

Is Food Processing Industry A Promise To The Growth And Sustainability Of New Entrepreneurs In India? An Account of Evidence from the Existing Realities

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World Commission on Environment and Development was created in 1983. Popularly known as Brundtland Commission (1983)², it described sustainable development as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”. Drawing from the definition of sustainable development, Food processing industry has emerged recently as a sun rise industry and promoting entrepreneurial activities to a considerable extent. Business economists and practicing entrepreneurs are of the opinion that it is going to be a hub of new entrepreneurial activities in the near future. A strong and effective food processing sector plays a significant role in diversification of agricultural activities improving value addition opportunities and creating surplus for export of agro food products. The most important point in the food processing industry is that a substantial portion being rural based it has a very high employment potential with significantly lower investment. The fruits and vegetable farming for processing is not only employment intensive, but also enhances the gross as well as net return of the farmers. Further, food processing industry generates new demand as the farm sector for more and different agricultural outputs. On the other hand, the development of these industries would relax wage goods constraints to economic growth by enhancing the supply of their products. Post harvesting and food processing technology enhances per capita food availability from a unit arable land and other resources by preventing avoidable post harvest losses and addition value to the agro products. It also creates opportunities for employment and income generation. Rural people process their foods in different ways and for different reasons. The most obvious need for processing is to make a food edible. People also process food to reduce losses, especially in the case foods that decay quickly. Losses during storage of food stuffs can be reduced by proper pre processing. Effective storage is the best food security for the poor people. Food processing offers use value for surpluses that might otherwise be wasted. After realizing the present and future potential for enterprising activities, the present study intends to obtain empirical conformity about the scope for sustainable growth of entrepreneurial activities through food processing industry in India.

OBJECTIVES OF THE PAPER

1. To examine whether food processing industry in India can be a potential hub for the sustainable growth of new entrepreneurial opportunities or not?
2. To test whether the development of new entrepreneurial opportunities in food processing industry is activity biased or not?

Towards end of the objectives, 90 practicing entrepreneurs of food processing industry in Andhra Pradesh are selected mostly by adhering to the principles of stratified random sampling. The sample composition is as followed.

Table-1

The composition of sample practicing entrepreneurs in food processing industry

Sl.No	Type of unit	Number of entrepreneurs
1	Fruits and vegetables	37
2	Milk	7
3	Soft drinks	3
4	Fish products	13
5	Meat and meat products	2
6	Eggs	3
7	Rice	17
8	Walnuts	8
Total		90

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Source: primary data

Table-1 shows the distribution of the sample respondents by their line of activity. It is found that 41.1 percent of activities belonged to fruits and vegetables category, followed by 14.4 percent are from fish products, 18.9 percent from rice, 7.8 percent from milk, 8.9 percent from walnuts, 3.3 percent from soft drinks, 3.3 percent from eggs and 2.2 percent from meat and meat products.

MAJOR FINDINGS

Table-2

New entrepreneurial opportunity-Phenomenal growth of urbanization

Phenomenal growth of urbanization		Frequency	Percent	Cumulative Percent
	Yes	59	65.6	65.6
	No	31	34.4	100.0
	Total	90	100.0	

Source: primary data

Table-2 refers to the distribution of the sample respondents by their perceptions about phenomenal growth of urbanization as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 65.6percent of the entrepreneurs have perceived new entrepreneurial opportunities in the area of food processing industry due to phenomenal growth of urbanization and 34.4 percent of the respondents did not subscribe to this view.

Table-3

New entrepreneurial opportunity-Improved standard of living

Improved standard of living		Frequency	Percent	Cumulative Percent
	Yes	51	56.7	56.7
	No	39	43.3	100.0
	Total	90	100.0	

Source: primary data

Table-3 refers to the distribution of the sample respondents by their perceptions about improved standard of living as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 56.7 percent of the entrepreneurs have perceived new entrepreneurial opportunities in the area of food processing industry due to improved standard of living and 43.3 percent of the respondents did not subscribe to this view.

Table-4

New entrepreneurial opportunity-Increasing convenience needs

Increasing convenience needs		Frequency	Percent	Cumulative Percent
	Yes	58	64.4	64.4
	No	32	35.6	100.0
	Total	90	100.0	

Source: primary data

Table-4 refers to the distribution of the sample respondents by their perceptions about increasing convenience needs as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 64.4 percent of the entrepreneurs have perceived new entrepreneurial opportunities in the area of food processing industry due to increasing convenience needs and 35.6 percent of the respondents did not subscribe to this view.

Table-5
New entrepreneurial opportunity-Sustainable business

Sustainable business		Frequency	Percent	Cumulative Percent
	Yes	73	81.1	81.1
	No	17	18.9	100.0
	Total	90	100.0	

Source: primary data

Table-5 refers to the distribution of the sample respondents by their perceptions about sustainable business as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 81.1 percent of the entrepreneurs have expected new entrepreneurial opportunities in the area of food processing industry due to sustainable business and 18.9 percent of the respondents did not subscribe to this view.

Table-6
New entrepreneurial opportunity-Sunrise industry

Sunrise industry		Frequency	Percent	Cumulative Percent
	Yes	82	91.1	91.1
	No	8	8.9	100.0
	Total	90	100.0	

Source: primary data

Table-6 refers to the distribution of the sample respondents by their perceptions about sunrise industry as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 91.1 percent of the entrepreneurs have expected new entrepreneurial opportunities in the area of food processing industry due to sunrise industry status and 8.9 percent of the respondents did not subscribe to this view.

Table-7
New entrepreneurial opportunity-Demand potential

Demand potential		Frequency	Percent	Cumulative Percent
	Yes	69	76.7	76.7
	No	21	23.3	100.0
	Total	90	100.0	

Source: primary data

Table-7 refers to the distribution of the sample respondents by their perceptions about demand potential as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 76.7 percent of the entrepreneurs have expected new entrepreneurial opportunities in the area of food processing industry due to demand potential and 23.3 percent of the respondents did not subscribe to this view.

Table-8
New entrepreneurial opportunity-Better future

Better future		Frequency	Percent	Cumulative Percent
	Yes	61	67.8	67.8
	No	29	32.2	100.0
	Total	90	100.0	

Source: primary data

Table-8 refers to the distribution of the sample respondents by their perceptions about better future as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 67.8 percent of

the entrepreneurs have expected new entrepreneurial opportunities in the area of food processing industry due to better future and 32.2 percent of the respondents did not subscribe to this view.

Table-9
New entrepreneurial opportunity-State's initiatives

State's initiatives		Frequency	Percent	Cumulative Percent
	Yes	61	67.8	67.8
	No	29	32.2	100.0
	Total	90	100.0	

Source: primary data

Table-9 refers to the distribution of the sample respondents by their perceptions about self actualization as a determinant of new entrepreneurial opportunities in food processing industry. It is observed that 67.8 percent of the entrepreneurs have new entrepreneurial opportunities in the area of food processing industry due to state initiatives and 32.2 percent of the respondents did not subscribe to this view.

Table-10
Testing the Null hypothesis (Ho) by using Chi-Square statistic between line of activity and the determinants of the growth of new entrepreneurial activities

Sl.No	Determinants of the growth of new entrepreneurial activities	DF=7, LOS=0.05
		Line of activity
1	phenomenal growth of urbanization	Ho not rejected
2	Improved standard of living	Ho not rejected
3	Increasing convenience needs	Ho not rejected
4	Sustainable business	Ho not rejected
5	Sunrise industry	Ho not rejected
6	Demand potential	Ho not rejected
7	Better future	Ho rejected
8	State's initiatives	Ho not rejected

Source: primary data

Table-10 shows that the relationship between the line of activity and the perceptions of practicing entrepreneurs in food processing industry in Andhra Pradesh about food processing industry as a hub for the development of new entrepreneurial class and enterprising activities is found to be statistically independent except with reference to demand potential.

It is concluded that food processing industry will be an emerging sector for the growth of new enterprises and entrepreneurs as endorsed by the majority of the practicing entrepreneurs in the same field.

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