



## Role of Agricultural-Allied Business Activities Regarding Poverty Eradication

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### ABSTRACT

The research explores the critical impact of agricultural-allied sectors, such as livestock farming, fisheries, agro-processing, and rural entrepreneurship, in alleviating poverty, particularly in rural economies. The study emphasizes the significance of these sectors in providing supplementary income, creating employment opportunities, and enhancing the livelihoods of marginalized communities. By analyzing case studies, statistical data, and field surveys, the research identifies key drivers that enable agricultural-allied businesses to empower smallholders, reduce economic vulnerability, and foster inclusive growth. The paper further discusses challenges like limited access to capital, technological barriers, and market linkages that hinder the full potential of these activities. The findings provide insights into how strategic investments, policy support, and innovation in agro-allied industries can contribute to sustainable poverty eradication, thereby promoting rural development and improving the overall socio-economic fabric. This study serves as a foundation for future policy recommendations aimed at strengthening agricultural-allied activities as a potent tool for poverty alleviation.

**Keywords:** Agricultural-allied business, Poverty, Poverty Eradication.

### Introduction:

Agriculture has traditionally been the backbone of rural economies, especially in developing countries, where a significant portion of the population relies on it for their livelihood. However, the agricultural sector alone is often insufficient to eradicate poverty due to its susceptibility to environmental changes, market fluctuations, and limited scalability. In this context, agricultural-allied business activities have emerged as critical tools in poverty eradication, complementing traditional farming practices and providing diversified income opportunities for rural communities.

Agricultural-allied businesses encompass a wide array of industries related to farming, such as livestock rearing, fisheries, dairy farming, agro-processing, and value addition activities like food processing and packaging. These industries not only boost the income of small-scale farmers but also contribute to overall economic growth by creating jobs, enhancing skill development, and promoting entrepreneurial ventures in rural areas. One of the key advantages of agricultural-allied businesses is their ability to provide employment during non-farming seasons, reducing the over-reliance on crop production and ensuring a stable year-round income for rural populations. Furthermore, these activities help mitigate the risks associated with agricultural failures due to climatic variability, market volatility, and declining productivity. They allow farmers and rural entrepreneurs to tap into new markets, add value to raw materials, and meet the increasing global demand for diversified agricultural products. Another critical role played by agricultural-allied businesses is their potential to empower marginalized groups, such as women and landless laborers, by providing them with accessible income-generating opportunities. The inclusive nature of these activities, when supported by government policies, financial institutions, and capacity-building programs, can lead to enhanced social equity and poverty reduction on a wider scale.

In addition, agricultural-allied businesses contribute to rural infrastructure development, promote technological innovations, and encourage sustainable agricultural practices. By adopting modern techniques in agro-processing, transportation, and distribution, these businesses increase efficiency and reduce post-harvest losses, ensuring more equitable distribution of resources. This paper aims to explore the role of agricultural-allied business activities in the broader context of poverty eradication. It examines the various types of allied businesses, their economic and social impacts, and the challenges and opportunities they present in different rural contexts. Through an analysis of case studies and policy frameworks, this study seeks to provide actionable insights for enhancing the effectiveness of agricultural-allied industries in eradicating poverty.

Objectives:

- 1) To identify the various types of agricultural-allied business activities that contribute to income generation in rural areas.
- 2) To analyze the impact of agricultural-allied businesses on improving the livelihoods of low-income households.

- 3) To know the characteristics of agricultural-allied businesses.
- 4) To understanding a concept of poverty

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## Research Methodology

This research paper based on secondary data and literature review. The Literature review collected on Agricultural-allied Business and Poverty Eradication. The secondary data collected from internet, books, research paper, journals and websites. For the purpose of data analysis descriptive research methodology followed.

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## Literature Review

**Prashant Narnaware and Aman Mishra, (2024)**, The existing acute unemployment problem in the state of Maharashtra became an issue compounded by the COVID-19 outbreak. The unemployment rate reached a high of 20.9% in April 2020, an increase of 15.1 percentage points, compared with the previous April. Some of the causes of this high rate include a skill mismatch between job seekers and the labor market, lack of practical skills and vocational training, and problems stemming from issues in farming. One of the issues we have today is the competency gap of job seekers that are looking for work and the competency that the employer requires on the job in the working environment, especially in fields that require high skill levels. Despite the fact that Maharashtra produces hundreds of thousands of graduates every year, many of those individuals are lacking in practical skills; this perpetuates the problem of employment mismatch in Maharashtra.

Farming is an essential source of employment for people in Maharashtra and has its own set of employment problems as well due to issues like irregularity of water, outdated technology, and small/fragmented agricultural landholdings. All of these factors also contribute to low agricultural productivity and low employability. Further, with respect to low employment prospects, a large share of labor is also in the unorganized sector (small entrepreneurs, daily wage earners, vendors, etc.) that largely are underemployed, in part due to low productivity and poor working conditions and social security.

**Mohammad Delwar Hussain (2014)**, The review emphasizes the significance of entrepreneurial processes in the emergence of successful entrepreneurs, which would also include individuals who may have challenges and constraints. Intrinsic motivation and skills act as fundamental determinants of entrepreneurial behavior, and some specific skills are essential to grow a sustainable business. Entrepreneurs and entrepreneurial processes are impacted by cultural aspects.

The level of education has a correlation with innovations with firms that historically are larger with entrenched entrepreneurs tend to be more innovative. Entrepreneurs have provided a plethora of innovations, both product and service through innovation of production processes, work practices, and marketing, all of which benefited their firms. Human resource policies and market orientation matter within relationships perceived as unique across multiple partnerships and these characteristics were considered key processes of innovation and customer value generation.

The review indicated the SMEs and economic growth relates in addition to poverty growth. Government policies to support entrepreneurs had limited impact for developing entrepreneurs, and a general response from beneficiaries indicated dissatisfaction with current options or programs. Provided vision and resources are provided to train micro and small owners in more rapid development and escape poverty.

Students attempting to study entrepreneurship and small business, typically score higher on creativity and innovation measures compared to control groups and general population. Approximately 87% of these students have taken steps to be an owner of a venture, either as an independent activity or working with organizations. Most students have often fewer than desired backgrounds or necessary content related to ownership and small business, nor appropriate risk management for their respective goals. Social relationship was beneficial for students in developing an entrepreneurial leadership vision as students learn from engaged space with indoor strategies on ledgers through observation and reflective.

Entrepreneurship through enterprise ledgers in resolution and rebuilding process, is instructive and empowering even to those to reduce poverty, creating jobs, developing universal primary education, and spurring women entrepreneurship across the world. Several determinants can be observed in value whenever you think of development entrepreneurship, and will include innovation, background of family, government involvement, social entrepreneurship, women factor, supported through support of training and education, supported individual entrepreneur characteristics, involvement of micro and small and high-reaching type development, youth empowerment, collaboration government/university/industry.

**M V A L Narasimha Rao and K S Venkateswara Kumar (2016)**, India's economy based on agricultural sector there are around 70% of the population lived in rural area and engaged in agricultural and agricultural allied sector; the considerable growth of the sector is not very much satisfactory comparing service and manufacturing sector. On 11th Plan period the estimation of agricultural growth is decided 4% and achieved the growth rate was 3.64% and overall growth rate 8-9% in GDP which is not more helpful for poverty reduction. For sustainable development increase the agricultural production; when agricultural production increases can become raw material for agricultural related sector which is help to growth agricultural allied sector. The author promotes a concept that is 'Agriprenuership'. Agriprenuership is the entrepreneurial process is for agricultural and agricultural allied sector in this process adopting new ideas, technology, methods in agricultural allied sectors. Agriprenuership convert agricultural business activity to entrepreneurial activity. Author gives some suggestion likes promoting entrepreneurial culture, provide entrepreneurial education and training, improving infrastructure and so on.

**Mahesh K. M., P. S. Aithal & Sharma K. R. S. (2022)**, Prashan Mantri Mudra yojana will offer loan to non-corporate, Non-farm micro-enterprises to generate income and employment in manufacturing services, retail MSME, SMEs and Agriculture related occupations like beekeeping, horticulture, pisciculture, Poultry, agro-industries, dairy, agri-clinics, agribusiness, to add to the national wealth with the support of SIDBI, NABARD in providing working capital upto 10 lakh rupees. This loan help to enhance working capital as well as help to growth point of view. MUDRA loan is provided to the Activities allied to agriculture including Horticulture, Poultry, Fishery, dairy forming, Agriculture marketing, social forestry animal husbandry and Agriclinc and agri-Business sectors include setting up vermiculture units, Apiaries bee keeping-honey bee products processing, Rural marketing dealerships of farm inputs, outputs, livestock health cover, Tissue culture labs, Seed processing units, Information Technology Kiosks in the rural area and Food product Sectors and promoting agripreneur increases the income level and employment opportunities in rural, as well as urban areas (Chand, K. K. 2019). In this research author says there should be create awareness about the mudra loans for MSME, SME and allied agricultural sector and also talk about the MUDRA loan is a game-changer for these sectors.

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### Agricultural-allied Business

The agricultural allied sector comprises activities that support and complement traditional farming practices, contributing significantly to rural livelihoods and the overall economy. This sector includes Poultry farming, Goat farming, Fisheries, Animal husbandry, Organic fertilizer production, Vermicompost production, Algae farming, Mushroom farming, Agro-tourism industry, fodder production, seed production, Herbal medicines, Nursery and Production of various product from agricultural product etc. These activities help diversify income sources for farmers, reduce dependency on crop yields, and mitigate risks associated with crop failure due to adverse weather conditions or market fluctuations. In countries like India, the agricultural allied sector plays a crucial role in ensuring food security and providing employment, particularly in rural areas. Livestock, for example, serves as an important source of nutrition and income, while dairy farming has become a key contributor to the rural economy. Fisheries and aquaculture provide livelihood opportunities in coastal regions, helping to meet the demand for protein-rich food. The allied sector also contributes to sustainable farming by promoting practices such as organic farming and agroforestry, which enhance biodiversity and improve soil fertility. With advancements in technology, better infrastructure, and government initiatives aimed at promoting agribusiness, the agricultural allied sector is poised for growth, offering significant potential for rural development, poverty reduction, and boosting the overall agricultural economy.

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### Characteristics of Agricultural-allied businesses:

1. **Diverse Activities:** Agricultural allied businesses encompass a wide range of activities, including dairy farming, poultry, fisheries, beekeeping, agroforestry, and agro-processing. This diversity helps mitigate risks associated with reliance on a single crop or livestock.
2. **Complementarity:** These businesses complement traditional farming by providing additional income sources. They can utilize by-products from crop farming, such as crop residues for animal feed, thereby promoting sustainable practices.
3. **Labor-Intensive:** Many allied agricultural activities require significant manual labor, making them crucial for job creation, especially in rural areas where unemployment rates can be high.
4. **Lower Investment Requirements:** Compared to large-scale agriculture, allied businesses often require lower initial investments, making them more accessible to smallholders and marginal farmers.
5. **Seasonal Flexibility:** Allied businesses can offer income during off-peak agricultural seasons, helping to stabilize the financial situation of farmers and their families.
6. **Value Addition:** Many allied activities involve processing raw agricultural products, adding value and increasing marketability. For example, dairy processing can lead to products like cheese, yogurt, and butter.
7. **Market-Driven:** These businesses often respond to local and global market demands, allowing farmers to adapt their production to meet changing consumer preferences.
8. **Sustainability:** By integrating practices such as organic farming and integrated pest management, allied agricultural businesses can promote environmental sustainability and biodiversity.
9. **Community Engagement:** These businesses often foster community ties, as local producers collaborate in cooperative models for processing and marketing, strengthening local economies.
10. **Innovation and Technology Adoption:** The agricultural allied sector is increasingly embracing technological advancements and innovation, improving efficiency and productivity through modern practices, tools, and digital platforms.

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### Poverty Eradication:

Poverty refers to lack of adequate financial resources; Poverty remains a main concern in India and Maharashtra as well, where millions struggle with limited access to basic needs and financial opportunities. In India, poverty rates are influenced by factors such as income inequality, lack of quality education, inadequate healthcare facilities, and not equally distribution of resources. Maharashtra, despite its economic prowess, faces similar issues, with

rural areas like Dhule and Nandurbar experiencing higher levels of poverty due to agricultural challenges and natural calamities because this area is based on only agricultural and agricultural related activities, there are a lack of unemployment facilities because industrial area is also not very much developed in India.

The agricultural allied sector plays a pivotal role in poverty reduction, particularly in rural areas where agriculture is the primary livelihood. By diversifying income sources through activities such as dairy farming, poultry, fisheries, beekeeping, and livestock rearing, it helps rural households reduce their dependency on crop production, which is often vulnerable to climate fluctuations and market uncertainties. These allied activities provide steady income, food security, and employment opportunities throughout the year, especially for small and marginal farmers. Additionally, they require lower investment compared to large-scale farming, making them accessible to poorer sections of society. Government initiatives and micro-finance programs targeting the development of these sectors have further empowered communities, enabling them to invest in allied activities and improve their living standards. Through skill development and improved market access, the agricultural allied sector has the potential to uplift millions from poverty, contributing to inclusive rural development and enhancing the resilience of rural economies.

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## Conclusion:

Agricultural-allied business activities are essential drivers in the fight against poverty, particularly in rural areas where dependence on traditional farming often limits income potential. These activities, which include livestock rearing, fisheries, agro-processing, and rural crafts, provide diversified income opportunities beyond the risks of mono-cropping and seasonal harvests. By tapping into various streams of revenue, rural households can mitigate the impact of crop failures and other farming-related uncertainties, leading to more stable and consistent income. This diversification not only reduces economic vulnerability but also builds resilience, allowing families to invest in education, healthcare, and infrastructure, ultimately enhancing their standard of living. In addition to offering income diversification, agricultural-allied businesses are key to creating employment opportunities, especially for marginalized groups such as women, youth, and landless laborers. These enterprises often require a labor force at different stages, from production to marketing, which leads to local job creation. By promoting these activities, rural areas can witness a multiplier effect, where increased employment spurs economic development, boosts local markets, and improves social cohesion. The economic empowerment of rural populations through these activities not only reduces poverty but also strengthens rural communities by fostering self-reliance and reducing migration to urban areas in search of jobs. Furthermore, the integration of digital technologies and access to financial support mechanisms can significantly enhance the effectiveness and reach of agricultural-allied businesses. With the advent of mobile banking, digital payment systems, and online marketplaces, rural entrepreneurs can access a wider array of resources, markets, and capital. Financial inclusion, coupled with governmental and institutional support, can provide these businesses with the necessary tools to scale up operations, improve productivity, and ensure long-term sustainability. Therefore, promoting agricultural-allied enterprises is a key strategy in achieving sustainable poverty alleviation and improving the quality of life in rural areas, aligning with broader goals of rural development and economic equity.

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