

MSMEs IN AGRICULTURAL AND RURAL DEVELOPMENT

Avdhesh Sharma, Kumareswaran T.,
Sonali Katoch and Abha Goyal

INTRODUCTION:

The ministry of Micro, Small and Medium enterprises is a branch of the government of India, is the apex executive body for the formulation and administration of rule, regulation and laws related to micro, small and medium enterprises in India. Micro, small, and medium companies (MSME) create a lot of jobs in rural and semi-urban areas, and they also operate as a wealth distribution mechanism. Earlier in October 1999 ministry of small scale industries and agro rural industries was established. In September 2001 the ministry was split into the ministry of small scale industry and the ministry of agro and rural industries.

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the



सत्यमेव जयते

MSME

MICRO, SMALL & MEDIUM ENTERPRISES

सूक्ष्म, लघु एवं मध्यम उद्यम

country's economic and social development by encouraging entrepreneurship and creating job opportunities in various sectors from which agriculture and rural development sector are one. The fact shows that MSME GVA accounted for 33.08 percent of total GVA (current prices) for 2019-20 demonstrates their relative importance. (Economic Survey, 2021-22). The MSME provides agricultural experts, government officials, businesses, and industries with entrepreneurial competence, capacity-building, and management services. The government is developing an agro MSME policy that would focus on agro-entrepreneurship development in rural, tribal, agricultural, and forest areas for producing items with locally available raw materials. In

statutory bodies Khadi and Village Industries Commission (KVIC) is most common. KVIC established under the Khadi and Village Industries Commission Act, 1956, is a Statutory Organization under the Ministry of MSME, charged with promoting and developing Khadi and Village Industries in order to strengthen the rural economy by providing employment opportunities.

MSMEs are critical to India's economic development, especially in the rural sector. It aids in the creation of job opportunities in low-capital rural areas, improving people's real incomes, and contributing to the growth of agriculture by lowering disguised unemployment, poverty, migration, economic inequity, and unemployment. In order to



improve rural areas, the government should conduct periodic reviews of MSMEs development schemes and programmes. MSMEs find it tough to take off owing to lack of money, risk taking and innovation. They are a means of transforming a developing country into a developed one. MSMEs must be promoted in order to create gainful employment and close the gap between rural and urban areas. MSMEs create self-sufficiency and are the only method to solve the unemployment problem in a wealthy country like India. MSMEs are a blessing for eliminating regional disparities and a way to make use of India's natural and plentiful people resources.

Micro, small and Medium enterprises classified according to the turn over and investment of the firm. The recent classification (2020) is given below:



Table-1: Micro, Small and Medium Enterprises Classification (w.e.f. 1st July, 2020)

S. N.	Enterprise per Annum (₹)	Investment per Annum (₹)	Turn Over
1.	Micro	< 1 crore	< 5 crore
2.	Small	< 10 crore	< 50 crore
3.	Medium	< 50 crore	< 250 crore

Source: Economic Survey, Government of India, 2021-22.

Government of India also established a board related to MSMEs namely The National Board for Micro, Small and Medium Enterprises (NBMSME) to time to time assessment the factors which are affecting promotion and growth of MSME. The board also review the existing work and policies and recommend the suggestions to the policy makers and Government for the development of MSME Sector.

Main features and services provided by MSME:

- ✓ Training and testing facilities for development of firm.
- ✓ Project and product profiles.
- ✓ Technical and management related advice.
- ✓ Export-related assistance.
- ✓ Environmental and energy audits.

Regarding to promotion of MSME with including market support, export promotion, preferential procurement in the public sector some incentives taken by government are given above:

- ✓ MSE-CDP (Micro Small Enterprises-Cluster Development Programme)
- ✓ PMEGP (Prime Minister Employment Generation Programme)
- ✓ SFURTI (Scheme of Fund for Regeneration of Traditional Industries)
- ✓ Enable of Eco-systems
- ✓ New Udyam portal

Street sellers of different agricultural commodities i.e. vegetable vendors, fruit vendors etc. can now register on the Udyam Registration (UR) platform as retail businesses and benefit from priority sector credit. The CHAMPIONS portal (www.champion.gov.in) is an ICT-based technology system that assists and guides smaller units in becoming larger. A hub and spoke model is used to build a network of control rooms, with the hub located at the Ministry of MSME.

CONCLUSION

MSME are contributing a large share in the economy. There is a scope of MSME related to agriculture and rural sector. The gap is found between government and the farmer or investor. The farmers are not getting the direct benefits of the schemes and portals. Government needs to ensure that the schemes are reaching to the villages at ground level or not. Timely assessment also needed. The benefits should be reached to the needy persons.

