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## **GRT** IMPEDIMENTS IN INDIAN FOOD PROCESSING INDUSTRY

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**Abstract:-** India is one in all the world's largest producers further as shopper of food product, with the world enjoying a vital role in contributive to the event of the economy. Food and food product square measure the biggest consumption class in Asian nation, with a market size of USD 181 billion. Domestically, the disbursal on food and food product amounts to almost twenty first of the gross domestic product of the country and constitutes the biggest portion of the Indian shopper spending more than a thirty first share of case. Going forward, the Indian domestic market is predicted to grow by nearly four-hundredth of the present market size by 2015, to the touch USD 258 billion by 2015. (FICCI-EY report, 2009)

**Keywords:** Impediments In India, Food Product, Food Progressing Industry

### INTRODUCTION

Food process business in Asian nation is more and more seen as a possible supply for driving the agricultural economy because it brings concerning synergism between the buyer, business and agriculture. A well developed food process business is predicted to extend farm gate costs, cut back wastages, guarantee price addition, promote crop diversification, generate employment opportunities further as export earnings. so as to facilitate and exploit the expansion potential of the world, the govt. on its half has initiated intensive reforms. a number of the key measures undertaken by the govt. include: modification of the Agriculture manufacture promoting Committee Act, rationalization of food laws, implementation of the National husbandry mission etc. the govt. has additionally printed a thought to handle the low scale of process activity within the country by fitting the mega food parks, with integrated facilities for procural, processing, storage and transport. to push non-public sector activity and invite foreign investments within the sector the govt. permits 100 percent FDI within the food process & cold chain infrastructure. The recent budget has declared many policy measures, particularly for the cold chain infrastructure, to encourage non-public sector activity across the complete price chain.

However, despite of continual efforts and initiatives of the govt. to produce the desired input to the world, process activity remains at a emerging stage in Asian nation with low penetration. At a similar time, tho' Asian nation may be a key producer of food product, having associate adequate production base for inputs, productivity levels square measure terribly low within the country. whereas Asian nation remains a high producer of food, production yield levels square measure among very cheap amongst the BRIC countries. Also, the Indian export market, at USD 13.7 billion, contains a share of just one.4% of the globe food trade. Considering the criticality of the case and also the got to befittingly address the challenges baby-faced by the world, FICCI through its internal analysis known fifteen major factors hampering the expansion of food process sector and holding it back. (Mentioned below)

- ❖ Comprehensive national level policy on food process sector
- ❖ convenience of trained personnel
- ❖ process plants with price effective technologies
- ❖ Cost effective food machinery & packaging technologies
- ❖ Constraints in staple production

- ❖ Inadequate infrastructural facilities
- ❖ Access to Credit
- ❖ Market Intelligence
- ❖ Inconsistency in central and state policies
- ❖ Lack of Applied analysis
- ❖ Adequate price addition
- ❖ Lack of specific decide to attract non-public sector investment across the worth chain
- ❖ Food safety Laws
- ❖ Weights & measures Act & Packaging goods rules
- ❖ Taxation

It is terribly pertinent to say here that the challenges for the food process sectors square measure numerous and tightened, and wish to be addressed on many fronts to derive most market advantages. a mixture of uncontrollable and governable factors has affected the expansion of the world and has acted as a hindrance in achieving its potential. The pan Asian nation survey conducted across the complete price chain reached 250 corporations and also the total of a hundred twenty five responses were received. The respondents profile accepted of the highest call manufacturers of food organizations.

#### **Inadequate Infrastructure Facilities:**

As per the survey most proportion of respondents hierarchic inadequate infrastructure because the high most concern impeding the expansion of the world accounting to forty four.25% of weighted response. The inadequate support infrastructure that is that the biggest bottleneck in increasing the food process sector, in terms of each investment and exports includes: long and fragmented offer chain, inadequate cold storage and repositing facilities, road, rail and port infrastructure. Also, lack of recent provision infrastructure like provision parks, integrated cold chain solutions, walk property, dependence on road over rail, made-to-order transportation, technology adoption (barcoding, RFIDs) and government support via incentivizing non-public public partnerships square measure a number of the lacunae that exist in offer chain & provision sector in Asian nation.

#### **• Absence of Comprehensive national level policy on food process sector:**

The food process sector is ruled by statues instead of one comprehensive policy on food process. Asian nation desperately wants a national food process policy which contains tax breaks for the world. The policy to be effective can have to be compelled to be comprehensive and adopt variety of legislative, body and promotional measures. The survey showed absence of comprehensive national level policy on food process sector because the second most crucial issue hampering Industry's growth, receiving thirty four.46% of weighted response. The respondents felt that policy ought to evolve through careful discussions between all the stakeholders across the complete price chain on pan Asian nation basis and may promote the event of viable agri-business and agro-industry models supported completely different agro-climates and regions.

#### **• Food Safety Laws & Inconsistency in State and Central policies:**

The Indian food laws comprise numerous food policies that are enacted at completely different points of your time, and square measure underneath the compass of varied ministries of state of Asian nation (GOI). traditionally they were introduced to enrich and supplement one another in achieving total food sufficiency, safety and quality. The result's that the food sector in Asian nation is ruled by variety of various statutes instead of one comprehensive enactment. This progressive approach has result in incoherence and inconsistency within the food sector restrictive situation. additionally the multiplicity of ministries and administering authorities at each the central and state level has resulted during a complicated restrictive system that's not well integrated adding an extra burden on the food business. The respondents of the survey indentified food safety laws because the third crucial issue hampering Industry's growth, receiving thirty four.46% of weighted response and Inconsistency in state and central policies because the fourth major challenges for food process sector accounting for twenty eight.08% of weighted response.

#### **• Lack of adequate trained manpower:**

Many positive developments within the food process sector have additionally resulted within the apprehension concerning the rising ability shortages thanks to couple between the demand for specific skills and offered offer. In fact, of late, shortage of sure-handed, semi-skilled and unskilled staff has emerged as a crucial issue impacting the aggressiveness of Indian food business. The FICCI survey showed that lack of adequate trained personnel was additionally a serious hindrance to the expansion of the world, accounting for twenty five.53% of weighted responses creating it as fifth most significant item of concern. At every level within the price chain, there square measure robust deficiencies in technical knowhow and support.

According to recent FICCI survey on ability demand in food process business, it's been ascertained that a

majority proportion of organizations square measure discontented with the abilities of the offered trained personnel. as an example, fifty eight of the respondents were discontented with technical skills and information required for the task. additionally seventy two showed discontent with employees' ability to use applicable and fashionable tools, equipment, and technologies specific to their jobs. except the on top of major challenges hampering the expansion of sector, the respondents additionally indentified constraints in staple production, taxation, access to credit, process plants with obsolete technologies, lack of applied analysis etc as different major challenges for the expansion of food process sector. Indian food business is bit by bit creating a vital mark within the world food arena as an outsized producer and bourgeois of agro food product. at this time little players dominate the Indian food process business. The favorable policy atmosphere and holistic approach to handle the main challenges indentified during this survey, augurs well for Asian nation, that is well on the right track to become one in all the leading food nations of the globe.

#### **Formulation of Comprehensive National Level policy on Food process-**

The comprehensive policy can guarantee non-public sector investment in infrastructure development, raised farm productivity and up gradation of quality and provides any impetus to the food process sector. the great national level food process policy would additionally guarantee institutional strengthening, capability building across the worth chain and would additionally look for to push innovation generally and technological innovation above all.

#### **• would like for Second revolution in Agriculture**

The first revolution has run its course. Cereal yields square measure rising terribly slowly, water tables square measure plunging, and agricultural growth is additionally low. Asian nation wants a second revolution that takes rice and wheat cultivators on the far side the grain production stage to agro-food process and provides price addition and would additionally solve the problem of constraints in staple procural. This high finish initiative needs commitment from all the stakeholders within the food price chain.

#### **Undertake applicable measures to handle the ability Gap Issue within the sector:**

- a) the govt. ought to portion separate allow human resource development for food process sector for enhancing and up gradation of {the abilities|the talents|the abilities} and implementation of the varied schemes for skill development. All the abilities development cells and different organizations and ministries ought to add wheel for effective implementation of the objectives set.
- b) there's a necessity for immediate adoption of ITI's by the food process business in numerous clusters across the country to upgrade the lower finish skills. The candidates once coaching may be directly used by the industry; this model is already rife in some elements of the country at atiny low scale, however currently it wants an enormous push from the business.
- c) Food process business ought to partner with few food technology/processing institutes on a pilot basis for up gradation of upper finish skills, and also the same may be replicated for additional and additional establishments. However, the govt. has to address the regulatory/policy problems to facilitate this engagement at a broader scale instead of on piece meal basis.

#### **Implementation of Food Safety and Standards Act (FSS Act)**

Government ought to make sure the social control of the Food Safety and Standards Act in spirit as well as increasing radically the amount of trained inspectors and state of the art laboratory facilities. Given the target of the FSSA and also the mandated transparency, it's necessary that the subsequent Principles square measure adopted to possess world category rules which might foster innovation and serve the interest of the shoppers at giant.

- ❖ Science ought to get the eminence.
- ❖ correct risk Assessment supported the offered science, before any standards square measure framed.
- ❖ accepted bodies like Food Authority, Scientific Panels & Scientific Committees should be given outlined tasks with specific object of rule creating.
- ❖ Public associated business participation at an early date.
- ❖ Public hearings to realize transparency.

Any adhoc and haste approach to adopt recent PFA Rules, should be avoided.

- Implementation of all the provisions of Model Act across all States/UTs. one in all the main problems holding the world back is that the non implementation of all the provisions of the Model Act across all the States/UT's. the govt. ought to guarantee speedy implementation of all the provisions of the act.

#### **• Credit Access to Food process Industries**

The Government ought to establish a commercial bank, on the lines of NABARD, to lend credit to food process industries. this can guarantee speedy disbursals of the funds to food process sector, continually grappling, with the problem of lack of access to credit from banks. Also, the state governments ought to play a chemical action role in partnership with banks, monetary establishments and technical and management establishments so little and

unorganized players become globally competitive.

**Food safety laws:**

In Asian nation multiple laws for food are enacted at completely different points of your time to supplement one another. This progressive approach has result in incoherence and inconsistency within the food sector restrictive situation. The food sector in Asian nation has been ruled by a multiplicity of laws underneath completely different ministries. variety of committees, as well as the committee of Parliament on Agriculture in its twelfth Report submitted in April 2005, have stressed the necessity for one restrictive body associated an integrated food law.

To this impact, The Food Safety and Standards Act, 2006 consolidated eight laws governing the food sector and established the Food Safety and Standards Authority (FSSA) to control the world. The Food Safety and Standards Act, 2006, aimed to integrate the food safety laws within the country so as to consistently and scientifically develop the food process business and shift from a restrictive regime to self-compliance.

However, the key drawback that business anticipates from implementation of the Act is that the initial section of disorder which will be introduced. A comprehensive study report ready for MOFPI according that majority of the laboratories in Asian nation don't have enfranchisement, and solely few laboratories square measure totally equipped to cater the domestic and export restrictive testing wants of the food business. This report emphasizes a bigger would like of personnel development and up gradation of the laboratories in terms of infrastructure and complex equipments. With the appearance of the Act which will levy serious penalties for non-conformances, a necessity for authorized laboratories is of predominant importance. business anticipates that shortage of testing laboratories and instrumentation and trained personnel would possibly hamper the implementation of the Act.

**Lack of adequate trained manpower:**

According to FICCI survey, lack of adequate trained personnel was additionally ascertained as a serious hindrance to the expansion of the world, accounting for twenty five.53% of weighted responses creating it the fifth most significant space of concern. From 2004 to 2008, there was high growth recorded within the Indian food business, from USD 141 billion to USD 181 billion, a combined annual rate of growth (CAGR) of six.4 %. Going forward, the Indian domestic market is predicted to grow by nearly four-hundredth of the present market size by 2015, to the touch USD 258 billion by 2015. These figures indicate that the world has so rapt on to a 'new' and 'higher' growth flight. These positive developments but have additionally resulted in apprehension concerning the rising ability shortages thanks to couple between the demand for specific skills and offered offer. In fact, of late, shortage of sure-handed, semi-skilled and unskilled staff has emerged as a crucial issue impacting the aggressiveness of Indian food business.

At every level within the price chain, there square measure robust deficiencies in technical knowhow and support. as compared to the quantity of analysis applied during this field, there's still a niche within the transference of this from the laboratory to the business. additionally, information flows from the educational circles or centres to the business centres of manufacture of primary or tertiary processed food. whereas at the farm level, farmers aren't aware of the kinds and temporal arrangement of crops to be taken, chemicals to be used, channel managers aren't alert to managing storage conditions and handling of the final word manufacture at the client finish.

**CONCLUSION**

The Indian food business presents a really giant chance to each neutral. this is often primarily driven by a strong shopper demand, the ever-changing nature of the Indian shopper, United Nations agency is additional aware and willing to do new products; and also the robust production base of the country. unnecessary to feature, the many gaps within the current production and delivery systems truly gift a large chance for the expansion of corporations willing to bet future during this sector.

However, the expansion of food process corporations has been sub-optimal due to high price, low level of productivity, high wastage and lack of aggressiveness of Indian food product within the world market. Therefore, to completely leverage the expansion potential of the world, current challenges that square measure being baby-faced by the business got to be properly addressed and steps got to be taken to get rid of the bottlenecks hampering the sectoral growth. FICCI survey has therefore acted as a primary step in distinctive these challenges, therefore providing a roadmap for all the stakeholders to figure on, and therefore contributive in realizing the vast potential of this business.

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