

The Study Of Industry's Growth Performance In Haryana

Manju Rani^{1*}, Prof. (Dr.) Dara Singh²

^{1*}Kurukshetra University Kurukshetra Email: solra59@gmail.com

²Chairman Department of Economics Kurukshetra University Kurukshetra Email: dsingh@kuk.ac.in

Citation: Manju Rani, et.al (2024). The Study Of Industry's Growth Performance In Haryana, *Educational Administration: Theory and Practice*, 30(11) 2796-2802
Doi: 10.53555/kuey.v30i11.10940

ARTICLE INFO

ABSTRACT

Improving agriculture is essential for a well-balanced expansion of any economy, since it plays a significant role in economic development. It is fair to say that agriculture has been an integral part of Haryana's progress. All of these changes have had an impact on India's agricultural economy. While these changes have improved agricultural output and efficiency, they have had little to no effect on crop stability. Crops like wheat and rice will be relatively steady in Haryana, while pulses and coarse cereals will have the most unpredictable yields and areas under cultivation.

KEYWORDS: - Growth, Instability Area, Production, Agriculture

INTRODUCTION:

In 1966, Haryana was created as a separate state from Punjab. It is located in the northern part of India. The city of Chandigarh serves as the state capital. Among India's wealthiest states, Haryana has the country's second-highest per capita income (INR 14,7076 at current rates) and the biggest concentration of rural crorepatis (affluent people). Since becoming an independent state, Haryana's economy has grown at a remarkable pace. On the whole, the state's economy outpaced India's over the most of that time. The state of Haryana may only cover 1.3% of the country's land area, but it is believed to provide 3.5% of the country's GDP at constant prices. The growth rate, however, has been on the decline in recent years. Even the much lauded "No. 1 Haryana" expanded more slowly than the rest of India.

Agriculture is the backbone of Haryana's economy. A significant portion of the state's GDP comes from the agricultural sector. As the second-largest provider to the central pool, Haryana ensures that the state's population does not go hungry. The green revolution owes a great deal to it. In terms of agricultural production and exports, Haryana was among the top states after the green revolution. The agricultural sector's growth pattern, its contribution to Haryana's GDP, and the structural changes now impacting the economy are the primary foci of this research. The term "structural change" describes an economic shift in which different parts of the economy no longer account for the same percentage of GDP.

An economy's food processing industry is an important connector between its agricultural and industrial parts. Both the forward and backward links between processors and farmers, as well as between processors and consumers, may be improved with the assistance of this sector. If we want to see less food going to waste, more money in farmers' pockets, and lower prices for consumers, we need to see the food processing sector thrive. This will increase the value of agricultural produce by making it last longer and making it more nutritious. One such "sunrise sector" that has recently come into its own in India is the food processing business. Improving access to raw materials, changing consumer preferences, the rise of organized food retail, and fast urbanization are some of the factors propelling India's processed food sector forward in the wake of liberalization. In terms of output, consumption, exports, and projected expansion, India's food processing industry ranks sixth among the country's most important economic sectors.

LITERATURE AND REVIEW

Seema Shrivastava et al (2021) The food processing industry (FPI) is considered a "sunshine industry" because of its early stage of development. It is necessary to assess the inputs' efficiency and productivity in the aforementioned sectors in order to determine if the potential has been realized and, if not, to pinpoint any ambiguities. Industries like FPI would naturally flourish against this background and become the focus of more research. Most instances have been in line with the facts and principles, according to the study, and there are good reasons for this in the economic system. But there have been instances when the outcomes

don't line up with the economic trend, and there are no good economic explanations for the state's performance.

Aneja (2013) zeroed in on the inequalities in industrial output between regions of Haryana from 1990–91 to 2010–11. In order to quantify the discrepancies in industrial output across districts, he used a deprivation and principal component analysis (PCA) approach. His research showed that there was a widening gap between different parts of Haryana in terms of industrial growth. He established this by showing that the built indices' coefficients of variation, when calculated using the DIM and PCI methods, increased in value. He found that much of Haryana's industrialization was happening around or close to National Highway 1 or in the National Capital Region.

Assocham (2017) The authors of the articles titled "Food Processing Sector: Challenges and Growth Enablers" provide a high-level overview of the food processing business in India, including its goals in terms of the market, its advantages, employment, skill development, and exports. Government reports, strategic management consultant reports on the packaged food business in India, the annual report of the Ministry of Food Processing business, ICAR reports, and other secondary sources are relied upon. According to their research, the packaged processed foods industry in India is worth an estimated \$10.87–\$13.05 billion. This includes items like biscuits, chocolates, ice cream, confectionery, snacks, cheese, and butter. The industry has been experiencing healthy growth of 14–15 percent over the last two to three years. With the help of government policies, it is well-positioned to take advantage of rising demand, become a food processing center, and attract further investment. In India, 42% of the workforce is employed in the food processing business. From an export perspective, rising cross-border commerce has facilitated the exchange of about 460 million metric tons of food, with an annual worth of \$3 billion. As a result, India's agricultural and processed food product exports have enormous potential. The data shows that the egg and meat sectors are predicted to have the greatest growth rates, while the wheat sector is expected to have the lowest. The rising standard of living and the subsequent trend away from carbs and lipids and toward high-protein foods seem to be the primary causes of the same.

Selvaraj(2015) in India's 'A Study on the Development of Food processing Industry in Tamil Nadu' (1998), he set out to examine the growth of food processing units in the state of Tamil Nadu from 1998 to 1999 and 2010 to 2011 in order to propose ways to keep that growth going. An assortment of public and unpublished materials, including annual reports from DIC, Lead Bank, TIIC, Chennai, SIDBI, and RBI, as well as pertinent journals, magazines, newspapers, and websites, were used by him as secondary sources of information. The data was analyzed using a semi-log trend equation using the least square approach. Data analysis led him to the conclusion that the food processing sectors had a yearly compound growth rate (CAGR) of 7.77% in output, which was impressive. There was also an implied range of 30.34% for the rise of output over the research period. In Tamil Nadu, the number of units climbed from 3.25 lakhs in 1998-1999 to 7.64 lakhs in 2010-2011, according to a detailed examination of the statistics. From 3.47 percent in 1998–1999 to 4.90 percent in 2010–2011, the percentage share of the number of units rose constantly and gradually. Given that Tamil Nadu is a prominent industrial state in India, this tendency should not come as a surprise. To better meet the lending needs of these sectors, he proposes that the bank open up specialist branches in each area. In order to determine the kind, quantity, and frequency of loans needed, as well as to gauge whether or not they are receiving sufficient bank credit for their operations, the head banks in each district may meet with the DICs and the Association of the SSI units on a regular basis.

Noonari (2015) As part of his study titled "Performance of Pickle Production Processing and Marketing in Sindh, Pakistan," he deliberately chose to focus on the province of Sindh since it is Pakistan's leading pickle producer. Secondary data was supplemented with primary data throughout the research. Sixty participants provided the primary data. A proportionate random sampling approach was used to identify pickle producers from lists that were developed. Reports, research papers, and other published works served as sources for the secondary data. His analysis of the data revealed that, with the exception of one reply, every single one of them eats pickles. In addition, he said that handmade pickles are still rather popular, even if there are premade options. People prefer making their own pickles at home, thus there was a huge untapped market for pickle production machines. He noted that about a third of respondents preferred mango pickles, which is consistent with the overall popularity of the condiment. His research came to a close when he noted that, of all the regions tested, Sindh produced the most lucrative pickles.

PRE-REFORM & POST-REFORM INDUSTRIAL GROWTH IN HARYANA

The following tables compare Haryana's industrial development before and after the reforms.

Table 1: Growth Rate of State domestic Product at Constant Prices

States	2000-09	2010-2022
Andhra Pradesh	4.81	5.12
Assam	3.91	2.47
Bihar	5.2	3.46
Goa	5.71	8.23
Gujarat	5.71	8.28

Haryana	6.68	6.71
Himachal Pradesh	6.1	6.91
Karnataka	6.1	7.07
Kerala	4.5	6
Madhya Pradesh	5.18	5.45
Maharashtra	5.98	6.8
Orissa	5.85	3.6
Punjab	5.14	4.63
Rajasthan	7.17	6.46
Tamil Nadu	6.35	6.65
Uttar Pradesh	5.88	4.33
West Bengal	5.2	7.24
All-India	5.6	6.03
Coefficient of variation	0.14	0.29

Source: Bhattacharya, B.B. and S. Sakthivel (2004), "Regional Growth and Disparity in India", Table 1, p.1073, *Economic and Political Weekly: 1071-77*, March 6.

Based on the data shown above, it is clear that Haryana outpaced the rest of India in terms of yearly growth rate in the 2008s, clocking in at 6.68 percent compared to 5.60 percent nationwide. Having said that, the United States was mostly an industrialized nation in the 1990s. In comparison to the 6.03 percent annual growth rate experienced by the whole country of India over the same time period, Haryana's growth rate was 6.71 percent. Several additional states had above-average growth rates; they were Haryana, Rajasthan, Kerala, Himachal Pradesh, and Tamil Nadu.

Table 2: Growth Rate of Per Capita State domestic Product at 1993-94 Prices(Percent per annum)

States	2000-09	2010-2022
Andhra Pradesh	2.56	3.62
Assam	1.74	0.65
Bihar	2.97	1.86
Goa	4.08	6.84
Gujarat	3.62	6.38
Haryana	4.12	4.42
Himachal Pradesh	4.36	5.11
Karnataka	4	5.27
Kerala	3.04	4.78
Madhya Pradesh	2.74	3.22
Maharashtra	3.6	5.04
Orissa	3.96	2.12
Punjab	3.19	2.71
Rajasthan	4.41	4.09
Tamil Nadu	4.79	5.4
Uttar Pradesh	3.46	1.98
West Bengal	2.93	5.41
All India	3.36	4.07
Coefficient of variation	0.22	0.43

Source: Bhattacharya, B.B. and S. Sakthivel (2004). "Regional Growth and Disparity in India", Table 1, p.1073, *Economic and Political Weekly: 1071-77*, March 6.

The per capita SDP at constant prices (1993–1994) in Haryana rose sharply in the '80s and '90s. According to Table 3, the per capita SDP of Haryana increased at a pace of 4.12% in the 1980s, whereas the rate of growth for all of India was 3.36%. Annual average per capita SDP growth rates over this time were 4.79 in Tamil Nadu, 4.41 in Rajasthan, and 4.36 in Himachal Pradesh. Compared to the national average of 4.07 percent, Haryana's per capita SDP rose at a pace of 4.42% in the 1990s. Among these states, Goa's 6.84 percent growth rate stood out from the others. Gujarat followed at 6.38 percent, West Bengal at 5.41 percent, Tamil Nadu at 5.4 percent, Karnataka at 5.27 percent, Himachal Pradesh at 5.11 percent, Maharashtra at 5.04 percent, and Kerala at 4.78 percent. It would seem that when compared to other states, Haryana has lagged behind in terms of per capita income development.

Table 3- Growth in Gross State Value Added at Constant Prices. (Percent)

Sector	2015-16(P)	2017-18(P)	2019-20(P)	2021-22(P)
Crops & Livestock Sector	-2.0	3.6	-0.7	1.5
Forestry & Logging	-3.2	-2.5	-2.7	-2.7
Fishing & Aquaculture	5.2	-5.3	5.3	14.1
Agriculture & Allied Sector	-2.0	3.1	-0.7	1.4
Mining & Quarrying	-23.4	29.3	-20.2	153.9
Manufacturing	19.2	2.7	6.3	9.5
Electricity, Gas, Water Supply & Other Utility Services	-1.9	1.7	13.5	13.8
Construction	-7.2	3.1	4.1	3.7
Industry Sector	9.4	2.8	5.9	8.2
Trade, Transport, Storage Communication & Services related to broadcasting	7.9	6.9	8.1	7.2
Finance, Real Estate, Ownership of Dwellings & Professional Services	13.0	11.8	12.4	12.0
Public Administration	4.7	0.2	16.5	8.1
Other Services	9.4	5.7	19.2	9.4
Community & Personal services	7.7	3.7	18.3	9.0
Services Sector	10.0	8.5	11.5	9.6
GSVA	7.0	5.5	7.2	7.6
GSDP	6.9	5.6	8.0	8.2

P: Provisional Estimates, Q: Quick Estimates, A: Advance Estimates Source: Department of Economic and Statistical Analysis, Haryana.

In the fiscal year 2015–2016, real Gross State Value Added (GSVA) increased by 7.0%. The slow growth of 2.8% in the Industry Sector is largely to blame for the 5.5% decline in GSVA growth during 2017–18. The increase in GSVA in 2019–20 improved to 7.2% due to stronger growth of 11.5% in the services sector, which offset the negative growth of 0.7% in the agriculture and allied sector and the low growth of 5.9% in the industry sector. In 2021–22, the Agriculture & Allied Sector had a relatively modest increase of 1.4%, but the Services Sector was projected to expand by 9.6% and the Industry Sector by 8.2%, thus the GSVA was still projected to rise by 7.6%.

The Department of Mines and Geology generates income. The state's mining contracts brought in 248.66 crore, its highest ever income. But since mining activities were shut down in much of the state in December 2014, income revenues for the current fiscal year were barely 67.40 crore. Here is a table that shows the state's revenue receipts from mining since 2001-02.

Table 4: Revenue Collection from Mining in Haryana

Sr. No.	Year	(` in crore)
1.	2014-15	78.37
2.	2016-17	87.39
3.	2018-19	70.83
4.	2020-21	81.52
5.	2022-23	43.89

Employment pattern village level agro industries in Haryana

Table 5 shows the employment trend in different sectors at the village level. In the triennium ending, the figures shown in Table 4 clearly show that the Jaggery & Khandari industries provided the biggest percentage of employment at 68.82%, followed by the Cereals and Pluses processing business at 6.86%. The grains and pulses processing sector ranked top at 25.51% at the conclusion of the triennium 2014, while the jaggery and khandari industries ranked second at 11.56%. Table 5 also shows the employment growth rate for village industries. However, this pace reduced to 0.21% in the 1990s. This was due to the previously mentioned slowdown in the expansion of the grain and pulse processing sectors. A decade later, however, as Keswan and Verma (1990) noted as well, its rise accelerated to 10.28%. Positive job development in the fruit processing sector, village oil ghani, jaggery, and khandari in the 1920s, however, bodes well for their resurrection and future possibilities. The fruit preservation business also had comparable outcomes.

Linear trend of employment in agro processing industries

Employment in the processing of grains and pulses, the village oilghani sector, and the jaggery and khandsari business increased by 268.34, 38.73, and 102 people each year, respectively, according to a trend study of employment patterns in Haryana's village industries. Statistical significance ($p \leq 0.05$) was determined for the trend values of these industries. Fruit processing and preservation also had an annual rise in employment of 80 people, albeit this trend was not deemed statistically significant. R2 values greater than 0.8 indicate a strong match for the trend with the exception of jaggery and khandsari.

Table 5: Linear trend of employment in village level agro industries in Haryana

Particulars	Trend equation	R ²
Processing of cereals and pulses industry	$Y=1534.93 + 268.339X^*$ (32.748)	0.894
Village oil ghani industry	$Y=-4.733 + 38.733X^*$ (6.034)	0.837
Jaggery and khandsari industry	$Y=1053.00 + 102.005X^*$ (.626)	0.391
Fruit preservation and processing industry	$Y=52.53 + 80.867X$ (5.788)	0.961

Note: *Significant at $p \leq 0.05$; Figure in parenthesis indicate standard error of respective regression coefficients

Factors affecting the pace of development of agro-processing industries in Haryana

In order to evaluate the challenges faced by agro industries in the state throughout their formation, operation, development, and marketing, a sample of entrepreneurs and respondents were polled using 25 factors. Table shows the several categories of challenges that have been identified as limiting the expansion of the agro processing industry. These categories include (a) installation, (b) financial management, (c) raw material acquisition, (d) processing, and (e) marketing.

Table 6: Prioritization of constraints/problems faced by agro processing industries

A	Problem faced at the time of plant installation		
1	Difficulty in land acquisition and high price of land	I	70.00
2	Lack of technical know-how	IV	58.00
3	High cost of machinery	II	66.00
4	Difficulty in getting power connection	X	34.00
5	Difficulty in getting license		18.00
B	Problems related to financial arrangement		
6	Higher rate of interest	V	54.00
7	Insufficient finance from lending institutions	III	62.00
8	Lower financial limits fixed by financial institution		14.00
9	Lack of grants and subsidies advanced by government/	VIII	42.00
10	Higher taxation on raw material purchased from market		26.00
C	Problems faced in procurement of raw material		
11	Lack of assured supply of raw material		30.00
12	Higher rates of raw material and irregular supply	III	62.00
13	Higher marketing charges		22.00
14	Lack of quality control	V	54.00
D	Problems faced in processing		
15	Shortage of power/electricity	VIII	42.00
16	Under utilization of installed capacity of unit	IX	38.00
17	Higher rate /charges of electricity and fuel	V	54.00
18	Higher working capital		30.00
19	Lack of technical manpower		22.00
F	Problems faced in marketing of final products		
20	Lack of efficient market for final produce	II	66.00
21	Competition from big players and organized sector	III	62.00
22	Higher government intervention		30.00
23	Multiplicity of taxes/ high rate of sale tax		26.00
24	Lack of marketing cooperatives	VI	50.00
25	Non availability of efficient transport by road and higher cost	X	34.00

Thirdly, the most significant limitations were a lack of funding, increased prices for raw materials, and unpredictable supply due to market rivalry. However, the state's agro industrialization has been slowed by a number of factors, including a lack of technological know-how, a high loan rate, a lack of electricity, and a high charge per unit. Lack of technical manpower, increased power and fuel prices, underutilization of existing capacity, and power shortages were further processing issues. The expansion of agro-industrial sectors is further hindered by issues such as the absence of marketing cooperatives, the inaccessibility of affordable and efficient transportation, and an excess of taxes.

Table 7: Matrix of suggested measures for development of agro processing industries

Sl. No.	Broad area of intervention	Critical intervention points	Anticipating Action at
1	Physical infrastructure development	i. Establishment of processing infrastructure in production catchment and maintaining cool chain ii. Quality control laboratory	Public and private sector
2	Strengthening power sector	Easy accessibility of electricity connection	Haryana State Electricity board
3	Public Transport	Refrigerated van, specially designed rail wagons for perishables	State Transport Department, Haryana Marketing Board, Ministry of Railway, GOI
4	Research and development	i. Processing equipment and machinery at least cost ii. Location model for agro processing centres (APC) iii. Entrepreneurship/skill development programme iv. Training on Smart marketing	ICAR, SAU and private sector Khadi and village industry board and State Departments of Agriculture and Horticulture in association with Krishi Vigyan Kerndra (KVK)
5	Marketing	i. Market infrastructure and provision for marketing of processed food ii. Cooperative marketing iii. Market information & intelligence iv. Functional food (Protein rich food products from cereal and pulses, soybean, oil meal product) should come under Public Distribution System (PDS) v. Inclusion of fortified products under mid day meal programme	Haryana State Marketing board Cooperative sector Marketing board, National informatics centre (NIC) Food and Supplies Department, Government of Haryana Ministry of Human Resource Development, GOI
6	Policy front	i. Single window system/ Swidha centre for electricity and water connection, licensing and loan, etc. ii. Tax holidays and other incentives including export subsidy for agro-processing units	Government of Haryana / Union Government of India Government of Haryana/ Union Government of India

Because post-harvest activities support agriculture, the government of Haryana may make it easier to acquire land for them. To further combat the land mafia, a regulatory framework must be established. When it comes to developing and commercializing location-specific tools, gadgets, machinery, and process protocols, R&D organizations like the Indian Council of Agricultural Research (ICAR) sponsored AICRP on PHET center and Haryana Agricultural University can take the lead.

Suggested measures for proper development of agro-processing industries in the state

Above, you can see a matrix that was created and presented in consideration of the documented difficulties and the ideas made by responders. Additionally, the production catchments and the kind of equipment needed for each place should be studied and developed by the Research and Development organization, with the Agro Processing Centre (APC) being encouraged. APC was determined to be a financially sound business that helped prevent a distressed sale while simultaneously establishing both forward and backward links.

CONCLUSION

The data show that agro processing in Haryana has grown over the previous 30 years, while there was a decline in the 80s and 90s, especially in the sectors of fruit preservation and processing, jaggery and khandsari, and village oil ghani. The twenties show that processing at the village level is picking up speed

again. The processing of grains and pulses has seen a gain in employment from 6.86% at the end of the third millennium to 25.51% at the end of the 2011 millennium, whereas the processing of jaggery and khandsari has seen a reduction from 68.82% to 11.52%, suggesting that the latter industry needs modernization. Several problems limit the expansion of village level processing, including the following: high costs and complicated procedures for acquiring land; small business owners' lack of capital; their lack of knowledge and expertise; the high cost of equipment; and inadequate assistance with marketing and policy.

REFERENCE:

1. Shrivastava, S. (2020). Efficiency Analysis of Food Processing Industry. SEDME (Small Enterprises Development, Management & Extension Journal), 47(4), 329-341. <https://doi.org/10.1177/09708464211045132>
2. Aneja, R. (2013, Jan.). Regional Industrial Disparities in Haryana, India: A Composite Indices Analysis. Indian Journal of Economics and Development .
3. ASSOCHAM,(2017), 'Food Processing Sector: Challenges and Growth Enablers', Food Processing and Agribusiness, New Delhi, India.
4. Selvaraj, (2015) 'A Study on the Development of Food Processing Industry in Tamil Nadu', Food & Nutrition Journal, Peer Review Process Journal.
5. Noonari Sanaullah, (2015), 'Performance of Pickle Production Processing and Marketing in Sindh, Pakistan', Survey on Challenges in Food Processing Sector, Mumbai, India.
6. Joseph MK (2014) Village Milk Cooperatives in Kerala. PhD Thesis submitted to Mahatma Gandhi University. Retrieved from <http://hdl.handle.net/10603/25826>
7. Kerala Cooperative Milk Marketing Federation (KCMMF) (2016) Annual Report, 2015-16. Retrieved from http://kcmmf.in/images/tender/MILMA_Annual_Report_2015-16.pdf
8. Kerala Livestock Development Board (KLDB) (n.d) Livestock Scenario. Retrieved from http://www.livestock.kerala.gov.in/index.php%3Foption=com_content&view=article&id=48&Itemid=55.html
9. Kerala Livestock Development Board (KLDB) (2016) Livestock Scenario. Retrieved from http://www.livestock.kerala.gov.in/index.php%3Foption=com_content&view=article&id=48&Itemid=55.html
10. Kerala Veterinary and Animal Sciences University (KVASU) (2015) Entrepreneurship @ Kerala Veterinary and Anima Sciences University. Retrieved from <http://www.kvasu.ac.in/directorate-of-entrepreneurship-1>
11. National Dairy Development Board (NDDB) (2017) Dairying in Kerala- A statistical profile. Retrieved from http://dairyknowledge.in/sites/default/files/nddb-kerala_11-4-16.pdf
12. Suraj S, Hari R (2015) Kerala Dairy farmers's Welfare Fund Board: An experiment worth emulation from Kerala. Indian Dairy man. 60(3): 65-68
13. NPCS, (2012), 'Handbook on Agro Based Industries (2nd Revised Edition)', NIIR Project Consultancy Services, New Delhi.
14. Pati & Halder, (2011), 'Problems of Supply Chain Management', CSIR-National Institute of Science, Technology and Development Studies, Pusa Gate, KS Krishnan Marg, New Delhi, India.
15. Project Consultancy Service, (2013), 'Food Processing Industry in India', niir.org