



## FOOD PROCESSING INDUSTRY IN CHHATTISGARH: A VEHICLE FOR GROWTH IN ENTREPRENEURSHIP

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### ABSTRACT

*The Food Processing Industry plays an important role in the growth of entrepreneurship. This are is becoming much more promising since the food habit is changing with change is life style. The Food Processing Entrepreneurs in Chhattisgarh are satisfied with the status of Processed Food industry in the state, the Bank and financial Institution are supportive in the development of Processed Food Industry, and the raw material is easily available.*

**Key Word:** *Entrepreneurs, Food Processing, Processed Food.*

### Introduction

Indian food habit is changing with change is life style for the last few decades. This change may be due to many factors like liberalization, dual family income, nuclear family, modern kitchen, time constraints etc. The cooking style and eating habits in India varies from north to south and from east to west. Due to everyday life pressure, these days people have a preference to smart, easy and short way of cooking in place of spending much time on cooking. Non-availability, poor availability or seasonal availability of raw materials to prepare spices and tiresome process, has influenced people to choose processed food products. There is no precise marketing strategy for these products. The product portfolio is very wide. There are many people migrating from one place to other for job and education and these people have find the processed food either ready to eat or ready to cook food for convenience eating rather than depending on restaurant. Most of the dual income people want to spend much less time on cooking because of less availability of time. During weekends they want to spend time with their family and day out, whereas in weekdays heavy work load and compel them to buy processed food. Other factors are availability of different flavors and dishes. This processed food brings range to their eating's and taste, all the above factors harmonize each other in driving processed food. India is becoming hub of many multinationals national and local manufactures for processed food sector. Due to raise in literacy levels, explosion of communication technology, people are becoming more conscious of the foods they take and their decision is based on the health and wealth of resources available.(Tiwari SV. 2015)<sup>1</sup>

### Literature Review

**Food Processing Industry The Indian Scenario:** India is second largest producer of food and processed food products. India is having the biggest consumption category, with spending on food accounting for nearly 21% of India's GDP and with a market size of \$181 billion. The Indian domestic food market is expected to grow by nearly 40% of the current market size to \$258 billion by 2015 and \$344 billion by 2025 (World of Food India, 2011; Merchant, 2008).<sup>2</sup> In the economic development of India the food processing

industry has great importance. The Indian government is giving importance and supporting food processing industry as a result of which the industry is growing with good figures. (A Manual for Entrepreneurs: Food Processing Industry, 2011).<sup>3</sup>

In developing countries like India, the share of the processed food products is low compared to that in the developed markets. Non-processed food account for nearly 50% of the share. High value added products account for only 18% of the total share in India. The total size of the Indian food industry was around US \$ 220 billion in 2005. Of that, primary processed food was around US \$70 billion and the value added segment was US \$40 billion. The remaining share is accounted by non-processed food (commodity based). Annual growth rate of the industry is around 9~12%. Employs around 2 million people (as of 2005) (Deloitte, 2009).<sup>4</sup>

**Status of Chhattisgarh's Food Processing Industry:** Rice being a prominent agriculture produce, the state has more than 600 rice mills. Food processing parks in PPP mode have been proposed to be set up by the state government. In addition, 10 production clusters have been identified for setting up of processing plants. The state government has also established 25 production units for value added services such as grading, processing, waxing, extraction and distillation. These units include - 4 cashew processing units, 1 banana grading and waxing plant, 1 fruit & vegetable grading unit, 4 grading units for tomato and potato, 12 distillation units for aromatic crops, 3 aloe vera juice/gel extraction units.

Mega Food Parks (under Mega Food Parks Scheme): Ministry of Food Processing Industries (MoFPI), under its Mega Food Parks Scheme, has accorded In-principle approval to two Mega Food Park projects in Raipur district. Cold Chain Projects: MoFPI has so far sanctioned one cold chain project in the state under its "Scheme for Cold Chain, Value Addition and Preservation Infrastructure".

Industrial Policy 2009-14 of Government of Chhattisgarh covers automatic agricultural implements, tractor-based agricultural implements, sericulture, horticulture, bio-fertilizer, floriculture, pisciculture etc. under agro sector and food processing & agro based industries (excluding Rice mill) and has given this sector a priority sector status. In addition to this, a separate 'Agro & Food Processing Industries Policy-2012 has been formulated. The Policy emphasizes a cluster approach and entrepreneurship development for the food processing.

Chhattisgarh State Industrial Development Corporation (CSIDC) plays a key role in industrial development of the state, both in terms of policy formulation and infrastructure development. CSIDC is also the state level nodal agency for National Mission on Food Processing and for the schemes of Ministry of Food Processing Industries (MoFPI) in the state. Chhattisgarh State Agricultural Marketing Board is the nodal agency for agricultural marketing related initiatives in the state. State Investment Promotion Board also facilitates entrepreneurs in grounding of their projects in the state.

In Chhattisgarh, the food processing sector is in growing phase. It needs to tap the market by developing suitable marketing strategies which should be capable of succeeding over the competition with regard to existing products as well as new products. Here the study on such a subject till now is unexplored. So, there is a need for conducting an exhaustive study to review the present level of operation of existing food processing units and to devise suitable strategies for entrepreneurs to enjoy a feasible market share.

### Research Methodology

- Population: Urban and Rural area of Food Processing Entrepreneurs are considered as a Population for this study.
- Sample Size: The Total Sample Size for this study is 100 Urban and Entrepreneurs of Chhattisgarh.
- Sampling Method: Non-Probability Convenience sampling method is used for this study
- Research instrument: Structured Questionnaire (5 point Likert Scale) is used for the study.
- Data Collection Techniques: The study focuses on both primary and secondary data. Firstly the data had been collected from the secondary sources and for primary data collection questionnaire technique has been used.
- Research Design: The descriptive and exploratory research design has been used for the study.

### Hypothesis

- H<sub>1</sub> There is no significant difference in the satisfaction level of urban and rural entrepreneurs regarding status of food processing market in Chhattisgarh.
- H<sub>2</sub> There is no significant difference in the satisfaction level of urban and rural entrepreneurs regarding easy availability of credit to start food processing enterprise in Chhattisgarh.
- H<sub>3</sub> There is no significant difference in the satisfaction level of urban and rural entrepreneurs regarding availability of raw material for food processing enterprises in Chhattisgarh.

**Data Analysis**

Group Statistics					
	Area	N	Mean	Std. Deviation	Std. Error Mean
Process Food Market in Chhattisgarh is Satisfactory	Urban	71	3.4085	.90360	.10724
	Rural	29	3.5862	1.01831	.18909
Financial Institution Provides easy loans for food processing enterprise	Urban	71	3.5352	.89172	.10583
	Rural	29	3.3793	.56149	.10427
The availability of raw material are easy and convenient	Urban	71	3.5352	.85909	.10195
	Rural	29	3.4138	.56803	.10548

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Process Food Market in Chhattisgarh is Satisfactory	Equal variances assumed	.848	.359	-.860	98	.392	-.17776	.20667	-.58789	.23238
	Equal variances not assumed			-.818	46.964	.418	-.17776	.21739	-.61509	.25958
Financial Institution Provides easy loans for food processing enterprise	Equal variances assumed	8.819	.004	.872	98	.385	.15590	.17877	-.19887	.51067
	Equal variances not assumed			1.049	81.015	.297	.15590	.14856	-.13969	.45149
The availability of raw material are easy and convenient	Equal variances assumed	7.528	.007	.700	98	.486	.12142	.17344	-.22276	.46560
	Equal variances not assumed			.828	77.648	.410	.12142	.14670	-.17066	.41350

**Findings**

1. It has been found that there is a significant difference between the entrepreneur's satisfaction level with respect to the status of food processing industry in Chhattisgarh for those who are having enterprises in urban and rural area. From the evidence (Group Statistics) it is clear that the Entrepreneurs in Rural area are more satisfied with the status of food processing industry in Chhattisgarh then compare to entrepreneurs in Urban Area.
2. It has been found that there is a significant difference between the entrepreneurs with respect to the ease of credit provided by Financial Institution in Chhattisgarh for those who are having enterprises in urban and rural area. From the evidence (Group Statistics) it is clear that the Entrepreneurs in Urban area are more satisfied with the ease of credit given by financial institution in Chhattisgarh then compare to Rural Area.
3. It has been found that there is a significant difference between the entrepreneurs with respect to the Availability of raw material for food processing Industry in Chhattisgarh for those who are having enterprises in urban and rural area. From the evidence (Group Statistics) it is clear that the Entrepreneurs in Urban area are more satisfied with the availability of raw material in Chhattisgarh then compare to Rural Area.

### Conclusion

As the standard of living in the rural area is in growing state as lots of support and funding from central and state government is available to the rural entrepreneurs they are more satisfied as compared to the urban entrepreneurs. The financial infrastructure in the rural area is not adequate to meet the rising demand of credit for the food processing entrepreneurs hence urban are more satisfied. As the transportation connectivity in the urban area is more developed then the rural area the availability of raw material is easy and convenient in the urban area then the rural area

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