FnBnews.com
INDIA'S FIRST F&B NEWS WEBSITE

Food processing sector in India

Friday, 13 May, 2022, 12 : 00 PM [IST]

Dr Rajesh Kshirsagar & Dr B. M. Patil

India is a major producer of several agricultural/food items in the world but only less than 10 per cent of that is processed. Demand for processed food items is set to increase in India in the coming years providing opportunities for greater value addition, lower wastages and alternative employment opportunities.

Food processing industry (FPI), is one area which has the potential to add value to farm output, create alternate employment opportunities, improve exports and strengthen the domestic supply chain. India, with about 11.2 per cent of total arable land in the world, is ranked first in the production of milk, pulses and jute, second in fruits and vegetables and third in cereals.

Food processing is a large sector that covers activities such as agriculture, horticulture, plantation, animal husbandry and fisheries. It also includes other industries that use agriculture inputs for manufacturing of edible products. The Ministry of Food Processing, Government of India has defined the following segments within the Food Processing industry, Dairy, fruits and vegetable processing, Grain processing, Meat and poultry processing, Fisheries, Consumer foods including packaged foods, beverages and packaged drinking water.

Food processing is defined as transforming agricultural products into food that are in consumable form or transforming one food item into another by adding value to it. Based on physical properties of the final product, the Ministry of Food Processing Industries categorises food processing under two sub-categories, viz., (i) manufactured processes, whereby the original physical properties of the product undergo a change through a process [involving employees, power, machines or money] and the transformed product is edible and has a commercial value and (ii) other value- added processes where the product does not undergo any manufacturing process, but gains significant value addition like increased shelf life, shelled and ready for consumption.

Depending on the type and extent of value addition, it is categorised as primary and secondary processing. Primary processing relates to conversion of raw commodity to one that is fit for consumption. It involves steps such as drying, threshing, cleaning, grading, sorting, packing. Secondary processing involves creation of value-added products like bread, wine, sausages, etc. The large-scale commercial production of ready to eat food items has brought in another category to food processing, viz., tertiary processing.

The importance of processed food items in the consumer basket has increased globally over time. With higher income, urbanisation, demographic shifts, improved transportation and changed consumer perceptions regarding quality and safety, food consumption patterns have changed over the years.

Food processing and value addition at all levels of the food supply chain is regarded very important to enhance the farmer's income. To sustain the increased production of fruits and vegetables, milk, food grains, spices, processing has to increase and more value addition is required. There should be direct linkages between farmers and industries. The farmers need to approach a business model to get remunerative price for the products. Individual farmer may find it difficult to address the scale of economy. The farmer needs to understand the consumer's requirements to grow what is demanded by the market.

Food is the fundamental basis of life. It is the source of energy, nutrition and while eating a balanced amount of food keeps us fit and healthy, a well-developed food processing sector is crucial for a healthy nation. Higher processing can improve value addition, reduce wastage, ensure better return to the farmers and address critical issues such as food security, food inflation etc. Amidst this global pandemic, there has been an even greater need to have a

robust immune system to fight diseases.

Thus, the importance of food in unordinary times like these cannot be emphasized enough. While many sectors across the country and worldwide are seeing a downturn, food processing is relatively shielded by the effects of the pandemic and continues to flourish. The Ministry of Food Processing Industries (MoFPI), is cognisant of the myriad of opportunities available in the sector and is driving its growth with full capacity by launching new initiatives, supporting entrepreneurship, strengthening research, and academia are a few of the many steps taken by the apex body.

Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME)
In June 2020, MoFPI introduced a pan- India scheme called 'Pradhan Mantri Formalisation of Micro Food Processing Enterprises' (PMFME), in partnership with the state/ UT Governments under "Aatmanirbhar Bharat Abhiyan". The scheme aims to enhance the level of competitiveness of the present micro-enterprises in the unorganized segment of the food industry and thus, aiding the process of formalization of the sector and support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), and Producers Cooperatives along their entire value chain.

The scheme is slated for implementation from 2020-21 to 2024-25 with a total outlay of Rs. 10,000 crore and is expected to benefit 2,00,000 micro-enterprises by this credit linked subsidy. Major objectives are to increase in access to finance by micro food processing units and revenues of target enterprises, enhance compliance with food quality and safety standards by providing access to common infrastructure like common processing facility, laboratories etc. It will also focus on on-site skill training and handholding for DPR and technical upgradation.

Food processing has numerous advantages which are specific to the Indian context.

1. Employment Generation: It provides direct and indirect employment opportunities because it acts as a bridge between Agriculture and Industry.
2. Doubling Farmers' Income: With value addition through food processing, there will be a commensurate rise in the price paid to the farmer, increasing his income.
3. Reduce food wastage: NITI Aayog estimated the annual postharvest losses of close to Rs 90,000 crore. With greater thrust on proper sorting and grading close to the farm gate, and diverting extra produce to FPI, this wastage can be reduced, leading to better price realisation for farmers, e.g. frozen Safal peas are available throughout the year.
4. Boosts Trade and Earns Foreign exchange: It is an important source of foreign exchange. For example, Indian Basmati rice is in great demand in Middle Eastern countries.
5. Curbing Food Inflation: Processing increases the shelf life of the food... thus keeping supplies in tune with the demand thereby controlling food-inflation.
6. Crop-diversification: Food processing will require different types of inputs, thus creating an incentive for the farmer to grow and diversify crops.

(Kshirsagar is professor and head, Department of Food Engineering, College of Food Technology, VNMKV, Parbhani; Patil is assistant professor, Department of Food Engineering, College of Food Technology,VNMKV, Parbhani. They can be reached at rajeshkshirsagar69@gmail.com)