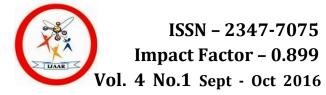
International Journal of Advance and Applied Research (IJAAR)

Peer Reviewed Bi-Monthly



AGRICULTURAL PROCESSING INDUSTRY & DEVELOPMENT

Dr. Annasaheb Dnyandeo Shelke

Assistant Professor

Smt. S. K. Gandhi College, Kada, Tal. Ashti, Dist. Beed

INTRODUCTION:

An agro-industry is an enterprise that processes bio-mass, i.e. agricultural raw materials, which include ground and tree crops as well as livestock and fisheries, to create edible or usable forms, improve storage and shelf life, create easily transportable forms, enhance nutritive value, and extract chemicals for other uses. As the products of agro-industries are both edible and non-edible, the agro-industries can be classified as agro-food insutries (or merely food processing industries) and agro-non-food industries.

The economy in India relies heavily on agriculture. A large portion of India's land can be cultivated and it ranks second in farm output in the whole world. Countless opportunities in agribusiness are abound in India.

This sector contributes to the country's gross domestic product, at an estimated value of 10% of the total amount. Agriculture is also the primary source of income for Indians especially in rural households. To note, around 830 million Indians live in rural areas.

OPPORTUNITIES IN AGRICULTURAL MACHINERY IN INDIA:

India is the largest manufacturer of tractors in the world. Power tillers are gaining popularity especially for lowland flooded rice fields and hilly terrains. Manually operated tools, animal-operated machines, and mechanical - or electrical - operated machinery are some examples, which are slowly increasing in demand. Innovation and technology in the Indian agricultural machinery industry can take the industry to greater heights, keeping pricing in mind.

Though some top global players such as Nestle and PepsiCo have presence in India, there is still huge potential in the Indian food processing and packaging industry.

OPPORTUNITIES IN THE FOOD PROCESSING INDUSTRY IN INDIA:

Notable features of the Indian food processing industry are:

- Early stage with low penetration and high potential
- Major players aren't scaled up and integrated
- Unorganized players have swamped this segment using low technology and investment

The government of India has outlined a development plan for this industry. Some Indian companies have entered the food processing market while top international food product manufacturers have introduced multiple processed products.

FRUITS AND VEGETABLES:

This is the fastest growing sub-sector of the food processing sector. However, only 13% of vegetables and 12% of fruits undergo production processes. Plus the organized sector processes only 48% of India's fruits and vegetables. This is due to a rapid growing sector, small domestic units unable to handle the load and therefore high wastage. This is an opportunity for foreign players to set up efficient processing units in this industry.

MEAT AND POULTRY:

- This sector is expected to grow significantly
- A continuous rise in meat production due to increasing in nonvegetarians
- This sector has undergone major structural changes
- Consumption of buffalo meat has increased, demand for goat and lamb meat exceeds supply while chicken is most popular
- With a CAGR of 15%, poultry meat is the fastest growing segment in the domestic market

FOOD PROCESSING IN INDIA:

The Indian food processing industry sector is ranked fifth in the country with regards to production, consumption, export and expected growth. It also accounts for 32% of the total food market. In order to minimize wastage and maximize profits, it is imperative to build an integrated system of post-harvest technology and cold chain management.

From 2008 to 2013, the Indian food processing sector has grown annually at 8.4 percent. Investments in the registered food processing industry had grown by 20.1 percent at the end of 2012. Moreover, the number of registered food processing factories is still increasing steadily.

THE DAIRY INDUSTRY:

The growth of dairy production at 4% per year while consumer demand is double that rate contributes to record growth of liquid milk and butter.

The Indian dairy sector is ranked first in the world in terms of processed food.

Marine Food:

- Comprised of small and medium size family concerns
- India is now on fast track to produce and supply valued seafood products
- This segment is almost entirely export-oriented

Grains:

- India is the second largest producer of wheat and rice
- 65% of wheat is converted into wheat products
- Rice and wheat processing is most important segment of this industry.

OPPORTUNITIES IN THE FOOD PROCESSING VALUE CHAIN:

The Ministry of Food Processing Industries and related agencies am to increase investments in the food-processing sector through initiatives like the 'National Food Processing Policy'. This will also encourage Indians to buy more modern equipment used for food processing.

Avoiding significant wastage and spoilage poses a great challenge. Some challenges in this sector include:

• High food inflation

- High post-harvest wastage
- Low level of processing
- Food Processing Equipment

Post-Harvest Technology:

Better methods of processing and storage will reduce the losses in the fruits and vegetable segment. Post harvest technology focuses on storage, grading, and packing.

Food Packaging:

India is proficient in manufacturing basic machinery for the small and medium sector. However, growing demand for advanced and sophisticated technology requires automation leading to joint ventures with foreign companies to produce a variety of packaging machinery.

OPPORTUNITIES IN THE COLD CHAIN SECTOR IN INDIA:

Due to India being an agricultural-based economy, wastage is a concern and so the government with the help of U.S. technology is developing the cold chain sector. Therein lies an opportunity for those looking to invest in this sector with improved storage and transportation techniques.

CONCLUSION:

An efficient strategy to develop an integrated cold chain network provides potential strengths for storing primary and processed agricultural products for most of the year. Hence the adoption of latest and proven technologies will be critical to the success of domestic as well as international market players. For a smoother market entry, it's helpful to engage the services of a professional market research agency to facilitate the process.

The costs for the cold storage business is very expensive. The energy alone used for this industry is quite costly. There is also a concern for when power is unreliable. This is the case in most areas and result as challenges for this particular sector. Another challenge is how consumers prefer fresh and local meat produce that greatly affects the cold storage business sector.

REFERENCES:

- 1. Allee, Warder C.: Cooperation Among Animals, With Human Implications. Rev. & enl. ed. New York: Schuman. 1951.
- 2. Attwood, D.W.: Raising Cane: The Political Economy of Sugar in Western India. New Delhi: Oxford University Press, 1993.
- 3. Bakke, Edward W.: Bonds of Organization: An Appraisal of Corporate Human Relations. New York: Harper, 1950.
- 4. Bardsley, N., Cubitt: Assessing Experimental Auditing, Princeton, Princeton University Press, 2009.
- 5. Bhargav Arun: Rural Marketing and Agribusiness in India, Surendra, Delhi, 2010.
- 6. Vijay Kumar: Rural Development Participatory Human Management, Anmol, 2009.
- 7. Vishwa Ballabh: Co-operative Management of Natural Resources. New Delhi: Sage, 1995.