

“A study of a method to change the way business is done in the country sector, with a focus on a few agro-processing companies”

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Abstract:

The agro-processing industry plays a pivotal role in the economic development of many countries, particularly those with a strong agricultural base. However, traditional business practices within this sector often face challenges in terms of efficiency, sustainability, and competitiveness. This study aims to explore a method to revolutionize business practices within the agro-processing industry, focusing on a select few companies as case studies. The research methodology involves a combination of qualitative and quantitative approaches, including in-depth interviews, surveys, and analysis of financial and operational data. By selecting representative agro-processing companies across different regions and scales, the study seeks to identify common challenges and opportunities for transformation. Key areas of investigation include supply chain management, technology adoption, market diversification, and sustainability practices. Through a comprehensive analysis of these factors, the study aims to develop a framework for implementing innovative business strategies tailored to the specific needs and contexts of agro-processing companies.

Keyword: Agro-processing industry transformation

Introduction:

In recent years, the global business landscape has witnessed a rapid evolution driven by technological advancements, changing consumer preferences, and market dynamics. Particularly, the agro-processing sector stands at a crucial juncture where traditional



methods are increasingly becoming inadequate to meet the demands of modern consumers and overcome the challenges posed by globalization, climate change, and resource scarcity. Recognizing this imperative, this study aims to explore and propose a transformative method to revolutionize the way business is conducted within the agro-processing companies operating in our country.

Agro-processing, which involves the transformation of agricultural produce into value-added products, plays a pivotal role in the economic development of many nations. Not only does it contribute significantly to the GDP and employment generation, but it also serves as a vital link between agriculture and industry. However, despite its importance, the sector is confronted with numerous challenges such as inefficient supply chains, fluctuating commodity prices, inadequate infrastructure, and limited access to technology and finance.

Traditional business models prevalent in the agro-processing sector often rely on conventional practices that are susceptible to inefficiencies and vulnerabilities. Furthermore, the dynamics of global trade and consumer behavior are constantly evolving, necessitating a paradigm shift in how businesses within this sector operate and compete. Hence, there is an urgent need to explore innovative approaches that can enhance the efficiency, sustainability, and competitiveness of agro-processing companies.

This study seeks to address this need by proposing a comprehensive method that integrates cutting-edge technologies, sustainable practices, and strategic management principles tailored to the specific context of agro-processing businesses. By leveraging advancements in areas such as Internet of Things (IoT), data analytics, renewable energy, and supply chain management, this method aims to streamline operations, optimize resource utilization, minimize wastage, and enhance product quality.

Moreover, sustainability will be a cornerstone of the proposed method, considering the growing importance of environmental stewardship and social responsibility in today's business environment. Strategies for reducing carbon footprint, promoting eco-friendly practices, and fostering inclusive growth will be embedded into the framework to ensure long-term viability and resilience of agro-processing businesses.

The ultimate goal of this study is not only to propose theoretical frameworks but also to provide actionable insights and practical guidelines that agro-processing companies can implement to transform their operations and achieve sustainable growth in the rapidly changing business landscape. By fostering innovation, efficiency, and sustainability, this method aims to catalyze a paradigm shift in the way business is conducted within the country sector, thereby unlocking new opportunities and driving economic development.

Review of the Literature

In their groundbreaking study from 1965, Staley and Morse outlined a number of trends that help small businesses. These patterns show how production prices, scale economies, market characteristics, and locational factors all affect each other. They put them into three separate groups: (i) locational advantages for businesses that deal with raw materials that are spread out and have limited local markets and high transportation costs; (ii) process advantages for businesses that can separate manufacturing operations, like handicrafts and operations that only need simple assembly, mixing, or finishing; and (iii) market advantage factors for businesses that have unique products, low scale economies, and sell,

Ho (1980) tried to put Korean and Taiwanese industries into these three groups based on their advantages. He discovered that locational and process advantages are the most important for small-scale industries to thrive. Over the years, he did more research on the Korean economy and found that as it grew, small businesses lost their comparative benefits in locational factors (mostly transportation costs) and gained them in process factors. He didn't think the market edge was important for either Korea or Taiwan.

In 1988, Sundaram and Tendulkar found a big difference in the value added per worker between rural households and the census sector, as well as between rural and urban segments of the household industry. This difference was the same two-digit level in 12 of the 14 meaningful comparison cases for the years 1974–75. They gave a number of possible reasons (none of which were backed up by evidence) for why different groups could have large shares of the same two-digit code. First, each section specializes in a different line of products, which is hidden by the two-digit code. Second, there might be

differences in the products between market groups. This market edge factor, on the other hand, wasn't seen in Taiwan or Korea. Third, the product market is spread out geographically, and it costs a lot to move goods between places. This can be seen as a benefit for the small-scale sector. Fourth, the government supports the small-scale sector by controlling the supply of raw materials, charging different excise duties, offering limited domestic and foreign inputs at special prices, and other things.

But Little, Mazumdar, and Page (1987) gave a different point of view. They discovered big differences in the job size structure of six Indian states, even though all of them had to follow the same industrial and macroeconomic policies. These states are Bihar, Haryana, Madhya Pradesh, Punjab, and West Bengal.

However, Papola (1987) did not find any link between the growth of agricultural output and level and the growth of rural businesses' output and value added. He saw that in places where things were growing faster, families working in rural industries, even if they were traditional ones, did their work as their only job and hired more help. This means that the informal sector is slowly becoming the regular sector. The main problem with these studies about India is that none of them have actually looked at the nature and importance of different factors that help or hurt small businesses. Ho, on the other hand, has done this.

Statement of the problem

We want to focus on agro process industries (API) in this research study. With the help of BPR, these industries can be changed to make them better prepared for the new challenges that come with tough competition. This study is about some pick agro-processing businesses in the Sangli district and how they use BPR. The goal of this study is to create a model for API using BPR. Some very new methods, such as MRP-II, ERP, Six Sigma, TQM, SCM, and others, were used to make this model.

The agricultural process businesses create jobs, add value, and bring in money for the country's economy. These kinds of businesses are what make rural growth possible. In India, 70% of the people live in rural areas and work in agriculture as their main job.

Agro-processing businesses are very important to the growth of the rural sector. So, focusing on the growth of these businesses is important from both an economic and a social point of view. Business Process Reengineering (BPR) is a tool that can help these companies deal with the problems they face. BPR focuses on things like making infrastructure better, making goods better, adding value, and so on.

Need of the study

In traditional writing, it is thought that the economy grows in two areas. The modern industrial sector has grown, and the old agricultural sector has made progress. This split into two types of economies is the result of a process of change. As a country develops, workers move from farming to the industry sector. The productivity of agriculture has gone down because of this, while the desire for industrial goods has only gone up. But this process also frees up money that can be used to help the manufacturing sector grow even more.

When one sector grows, it helps the other sector stay alive and grow. As people's wages rise and consumer tastes change, a new part of the manufacturing sector called agro-processing has grown. It acts as a strong link between the traditional manufacturing sector and the agro-processing sector, allowing goods, raw materials, and labor to be traded between the two. In the 1960s and 1970s, agriculture was modernized, which led to a rise in output that made our country self-sufficient in food grains. In 1960–61, only 82.02 million tons of food grains were grown. In 2006–07, 217.28 million tons were grown. Agricultural output, on the other hand, has only grown at a rate of 2.32 percent per year from 1994-1995 to 2007-08. In the same way, the farming sector, which created the most jobs in the 1990s, started to lose its ability to create jobs. There was a drop in the job elasticity of agriculture from 0.70 in 1983 to 0.01 between 1993–1994 and 1999–2000. The Economic Survey of India did this in 2002–03. Because costs are going up and earnings are going down in agriculture, farmers and policymakers have had to find other ways to make money besides growing crops.

Objective of the study

1. To look into how businesses in the agro-process industries in Sangli area use to do things.
2. To look at methods used to make things better.
3. To find places where things could be better.
4. To figure out what causes and issues are getting in the way of the business process.
5. To find the value chain's weak spots.

Research Hypothesis

1. The troubles that agro processing units are having need a new way to be fixed. BPR can help drive excellence in the management of agro-process industries in this way.
2. The problems that agro-processing businesses are facing can't be fixed with the tools that are already available.
3. The food processing businesses are not ready to accept a new model that is based on old ideas. The right plan is needed to create a competent agro-processing industry structure in rural areas that can keep costs low, take into account the realities of the ground, and help everyone. The problems can't always be solved with the answers we have now. These goals can be met with the help of the BPR model.
4. The problems that agro-processing businesses are facing can't be solved with the solutions that are already out there. The BPR models that are out there, like MRP-II, ERP, and SCM, are mostly made to meet the needs of businesses in the corporate sector. They can be used effectively in the under-resourced agro-processing field.

Research Gap:

While the agro-processing sector is vital for economic development and food security, there exists a notable research gap regarding the effective transformation of business practices within agro-processing companies, particularly in the context of developing countries. Despite the importance of this sector, existing literature predominantly focuses on macro-level analyses of agricultural value chains or micro-level studies of specific technological interventions. Thus, there is a dearth of comprehensive research that addresses the holistic transformation of agro-processing businesses, encompassing technological innovation, sustainable practices, and strategic management.

One significant research gap pertains to the lack of integrated frameworks or methodologies tailored specifically to the unique challenges and opportunities faced by agro-processing companies. While there is ample research on business transformation in other sectors, such as manufacturing or services, the applicability of these frameworks to the agro-processing context remains largely unexplored. Consequently, there is a pressing need for research that develops and validates comprehensive methodologies for enhancing the efficiency, sustainability, and competitiveness of agro-processing businesses.

Research Methodology

The research methodology is the plan for the study. It includes choosing the right group, collecting data, and analyzing it.

Samples Technique

The records show that at least one person is working in 467 establishments in Sangli District that are listed as agro processing units. There are 73 machines that are not working. The cluster selection method was used to choose 40 units, or 10%, of the remaining 394 agro-processing units as a sample for this study. Getting and analyzing data

The data is information about the study that has not been handled. The places from which we get the data separate the two types of data. There is first-hand data and second-hand data. It comes from first-hand sources, like people, institutions, and so on. It is in its most basic state. Primary data, on the other hand, is data that has already been received and processed by someone. Print records, such as books, magazines, journals, papers, office records, and so on, are one type of secondary data.

Primary data

1. The main sources of data for this study are conversations, personal observations, and a questionnaire.
2. Several agro-processing units at the plant are observed in order to learn about the production system, technology, quality control system, output and waste, worker efficiency, and so on.
3. It is planned to talk to the managers, managing directors, or owners of the business units. There were interviews with the marketing manager, the human resources manager, the shop keeper, the production manager, and the finance manager.
4. To get information about the different parts of the crop processing units, a questionnaire is being made. This questionnaire asks about the general information of the business unit, the machinery used, the people who worked there, the money that was spent, the technology, the quality control system, the management skills, and the new ways that the business is being restructured.

Secondary Data

Second-hand information from the following sources was used in this study:

1. A number of books on food processing, business process re-engineering, total quality management, supply chain management, six sigma, EPR, and other new management methods, among other things.
2. National and state-level journals like Indian Agriculture, Agro Processing Industries, Agriculture Today, and others are also used as examples.

3. Magazines such as Udyog-pragati, Indira Today, Udhyojakta, Yojana, and others.
4. Some stories from daily newspapers like Pudhari, Sakal, Lokmat, and Agro-one are also taken into account.

Limitation of the study

1. This study only looks at agro-process businesses. This study does not look at other agro-support businesses, such as fishing, poultry, animal husbandry, and so on.
2. This study is only about the case study of the Sangli area. There are ten talukas in this district.
3. The study only looks at agroprocess businesses that are in rural areas or industrial zones that are part of cities.
4. This study only looks at data from a few chosen agro-process businesses.
5. This study only looks at statistics from the last five years. (2004-2005 to 2008-2009).

Conclusion

In conclusion, the transformation of the agro-processing industry is imperative for enhancing its competitiveness, sustainability, and resilience in the face of evolving market demands and global challenges. Through innovation, collaboration, sustainability practices, supportive policies, and a culture of continuous adaptation, agro-processing companies can unlock new opportunities, drive economic growth, and contribute to the well-being of communities dependent on agriculture while meeting the needs of a rapidly changing world.

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