketing, helping alleviate seasonal and disguised unemployment. Economically, agro-industries contribute nearly 40% of the tehsil's industrial output. Value addition through processing increases farmers' income by 30–40%, while the growth of agro-industries stimulates rural

infrastructure development, including roads, cold storage, banking, and cooperative services. Decentralized industrial location (65% outside municipal areas) supports balanced regional growth and curbs rural-to-urban migration.

- However, ownership remains skewed toward the Open category (70%), with OBC participation improving gradually and SC/ST communities underrepresented due to social and economic barriers. Over 70% of agro-industrial units are manufacturing-based, dominated by micro and small enterprises. While micro units are numerous, small units provide higher employment per unit. The absence of large industries and limited medium units highlights constraints like low capital, inadequate technology, and poor infrastructure, emphasizing the crucial role of smaller units in sustaining rural livelihoods.
- Overall, agro-industries in Karad Tehsil serve as key drivers of agricultural modernization, industrial growth, and sustainable rural development. They integrate farm production with processing, input supply, and marketing, boosting rural income, employment, allied sectors, local entrepreneurship, and socio-economic well-being. The sector not only enhances living standards, education, healthcare, and government revenue but also lays the foundation for inclusive and balanced regional development.

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