

Impact of Agro-Based Industries on Farmers' Income: A Case Study of Jalna District

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Abstract— Agro-based industries provide a critical link between agriculture and economic development by converting raw agricultural products into processed goods. This study explores how such industries have impacted farmers' income in Jalna district of Maharashtra. With only 15 agro-based industries currently operating in the district, a complete enumeration approach was adopted. The study shows that these enterprises have contributed positively to improving farmers' earnings, reducing dependence on seasonal agriculture, and promoting rural livelihood diversification. The findings highlight the potential of agro-industrial growth in enhancing rural prosperity and offer practical recommendations to strengthen this sector.

I. INTRODUCTION

Agriculture remains the primary source of livelihood in rural India. However, the returns from farming are often low due to unpredictable weather conditions, fluctuating prices, and limited value addition. Agro-based industries—those involved in processing agricultural produce—offer farmers an opportunity to increase income, generate local employment, and reduce post-harvest losses.

Jalna district, known for producing oilseeds, "Spice crop and fruits, has a small but growing base of agro-processing units. This paper examines the effect of these units on farmers' income and participation in agro-industrial activities.

II. OBJECTIVES

1. To identify the types of agro-based industries in Jalna district.
2. To evaluate their impact on the income of associated farmers.
3. To assess the nature of farmer participation in these enterprises.
4. To explore the challenges faced by these industries and farmers.
5. To suggest measures to enhance farmer-industry collaboration.

III. SCOPE OF THE STUDY

The study focuses on Jalna district, Maharashtra, and includes all 15 active agro-based industries such as oil mills, spice units, and fruit/vegetable processing centers. The research emphasizes their linkage with local farmers, the economic benefits they provide, and the obstacles faced in scaling operations.

IV. RESEARCH METHODOLOGY

Type of Research: Descriptive and field-based

Sample Size: 15 agro-based industries (total population in the district)

Sampling Technique: Complete Enumeration Method – All known agro-industries were included

Data Collection:

Primary Data: Structured interviews with industry owners/managers and farmers linked to these units

Secondary Data: District industry records, government reports, previous research papers

Analysis Tools: Tables, percentages, and qualitative summaries

V. KEY FINDINGS

10 out of 15 industries reported that farmers supplying raw materials experienced a noticeable increase in income.

Farmers associated with oilseed and units reported improved price realization and reduced transportation costs.

In 6 units, local women participated in grading, cleaning, and packaging processes, enhancing household income.

Most industry owners stated that awareness of government schemes is low, and access to finance remains a challenge.

Units located closer to farming areas created a stable procurement system, reducing post-harvest losses.

VI. SUGGESTIONS

1. Promote formation of Farmer-Producer Companies (FPCs) linked to local agro-processing units.
2. Provide training programs for farmers and rural youth in packaging, branding, and food safety standards.
3. Simplify loan and subsidy application processes through single-window systems.
4. Encourage cluster development of small-scale agro-industries in rural areas.
5. Strengthen market linkages and digital marketing for locally processed agro-products.

VII. CONCLUSION

Agro-based industries in Jalna district, though limited in number, have demonstrated a positive impact on farmers' income and rural livelihood diversification. These enterprises offer a viable path to rural development, especially when farmers are actively integrated into the value chain. With better access to credit, training, and policy support, the role of agro-industries can be further strengthened, leading to sustainable economic growth in rural areas.

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