


Did you know? By making a gift to AgEcon Search, you are helping ensure that our small non-profit continues to provide free full-text access to 15,000 visitors a day from 170+ countries. Give to AgEcon Search (https://makingagift.umn.edu/give/yourgift.html?&cart=2313&desc_source=UWXXFANAESBN)



AgEcon SEARCH (/?
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

In=en)

Value Chain Analysis and Financial Viability of Agro-Processing Industries in Himachal Pradesh

 Sharma, K.D. (/search?f1=author&as=1&sf=title&so=a&rm=&m1=e&p1=Sharma%2C%20K.D.&In=en); Path...

 2010

Request Remediation
(mailto:aesearch@umn.edu)



Download
(<https://ageconsearch.umn.edu/record/96927/files/15-KD-Sharma.pdf>)



Formats



Add to Basket (/yourbaskets/add?recid=96927)

Cite

Files



Abstract



The paper has studied the structure and extent of value addition in different agro-processing units in Himachal Pradesh. It has also examined the financial viability of agro-processing industries in the state. The break-even analysis has shown enough leverage for processing units to stay in the business even at low capacity utilization. The extent of value addition has been about 53 per cent in the processing sector. The maximum value addition has been observed in fruits/vegetable processing (133%), followed by bakery and confectionery units. The financial viability ratios computed from financial accounts have revealed high current ratio but lower quick ratio (acid test) in most of the processing industries, showing that many industries have substantial unsold inventories. However, financial ratios have been found more favourable in case of small units as compared to large units. A direct relationship has been found between size of the firm and number of its backward and forward linkages. An average processing industry has 85 backward linkages and 123 forward linkages. It is found that geographical concentration of the processing industries in the state is influenced more by demand rather than supply factors. The suggestions and recommendations emerging from the investigation include policy thrust and emphasis on developing industrial areas

in raw material producing regions, thrust on small-scale industries for self-employment in micro enterprises in rural areas, promotion of supporting and subsidiary (intermediate) industries to diversify value addition activities, cost effective and adequate supply of raw material by strengthening direct linkages through suitable contract farming models, liberal credit policy to modernize processing units and encouraging formation of small industries consortia or associations for collective marketing and sales promotion.

Details



Title	Value Chain Analysis and Financial Viability of Agro-Processing Industries in Himachal Pradesh
Author(s)	Sharma, K.D. (/search? f1=author&as=1&sf=title&so=a&rm=&m1=e&p1=Sharma%2C%20K.D.&ln=en) Pathania, M.S. (/search? f1=author&as=1&sf=title&so=a&rm=&m1=e&p1=Pathania%2C%20M.S.&ln=en) Lal, Harbans (/search? f1=author&as=1&sf=title&so=a&rm=&m1=e&p1=Lal%2C%20Harbans&ln=en)
Subject(s)	Agricultural and Food Policy (https://ageconsearch.umn.edu/search? f1=subject&as=1&sf=title&so=a&rm=&m1=p&p1=Agricultural%20and%20Food%20Policy&ln=
Issue Date	2010-11
Publication Type	Journal Article
Digital Object Identifier	https://doi.org/10.22004/ag.econ.96927 (https://doi.org/10.22004/ag.econ.96927)
Record Identifier	https://ageconsearch.umn.edu/record/96927
PURL Identifier	http://purl.umn.edu/96927
Published in	Agricultural Economics Research Review
Volume	23
Issue	Conference
Page Range	515 - 522
Record Appears in	Agricultural Economics Research Association (India) (/collection/15?ln=en) > Agricultural Economics Research Review (/collection/347?ln=en)


PDF



Statistics



Metric	Downloads ▼	From		To	
Interval	By Months ▼	Update	Export		

 [Download Full History \(/tindstats/bibdoc_downloads_dl?recid=96927&download=csv\)](/tindstats/bibdoc_downloads_dl?recid=96927&download=csv)