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PROBLEMS OF FOOD PROCESSING INDUSTRIES IN BIHAR WITH SPECIAL REFERENCE TO DARBHANGA DISTRICT**Anjani Kumari****D/o:- Amarnath Thakur****Moh.-Sahsupan****Po- Lalbagh****Darbhanga**

ABSTRACT :

In Darbhanga district as well as in all district of Bihar, the trend of development of food processing industries has been very slow due to a number of local and general problems. Although the state has huge processing potentials but there is lack of suitable measures to be initiated either by the government or by other agencies/institutions. The processing units are unorganized and there is presence of large number of intermediaries between producers and processors and in between processors and consumers. The demand for processed is increasing day by day both in local and outside markets. The growing processing industries have a very positive impact on income and employment in



the area. No monitoring facilities are available for the sampled processing units which cause low yield and uneconomic. In some areas, there is no interaction between the processors and farmers directly. Lack of extension and training facilities for increasing the productivity is low to the farmers.

KEYWORDS: *Food Processing Industries, Problem, Processor, Consumer, Productivity.***INTRODUCTION**

Food processing industries have a significant growth in Bihar since the introduction of new economic policy, 1991 but the same tempo could not be maintained since 2001 onward specially in our sampled commodities-oilseeds, gur, milk, and wheat. This is due to a number of constraints confronted by the industry. Firstly, the major problem is the low productivity and high input costs involved in crops like wheat, sugarcane and oilseeds and feed costs for milch animals. Secondly, the marketing infrastructure is inadequate resulting to poor linkages between farmers and the processing centres and market. In case of oil seeds, export of oils from different states depress the market of local processing units and prices of the oil. Thirdly, technical development of the flour sampled food processing industries is very poor in Bihar. in general and Darbhanga district in particular. Oils, gur and flour are mostly processed through traditional method and the same situation is for milk processing. No monitoring facilities are available for the sampled processing units which cause low yield and uneconomic. In some areas, there is no interaction between the processors and

farmers directly. Fourthly, lack of extension and training facilities for increasing the productivity as there is low yield and losses to the farmers. The processors in the area are facing the same situation. The perfect time management practices of sugarcane is not being practiced by the farmers which causes loss in percentage of sugar contents in sugarcane when it reaches to the mills and ultimately the farmers receive poor returns from their produce. For instance, the placement of sugarcane to the gur processing units takes about 24 hours, which reduces 30-40 percent of sugar content due to poor road, mode of transportation and communication facilities in the remote corner of Bihar. Delay in the arrival of sugarcane, and milk to the processing plants cause physiological disorder of the produce and reduces the quality. Therefore, timely availability of inputs to the processing units is important. This problem is mostly faced by the small farmers as well as by small processing units. Such problem is mostly found in Bihar is general and Darbhanga district in particular with regard to milk also depending on the distance from the processing units within the prescribed time if the raw materials do not reach the processing plants in time it leads to the ultimate loss in quality of products and it may thus affect the product's performance. Therefore, timely availability of inputs is important. In the total sample units, mostly small units face such problem.

A part from the above-mentioned problems, a large number of processors of Bihar state in general and of Darbhanga district in particular reported other problem also. The major problems are lack of proper credit facilities, increasing costs of production of raw materials and declining output prices of processed products and poor returns during last several years. In the recent times, there has been an increasing trained in production of processed main products and of by-products over the past decade. Although the processing of wheat and oilseeds are little affected by natural calamities, but the traders are creating artificial scarcity in order to increase the prices. During last several, years the area and production of oilseeds wheat and sugarcane more or less have remained constant but their yield have increased due to high quality production techniques adopted by farmers.

However, in case of milk due to increase in crossbreed variety productivity and production have significantly increased in the state. Hence, all the sampled commodities are found to be sufficient for the states' requirement if they are properly processed and produced. However, the scarcity is created partially due to exports and also due to the traders withholding the commodity. Low levels of education and lack of technical knowledge of processing of the sample commodities are the major constraints confronting the efficient management of units. The fixed capital investments and working capital investments in all the sampled processing units are highly needed and the processors often face problems of finance. The processors complained that while the commercial banks of the area are extending various types of loans like home loans, car loans, education loans, industrial loans, etc. at very low interest rates, but for processing units there is no such type of facilities being provided by these banks.

The processing units face a number of problems during the sale of output. The most worrying aspect is the delay in lifting the produce. The product is usually sold to wholesale traders, directly or through commissioned agents, suppliers and retail traders on the basis of contracts. Generally, these agents and processing management remain in touch with each other depending on their size and nature of business of the product. The processors are always very careful in marketing of the product and make an early arrangement for disposal of their product because delay in disposal may create losses. Some processors complain that delay in payment after taking the produce is another problem, which they have to face. This problem is also relatively high in case of small units. The commissioned agent who arranges the deal with the traders has to get money from them. As the market is imperfect, the prices of the products are influenced by several factors other than demand and supply. Hence, individual units are not able to compete in the market and they try to sell the product to the consumer directly.

Processors of gur usually demand power operated equipments for crushing sugarcane and for preparing gur. They also enumerate various types of problems in their business. First, they use to complain about suitable or skilled labour unavailability in their areas. In these area generally unskilled labourers perform this work which leads to loss in the output. The second complain is about low electric supply in their areas which use to affect production after the sun set. Third was quality of raw materials. Since last one decade the sugar content in sugarcane has been significantly declining. This causes low return from per unit of raw materials. Farmers are found not properly cutting the crop and make delay in transporting the product to the processing unit which create loss in output. The rate of sugarcane is also a problem in purchasing due to which low quality and unsuitable varieties are purchased. Generally, produced gur is of low quality so demand for this gur is not uniform during the whole of the year, which use to create problems in marketing of processed gur and as such, the desired income does not come from the business. A large number of sugarcane processors complain that transportation of inputs is a big problem for them.

In case of oil processing units oil processing is mostly done manually with traditional tools and machines. Therefore, processors are in need of new improved tools and machines for this activity. Due to traditional and manual method of extraction, full oil is not possible from the raw materials. On an average out of 3kg of mustard 1kg of mustard oil is being extracted. The filtration of this oil is not proper and hence some cake of mustard are found in the oil and thus the rate of oil decreases up to a large extent as compared to other branded oil. A number of processors also complain that as superior quality of oil is available in the market at cheaper rate, the urban people are not interested to purchase their brand of produce. Only local people are main consumers of their produce. Due to low production of mustard, there is a problem of non-availability of raw material throughout the year. Hence, only few month are peak months for oil processing and during the rest of the year only occasional processing is perform processors of oil demand and increase in production of mustered and availability of suitable oil attraction machine at reasonable rate so that they may properly perform the processing activity and generate more income from processing of oil.⁵

In case of oilseeds, we found that the large units of the district acquires raw materials from neighbour districts of the sampled area but the small units mostly depend on the retail shops available in town area, where the input market is well developed and within the reach of the processing unit and hence the input supply usually is not a problem. Majority of the sample units complained high prices of inputs (raw materials). The inclusion of tax, transport, etc. raises the prices of processed products. Processors also reported that the prices of raw materials are increasing continuously and hence the prices of processed produce are also increasing rapidly. Farmers reported that in market prices of all agricultural commodities used to increase every month and so the prices of their produce are high. However, their remunerations do not increase at a desired level. A number of processors reported that for raw materials they have to pay very high prices. However, due to lack of awareness of factors like quality of the produce, procurement of raw materials, their storage, preparation, physical control, various production processes including grinding, storage of the finished product and transportation. The quality of produce is badly affected. The big processors usually manage all things due to their money power. They buy raw materials from potential district largely growing the required raw materials in the state. However, the small processors usually buy from the farmers and shops of the nearest town area only as their requirement is low. Usually processors complain about the moisture contents of oilseeds.

PROBLEMS & CONSTRAINTS:

Delay in the arrival of sugarcane and milk to the processing plants cause physiological disorder of the produce and reduces the quality. Therefore, timely availability of inputs to the processing units is important. This problem is mostly faced by the small farmers as well as by small processing units. Such problem mostly

found in Darbhanga district with regard to milk also, depending on the distance from the processing units within the prescribed time. If the raw materials do not reach the processing plants in time it leads to the ultimate loss in quality of products and it may thus affect the product's performance. Therefore, timely availability of inputs is important. In the total sample units, mostly small units face such problem.

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A part from the above-mentioned problems, a large number of processors reported other problems also. The major problems are lack of proper credit facilities, increasing costs of production of raw materials and declining output prices of processed products and poor returns during last several years. In the recent times, there has been an increasing trend in production of processed main products and of by-products over the past decade. Although the processing of wheat and oilseeds are little affected by natural calamities, but the traders are creating artificial scarcity in order to increase the prices. During last several years the area and production of oilseeds wheat and sugarcane more or less have remained constant but their yield have increased due to high quality production techniques adopted by farmers.

FOOD PROCESSING INDUSTRIES:

Varieties of fruits, such as mango, litchi, guava, makhana, lemon, jackfruit, bale, pineapple etc. and vegetables like potato, tomatoes, cauliflowers, garlic, chilies, peas, turmeric etc. are grown in Bihar in a very large quantity. But neither the farmers are able to harness due benefit, nor does it help generation of employment. It is all because of poor pre and post harvest management and lack of availability of appropriate fruit and vegetable processing industries (FVP). The huge annual loss, amounting to 25 to 40% of the total fruits and vegetables produced, occurs on account of poor methods of harvesting and transport facilities.

Farm level pre-processing facilities such as pre-cooling facilities, cooling facilities, collection centers, grading and sorting systems, washing and cleaning facilities and pack houses, etc., are absent. These are critical to preserve quality and prevent temperature shocks immediately after harvest. Warehousing and storage system for fruits and vegetables are absent except for potatoes and a few for onions. The entire produce after harvest is immediately transported to the markets within and outside state and some to processing units mainly fruits. These deprive Bihar farmers to reap with values for their produce.

The fruits and vegetables processing segment is marked by a complete absence of cold chain along the value – resulting in quality deterioration and degradation of raw materials. Similarly, even after processing, the products are kept under minimal refrigeration or no refrigeration. A large number of these units are working on work-order for large chains and as such find that the operation margins being thin – leave no scope of either technology up-gradation or required expansion. All these have restricted the product value of Artisans and product expansion.

FRUIT AND VEGETABLE PROCESSING:

There are only 45 fruit and vegetable units in the state. Most these units are engaged in the manufacture of fruit juices, fruit pulps (excluding frozen), squashes, pickles, tomato ketchup/sauce, tomato juice, tomato puree, paste, jam/jelly/marmalades, squashes/crashes/cordials, barley waters, fruit beverages, chutneys, juice concentrate (except tamarind), etc. There are a few more units along similar lines in the unorganized sector also which are involved in minimal processing. However, the industry estimates that only about 2-3 percent of the total produce is processed.

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The fruit and vegetable processing segment is marked by a complete absent of cold chain along the value chain resulting in quality deterioration and degradation of raw materials. Similarly, even after processing, the products are kept under minimal refrigeration or no refrigeration. A large number of these units are working on work-order basis for larger chains and as such find that the operating margins being thin leave no scope of either technology upgradation or expansion. Fruits and vegetables have shown to earn 20-30 times more foreign exchange per unit area than cereals due to higher yields and higher price available in the international market.

CONCLUSION

In Darbhanga district food-processing has found to be the key to social and economic development in the area. However, the trend of development has been very slow due to a number of local and general problems. It is only in case of milk processing there has been satisfactory pace of development. It has been found that different processing units are processing about 30 percent of the total raw milk in Bihar. Although the state has huge processing potentials but there is lack of suitable measures to be initiated either by the government or by other agencies/institutions.

It has been observed that all sampled blocks engaged in processing activities of their respective sampled commodities are unable to get reasonable rates of profit due to lack of appropriate technical know-how for their business. Marketing system of processed products is very poor and ill managed. The processing units are unorganized and there is presence of large number of intermediaries between producers and processors and in between processors and consumers. The demand for processed is increasing day by day both in local and outside markets. The growing processing industries have a very positive impact on income and employment in the area.

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