

# **An Analysis on Processed Food Industry in India**

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**Abstract:** *This study inspects the Commodity seriousness and Product execution of Indian Handled food Industry concerning rest of the world. The review centres around Commodity execution and seriousness of Indian Handled Food Industry during the time of 2010-2015. Send out intensity is determined with the assistance of Uncovered Relative Benefit (RCA) of five unique items gathering of handled food. Our outcomes show that one out of five items enjoy serious benefit and rest four items don't enjoy cutthroat benefit. The product which is more serious in the global market is Rice*

**Keywords:** trade execution, send out seriousness, uncovered similar benefit

## **I. INTRODUCTION**

India has an agribusiness-based economy. Around 43% of the nation's all out geological region is utilized for rural purposes. Close to two-third of the all-out work-force acquires its job through cultivating and other partnered areas. Customarily ranchers develop crops for their own utilization however presently with techno-intelligent headway taking sizeable extent of delivered harvests to the market. India is one of the key food makers on the planet, with the second arable land region. Further the nation is enriched with enhanced ago-environment conditions that give more than adequate potential to developing extensive variety of leafy foods crops across its geological spread (Rana, 1986). It is the biggest maker of milk, heartbeats, sugarcane and tea on the planet and the second biggest maker of wheat, rice, products of the soil on the planet (Kumar, 2010). India's asset base gift as far as different agricultural yields, which comprise the inventory base for things like handled leafy foods, is rich and changed. It's different ago-climatic zones and soil common in different pieces of the nation are great for growing a wide assortment of tropical as well as calm foods grown from the ground. Handling alludes to think action, which changes a ware into a more usable structure with esteem expansion. The handled food industry can be characterized as significant items like dairy items, rice, handled leafy foods, pickles and chutney and pastry kitchen items and so on. India's food handling industry is in a baby stage. About 2% of leafy foods are handled and the figure stand at 15% for milk, 6% for poultry and 26 percent for marine, as against 60-70 level of the general food creation in created nations. This is against a handling of 30% in Thailand, 70% in Brazil, 78% in the Philippines and 80 percent in Malaysia (Dev, 2004). The products of the soil cultivating for handling isn't just work serious, yet additionally upgrades the gross as well as net returns of the ranchers. History of food industry is extremely antiquated. The principal food protection industry was laid out in 1857 in India. However, in the created structure handled food protection was finished in 1927 (Bhattacharya, 1975). These days handled food industry utilizing over 1.6 million individuals and contributing 6.3 percent to the Gross domestic product, 16% to trades, 6% of absolute modern speculation. Food retail represents 26% of India's Gross domestic product and is developing at an accumulated yearly development pace of 7-8 percent. As of now, the food handling fragment holds a 32 percent portion of India's roaring food industry. Products of handled food have developed at north of 190% between 2002-03 and 2006-07, expanding from \$6.98 billion out of 2002-03 to \$20.51 billion out of 2006-07. The market size for handled food varieties is fixed at \$102 billion, with the possibility to develop by 10% to \$330 billion by 2015.

## **II. REVIEW OF LITERATURE**

Various studies have been conducted from time to time on processed food industry and its export. Brief review of important and related studies presented as below:

**Akmalet. al (2015)** broke down the construction of commodity and seriousness of Pakistan's basmati rice over the period 1987-88 to 2011-12 by utilizing uncovered similar benefit (RCA) and local uncovered near advantage (RRCA) approaches. The examination of product seriousness uncovered that the Pakistan enjoys uncovered similar benefit in

basmati trade, suggesting uncovered seriousness of exceptionally serious level as basmati stayed a predominant item of Pakistan's commodity crate.

**Sampaonthong et. al (2016)** found that few issues arise on Thai rice creation, like expense, instalment and rice dispersion at objective country. At the objective country, Thai rice has been blending in with the bad quality neighbourhood rice, in this way the first quality is tainted. Likewise, the powerless commitment from government may likewise give effect on Thai rice trade. Going against the norm, the seriousness of Thai rice incorporates innovation, creation limit and great of rice creation. The significant seriousness of Thai rice is brand faithfulness, Thai rice has notable as excellent rice up to now, in this way top notch fragment ought to be an objective for Thai rice send out market.

**Singh and Davar (2013)** examined the effect of WTO on rice send out seriousness by utilizing Blassa's Uncovered Near Benefit Record and White's Uncovered Upper Hand File in regard of Agrarian Exchange and Product Exchange the changing situation of advancement, privatization and globalization. They presumed that the rising intensity of Indian and Pakistani rice sends out is a consequence of WTO execution.

**Makama et.al (2016)** examined in the rice business that the typical ostensible security coefficient was 0.48 in this way demonstrates that Rice makers in Karnataka (India) were deprotected and the typical compelling security coefficient was 0.44 showing a high product seriousness of the India Rice. Nonetheless, the normal homegrown asset cost was viewed as short of what one (0.37) this implies that homegrown assets were productively used in the event of rice crop in previously mentioned condition of the nation and furthermore demonstrated that they enjoy relative benefit in the creation of rice crop. Every one of the pointers (NPC, EPC and DRC) were not as much as solidarity consequently a reflection that the homegrown cost of Rice in the nation is lower than the world market cost and subsequently cutthroat around the world. That's what they suggested, to work on the seriousness of Indian Rice specifically and Horticulture as a general rule, consideration should be given to homegrown market in this way justifying sponsorships on specific data sources and improvement of homegrown market execution.

**Shamsudin et.al (2011)** assessed the market seriousness of Little and Medium Ventures (SMEs) in the Malaysian Food Handling Industry (FPI) concerning specialized proficiency and efficiency development. The discoveries recommended that Specialized Effectiveness (TE) was 0.756 during the time of 2000-2006, showing that SMEs in the Malaysian food industry had the option to extend their result by 24.4 percent while utilizing similar degree of data sources. Absolute Variable Efficiency (TFP) development was negative 1.3 percent. Handling and protecting poultry and poultry items were the sub-business with the most elevated efficiency development, while assembling of tea had the least. Innovative work (Research and development), preparing and public framework were determinants that emphatically impacted the TFP development.

**Eskandari et. al (2015)** investigated that steady government strategies were named as the initial step to enter the business and the cutthroat scene. In any case, solid administration, for the deliberate and vital preparation and coordination between association units was the primary justification behind the outcome of the firm. A rich capital, to get away from the mono-item monetary, progress towards joining the worldwide contest, talented labour supply, which forestalls the creation and upgrade issues have been raised as a serious cutthroat difficulty. Notwithstanding, buyer's satisfactory quality, sensibly value which is both receptive to client interest, the other hand, receptive to the investor's capital that among the principal needs of the company's work has been perceived and it could be said, can be named, it is essential for Doorman's scale advantage. As indicated by them, the expanded creation decreased cost per unit of item because of the consistent variable expense.

### **OBJECTIVES OF THE STUDY**

1. To examinations the commodity execution of Indian Handled Food Industry.
2. To analyse the intensity of Indian Handled Food Industry for the period 2010-2015.

### **III. RESEARCH METHODOLOGY AND DATA SOURCES**

In this review, we dissect the commodity seriousness and product execution of five handled food results of Indian Handled food Industry from the time of 2010 to 2015. These five handled food items are, Handled Leafy foods Items, Dairy Items, Bread shop Items, Rice and Pickle and Chutney. Auxiliary information has been utilized for the estimation

and information for trades has been taken from APEDA. Send out Execution of each chosen handled food item has been determined as a level of complete commodity of all chosen handled food items from India. Trade portion of each chosen food item has been determined as a level of all out-worldcommodity of that item. The examination of similar benefit has been embraced utilizing Uncovered Near Promotion vantage (RCA) record of Balassa. Balassa's list of relative product execution by nation and item, characterized as a nation's portion in world commodity of a ware partitioned by its portion in complete world commodities. The list for country I and product j are determined as follows:

$$RCA = \frac{(X_{ij}/X_i)}{(X_{aj}/X_a)}$$

Where

$X_{ij}$  = Export of product j from India;

$X_i$  = Total processed food exports from India;

$X_{aj}$  = Total export of product j from the world;

$X_a$  = Total processed food exports from the world

The file of Uncovered Similar Benefit (RCA) is a proportion of product execution that shows correlation of wares of a nation's piece of the pie contrasted and the normal level of commodities of the nation in all out-world commodities. The file of RCA has an extremely straightforward translation. Assuming it takes a worth more prominent than solidarity, the nation enjoys an uncovered near benefit in that item.

**TABLE 1: EXPORT PERFORMANCE OF INDIAN PROCESSED FOOD INDUSTRY (In Percentage)**

Product Name	2010		2011		2012		2013		2014		2015	
	India Export	India	India Export	India	India Export	India	India Export	India	India Export	India	India Export	India
	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)
Pickle & Chutney	45.36	0.40	48.03	0.42	51.62	0.26	66.90	0.22	55.96	0.19	56.11	0.21
Bakery	232.58	2.07	486.36	4.20	573.05	2.89	482.20	1.60	464.63	1.55	432.70	1.59
Dairy	37.79	0.34	37.90	0.33	41.87	0.21	97.53	0.32	82.28	0.27	21.77	0.08
Fruit & Vegetable	309.77	2.75	354.28	3.06	369.81	1.87	457.17	1.52	446.52	1.49	428.05	1.58
Rice	1745.65	15.51	2466.30	21.32	6306.12	31.83	24282.04	80.48	7989.63	26.63	8242.62	30.38
Other	8923.17	79.27	8212.03	71.00	12509.52	63.15	4884.58	16.19	21044.54	70.15	17973.44	66.24
Total	11256.54	100.3	11567.00	100.3	19810.13	100.2	30172.88	100.3	30001.29	100.2	27132.92	100.0

Source: Author's own computation based on data from APEDA.

Table 1; shows commitment of every item in the all-out commodity of handled food. Pickle commitment has been diminished from 0.40% in 2010 to 0.21% in 2015. It has likewise dissected that Pastry shop commitment has been diminished from 2.07% in 2010 to 1.59% in 2015, Dairy commitment has been diminished from 0.34% in 2010 to 0.08% in 2015 and handled products of the soil commitment has been diminished from 2.75% in 2010 to 1.58% in 2015. In the last five years just rice commitment has been expanded from 15.51% in 2010 to 30.38% in 2015.

Table 2 portrays that portion of India Pickle Commodity in world pickle trade has been marginally expanded from 4.24% in 2010 to 4.36% in 2015. It has additionally dissected that Indian Bread kitchen Commodity share has likewise been expanded from 0.59% in 2010 to 1.00% in 2015, Indian Handled leafy foods trade share has been marginally expanded from 0.87% in 2010 to 0.98% in 2015 and India Rice send out share has been expanded from 8.55% in 2010 to 26.78% in 2015.

**TABLE 2: SHARE OF INDIAN PROCESSED FOOD EXPORT IN WORLD PROCESSED FOOD EXPORT (In Percentage)**

Product Name	2010		2011		2012		2013		2014		2015	
	Total Export World	Indian Share	Total Export World	Indian Share	Total Export World	Indian Share	Total Export World	Indian Share	Total Export World	Indian Share	Total Export World	Indian Share
	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)	(In Thousand MT)	(%)
Pickle & Chutney	1069.67	4.24	1078.28	4.45	1000.96	5.16	1209.80	5.53	1167.86	4.79	1286.91	4.36
Bakery	39.72	0.59	42420.16	1.15	37807.00	1.52	44127.39	1.09	40946.67	1.13	43356.77	1.00
Dairy	27891.87	0.14	28283.58	0.13	29713.92	0.14	31804.79	0.31	32581.09	0.25	33387.59	0.07
Fruit & Vegetable	35531.59	0.87	38267.29	0.93	68184.35	0.54	41526.65	1.10	40786.42	1.09	43672.06	0.98
Rice	20423.42	8.55	25172.89	9.80	26836.38	23.50	73918.02	32.85	33301.50	23.99	30779.92	26.78
Other	27891.87	31.99	28283.58	29.03	29713.92	42.10	31804.79	15.36	32581.09	64.59	33387.59	53.83
Total	124632.21	9.03	135222.19	8.55	163542.62	12.11	192586.64	15.67	148783.55	20.16	152483.24	17.79

Source: Author's own computation based on data from APEDA.

Anyway, Indian Dairy Items trade share has been diminished from 0.14% in 2010 to 0.07% in 2015.

**TABLE 3: EXPORT COMPETITIVENESS OF PROCESSED FOOD INDUSTRY**

Product Name	2010	2011	2012	2013	2014	2015
Pickle & Chutney	0.47	0.52	0.43	0.35	0.24	0.25
Bakery	0.06	0.13	0.13	0.07	0.06	0.06
Dairy	0.02	0.02	0.01	0.02	0.01	0.00
Fruit & Vegetable	0.10	0.11	0.04	0.07	0.05	0.06
Rice	0.95	1.15	1.94	2.10	1.19	1.50

Source: Author's own computation based on data from APEDA.

As demonstrated in Table 3 Rice is just a single item out of complete five results of handled food industry appreciate worth of uncovered relative benefit more noteworthy than one (RCA>1). It implies that Rice is more serious on the planet market as contrasted and the remainder of four wares. Items who's worth of uncovered relative benefit short of what one (RCA<1) are Pickle and Chutney, Bread kitchen, Dairy items and Handled Natural product and Vegetable.

#### IV. CONCLUSION

At last, it is reasoned that the rice is assuming a significant part in the commodity of all chosen handled food items in India and development in portion of all chosen handled food items is positive with the exception of dairy items. One item (Rice)out of complete five results of handled food industry appreciate Uncovered Near Benefit more noteworthy than one. All in all, we can say that main rice result of Indian Handled Food Industry performed better in world market as determined by the Uncovered Similar Benefit.

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