

An Analytical Study on Entrepreneurship Development through Food Processing Industry in Kokrajhar District of Assam

Gunajit Sarma.

Assistant Professor of Economics,
Department of Humanities and Social Sciences,
Central Institute of Technology, Kokrajhar,
BTAD , Assam -783370 , India

Introduction: In spite of having an ample prospect of entrepreneurship development in the field food processing industry sector, yet no such kind of satisfactory development is observed in kokrajhar district of Assam. It is further observed that due to lack of constructive policy guideline to be exercised by agriculture and industry department the kokrajhar district still not in a position to achieve this development. This kind of fact and circumstances warrant a careful research work on the topic referred to here. The main discussion of the paper is made only in two aspects. One is prospects and another is problem of food processing industry in concern district.

Objective of the Study:

The general objective of the study is to examine the prospect and problem of food processing industries in Kokrajhar district and thereby this industry should be established as an effective field for entrepreneurship development. To achieve these general objectives the following two specific objectives are undertaken.

- I. To highlight some bright prospect of food processing industries in Kokrajhar district.
- II. To identify some major problems which stand on the way of developing entrepreneurship in the field of these industries.

Significance of the Study:

It is a well-accepted view that a region should be developed on its available resources. In this regard, the Kokrajhar district has a wide scope for developing entrepreneurship through food processing industries. Because it is estimated that the kokrajhar district holds one of the top position in the production of various horticultural products , fruits and vegetables which can be used as input for various food processing industries. Hence, it is the right time to carry out a proper study as to how entrepreneurship can be developed through the food processing industry. This type of study will definitely provide some means and way for the overall socio-economic development of the region through food processing industries. Because development of entrepreneurship in the field of food processing industries in Kokrajhar District can fulfill the majority criteria of socio-economic development such increase employment , PCI, the formation of capital, enhance the standard of living and social peace and harmony.

Research Methodology

In the study, both primary and secondary data are used. Primary data have been collected from the offices of Gram Panchayat, local DIC office, NGO, Self-help group, State Government and Central Government offices, Block Offices, Agricultural Department etc. Secondary data have been collected from published research paper, journals, books, annual reports of research organizations and institutions, along with relevant websites.

Prospects of food processing Industry in Kokrajhar District of Assam:

Kokrajhar district of Assam is the agricultural based region. Among the subsectors of Indian Food processing Industry, fruits and vegetable industry has greater potentiality in this region. Vegetables such as potato, tomato, cabbage, cauliflower etc. and fruits like banana, mango, orange etc. have been reported to be around 20 % of the total production of the state. On the basis of these products, the region has a great potentiality to set up lots of industry like juice industry, Chips (banana, Potato) industry, biscuit industry, pickle industry etc. Juice or Beverage industry means a liquid industry that is naturally contained in fruits and vegetables. It can also refer to liquids that are flavored with these or other biological food sources. It is commonly consumed as a beverage or used as an ingredient or flavoring in foods. It is also a common practice to mix juices of different fruits or vegetables. Similarly, jelly industry means a sweet and soft food made by boiling sugar and fruit juice until it is thick. Pickle industry is a mixture of salt or water or vinegar for keeping food or a combination of vegetable that has been preserved in a solution of salt water or vinegar. Chips industry means a potato or banana chip is a thin slice of potato or banana that has been deep fried, baked, kettle cooked or popped until crunchy. These fruits and vegetable industries manufacture health food, as well as health food supplements, are rapidly improving segments of this industry, which is gaining vast popularity amongst the health conscious population of the country. Therefore this industry has the greater potentiality to develop in urban areas and it created lots of employment opportunity for the people of BTAD area. The prospect of establishing such type of industry in the district is bright. Along with this industry, there is a great scope to establish various other categories of food processing industries such as rice mill, oil mill, flour mill, bakery etc. The following are the factors identifying to develop food processing industry in the Kokrajhar district.

(I) Abundance of Raw materials:

The agro-climatic condition of the Kokrajhar district along with the state favours the growth of a variety of fruits, vegetables, and spices. In Assam agricultural productivity is satisfactory and more than 35 percent of state domestic product comes from agriculture at constant (1980-81) prices. The production of major horticultural crops in Kokrajhar district of Assam are shown in the table no : 1

Table :1 Trend of Horticultural Crops in Kokrajhar District of Assam (in Tonne)

Year and Crops	Tomato	Banana	Orange	Guava	Pineapple	Lemon	Jackfruit	Papaya	Lichi
2003-04	6996	13683	862	2727	4725	1311	9615	6078	605
2004-05	7208	16874	18	2938	4652	1380	10820	6303	650
2005-06	7858	1444	18	3124	1050	1383	3673	6048	502
2006-07	7879	18852	677	2155	1019	1395	3687	5825	515
2007-08	7879	20165	695	3432	4686	2190	4690	5753	1134
2008-09	8421	18657	741	3471	2726	2452	4803	5541	1184
2009-10	8848	20053	1017	3455	4546	2617	4905	5616	1180
2010-11	9656	20733	4451	3790	7452	2617	4905	31031	1180
2011-12	9044	23604	4547	3888	7420	2754	4974	9609	1214
2012-13	9216	21848	4774	3988	8536	3364	5925	10049	1327

Source: Report prepared by Directorate of Economics and Statistics, Assam on Area, Production, Price and Value of some Horticultural Crops in Assam from 2003-04 to 2012-13

The table reflects that most of the raw material produced by the district is basically used for the processing industry sector. There are great possibilities of establishing fruit processing (orange, Pineapple, papaya) in Kokrajhar district of Assam depending upon the local fruits and vegetables. This helps in accelerating the agricultural production and improving the socio-economic condition of the farming community. The production of different types of crops in Kokrajhar district is shown in the table -2.

Table: 2 Trend of Agricultural Crops in Kokrajhar District of Assam (inTonne)

Year and Crops	Total Rice	Potato	Rape & Mustard	Sugarcane	Wheat	Masur	MatiKalai
2003-04	119328	28335	9178	2779	2727		502
2004-05	107991	30139	10229	28880	2481		545
2005-06	130563	18575	11133	2901	3032	394	884
2006-07	112686	26172	11151	3805	3607	402	1217
2007-08	131035	24894	12832	3884	3546	381	1065
2008-09	112131	28504	8486	4567	3106	265	1617
2009-10	158273	33292	15812	6727	3416	333	558
2010-11	192738	39147	17413	5647	5876	564	1029
2011-12	185448	36474	17149	6855	4433	639	1062
2012-13	181125	69427	16243	6980	4093	675	1051

Source : Report prepared by Directorate of Economics and Statistics , Assam on State/District wise Area , Production , Price, and Value of some Major Crops in Assam from 2003-04 To 2012-13

This table showed that the entire Kokrajhar District for its agro-friendly climate and agrarian roots have the potential to be a sunrise zone for processing industry sector and other agri –business. That is why; we can conclude that such type of agricultural product is a great input for the development of such industry in this region.

(II) Availability of Human Resources:

The availability of human resource is also one of the positive factors for setting up such type of Industry. The ingenious knowledge and skill of the labour are sufficient for the food processing industry so it is available in Assam. Therefore, cheap labours are identifying one of the main strength of setting up such type of industry.

(III) Rapid Increase Demand for Process Food:

The demand for processed food is increasing due to the rise in personal income, change in life style, increasing the standard of living, social change, an increasing number of hotel, restaurant, hostel etc. Rapid urbanization, increase in the number of nuclear families, increase in the number of working women have changed a lot of habits of the Indian families. Increased literacy and rising per capita income have induced the customers to increase their spend on value-added food , which has a higher shelf life , packs greater nutritive value and takes less time to cook. Kokrajhar district became the headquarter of BTAD. Due to this reason in this area urbanization is growing very rapidly in the last 10 years. It indicates a positive sign for this industry sector. Along with these, the expansion of tourism and hotel industry has lead to the growth and development of the food processing industry. This has led to a change in consumer tastes and preferences towards processed food.

(IV) Government schemes and policies:

The Ministry of Food Processing Industries is the key central agency of the Government responsible for developing a strong and vibrant food processing sector with a view to creating increased job opportunities in the rural areas, enabling the farmers to reap the benefit of modern technology, creating a surplus for exports and stimulating demand for processed food. To create an infrastructure for food processing sector the Ministry of Food Processing Industries (MOFPI) has launched a new scheme during the 11th Five-year plan. Among these Mega Food Park Schemes, Schemes for Cold Chain, Value addition and preservation infrastructure and scheme for modernization of existing food processing units. They also are given incentives for investments and under this scheme, the government reduces the excise duty on food processing and packaging machinery from 10% to 6%, in the current budget. The government also generate a special fund of Rs2000 crore in NABARD has been created to provide affordable credit to food processing units to set up in the designated Food Parks. Under the Mega Food Park scheme in Assam mega food park is under construction at Nathkuchi area of Tihu town under the Nalbari District, under a scheme of The Ministry of Food Processing Industries (MOFPI) during 11 the Five-year plan. It carries a ray of hope to the farmers as well as to the small processors as it provides adequate infrastructure along with the value chain from the farm to the market. The park will have a central processing centre (CPC) at Nathkuchi, Tihu covering 50 acres of land supported by six primary processing centers (PPC) and 19 collection centre(CC) spread across the entire region. Instead of these, there is much organization like Central Food Technology Research Institute (CFTRI), Indian Institute of Crop Processing Technology (IICPT), Indian Institute of Packaging, National Institute of Food Technology Entrepreneurship and Management (NEFTEM) etc. are the Central Government organization ready to help this industry sector. Agricultural Processed Food Products Export Development Authority (APEDA) and North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC) have also been playing an important role in the development of this industry sector. Export promotion, organizing a buyer-seller meet and market development for agricultural commodities, processed food is undertaken by APEDA. NERAMAC assist farmers in obtaining a remunerative price for their agri-horti produces and assist small food processing units in marketing their exotic products of the region.

Problem of Food processing industry in Kokrajhar District of Assam:

Notwithstanding its immense important for social economic development as well as having ample prospect of development, the food processing industry in Kokrajhar still not in a sound position and its growth is very poor. Because these industries in Kokrajhar have been facing a lot of problems, which basically include an inadequate power supply, lack of modern technology, inefficient marketing system, devoid of entrepreneurial skill, insufficient finance etc. All of these problems stand on the way of developing the food processing industry in Kokrajhar. These problems can be described in the following way.

1. **Infrastructure Problem:** Infrastructure plays an important role in the growth of food processing industry sector. Proper and adequate infrastructure helps farmers and agri business to run their business successfully and help to deliver the goods at the right time with the right condition. In Kokrajhar district infrastructure is the main constraints in the growth of this industry sector. The lack of storage and warehouses, lack of packaging facilities and inadequate marketing infrastructure such as grading, standardization, lack of modern equipment, shortage of electricity affect this industry sector.

2. Technological issues: The technology is surrounded by many technical issues, such as advancement issues, inefficient technology, obsolete techniques, and old machinery. Lack of up to date procurement technique of raw material and non-availability of improved technology affect the growth of such industry. Due to these concerns, it has become difficult for this sector to use appropriate technologies and techniques to reduce the cost and time in operational activities. Due to this reason, they are not able to compete in the open global market.

3. Knowledge and Awareness: The poor knowledge regarding the use of the latest technologies, techniques etc. affect the informal food processing sector to work effective way and efficiently. They have very poor knowledge regarding the management of post-harvest produce, quality of the product , lack of technical formal education for processing industry sector etc. Without proper knowledge and awareness level of the latest technology, it is very difficult to capture the market of the global economy.

4. Quality issues: Quality is a very important factor in the food processing industry sector because it directly relates to the health of the people. It is very important for the supply chain to deliver fresh goods in a timely manner and in a proper quality to the customer. Quality has a strong impact on customers. In India, there is a lack of quality standards to meet international quality for export, poor hygiene and safety standards, high-quality degradation etc.

5. Financial issues: High cost and low availability of credit remain a problem because even within the priority sector, lending by banks for food processing receives only 4.5% of the ear market credit. Income of farmers is very low in the state. Like any other industry, the biggest challenge for any MSME is access to credit. Even though the industry has been included for priority sector lending, the credit facilities extended to the MSME is still lower due to the inherent risk involved with small enterprises.

6. Market Demand and Information issues: Proper information is the basis of an efficient supply chain. Without proper information regarding market demand, the supply chain cannot run successfully. In India, the small food processing industry sector have lack of information regarding the prices in the market, demand, knowledge about intermediaries etc. Poor information leads to the poor realization of the process, high amount of losses, late delivery of goods in the market, prices etc.

7. Transportation issues: Transportation plays a very important role in this industry sector. Without proper transportation, the output cannot be delivered to the customers at the right time and similarly, input also cannot reach at the proper time within the right quality. Transportation-related challenges are very high in the region because of the unavailability of well transportation mode , the high cost of transportation and well road connectivity of the region.

Conclusion :

In the light of above discussion, it can be concluded that entrepreneurship development is an effective tool for productive use of available resources of both human and material in the field of fruits and vegetable processing industries of the Kokrajhar District. Because entrepreneurship development can enhance the skill level of potential youth of the Kokrajhar Districts and to motivate them towards establishing the food processing industries of their local area. Moreover, entrepreneurship development can provide a wide scope for granting loans and advance to the trained up youth by the existing bank and financial institutions. Further entrepreneurship development can create a new market of fruits and vegetable items in the districts and abroad. So prospects of food processing industries of Kokrajhar District definitely claim immediate development of entrepreneurial skill amongst an interested new generation of the District. That is why, the present central government gives much more emphasis on the development of entrepreneurship through the various scheme, i.e. ,Make in India , Start up India etc. But for the effective implementation of the scheme, there should have a satisfactory level of awareness among the new generation and perpetual monitoring and

controlling by a concern government department in course of implementing these scheme. Moreover, the curriculum of our education system should be immediate redesign including the subject of entrepreneurship development in related branches. Along with these steps, the Central, as well as State government, can establish some Institutions exclusively for imparting education on entrepreneurship development.

References:

- (1)Dhar, P. K.(1998): *The Economy of Assam* , Guwahati :Kalyani Publishers .
- (2)Dhar, P.K(2005): *Indian Economy*, Ludhiana:Kalayani publishers.
- (3)Roy Anuradha (2010):*Food Processing* ,Jaipur: Yking Books.
- (4)Bhatnagar B and BudhirajaA(2009): *Entrepreneurship Development and Small Business Management* ,New Delhi: Vayu Education of India.
- (5)Prasad C.S. ,Mathur V and Chatterjee A. (2007):*Sixty Years of Indian Economy-1947 to 2007* ,New Delhi :New Century Publications .
- (6)Padberg D.I., RitsonC. ,Albisu L.M.(2002):*Agro –Food Marketing*, New York : CABI Publishing .
- (7)Mandal. Ram Krishna(2011):*Entrepreneurship and Rural Development in North East India* ,Guwahati :DVS Publishers.
- (8)Sudershan R.V., Rao Pratima and PolasaKalpagam (2009) : “Food Safety Research in India : a review” ,*Asian Journal of Food and Agro-Industry*, Vol 2,No 3,pp412-433.
- (9)*Food Processing in Andhra Pradesh Opportunities and Challenges—Working paper no 57, June-2004, Centre For Economic and Social Studies,Hyderabad-50016.*
- (10)S. Barghouti, E. Cromwell and A.J. Pritchard :*Agricultural Technologies For Market Led Development Opportunities in the 1990’s—Working paper* ,Hyderabad :Centre for Economic and Social studies,Hyderabad-50016.
- (11)Rao ,N.C. (2009): *Enhancing Growth and Productive Employment Linkages in the Food Processing Sector*,Hyderabad : Centre For Economic and Social Studies , Begumpet , Hyderabad .
- (12)Desai,B.M. , Gupta,V.K. and Namboodiri,N.V.(2010): *Food Processing Industries Development and Financial Performance*, Calcutta : OXFORD & IBH Publishing co. pvt.Ltd , Calcutta.
- (13)Banarjee, A.C. and Singh,S. R. (2010): *Problems and Prospects of Bodoland*, New Delhi : A Mittal Publication .
- (14) Dhiman,P.K. and Rani A.(2011):“Problem and prospect of Agro based Industries : An Analysis of Patila District” ,*International Journal of Multidisciplinary Research*, Volume 1, Issue 4.
- (15) Dhar , P.K. (2013) :*Urbanization Its Challenges and Environmental Degradation* ,Guwahati : EBH Publisher .
- (16) Mohammad ,R.Shatroopa , A. and Gary,V.W. (2014): “Food Processing Industry : Opportunity in North East Region of India” ,*The NEHU Journal* ,Vol 12 ,No 1 .

(17) Sarma , G. and Devi ,M.(2016) : “An Evaluative Study on the Prospect and Problem of Fruits and Vegetable Processing Industry in Kokrajhar District of Assam”, *Journal of Development Research* ,Vol 9 ,No 1, pp 7-14.

(18) Office of the Joint Director of Economics and Statistics, (2012), *Kokrajhar: Statistical Handbook of BTC 2011, Kokrajhar: BTC Government.*

(19) Planning and Development Department, Assam (2015): *Economic Survey of Assam, 2014-15, Guwahati: Government of Assam.*

(20) Directorate of Economics and Statistics, Assam (2015): *Statistical Handbook of Assam, 2014, Guwahati: Government of Assam.*

(21) Directorate of Economics and Statistics, Assam (2015): *State/District Wise Area, Production, Price and Value of the Major Crops in Assam from 2003-04 To 2012-13, Guwahati: Government of Assam.*

(22) Directorate of Economics and Statistics, Assam (2014): *Area, Production, Price and Value of Some Horticulture Crops in Assam from 2003-04 To 2012-13, Guwahati: Government of Assam.*

