International Journal of Interdisciplinary Cultural Studies
ISSN: 2327-008X (Print), ISSN: 2327-2554 (Online)
Volume 20, Issue 2, 2025
https://cgscopus.com/index.php/journals

"A STUDY OF PROBLEMS OF AGRO PROCESSING UNIT IN WAI TEHSIL"

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Abstract

The present study entitled *"Problems and Prospects of Agro Enterprises in Wai Tehsil"* explores the structure, performance, and challenges faced by small agro-processing units in the region. Agro-processing plays a vital role in transforming agricultural output into value-added products, contributing to rural development, employment generation, and poverty alleviation. Despite its potential, the sector faces several issues such as financial constraints, marketing challenges, and underutilization of resources. The study is based on primary data collected through structured interviews and observations, supplemented with secondary sources. A sample of 20 small-scale agro-enterprises, as defined under the MSME Act, was selected. The research aims to assess business profiles, identify key problems and prospects, and suggest policy measures for sustainable growth of agro-based industries in Wai Tehsil.

Key words- Agro Processing, Financial Problems, Marketing Problems

1. INTRODUCTION

Agricultural manufacturing creates up-to-date requests on the Agri section for added and contrasting Processing outcomes, which are further acceptable for manufacturing. On the added side, the growth of the manufacturers authorizes quiet overall products restriction to remunerative extension by magnifying the contribution of their outcomes. In this situation, there is a requirement for ameliorating the quantity of the agricultural manufacturers to connect in reverse connection with Processing and various other pursuits to accurately transform the character of the outcome to improved outcomes tolerable to the domiciliary and intercontinental merchandising. This could create utilization chances for various categories of expertise all the

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time nutriment refining. At the identical tempo, this will fetch a dimension to agronomists by vending connections. In the gleam of over foreground significance of agricultural manufacturers in all-inclusive pastoral growing in common and for the most part, attaining greater in size chances and earning a measure of pastoral human beings. The term 'Agro-Processing Industry' generally refers to a part of manufacturing that deals with turning raw materials from farming into finished or semi-finished products. According to the Food and Agriculture Organization (FAO), it includes processing materials that come from farming, livestock, forests, and fisheries. The United Nations Industrial Development Organization (UNIDO) describes it as industries that use farm products as their main raw materials to make goods on a large scale. Austin defines it as any business that processes agricultural products like crops and livestock.

Agriculture has been the backbone of India's rural economy for centuries. While the primary production of crops is crucial, the role of agro processing units in enhancing value addition, reducing post-harvest losses, and generating rural employment cannot be overstated. Agro processing refers to the transformation of agricultural products into usable or marketable forms, which includes grading, cleaning, packaging, preserving, and converting raw materials into semi-finished or finished goods. Despite being a key driver of rural industrialization, agro processing in many parts of India, including Wai Tehsil in Satara district of Maharashtra faces numerous challenges. Wai Tehsil, known for its agricultural activities and proximity to fertile regions, holds significant potential for agro-based industries. However, the agro processing units in the area continue to grapple with various issues such as lack of modern infrastructure, inadequate access to finance, scarcity of skilled labor, poor market linkage, limited government support, and technological backwardness. These problems not only affect the productivity and profitability of units but also hinder the overall development of rural industries in the region. This research aims to examine the core problems faced by agro processing units in Wai Tehsil, understand their root causes, and suggest policy and practical measures to address them. The study focuses on operational, financial, technical, and marketing challenges, while also considering the socio-economic impact on entrepreneurs and workers involved in these units. By identifying and analyzing these issues, the study will contribute to forming effective strategies for promoting agro processing as a sustainable rural enterprise. This topic has been selected because agro processing units play a crucial role in adding value to agricultural produce, generating rural employment, and reducing post-harvest losses. In Wai Tehsil, where agriculture is a key economic activity, these units have significant potential to boost the local

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economy. However, they face various challenges such as lack of modern infrastructure, limited financial access, inadequate technology, and poor market linkages. Despite their importance, there is limited research focused specifically on the problems of agro processing units in this region. Therefore, this study aims to identify and analyze the key issues affecting their growth and performance, and to suggest practical solutions that can contribute to the sustainable development of agro-based industries in Wai Tehsil.

2. REVIEW OF LITERATURE

***Shakeel-Ul-Rehman (2013*)** Indian agriculture is now moving towards globalization and diversification. Changes in both local policies and international trade rules are expected to help better connect the Indian economy—both within the country and with the rest of the world. This development could bring major benefits to Indian farmers. To achieve sustainable and inclusive growth in agriculture, all states in India—not just one like Tamil Nadu—need to participate and contribute.

***Nagalakshmi and Sudhakar (2013*)** The Government of India has focused on creating major policies that aim to ensure both equity and growth in the agriculture sector. As an agrarian country, India has made many efforts over the years to bring about economic and social stability, but the agro-industrial sector has not seen significant progress. Farmers still face challenges like limited access to modern technology, financial support, and commercial farming skills, which affects the quality of agricultural produce. Although productivity has increased, the quality of output remains a concern.

Kanchan (2016) the agro-based sector has grown steadily over the past 50 years, starting from just a few small-scale or home-based units. Today, agro-based industries play an important role, especially in developing countries like India. To support this growth, the national plan should include proper management of agro-industrial activities in local areas. This should involve private companies, individual entrepreneurs, and cooperatives working together to develop the sector.

According to **Tanvir Mahmud and Eleni Papadopoulou (2010), agribusiness and agro-processing industries** play an important role in **connecting agriculture with industry.** These sectors are now getting more attention from **policymakers and investors** who want to grow the economy through agro-based industrial development. The **agro-processing sector has strong export potential** because the country has an **agriculture-based economy, low-cost labour, affordable local raw materials, and natural resources.**

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Anila Mançka (2012), agriculture is a very important part of the economy and deserves proper financial support. One of the biggest challenges for agricultural development is the lack of funding. Although cooperation between banks, insurance companies, and the government is improving, more needs to be done. There should be guarantees against risks like heavy rain or drought, and the government should back loans given to farmers. This would help ensure that agricultural products reach the market on time and in good condition. Banks should increase their support and make loan conditions easier for both agro-processing and rural accommodation businesses.

Luthfi Fatah (2007) concludes that although the contribution of agriculture to GDP and employment tends to decline as an economy grows, this does not reduce the importance of the agricultural sector. Instead, he suggests that one effective strategy to promote both agricultural welfare and overall economic development is through the growth of agro-industries. Agro-industrial development can enhance the value of agricultural products by integrating activities such as processing, packaging, storage, and distribution. This not only increases income and employment opportunities for rural populations but also strengthens food security and export potential. Fatah emphasizes that while agriculture's direct role in the economy may shrink, its indirect role can become more prominent through strong linkages with the industrial sector, making agro-industry a key driver of inclusive and sustainable growth in developing economies.

Firdos Ahmad and Shaukat Haseen (2012) several studies have highlighted that climate change has emerged as a significant determinant affecting agricultural performance, particularly in recent years. It is noted that prior to the economic reforms in India, the government played an active role in supporting farmers through substantial subsidies on agricultural inputs such as seeds, fertilizers, and irrigation. These subsidies made inputs affordable and helped farmers mitigate the adverse effects of climate variability. However, the post-liberalization period witnessed a slowdown in the growth rate of food grain production and productivity, suggesting that the withdrawal or reduction of such support may have weakened the sector's resilience. Furthermore, the unpredictability in rainfall patterns—a key impact of climate change—has been identified as a serious threat to Indian agriculture, with broader implications for economic stability and national food security. These findings underline the need for climate-adaptive policies and renewed institutional support to sustain agricultural productivity in the face of growing environmental challenges.

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Patil, R.S. (2019), "Challenges Faced by Agro-Processing Industries in Maharashtra. This study examined the major challenges affecting agro-processing industries in various districts of Maharashtra, with a focus on operational and financial difficulties. The researcher highlighted issues such as lack of cold storage facilities, high transportation costs, difficulty in accessing institutional finance, and inadequate government support. The study concluded that despite several government schemes, many small-scale agro units continue to operate under capacity due to lack of awareness and inefficient management practices. The findings are relevant to the current research as they provide insight into structural problems faced by agro-processing units, which are also observed in Wai Tehsil.

Sharma, N. and Kumar, A. (2021), "Growth and Constraints of Agro-Based Industries in India: A Regional Perspective," This research analyzed the regional disparities in the growth of agro-based industries across different Indian states, emphasizing constraints like poor technological adoption, absence of skilled manpower, and weak supply chain management. The authors pointed out that rural agro units often lack proper marketing channels and are unable to compete with large-scale players due to limited production capacity and outdated machinery. The study recommended policy-level interventions and capacity-building programs to improve the productivity of these units. This review is useful for understanding how national-level trends and constraints mirror the ground realities in local regions like Wai Tehsil.

Deshmukh, P. V. (2020), "Problems and Prospects of Agro-Based Industries in Rural Maharashtra," This study explored the operational problems faced by agro-based industries in rural parts of Maharashtra, focusing on backward and forward linkages. The research revealed that most units operate with outdated equipment, lack trained manpower, and face high costs for raw materials due to seasonal fluctuations. In addition, marketing inefficiencies and poor access to rural infrastructure, such as roads and storage facilities, were identified as major bottlenecks. The study emphasized the need for government support in the form of subsidies, training, and cluster-based development to strengthen agro processing units. This review supports the present research by highlighting rural-specific constraints that are likely also present in Wai Tehsil.

Jadhav, S. & More, M. (2018), "A Study on Financial and Marketing Problems of Small Agro Processing Units. This paper analyzed the financial and marketing issues of small-scale agro processing units in western Maharashtra. The authors noted that most entrepreneurs lack awareness of financial schemes and are unable to prepare proper project reports to avail credit from banks. On the marketing front, the lack of branding, packaging, and access to wider

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markets reduces their competitiveness. The study recommended the establishment of cooperative marketing channels and easier access to working capital for small processors. These findings are relevant for the current study, as many of the identified problems are similarly faced by units in Wai Tehsil.

3. STATEMENT OF THE PROBLEMS

Agro processing units serve as a crucial link between agriculture and industry by adding value to agricultural produce, generating rural employment, and minimizing post-harvest losses. In a predominantly agricultural region like Wai Tehsil in Satara district, such units have the potential to significantly contribute to local economic development. However, despite this potential, many agro processing units in the region are struggling to sustain and grow due to a range of persistent challenges. These include lack of access to modern technology, inadequate infrastructure, financial constraints, limited marketing channels, absence of skilled manpower, and insufficient government support.

The core problem lies in the gap between the potential of agro processing industries and the actual performance and development seen in Wai Tehsil. The lack of comprehensive and localized studies focusing on these challenges has resulted in limited understanding of the real issues faced by entrepreneurs in this sector. Therefore, there is a need to identify, analyze, and understand the specific problems encountered by agro processing units in Wai Tehsil so that effective policy measures and support mechanisms can be recommended for their sustainable growth and development.

Maharashtra, including its tehsils such as Wai, is predominantly an agrarian region, characterized by the cultivation of a wide variety of food and commercial crops such as wheat, soybean, rice, gram, sugarcane, maize, cotton, mustard, vegetables, fruits, and numerous horticultural and plantation crops. These agricultural commodities offer substantial potential for the development of agro-processing industries across the state. In recognition of this potential, the Government of Maharashtra has proposed initiatives to promote agro and food processing activities, aiming to align agricultural growth with poverty reduction. The strategy focuses on generating additional income and employment opportunities, particularly for marginalized and economically weaker sections of society. Given the significant promise of agro-processing in adding value to raw agricultural produce, enhancing rural livelihoods, and contributing to economic development, government intervention and support become crucial. To design an effective and sustainable strategy for promoting agro-processing industries, there is a need for an in-depth examination of the current structure, functioning, and challenges of

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this sector. This involves addressing key questions such as: What is the existing structure of the agro-processing sector in Maharashtra? How effectively is this sector performing? What is the operational status of agro-processing units in Wai Tehsil? What are the major problems and potential opportunities faced by these units? These critical questions form the basis of the present research study entitled "Problems and Prospects of Agro-Processing Units in Wai Tehsil".

4. SIGNIFICANCE OF THE STUDY:

While Indian industry has made considerable progress through the successive five Year Plans, especially through import substitution, diversification and acquiring of technological capabilities, one disquieting feature of Indian industry has been regional concentration and urban bias. It has created of success with low degree of linkages. There are substantial unutilized production capacities in many branches of the industrial economy. For a capital scarce economy such under-utilization of capacity is waste of scarce resources. It is generally held that demand deficiencies, labour problems, transport bottlenecks and power shortages are major causes of underutilization industrial capacity in India. The level of capacity utilization is also influenced by the market structure and the policy environment in which industrial firms function. The rural sector of India suffers from surplus manpower and disguised unemployment. Thus agro based industry has great significance in the providing livelihoods and ensuring sustainable rural development process. Result of the study will be helpful to suggest measure for developing agrarian economy in rural area as a result of this, farmer income and standard of living. The study will be also helpful to regional planner of rural development, economist, agriculturist, and even for the government, formulating policies for minimizing agriculture distress like farmer suicide.

5. OBJECTIVES OF THE STUDY:

1. To study the business profile of small agro- enterprises in study area.
2. To identify the role, problems and prospects of small agro-enterprises.
3. To suggest policy measures for future development.

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6. HYPOTHESIS OF THE STUDY:

Hypothses-1

Null (H0): There is no facing problem of finance for all small agro-enterprises

Alternative (H1): There is facing problem of financial for all small agro-enterprises

7. RESEARCH METHODOLOGY:

The methodology of data collection for present research work is planned in a manner that every bit of information pertains to different aspects of agro processing, fiancé, human resources and marketing has been collected. The following techniques have been used in data collection for the research work as.

7.1. DATA COLLECTION

a) Primary Data- The researcher used the direct personal interview method for data collection, employing a well-structured questionnaire, along with personal investigation and observation techniques. To further enrich the data, discussions were held with the managers of the selected industrial units. These combined methods ensured the collection of reliable, accurate, and comprehensive information from the respondents.

b) Secondary Data: The secondary data for the present study were collected from a variety of reliable and authentic sources including research journals, books, government reports, newspapers, company reports, Ph.D. theses, and online resources. Specific emphasis was placed on data obtained from government publications, the Reserve Bank of India (RBI), Regional Rural Banks (RRBs), and both commercial and co-operative banks. In addition, relevant literature was reviewed from various academic journals, books, and institutional reports to provide a comprehensive background and support the analysis of the study.

8. SAMPLE DESIGN

The study focuses on industries that mainly use agricultural products as their raw materials. As per the **MSME Act, 2006**, the **Government of India defines small-scale industries** as those with an investment in plant and machinery **above Rs. 25 lakhs and up to Rs. 5 crore**. The scope of the present study is limited to **Wai Tehsil**, covering **20 agro-based industrial units** that meet this investment criterion. These units were **established after 2006**, are **currently operational**, and are **registered with the Wai Industries Centre**. The study does **not include large-scale, medium-scale, or micro agro-based industries**.

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9. ANALYSIS AND INTERPRETATION OF THE DATA

9.1. Demographic Analysis of the Agro Processing Unit

1. Age Profile of the Agro Processing Enterprise:

Age of the respondents is one of the most important characteristics in understanding their views about the farming. The distribution of age of the respondents is as shown in figure 4.1 and the results are presented in Table 4.1.Looking into the age characteristics of the enterprises in Wai. it indicated that this sector has been headed by the above 50 years old persons.

Table: 1
Age of the Agro Processing Owners/Manager

Sr. No	Particular	Frequency	Percentage
1	25-35	9	45.0
2	35-45	8	40.0
3	S45-60	3	15.0
4	Total	20	100.0
	Mean	**1.7**	
	SD	**0.73**	

Source: Primary data

The above table shows the age of the respondents.45.0 percent of respondents belong to age group of 25-35 years. 40 percent of proprietors of agro based industries center belong to age group of 36-45 years. 15 percent of proprietors belong to age group 45-60 years. The response mean value is 1.7 and the standard deviation is 0.73. It is observed that most of the owners of agro based industries center belong to age group of 25-35 years.

2. Gender Wise Classification

Gender is an important variable in India which is variably affected by any situation. The following table shows the gender wise classification of the agro based industries proprietors. The data is divided in the groups of male and female.

Table: 2
Classification as per Gender

Sr. No	Classification	Frequency	Percentage
1	Male	18	90.0
2	Female	2	10.0
	Total	**20**	**100.0**
	Mean	**1.11**	
	SD	**0.31**	

Source: Primary data

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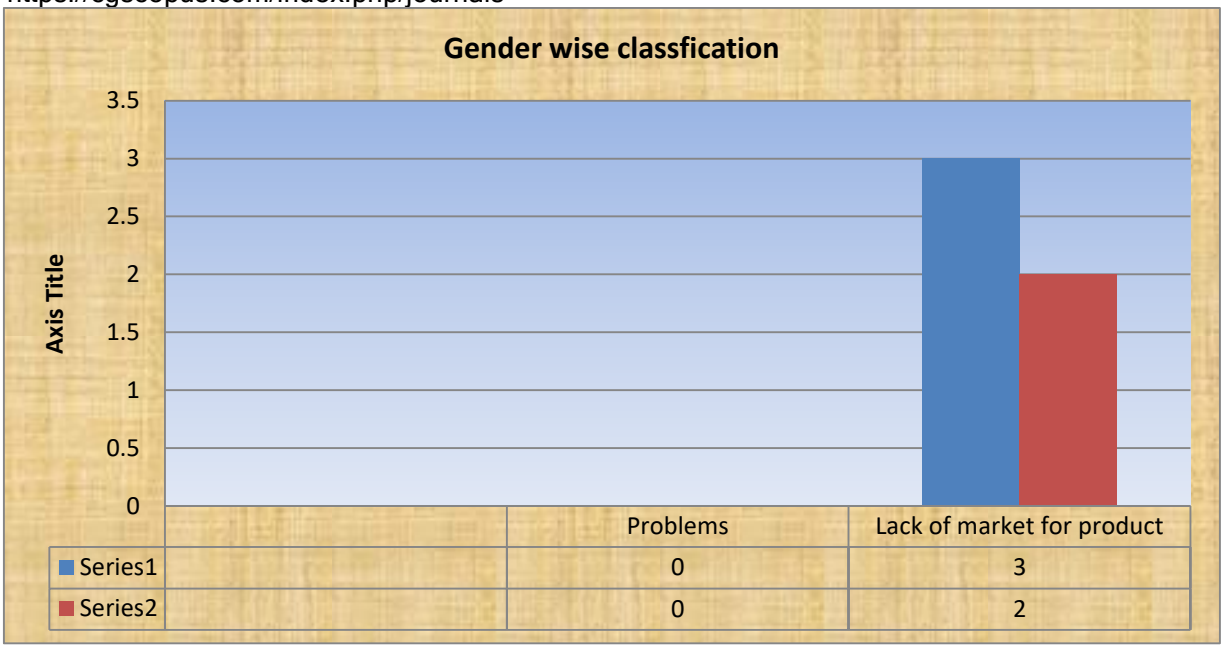

The above tables show the gender wise classification of the agro based industriesproprietors.90 percent of proprietors of agro based industries centers are male and 10 percent of proprietors are female. The response mean value is 1.10 and the standard deviation is 0.30. It is observed that as compare to female proprietors, male proprietors of agro based industries center are more in number.

3. Education of the Agro Enterprise

Education is one of the most important characteristics that might affect the person's behavior. The distribution of educational qualification of enterprises is as shown in figure 4.3 and the results are presented in Table.

Table: 3
Classification as per Education

Sr. No	assification	equency	rcentage
1	HSC	7	35.0
2	Graduate	11	55.0
3	Post Graduate	2	10.0
4	Total	**20**	**100.0**
	Mean	**1.75**	
	SD	**0.63**	

Source: Primary data

The above tables' data shows the education of agro based industries center proprietor.35 percent of proprietors are HSC. Whereas, 55 percent of proprietors are graduates. 10 percent of proprietors are post graduates. The response mean value is 1.75 and the standard deviation is 0.63. It is seen that most of the proprietors of agro based industries centers have completed their graduation.

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4.3.5. Occupation profile of the Enterprise

A person's occupation significantly influences their **personality, perspective, and approach to problem-solving**. It also plays a crucial role in the **socialization process,** shaping their behavior patterns and their level of understanding regarding specific issues. In the context of this study, the **occupational distribution of enterprise owners or operators** has been analyzed to understand how their professional background may impact their outlook and decision-making. The findings related to occupational distribution are illustrated in the accompanying **figure** and summarized in the corresponding **table.**

Table: 4
Main Occupation of the Respondents

Sr. No	Particular	Frequency	Percentage
1	Business	11	55
2	Farmer	04	20
4	Service/Job	05	25
	Total	**20**	100.0
	Mean	**1.50**	
	SD	**0.75**	

Source: Primary data

From the results, it is apparent that 55.0% of the owners' main occupation is own business. There are 20 percent owners of the main occupation are farming and 25 percent are main occupation is job holders. It can be seen that most of the enterprises occupation is agro related business. The majority of respondents (55%) are engaged in business, followed by 25% in service or jobs and 20% in farming. The mean occupational value is 1.50 with a standard deviation of 0.75, indicating that most agro-processing unit respondents are primarily business-oriented, reflecting the commercial nature of the sector in Wai Tehsil.

4. Annual Income

Income of a person plays an important role in shaping the economic conditions of an individual which in turn is likely to have bearing on the responses about a problem posed to him. The annual income of the proprietor helps us to know the income levels of the proprietors are part of the study.

Table: 5
Annual Income of the agro business enterprise

Sr. No	Particular	Frequency	Percentage
1	Up to 7.5 Lakhs	2	10.0
2	7.5 to 10 Lakhs	5	25.0
3	10 to 12.5 Lakhs	4	20.0
4	Above Lakhs	9	45.0
	Total	**20**	**100.0**
	Mean	**3.02**	
	SD	**1.07**	

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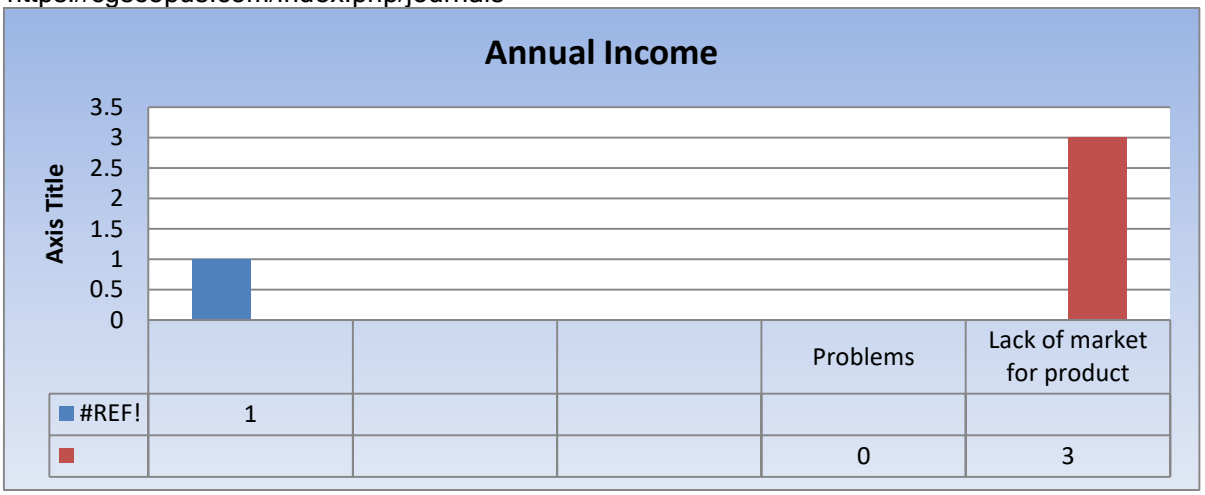

Annual income of Agro business proprietors after starting the business, 10 percent of proprietors have earned up to Rs. 7.5 Lakhs annually. 25 percent of proprietors have earned up to Rs.7.5 to 10 Lakhs income annually. 20 percent of proprietors have earned up to Rs. 7.5 to 10 Lakh annually and 45 percent of proprietors have earned annual income is above Rs.10 Lakhs. The response mean value is 3.02 and the standard deviation is 1.07.

9.2. Analysis of Problems of Agro Base Enterprise

The success of agro based industries business depends upon the ability of the enterprise to manage the problems on time. This section analyzes the various problems faced by agro-based industries, based on a preliminary survey conducted among selected agro-based unit owners. The common issues identified were categorized into four major groups, and specific problems were stated under seven key headings. Respondents were asked to indicate their level of agreement with each statement using a five-point Likert scale, where 1 represented 'strongly disagree' and 5 represented 'strongly agree'. A higher score indicates a greater severity or intensity of the problem in actual practice. The following table provides information relating for problems of Agriculture processing.

Table: 7

Table Showing Financial Problems

Sr. No	Particular	Stat	SD	D	N	A	SD	Total	**Mean**	**Rank**
1	Cost Over Run	Freq	2	1	2	11	4	20	**4.1**	**III**
		Per	10	5	10	55	20	100		
2	High Interest Rate	Freq	2	2	1	12	3	20	**3.8**	**IV**
		Per	10	10	5	60	15	100		
3	Non availability of finance	Freq	3	1	1	12	3	20	**4.2**	**I**
		Per	15	5	5	60	15	100		

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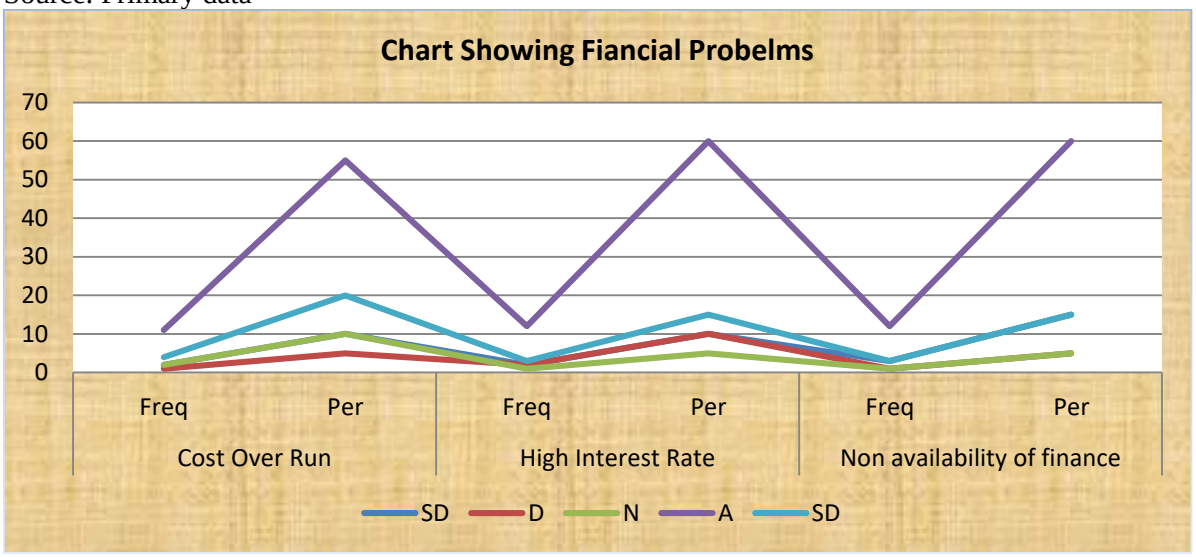
4	High cost of inputs/raw material	Freq	2	3	0	11	4	20	**4.12**	**II**
		Per	10	15	0	55	20	100		
5	Shortage of working capital	Freq	2	0	1	15	3	20	**3.9**	**IV**
		Per	10	0	5	75	15	100		

Source: Primary data



The above table and Charts indicates the financial problems faced by the business proprietor there are five problems are described and divided in four factors the range of mean value is between 3.8 to 4.12. There are most of the problems are mean value is above 3.8 and below 4.12. The received rank is 1st, 2nd, and 3rd respectively. It is observed that there are problems of Agro processing owner have Cost over Run, High cost of inputs/raw material, and Non availability of finance. So, it means that Agro processing owner and faced lot of financial problems as compare to other category of other business. It is evident that finance plays a crucial role in establishing and operating any business, including agro-based industries. Given the rotational and seasonal nature of agro-business activities, consistent financial support is essential. However, many small agro-based industries, which often operate in an unorganized manner, face difficulties in accessing funds from formal financial institutions. As a result, they are often forced to rely on personal savings, local moneylenders, or informal sources of finance. This lack of access to institutional credit creates a significant financial constraint, making it difficult for small entrepreneurs to sustain and grow their businesses effectively.

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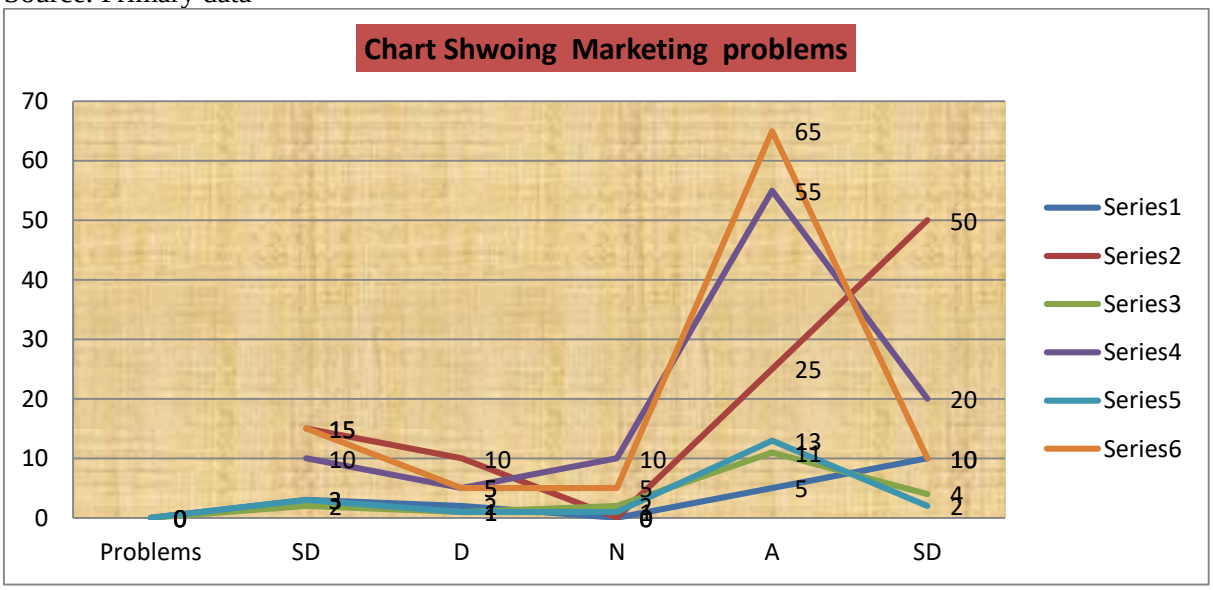
Table: 8

Marketing and Technical problem

S.N	Problems	Stat	SD	D	N	A	SD	Total	Mean	Rank
1	Lack of market for product	Freq	3	2	0	5	10	20	4.1	II
		Per	15	10	0	25	50	100		
2	Stiff Competition	Freq	2	1	2	11	4	20	4.05	III
		Per	10	5	10	55	20	100		
3	Lack of public transport and High cost	Freq	3	1	1	13	2	20	3.95	V
		Per	15	5	5	65	10	100		
4	Market recent	Freq	0	2	0	8	10	20	4.12	I
		Per	0	10	0	40	50	100		
5	Dependence on Govt .supply	Freq	1	3	0	8	7	20	4.02	IV
		Per	5	15	5	40	35	100		
6	High cost of Advertisement	Freq	4	0	0	14	2	20	3.8	VII
		Per	20	0	0	70	10	100		
7	Machinery and Excess consumption of raw material	Freq	3	1	1	8	7	20	3.9	VI
		Per	15	5	5	40	35	100		

Source: Primary data



The above table indicates the marketing problems faced by the business proprietor there are five problems are described and divided in four factors the range of mean value is between 3.8 to 4.12. There are most of the problems are mean value is above 3.8 and below 4.12. The received rank is 1st, 2nd, and 3rd respectively. It is observed that there are problems of Agro processing owner have Market recent, Lack of market for product, and Stiff Competition. So, it means that Agro processing owner and faced lot of marketing problems as compare to other

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category of other business. Agro-based industries often face limited market opportunities in their immediate surroundings, forcing them to depend heavily on government agencies, such as the Food Corporation of India, for the sale of their products. Additionally, these industries are confronted with intense market competition, rapidly changing market conditions, and a lack of suitable and viable marketing channels for their products. The analysis, based on a calculated weighted average score, clearly reveals that without access to appropriate and competitive markets, many agro-processing units may struggle to sustain operations and could potentially face closure.

Hypothses-1

Null (H0): There are no facing problems of finance for all small agro-enterprises

Alt (H1): There is facing problem of finance for all small agro-enterprises.

In this hypothesis, the researcher has set 5 variables for the problems of finance for all small agro-enterprises. Before testing of hypothesis researcher has applied test of normality.

Table: 9

Tests of Normality						
Parameters	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Cost Over Run	.301	20	.000	.851	20	.006
High Interest rate	.303	20	.000	.806	20	.001
Non availability of finance	.227	20	.008	.819	20	.002
High cost of inputs/raw material	.274	20	.000	.794	20	.001
ortage of working capital	.298	20	.000	.828	20	.002
a. Lilliefors Significance Correction						

Then, the researcher has calculated mean for the present hypothesis. After this, researcher has used one sample T test. The following table presents one sample T test.

Table: 10

Table: 4.31 One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Problems of finance	20	3.5500	.69547	.15551

The above table indicates that one sample statistics for use of Problems of finance. The data indicates that means value of problems facing for finance is 3.55 and SD is 0.695. It found that there are no facing problems of finance for all small agro-enterprises.

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Table: 11

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Problems of finance	3.537	19	.002	.55000	.2245	.8755

The one-sample t-test conducted at a 95% confidence level (with a significance level of 0.05) reveals that the calculated p-value (Sig. = 0.002) is less than 0.05, leading to the rejection of the null hypothesis (Ho), which stated that small agro-enterprises are not facing financial problems. The t-value of 3.537 and a mean difference of 0.550 indicate that the observed mean is significantly higher than the test value of 3, suggesting a moderate to high level of agreement among respondents that financial problems are indeed present. With a sample mean of 3.15 and a standard deviation of 0.659, the data confirms that finance-related issues are statistically significant challenges for small agro-processing units in the study area. It concluded that P value (Sig Value) is less than 0.05, then rejected null hypothesis: Ho: There are no facing problems of finance for all small agro-enterprises

10 FINDINGS OF THE STUDY

1. Agro-processing business owners face severe financial challenges: The study reveals that the major financial problems encountered by agro-processing proprietors include cost overrun, high input/raw material costs, and non-availability of finance. These issues have the highest mean values (ranging between 3.8 to 4.12), indicating their critical impact compared to other business categories.

2. Limited access to formal financial support hampers business sustainability: Due to the unorganized nature of small agro-based industries, many entrepreneurs are unable to access financial assistance from formal institutions.

3. Agro-processing units face significant marketing challenges: Key issues such as limited market access, lack of demand for products, and stiff competition rank highest, with mean values between 3.8 and 4.12, indicating more severe marketing problems compared to other businesses.

4**. Limited market opportunities threaten business sustainability:** Due to restricted local market reach and heavy reliance on government agencies, agro-processing units struggle to sell products at competitive prices, risking business closure if viable market alternatives are not developed.

International Journal of Interdisciplinary Cultural Studies
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11. SUGGESTIONS

1. Strengthen Market Linkages and Promotion: Agro-processing units should be supported through government or NGO-led initiatives to develop direct market linkages, such as participation in fairs, exhibitions, e-commerce platforms, and tie-ups with retail chains to expand market reach and reduce dependency on government procurement.

2. Provide Marketing and Competitive Skills Training: Organizing training programs on market research, branding, pricing strategies, and digital marketing will empower entrepreneurs with the skills needed to effectively compete in dynamic markets and adapt to changing consumer demands.

Table: 12

"Integrated Support Model for Agro-Processing Units

Sr. No.	Model Component	Numbered Activities / Sub-elements	Key Stakeholders	Expected Outcome
1	**Financial Inclusion**	1. Link with SHGs/FPOs for group credit 2. Provide info & guidance on subsidies (PMFME, NABARD, MSME) 3. Facilitate low-interest bank loans	Banks, NABARD, MSME Dept., NGOs	Easy access to working capital and financial support for growth
2	**Market Linkages**	4. Direct sales at APMCs and exhibitions 5. Tie-ups with retailers & co-ops 6. Use digital platforms (Amazon, Flipkart, ONDC)	APMCs, Retailers, E-commerce Platforms	Expanded market access, reduced middlemen dependency
3	**Skill Development**	7. Training on branding, pricing, and digital marketing 8. Workshops on packaging, hygiene, costing, licensing (FSSAI, GST, etc.)	KVKs, MSME Dept., Agri Universities	Improved entrepreneurial skills and competitiveness
4	**Infrastructure Support**	9. Establish Common Facility Centres (CFCs) 10. Provide cold storage, grading, drying, and packaging units 11. Ensure electricity and water supply	Zilla Parishad, MIDC, Government Agencies	Lower operational costs, improved product quality

International Journal of Interdisciplinary Cultural Studies
ISSN: 2327-008X (Print), ISSN: 2327-2554 (Online)
Volume 20, Issue 2, 2025
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5	**Institutional Support**	12. Create local task force for monitoring 13. Implement single-window clearance for licenses and subsidies 14. Promote Public-Private Partnerships (PPPs)	District Admin, DIC, Private Sector	Improved coordination and faster approvals
6	**Branding & Quality**	15. Develop regional brand identity 16. Train in FSSAI/AGMARK certification 17. Promote eco-friendly and attractive packaging	FSSAI, Agri Dept., NGOs	Enhanced consumer trust and better product positioning
7	**Monitoring & Evaluation**	18. Conduct quarterly reviews and field visits 19. Maintain performance indicators (sales, jobs, output) 20. Collect feedback from entrepreneurs		

12. Conclusions

It is concluded that knowing the importance of agro-based industry state government is facilitating the recourses towards the development of this sector, as it helps in the development of another sector too, it provides employment, increase income level and also provide employment to women and provide a base for development for backward areas. Maharashtra is known as an agricultural state as the maximum population depends on agriculture for their living. The marketing challenges faced by agro-processing units will be crucial for their sustainability and growth. Ensuring wider market access, reducing dependency on limited buyers, and enhancing competitive capabilities through strategic support and skill development will empower these units to thrive in a dynamic market environment. With proper institutional backing and improved market infrastructure, agro-processing businesses can significantly contribute to rural development, employment generation, and the overall agri-business ecosystem. The study concludes that agro-processing units in Wai Tehsil are facing considerable structural and operational challenges, particularly in terms of finance, marketing, and institutional support. The one-sample t-test analysis statistically confirmed that financial constraints such as high input costs, cost overruns, and lack of access to affordable finance are significant obstacles for small agro-enterprises. Marketing-related problems, including limited

International Journal of Interdisciplinary Cultural Studies
ISSN: 2327-008X (Print), ISSN: 2327-2554 (Online)
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market access, low demand, and intense competition, also emerge as major threats to the sustainability and growth of these businesses. Additionally, the limited outreach of government support mechanisms and the unorganized nature of the sector further weaken their economic resilience. However, with the implementation of strategic interventions—such as strengthening market linkages, facilitating access to formal financial channels, offering skill development programs, and improving infrastructure—the potential of agro-processing units to contribute to rural development, employment generation, and value addition can be significantly enhanced. Therefore, a coordinated effort involving government bodies, financial institutions, and support organizations is essential to empower these enterprises and transform them into sustainable contributors to the local agro-economy.

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