Significance of Food Processing Industries

In India, there is huge land for food production. It is estimated that more than 50% of Indian population work in Agriculture related actions. If there are good food processing industries in India, raw materials such as grains or meat can be converted into food for domestic and foreign consumption. Food processing units acts as a linkage between agriculture and industries. Food processing industries can absorb a major share of workers from the agriculture sector, who face disguised unemployment. It can result in better productivity and GDP growth. Reports indicated that Food processing averts food wastage and help in attaining food security. Processed food requires less space for storage. Processed food can be exported. This may assist government to get foreign exchange reserves.

The Indian food processing industry has remarkable capability to grow, considering the still promising levels of processing currently. Though India’s agricultural production base is practically strong, wastage of agricultural produce is large.

Ministry of Food Processing Industries

The Ministry was established in 1998 and the industry segments that come under its purview are as under:
• Fruit & Vegetable processing (including freezing and dehydration)
• Grain Processing
• Processing of Fish (including canning and freezing)
• Processing and refrigeration of certain agricultural products, dairy products, poultry and eggs, meat and meat products
• Industries related to bread, oilseeds, meals (edible), breakfast foods, biscuits, confectionery, malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready-to-eat foods)
• Beer, including non-alcoholic beer
• Alcoholic drinks from non-molasses base
• Aerated water and soft drinks
• Specialised packaging for food processing industries.

**Reasons for food processing:**

**Foods are processed for five major reasons:**
Preservation for later consumption or sale to fetch better price Removal of inedible portions Destruction or removal of harmful substances Conversion to forms desired by the consumer and Subdivision into food ingredients.

**Scope and Significance of Food Processing Industries in India**

According to news reports, Food processing is any activity that changes the raw food stuff or semi-finished food into a suitable form for the use of shopper. The food processing industry has grown considerably in the last few decades India. The increase in the incomes of the working class has led to increase in the disposable income to be spent on processed foods. The change in the food habits of the working class who prefer readily available convenient foods is another important factor. India is considered as one of the top producers of fruits and vegetables and other food stuff. Henceforth availability of raw material makes it favourable for the development of this sector.

India has good status in producing numerous food products like milk, ginger, banana, guava, papaya, and mango. It has second rank in the production of
rice, wheat, potato, sugarcane, cashew nut, tea. India is among the top 5 countries in producing coffee, tobacco, spices, and seeds. With such a huge raw material base, it can be assessed that India become the leading supplier of food items around the globe. News reports indicated that there are more than 30 companies listed in BSE/NSE in food processing sector. However, the major companies are Dabur India, Gitz, Godrej industries, Haldiram, MTR foods, Parle agro, HUL, Britannia Industries, ITC, Nestle, Pepsi and Cadbury India. There is still a lot of scope for products related to meat, poultry; fisheries, milk products, beverages, grain processing.

**Section wise assessment of food processing Industries in India:**

I. Dairy Sector: India holds first rank in the world in terms of milk production. Milk and milk products contribute to a significant 17 per cent of the country’s total expenditure on food. Traditional dairy products account for about 50 per cent of the total milk produced.

II. Fruits and Vegetables: India produces huge amount of fruits and vegetables in the world. It is the second largest vegetable and third largest fruit producer accounting for 8.4 per cent of the world’s food and vegetable production. Major products exported include fruit pulps, pickles, chutneys, canned foods, concentrated pulps and juices and vegetables.

III. Grain Processing: India has third position in the production of grains in the world. As per the estimates, India produced nearly 209.32 million tonnes of grains in 2005-06. India’s production covers all major grains: rice, wheat, maize, barley and millets like jowar, bajra and ragi.

IV. Meat and Poultry Processing: India has huge number of livestock population in the world accounting for 50 per cent of buffaloes and 16 per cent of the goat population. Animals generally used for production of meat are cattle, buffaloes, sheep, pigs and poultry.

V. Fisheries: India has third position in producing fish in the world and second in in-land fish production in the world. The Fisheries sector in India has been
classified into marine, inland and aquaculture. Processed fish product exports comprises of conventional block frozen products, individual quick frozen products and minced fish products like fish sausage, cakes, cutlets, pastes.

VI. Consumer Foods Including Packaged foods, Beverages and Packaged Drinking Water

Packaged Foods: It is estimated that Packaged food segments in India registered a growth of 8 per cent in 2005-06. Soup market is small in India.

Beverages: The beverages market in India mainly include non-alcoholic beverages which can be broadly classified into carbonated drinks, non-carbonated drinks and hot beverages. Hot beverages include health drinks such as white beverages such as Horlicks and brown beverages such as tea/coffee as well as branded drinks for example, Boost. India is the largest producer of tea in the world. Agrilearner

Staples- Bread, Wheat Flour, Salt and Sugar: Bread is gradually entering to be a staple product consumed by people of all economic classes in India. It is estimated that India is the second largest producer of wheat in the world with an output of more than 70 million tonnes.

It has been appraised by experts that the total food production in India is expected to double in the coming years and there is an opportunity for huge investments in food and food processing technologies, skills and equipment, especially in fields of Canning, Dairy and Food Processing, Packaging, Frozen Food/Refrigeration and Thermo-Processing. Fruits and Vegetables Processing, Fisheries, Milk and Milk Products, Meat & Poultry, Packaged/Convenience Foods, Alcoholic Beverages & Soft Drinks and Grain processing are vital sub-sectors of the food processing manufacturing.