

# Role of Agro Based Industries in the Economic Development of Bulandshahr District

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## Abstract

*Agriculture constitutes the backbone of Indian economy since it accounts for about 14 per cent of the nation's GDP and about 11 per cent of its export. Despite progressive industrialization, nearly half of the population of our country still relies on agriculture as its principal source of income. Not only this, the raw materials of a large number of industries also come from agriculture sector. The agro-processing industry in India plays a vital role in the national economic development and potential to meet the local needs as well as export requirements. Bulandshahr is primarily a religious city with many historical ruins, ancient temples, and ghats of river Ganga. Bulandshahr has been slow to urbanization yet there is no dearth of factories and manufacturing units that have contributed significantly to its economic development. Bulandshahr is gradually opening up to different service sectors especially IT and retail.*

**Keywords:** Agro Based industries, Economic Development, MSME Khurja Pottery.

**Classification-JEL :** JEL-R14, S00

## 1. INTRODUCTION

Agriculture constitutes the backbone of Indian economy since it accounts for about 14 per cent of the nation's GDP and about 11 per cent of its export. Despite progressive industrialization, nearly half of the population of our country still relies on agriculture as its principal source of income. Not only this, the raw materials of a large number of industries also come from agriculture sector.

The term "Agro-industry" covers all those activities which transform agriculture commodities into different forms that add value

to the product and, thus, have either direct or indirect links with agriculture (Bhattacharya, 1980). The agro processing could also be defined as the 'set of techno economic activities carried out for conservation and handling of agricultural produce and to make it usable as food, feed, fiber, fuel or industrial raw material. Hence, the scope of the agro processing industry encompasses all operations from the stage of harvest till the material reaches the end users the required form after packaging.'

The agro-processing industry in India plays a vital role in the national economic development and potential to meet the local

needs as well as export requirements. The agro industries help in processing agriculture products such as field crops, tree crops, live stock and fisheries by converting them to edible and other usable items. Mammoth markets exists for sugar, coffee, tea and processed foods such as sauce, jelly, honey, processed meat, spices and fruits globally as well as locally. Unfortunately, a sizeable proportion of agro industrial production is either treated as **wastes** or it utilized for obtaining less productive materials. The examples of such activities include the preparation of dung cakes (for burning), burning of sugarcane bagasse and rice straw. With proper planning, these could be better utilized for manufacturing biogas, alcohol, mushrooms and manure. In the last two decades, the industrial development in agricultural biotechnology have offered numerous ways of obtaining valuable products from these so called "wastes". In fact, these substances which were considered to be wastes earlier are now called "gold mines at the farms". By integrating modern technological inputs with agro industries, it is quite possible to boost rural economy to the appreciable extent. A through intensive understanding of any given area with respect to its (i) socio-economic setup, (ii) agricultural systems and (iii) agro processing systems, as a whole is required for both short-term and long- term planning for sustainable eco-friendly prosperous management of the area.

## 2. BRIEF INDUSTRIAL PROFILE OF DISTRICT BULANDSHAHAR

### a) General Characteristics of the District:

The history of Bulandshahr begins even before 1200 B.C. This region is nearer to the capital of Pandavas- Indraprasth and Hastinapur. After of decline of Hastinapur, Ahar which is situated in the north east of district Bulandshahr became an important place for Pandavas. With passes of time the king Parma made a fort on this part of region and a king named Ahibaran put the foundation of a tower called Baran

(Bulandshahr). Since it was perched on a highland it came to be known as high city which was translated into passion language as Bulandshahr. At present this is called by this name **BULANDSHAHR**. The history of Khurja Pottery goes back to about 600 years ago, when some of the potters' families moved from Delhi to Khurja during reign of Emperor Mohammad-bin-Tughlak. Starting with red clay pottery, they moved on to blue glaze and on red clay articles with engobe of white clay, painting floral designs with cupric oxide and applying a soft glaze containing glass and borax etc. During World War II, ban was imposed on various metals for making household utensils and import of ceramic goods was drastically curtailed. To meet the demand of ceramic wares mainly for war hospitals, the Government of Uttar Pradesh established a ceramic unit. After the war, the factory was closed down in 1946 due to lack of demand of its products. The factory was equipped with three small kilns, two chimneys and three ball mills. The Government of Uttar Pradesh made a thoughtful consideration for the utilization of the available machinery, other capital items and instead of closing it down, converted into a Pottery Development Centre. It was the first pottery related to common facilities center in the country where entrepreneurs were provided the facilities for firing their green wares in the Govt. kilns on payments of a nominal charge.

**b) Location & Geographical Area:** The District is about 84 km in length and 62 km is breadth and having the total area of 4352 sq. km. The district is 237.44 meters above sea level.

**c) Topography:** The District of Bulandshahr is in Meerut region of Uttar Pradesh located between Ganga and Yamuna rivers. This is situated between 28.24 north latitude and between 77.54 East longitudes.

**d) Availability of Minerals:** There is no mineral found in the District.

**e) Forest:** A forest Area of 7795 Hectare covers the Bulandshahr District. Which mainly

comprises Mango, Guava & other Fruits Orchids? Since the land is very fertile due to Doaba region. Water is in plenty since river Ganges & Yamuna are in Proximity.

**f) Administrative set up:** For administrative convenience, the district of Bulandshahr has been divided into seven tehsils namely,

1. Sikandrabad
2. Bulandsahar
3. Siyana
4. Khurja
5. Shikarpur
6. Dibai
7. Anupsahar

Total agro based industries –  $894+3+333+44+278= 1268$  units out of total 5565 units. It is 22.78 per cent of all industries which is second highest after Repair and Services (2363 units.)

Total investment in agro based industries–  $482.3+1.65+150.1+ 179.85+23.78= 837.33$  laks Rs. Out of 3050.2 lakh. It is 27.45 per cent of all investment, Which is also second highest after repair and services (1276.05 lakh rs.)

Total employment in agro based industries is  $4470+15+1395+1660+219= 7759$  people out of 28249 employed people in District Bulandshahr. It is 27.47 per cent of all people employed which is also second highest after repair and services (11820 employed people.)

After analyzing this table, we find that 22.78 per cent of total industries, 27.45 percent of all investment and 27.45 percent of all employment is a part of agro based industries, which is most significant after repair and services. Thus, conclusion is that the most people are employed in repair and services sector is District Bulandshahr and then agro based industries.

**TABLE 1**  
**Details of Existing Micro & Small Enterprises and Artisan Units In The District**

NIC CODE NO	TYPE OF INDUSTRY	NUMBER OF UNITS	INVESTMENT (Lakh Rs.)	EMPLOYMENT
20	Agro based	894	482.3	4470
22	Soda water	Nil	Nil	Nil
23	Cotton textile	3	1.65	15
24	Woolen, silk & artificial thread based clothes	Nil	Nil	Nil
25	Jute & jute based	Nil	Nil	Nil
26	Ready-made garments & embroidery	278	150.1	1395
27	Wood/wooden based furniture	333	179.85	1660
28	Paper & Paper products	49	26.45	251
29	Leather based	44	23.78	219
31	Chemical/Chemical based	43	22.22	217
30	Rubber, Plastic & petro based	49	26.48	250
32	Mineral based	Nil	Nil	Nil
33	Metal based (steel Fab.)	184	99.36	915
35	Engineering units	34	18.36	173
36	Electrical machinery and transports equipment	102	55.08	512
97	Repairing & servicing	2363	1276.05	11820
1	Others	1189	688.52	6352
		5565	3050.2	28249

Source: DIC, Bulandshahr

Agro based industries include the following industries – agro based, cotton textiles, Woolen, silk & artificial, jute & jute based, Ready-made garments & embroidery, Wood/wooden based industries and Leather based industries.

### **3. BUSSINESS AND ECONOMY**

Bulandshahr is primarily a religious city with many historical ruins, ancient temples, and ghats of river Ganga. Bulandshahr has been slow to urbanization yet there is no dearth of factories and manufacturing units that have contributed significantly to its economic development. Bulandshahr is gradually opening up to different service sectors especially IT and retail. The burgeoning middle class in Bulandshahr is opening up to the different glamour of modern city life like spas, boutiques, fitness centers and multiplexes. Bulandshahr is also very popular with pilgrims and tourists especially during annual festivals. Tourism generates significant revenue throughout the year. Several luxury and budget friendly hotels and restaurants do good business all year around especially when there is a high influx of tourists in the city. Agriculture sector is predominant in Bulandshahr and agro based industries are major revenue earners and source of employment of the local people. There are 1268 Agra-based units in Bulandshahr. Railways in Bulandshahr are also a very profitable sector. With it connecting local passengers and tourists to all parts of Uttar Pradesh and to major cities in the country. Bulandshahr is internationally renowned for ceramics, pottery and handicrafts. Bulandshahr is home to thousands of factories and small-scale industries that manufacture traditional pottery and other handicrafts. Wooden furnitures manufactured in Bulandshahr also have a great demand. Handicrafts provide fruitful business opportunities in the city. There are 278 units for readymade garments and embroidery, 333 units of wooden furniture, 102 units of electrical machinery and transport equipment and 184 metal-based units in Bulandshahr. The major exportable items are ceramics items and steel pipes. Sectors that have

great growth potential in Bulandshahr are transformer insulators, milk and allied products, ceramic handicraft items, crockery, ceramic tiles and bathroom/toilet items The Khurja pottery cluster in Bulandshahr district have 300 units organized under it which are engaged in the production of various types of ceramic products such as stoneware and bone china crockery, chemical porcelain, decorative wares, high tension and low tension insulators, and sanitary wares. Many pottery manufacturers use integrated production beginning from raw material processing to firing. The manufactures are members of the Khurja Pottery Manufacturers Association (KPMA). Additionally, the Central Glass and Ceramic Research Institute (CG&CRI) provides research and technical facilities to the manufacturing units for their growth and development. These efforts have led to the tremendous growth of Ceramic Industry in the state of Uttar Pradesh. Although there are limited business opportunities in Bulandshahr yet the small-scale industries are the largest revenue earners. The emerging middle class of Bulandshahr have contributed to the growth of its economy. Several shopping complexes and cinema halls are masking huge profit margins in Bulandshahr. Hospitality and tourism industry is also flourishing in Bulandshahr and bringing in opportunities for higher income and employment.

### **4. UTILITIES AND SERVICES IN BULANDSHAHR**

Bulandshahr is trying to make its mark among other progressive and modern cities of India. It provides different amenities to the locals, to experience a holistic life experience. Bulandshahr has many hospitals and diagnostic centres that house cutting edge technology and best doctors. Also there are several academic institutes, police stations and NGOs, Bulandshahr Development Authorities and other government offices are responsible for the proper functioning of the city. Several shopping complexes and cineplexes offer different entertainment choices

to the youth. Electricity Services in Bulandshahr The estimated cost of supplying electricity to Bulandshahr is Rs 20 crores. The Paschimanchal Vidyut Vitaran Nigam Limited (PVVNL) is responsible for distribution of power in the western region of Uttar Pradesh. PVVNL has implemented the Accelerated Power Development and Reform Program in Bulandshahr.

Construction of new 33/11 KV Sub-station and 11 KV low tension lines are completed. This was done keeping in mind the high demand for electricity in Bulandshahr especially for agriculture and factories. Newly-constructed sub-stations are of high capacity and prevent the PVVNL from overloading. The low tension lines have undergone modernization, reconfiguration to reduce line length and line losses. All the changes are targeted to bring about an efficient power distribution to reach 24-hour electricity availability for all customers. It also provides different e-services such as 24 X 7 help line, online bill payment, and addressal of customer grievances. Banking Services in Bulandshahr Bulandshahr has a considerable amount of population, there are some major large scale and mid-level industries and abundant small scale industry, hence the establishment of several banks belonging to both public and private sectors. Different operating banks in Bulandshahr are Allahabad Bank, Punjab National Bank, State Bank of India, Canara Bank, Bank of Baroda, IDBI Bank, Axis Bank, ICICI Bank, HDFC, UCO bank, Syndicate bank, and Bank of India. ATM services are provided by different banks throughout Bulandshahr.

## 5. PACKERS AND MOVERS IN BULANDSHAHR

There are different packers and movers available in Bulandshahr. They help to move people and their belongings to and from Bulandshahr and within Bulandshahr. Most of them provide services for residential, corporate or industrial relocation. Main services of the packers include packing, organizing, unpacking and rearranging of the goods. Movers help in loading and unloading services of the goods. They are affordable, friendly, provide good service and are available on call. The most popular Packers and Movers are Speed Packers and Movers, India Movers Packers, Allied Movers and Packers, Maruti Packers and Movers, Maa kali Packers Movers, Rds Packers Movers, Himalayan Packers and Movers, Best Packers and Movers and Aggarwal Packers and Movers.

## 6. CONCLUSION

Indian agro processing industries can play a vital role in not only preventing the post harvest losses of farm produces, but it can also help in providing the employment and income to the rural youths. Strong forward and backward linkages are to be established to procure raw material and to sell agro processed material. This has triggered development process in terms of improved agricultural practices for sustainability and food surplus. API would also provide the opportunity for investment in rural area and in establishing the infrastructure support for the agricultural produces. Last but not the least, the experience of API has established it as potential solution for rural unemployment and strengthening agriculture by making it more

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