

## Food processing industry in India: Emerging dimension

Poonam

Assistant Professor of Economics, Hindu Girls College, Sonipat, Haryana, India

### Abstract

Food processing Industry in India is a sunrise sector that has gained prominence in the recent years. The food processing Industry is one of the largest sector in terms of production, consumption, export and growth prospect. India's food processing Sector ranks fifth in the world in export, production and consumption. This sector covers the activities such as agriculture, horticulture, plantation animal husbandry and Fisheries. This Sector has a vital link between the agriculture and Industry segments of the economy. This paper aims to study the scope of food Processing Industry in India and its significance in Indian economy. This Paper also Describe the bottlenecks in Indian food processing Industry. This paper also discusses the government initiatives to improve the Food processing sector in India.

**Keywords:** food processing, food supply chain, horticulture

### 1. Introduction

Food processing Industry in India is primarily Consist of small scale Industries. Food processing can be applied to variety of food products like fruits, milk products, Fishery, vegetables spices etc. Leading to Value Addition. The Indian food Industry's contribution to world food trade is increasing every year. In India, Food processing sector is high growth and high profit sector because of its immense potential for value addition. The Share of Indian food processing Industry in country's total food market is 32%. Its contribution in manufacturing Gross Domestic Product is 14%.

Location factors of food processing Industries

- Physiography of a region is important factor regarding food Processing Industry in India
- Location for food processing Industry depends on raw material.
- Demand of food processed food in the market
- Skill and Cheap labour
- Port Facilities
- Transport and cold storage facilities

### 2. Objectives

- To study the concept of food processing Industry in India
- To study the current status of FPIs in India
- To highlights the govt. initiatives to improve the food processing sector in India.
- To Know about the problems faced by FPIs India

### 3. Food Processing Industry its Significances

- **Bride between Industry and agriculture:** Food processing industry is significant for India's development because of the vital linkages and synergies that its promotes the Industry and agriculture. Fast growth in food processing Industry sector has great importance for achieving favorable terms of trade for agriculture products.

- **Rising consumer prosperity:** Food processing Industries help in increasing the per capital income with increasing per capital income and rising nuclear families there's huge demand for packaged and ready to eat foods that are nutritious.
- **Demographic Dividend:** With the help of food processing Industries India can get the benefit of demographic dividend. It can curb rural to urban migration, create entrepreneurs in agriculture. It can create the Job opportunities in rural India
- **Food Security:** Food security is major Issue for India. A strong food processing sector plays a important role in reduction in wastage of perishable agricultural products, enhancing shelf life of product.
- **Export potential:** India has large prospects for export of agriculture – products. Main Problem related to 10w demand of agro products in foreign country is low quality of agro-products. The processor need to enter into contracted arrangements with farmers for providing the better varieties of raw materials that can be processed.

### 3.1 Food Processing is a key contributor To Employment generation In India

Food processing Industry has the largest employment generation potential. It leads to generation of employment, increase income of farmers. Policymakers have identified of that food processing Industry is a key sector in encouraging labour movement from agriculture to manufacturing. Food products generated the highest employment in country in 2011-12 (12.1%) Food processing sector is expected to employ a million people in our country by 2024.

### 4. Government Initiatives

Major initiatives taken by the government of India to improve the food processing sector in India are as

follows:

- A dairy processing infra fund worth Rs 8000 crore has been set up by GOI In union budget 2017-18
- 100% FDI through foreign Investment promotion board route is proposed in marketing of food products and manufactured in India in union budget 2017-18
- FDI norm has been relaxed by GOI for this sector allowing up to 100% FDI in food product through automatic route.
- MS Harsimrat Kaur Badal union minister for food processing. Industries, GOI has inavgrvated the first of its kind 136 crore (US\$21.76 million) mega international food park at Dabwala kalan, Panjab.
- The ministry of food processing Industries has a scheme for Human Resource development in the food processing sector. This scheme has the following four components

Creation of Infrastructure facilities for degree 1 Diploma coursed in food processing sector.

Entrepreneurship development programme.

Food processing Training centres.

Training at recognized institution at state/National level

- Spices Board has been set up by ministry of commerce to develop and promote Indian spices worldwide

### 5. Some Example of Agro-materials and associated Industries

Table 1

Cercal Based Industries	1. Fully automatic modern rice mill
	2. Partically cooked cooking rice
	3. Wheat Hour
	4.Confectionary and Bakery item
Pulses and oilseed Based Industries	1. Gram Hour
	2. Namkeen
	3. Papad
	4. Whole Dal
Fruits and Vegetable based Industries	1. Chips
	2. Juices
	3. Pickles
	4. Jam & Jelly
Floriculture and spices based Industries	1. Fresh and dried flower
	2. Paste and Powder
	3. Aromatic Extraction

### 6. Bottlenecks In Indian food Processing Industry

India Identified following major factors hampering the growth of food processing sector and holding it back

- Low Availability of trained manpower
- Constraints in raw materials production.
- Low Access to credit
- Inadequate infrastructural, facilities
- Lack of Applied research
- Inconsistency in central and state policies
- Taxation
- Lack of specific plan to attract private sector investment across the value chain
- Lack of market Intelligence

### 7. Conclusion

The agro-based industries have played important role in the rural economy. It has a large potential to generate employment. The Indian food and grocery market is the world’s sixth largest. Its progress is significant both for agriculture sector as well as manufacture sector. Many problem is faced by FPIs in India we can get high growth rate If we find the solution of these problem.

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