



“THE ROLE OF FOOD PROCESSING INDUSTRIES AND STARTUP INDIA IN GENERATING EMPLOYMENT AND INCOME IN INDIAN ECONOMY”

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ABSTRACT

The changing life style and food habits because of health consciousness natural, organic, fresh, ready to cook, low sugar, hi protein and multi grains food demand increasing in India and in the whole world. In feature food processing start ups will only flourish in the coming days in Indian Economy. The food and grocery market in India is the sixth largest in the world and fifth in manufacturing sector in India. Food retail market in India almost 65% of the total retail market in India. The Government of India and ministry of food processing Industry taking all necessary steps to boost investment sanctioned 40 mega food parks to be set up in the country under the mega food park scheme already 17 mega food parks have become functional.



KEY WORD: *life style and food habits , Indian Economy.*

INTRODUCTION

It is big target of employment generation. Food processing industries are a 32% share in India's total food market and 11.6% employment generation to total India's employment as well as 10.7% share in total India's exports.

OBJECTIVES:

- 1) To understand what is food processing Industry and need of this industry in today's Indian Economy.
- 2) To focus on start up India and its role in processing Industry.
- 3) Importance of food processing Industry in Indian economy with special reference to employment, income and export promotion.
- 4) To study the problems of food processing industries.
- 5) To suggest some measures for improvement of this industries.

METHODOLOGY :

The required data was collected from various secondary sources like books on Indian Economy, published Articles and speeches of experts, various magazines and other published resources.

Meaning of food processing industries and its importance in Indian Economy:

Food processing means the ways are that used to change raw ingredients into food so that they can be eaten by human or animals. The food processing industry uses these processes. Food processing often takes clean, harvested or slaughtered and butchered components and uses there to produce attractive and

marketable food products. In India mainly the food processing industry is working for processing and producing in grains, sugar, edible oil, dairy products, fruits and vegetables processing, poultry, meet fisheries and food retails etc.

Indian food processing industries has important role in linking Indian farmers to consumers in the domestic and international market. The food processing industry contributes 30% of total sales, out of India's total GDP the share of manufacturing sector and agriculture sector is 9% and 11% gross value of manufacturing sector in 2016 – 17, 17.50 Billion Dollars. In 2016 – 17 in India total 39748 food processing units are registered. Out of total food processing units working in India 12.77% units are registered and 13.72% unregistered. 32.30 Billion Dollar invested in this sector. 296 approved cold chain projects, and 222 labs for quality testing of food working in for development of food processing industries in India.

Progress and contribution of food processing Industries in Indian Economy :

After independence in 1960's India's food policy has mainly focused on increasing the production with a view to substitute imports till the eighties. Therefore, the issue of processing the food did not arise as a policy. In second five year plan the industrial policy has focused on heavy industries for build up the necessary infrastructure for the industrial development. In India that time only some food processing industries in the organized sector they were part of small and village industries and have no separate identity.

After 1981 – the India's per capital income rises and especially the middle class people are demanding processed foods because of their rising purchasing power. The growth of manufacturing industry also necessity encouraging food processing sector.

The government of India formed separate ministry for food processing industries in 1988 and India entered into the food processing sector and international food market. After 1991 adoption of Liberalization policy the processing industries growing rapidly because of freeing the licensing system, foreign investment and government policies. Govt. of India taken several steps for encouraging the food processing sector. The for encouraging the food processing sector. The 100% export oriented units are permitted to import raw materials and capital goods free of duty. The excise duty on food processing items in 1991 – 1997 and 2001 reduced. The concept of food parks, agri export zones, mega food parks, cold chain and human resource development have been initiated besides several incentive schemes during this period. The measures taken for quality improvement and human resource development by Central Government HRD schemes launched through the State Government these are 1) Creation of infrastructure facilities for degree / diploma courses in food processing sector. 2) Entrepreneurship Development programme 3) Food processing training centres 4) Training at recognized institutions at State / National level. 5) food safety and quality assurance through the ISO 9000 and ISO 2000 etc.

The new agro – processing industries set up to process, preserve and package fruits and vegetables are allowed under income tax act a deduction of 100% for five year and 25% profits for the next five years since 2004 – 05. But the role of state govt. also important and many state governments have announced food processing policies and allow exemptions for sales tax and other local taxes. Recently centre allowed 100% FDI in trading of food products including through the e-commerce to boost growth of the sector.

Food processing industry is a value addition industry so government announced 42 food parks with total investment of 2100 crores and expected to total investment of 4500 crores and additional investment of around the same amount for setting up of processing units.

Employment Generation in the Food processing Industries:

The food processing industries divided into two parts one is organized and another is unorganized. These both sectors generates employment in India. Employment in unorganized sector was 47.93 lakhs in 2010 – 11 (from 37.08 lakhs in 2000 – 01), while organized sector employed 16-89 lakhs in 2012 – 13 making total 64.82 lakhs in 64.82 lakhs in a ratio of 74% unorganized sector. In terms of share of this sub-sector in the manufacturing sector in regard to both output and employment was declining share of organized food

processing plummeted from 17.31% in 2005 - 06 to 11.5% in 2012 – 13, while employment during the same period went down from 17.12% to 11.95% similarly, share of employment in unorganized segment declined from 17.41 to 13.74% in 2010 – 11 while organized food segment added one million jobs from 2000 – 01 to 2010 – 11, organized segment stagnated at round 16 lakh jobs since 2009. It need further analysis to understand the underlying caused for this decline of share in manufacturing. On the other hand the growth of exports and inflow of FDI in to the sector were impressive. FDI which was just 11759 crores or 2.62 billion USD from 2005 – 2011 has accelerated to 5.3 billion from April 2012 to Dec. 2015. In fact, the sector received a total of 4 billion dollars in 2013 – 14 alone. Exports worth Rs. 36172 for processed foods and Rs. 33442 crores of marine products coming to a total of 69614 crores out of total of Rs. 131000/- crores of agricultural exports constituting 53% of all exports.

CONCLUSIONS :

- 1) The processing industries growing in India from after 1980's because of increasing demand of processed food from middle class society of Indian people.
- 2) Recently Government take innicetives for development of food processing industries and make separate policy for that.
- 3) Export from food processing industries of processing good increasing after liberalization.
- 4) Employment generation rate of there industries is low.
- 5) We have less processing and innovation in food sector.
- 6) We have good opportunities in this sector.

SUGGESTION :

We have suggest some suggestions for development of food processing industries in India.

- 1) Try to understand consumers need and to solve their problems and making products as per consumers need.
- 2) New entrepreneurs and start ups should be think about the what to do for our consumers and try to make new innovative food and its quality is better.
- 3) The government give support for set up new food processing units in rural areas.
- 4) To improve the productivity per person etc.

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