

## **CHAPTER -I**

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## CHAPTER I

### INTRODUCTION

#### 1.1 IMPORTANCE OF THE STUDY

Considering the important role played by agro-based industries, the research work done so far in the field of agro-based industries especially, in the groundnut oil manufacturing unit has been very limited. The study of such agro processing and manufacturing unit that is groundnut oil unit will throw up in more details this information is very useful in various development aspect of our economy.

Predominantly India is largely dependent on agricultural product. Extracting oil from groundnut and selling the same, increases value added and help the economy grow up. Our country is predominantly agricultural we need to develop industries to convert agricultural product into consumable one. This will increase economic standard of cultivators or farmers and will increase in employment. In India 70 percent of workers still draw their subsistence from primary sector like agriculture. Where as contributes 47% of national income. It shows that even if dependency is high where as contribution towards national income is very low. The situation must be changed. To increase contribution towards national income there must be value addition such as converting

groundnut into groundnut oil. We need to increase agro-based industries. The prosperity of agro-based industries is directly depends upon the availability of inputs from the agricultural sector. In our country net available land for cultivation is 143 million hectors or 46.9% of reporting area.

If we consider above factors we must feel that it is important to study agro-based industries such as groundnut oil industries.

## 1.2 PROFILE OF STUDY AREA-

Sangli city is situated in Maharashtra and on the bank of river Krishna. Sangli district is on the border line of Karnataka surrounded Satara & Kolhapur district of Maharashtra. It is famous for turmeric and suger factories. Sangli district is highly irrigated area and mainly growing sugarcane as a major crop Sangli. It is also famous for turmeric market. The total area of Sangli district is 8527 sq. k.m. and population is 22 lakhs 9 thousand four hundred and eighty eight. Population of Sangli city is 1,93,077 according to 1991 census. Sangli is ahead in political front as also in cultural activities and well known for marathi drama performance. In 1843 great Mr. Vishnudas Bhave who wrote first marathi drama 'Sita Swayonwar' Since then marathi drama has got golden opportunity in Maharashtra The king of Sangli late Mr. H. H.Chitamanrao Appasaheb Patwardhan contributed more and more to extended and to

develope socio-economic aspects of Sangli. Late Mr. H. Patwardhan has helped to develope Industry and agricultural in Sangli. Sangli district is irrigated area and wealthy agriculturists. Rice, Jawar, Bazara, Groundnuts, soyabin, sugercane, grapes cottan are main crops and the groundnuts, soyabin, grapes etc are cash crops.

### 1.3 STATEMENT OF THE STUDY

Groundnut oil is used in day to day life. Sangli was manufacturing city of groundnut oil. Big industries like vasantdada co. So groundnut industry has closed at present and some groundnut oil industries are not interested in the production of groundnut oil. The research work done so far in the field of agro-based industries like groundnut oil manufacturing unit has been very limited. In view of the important role played by agro-based industries in agricultural sector. The study of such a agro processing and manufacturing unit that is groundnut oil unit will throw up more light in the field. The information which can be useful in development in various aspect of our economy.

### 1.4 OBJECTIVES OF THE STUDY:-

Following are the main objectives of the study.

- 1) To study the present nature, composition and performance of groundnut oil manufacturing unit in Sangli.

2) To provide a brief review of agro-based industry and groundnut oil industry in India.

3) To examine the effectiveness of various measures taken by the govt, for the development of groundnut oil industry and to suggest measures for improving the same.

#### 1.5 METHODOLOGY OF THE STUDY:-

With a view to achieving the specified objectives given in this chapter, the entire investigation was carried out in the following manner.

1) Collection of information regarding the performance and nature of groundnut oil manufacturing units and groundnut oil trading units through questionnaire.

2) Personal discussion with the owners of manufacturing units and wholesalers of the oil

3) The analytical evaluation of the collected data

The present study is based upon the methods of survey research and most of the data are primary. Interviews, discussions and the study of documents and official records constitute the main sources of the data of the study. Data have also been collected from Govt. officials library and published data as secondary source. The survey with the help questionnaire covers nature and compositions of groundnut oil units and trading/wholesalers of oil units in the Sangli. Performance of groundnut manufacturing units in

Sangli; capital investment in the units, Trade and marketing of groundnut oil and actual oil manufacturing process, oil recoveries etc. For the collection of necessary information detailed four part questionnaire was prepared.

As regards the sample size we select 5 oil manufacturing units and 5 oil trading units for interview purpose. The first step was to obtain the list of the manufacturing and trading unit with govt records Zilla-Parishad and from chamber of Commerce. Out of total 10 manufacturing units in the Sangli it was decided to take 50% ie 5 units (manufacturing of groundnut oil ) with the help of simple random sampling frame. In regards trading units 5 units (wholesale) selected from a total of 50 units. Another consideration regarding choice is the proximity and wellknown to the researcher, and also with a view to ensuring the sharpness, effectiveness and actual real information of focus the area/ units of the survey was restricted to the particular important units only.

After the field work was over the data were processed and tabulated manually in accordance with the requirements of the various aspects of the study. Simple average and percentage methods were used for data analysis.

### 1.5 CHAPTER SCHEME:-

The entire study has been divided into four chapters  
i.e.

- 1) Introduction
- 2) Review of studies in agro-based industries and groundnut oil manufacturing units.
- 3) Nature performance of groundnut oil and sale units in the Sangli.
- 4) Summary and Recommendations

The importance and genesis of the study has been traced in the very first chapter. It also includes the objectives of the study, methodology of the study.

Chapter II elaborates review of studies in groundnut oil manufacturing units and Groundnut oil trading units in India.

Chapter three is devoted to the performance of groundnut oil manufacturing and groundnut oil trading units in the Sangli. The analysis covers aspects related to identification details actual production, their sales, trading channels, capital investment, Net profits marketing and trade of groundnut oil, costs and margins in the oil trade. It gives the magnitude of this industry involving indicative calculation for the Shivam and Mayur Groundnut oil manufacturing units as a study case.

Chapter IV gives summary of the main conclusion alongwith major Recommendation which flow from the present study.