



REVIEW

## Development of Micro Food Processing Sector through Food Processing Entrepreneurship in Manipur

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ABSTRACT

Micro Food processing industry is gaining its momentum in the recent years in Northeast India and particularly in Manipur. This sector plays an important role in connecting the bridge between the agricultural production and the entrepreneurship development. The region bestows by the abundance of unique and rich agro and horticultural produce gives thrust to develop the food processing sector in the region. Government schemes and projects also add to the development of this sector and to the food entrepreneur by providing financial, technical, infrastructural and business support. The state sharing its border with the Myanmar has a significant impact on the food processing industry particularly in terms of marketing and trading aspects. Food Entrepreneurs should enhance their work on diversifying the horizons of the value added products, increasing job opportunities, marketing, training and technical skills etc. which will ultimately help in developing the Micro food processing sector in the state.

### 1. Introduction

Manipur is a small state located in the northeastern part of India between 23.800 N to 25.680N latitude and 93.03 E to 94.780 E longitudes. The state is set in an oval valley among smoky tree-clad hills and is gifted by temperate salubrious climate. Blessed with diversified natural resources and a suitable agro-climatic conditions for growth of horticultural crops, Manipur is home to some of the major and notable high value of horticultural crops suitable for processing to enhance the shelf life, processing into value added products or potential for exporting it to other states and countries. The state produces some of the best varieties of pineapple, orange, lemon, passion fruit, king chilli, bamboo shoot, mushroom, ginger, turmeric etc., which is

well known for their unique quality in India and abroad. These agro and horticultural produce can be processed and converted into a number of value added products such as Jam, jelly, squash, nectar, marmalade, candy, pickles, fruit leather and bar, instant soup mix, osmo-dehydrated products etc. So, the state has always been seen as a potential area that can give ample ground for the growth of food processing sector and adds more scope for healthy growth of food processing entrepreneurship in the region. There are adequate productions of high value horticultural crops in the region which are still to be exploited for processing and value addition and thus entrepreneurship development. The state horticultural production of major fruits, vegetables and spices during 2019-20 is 527.97

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thousand MT, 391.35 MT thousand and 27.34 thousand MT respectively<sup>[1]</sup>. This fact clearly underlines the fact that food processing sector has huge scope to grow in different areas of processing activities in the state.

## 2. Manipur as a Hub for Food Processing Sector

Manipur has a long history of offering fruits and vegetables to the deities in the worship and also in the festive seasons in their rituals and prayers ceremonies. Being known for their nutritional and health benefits, fruits are often given by the people whenever they visit the elderly in their homes or the patients in the hospitals. Thus, the importance of fruits and vegetables culturally, traditionally and in the health aspects directly or indirectly has been there in the state of Manipur from the recent time. Manipur has the potential to serve as India's 'Gateway to the East' via Moreh town, which is the only viable land route for trade between India and Myanmar and other Southeast Asian countries due to its geographical position. This is why food processing sector will play an important role in developing the fruits and vegetables processing industries in Manipur, in raising the economy of the state, also, it will give an opportunity to the young food processing entrepreneurs of the state to diversify their knowledge, skills and business in food processing sector. It will also help boost in the development of the new and micro-food processing industries, the Self-help groups (SHGs), Farmer Producers Organization (FPOs) etc., which in turn will generate employment for the youths and women folks in the food processing sector.

## 3. Food Processing Sector and Agriculture

In Manipur, micro food processing units are a growing industry that has gained traction in recent years. This industry is an important connection between the agricultural and industrial sectors of the economy. Availability of a variety of fruits and vegetables, changing lifestyle, knowledge and technologies has given a considerable push to the micro-industry growth. The food processing sector not only process the produce from the agricultural sector but also develops new methodology and practices for preserving the food, adds the necessary nutrition for the consumer health aspects, and also optimize the process parameters for the development of the new and innovative product. Strengthening this connection is important for reducing waste of agricultural raw materials, increasing the value of agricultural production by increasing the shelf life and fortifying the nutritive composition of food products, and ensuring farmers are paid fairly and consumers are able

to afford food. Manipur has steadily started producing and exporting of several Agro and Horticultural crops like Pineapple from Thoubal, Churachandpur, and Imphal East districts; Ginger from Chandel district; Turmeric from Kangpokpi district; Aromatic Black rice from Kakching district; Orange from Tamenglong district; Kachai Lemon from Ukhrul district; Kiwi from Senapati district; Bamboo shoots from Tengnoupal district; King Chilli from Kamjong district; Banana from Noney district, Coconut from Jiribam district etc., to name a few. So, these Agro and Horticultural crops from the Agricultural Sector can be processed, preserved and converted into a number of value added food products, extending the shelf life of the developed products and also selling the product during the off season which will increase the value of the product and ultimately generate higher income.

## 4. Major Constraints for Fruits and Vegetables Processing in Manipur

The state of fruit and vegetable processing in Manipur is more or less depressing, and little attention has been paid to it. The opportunity-gap can be filled to a large extent with research and extension activities in the area, with only a minor impact. Despite the high profit margins and excellent market potential of fruit and vegetable-based goods, the rural population is uninterested in this field. The policy's goal should be for growers to make more money, for the fruits and vegetable processing sector to expand in the region, and for more people to be interested in this sector. The policy's goal should be for growers to make more money, for the fruits and vegetable processing sector to expand in the region, and for more people to be interested in this sector.

For such a bleak scenario, a number of constraints have been established. The following are the major causes of slow fruit and vegetable processing in Manipur: i) A scarcity of suitable land for the cultivation of fruits and vegetables ii) A lack of understanding of the fruits and vegetable industry's enormous potential for job creation and economic development in the area. iii) A lack of understanding of the nutritional value of fruits and vegetables. iv) A lack of processing arrangements, which becomes a disincentive for output if it happens during a glut scenario. v) Fruit and vegetable products have a lower quality due to a lack of quality standards and HACCP practises. The reach of fruits and vegetable processing is limited due to a lack of knowledge / training about quality standards among consumers and sweet makers. vii) In hilly and forested areas, there is a lack of connectivity from city to city.

## 5. Government in Boosting the Food Processing Sector in the State

To ensure that this sector gets the stimulus it deserves, Ministry of Food Processing Industries (MoFPI), Government of India is implementing a number of programmes for Infrastructural development, technology up-gradation and modernization, human resource development and R & D in Food Processing Sector. Among them is the recently launched all India Centrally sponsored scheme i.e., “PM Formalisation of Micro Food Processing Enterprises Scheme” under Aatmanirbhar Bharat Abhiyan by MoFPI, in partnership with the State/UTs Governments for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The objectives under this scheme include:

- i) Entrepreneurial capacity building through technological expertise, skill acquisition, and hand-holding support services.
- ii) Existing micro food processing entrepreneurs would have easier access to credit for technology upgrades.
- iii) Farmer Producer Organizations (FPO), Self Help Groups (SHGs), Producers Cooperative and Cooperative Societies receive support across their value chain to allow microenterprises to access common services.
- iv) Support for transition of existing enterprises into formal framework for registration under regulatory framework and compliance.
- v) Integration with organized supply chain by strengthening branding and marketing.

The state government of Manipur also introduces various schemes to ensure that the micro food industry unit in the region gets the maximum support for the growth, diversifying and development of the units. The government has also taken a number of steps, such as offering various tax breaks, infrastructure improvements, and financial assistance, among other things. To encourage entrepreneurship, the government runs a variety of Entrepreneurship Development Programmes (EDPs), technical programmes and other related programmes as well. Some of the supports are:

- i) Government has allowed technology transfer in this sector.
- ii) Financial and Institutional support for new and emerging fruit and vegetable industries
- iii) Custom duty reduction on reefer trucks, food packaging machinery, food processing machinery, and other components of food related machinery.
- iv) Dairy machinery is fully excluded from Central Excise Duty.
- v) Grants for the construction of common areas in the

Agro Food Park.

The state government has also recently introduced the ‘STARTUP MANIPUR’ Schemes for the young and dynamic entrepreneurs of the state including the food entrepreneurs. This scheme gives financial assistance to the entrepreneurs to start their business of their own, flourish and to be self-reliant.

## 6. Role of Food Entrepreneurship in Food Processing Sector

Entrepreneurship plays a critical role in the state and country’s overall economic growth. Many economists believe the economic growth is only possible when there is an entrepreneurial phase. They believe that many countries are still underdeveloped as a result of a lack of entrepreneurship. Entrepreneurship boosts the availability of consumer goods, encourages capital formation, promotes the growth of local business and skills, and creates job opportunities. Small and micro-industry is a source of new jobs, and it is especially important in areas where labour is plentiful but capital is scarce. This form of feature is most commonly seen in urban areas. As a result, small and micro- food industrial development can help to increase the employment in urban as well as in the rural areas.

## 7. Drivers of Food Processing Entrepreneurship

In the coming years, the food processing sector has the potential to be a major driver of India’s growth as well as entrepreneurship. Without an increase in the number of entrepreneurs and entrepreneurship, an economy will inevitably slow down. Entrepreneurship is critical to the development of rural areas as well as the overall economy of the country. Entrepreneurship is the source, not the result, of economic development. India has access to a variety of natural resources, giving the food processing industry a competitive edge. The five main drivers found for food processing entrepreneurship can be divided into five categories:

a. Favourable Conditions and Competitive Edge in Food Processing

Manipur has a diverse range of raw materials as a result of its favourable climatic conditions, which encourages entrepreneurship in the food processing sector and offers a wide range of opportunities.

b. Increasing Consumers Spend on Ready-to-eat Item and Processed Food

Consumers’ per capita income is rising every day, and they are spending more on food products. Consumers are demanding higher quality food items and spending heav-

ily on them as their knowledge and consciousness about health grows. The factors that drive entrepreneurship in this region are mentioned below. i.) An increase in disposable income per household leads to an increase in per capita food consumption expenditure. ii.) Increased intake of processed foods, both primary and secondary. iii.) Agro-products, fruits, and vegetables account for about half of the total consumption basket.

c. Increasing Food Retailing in Manipur

The retail food market is rising at a robust pace of 30-35 percent per year, fuelled by huge opportunity and evolving lifestyles. Various outlets and retail formats are expanding, drawing entrepreneurs looking to sell their wares in the market. The following are some of the factors that are propelling entrepreneurship and providing enough opportunities: i.) The number of outlets is growing. ii.) Food retailing is becoming more common in Manipur. iii.) Well-known brands are looking to extend their geographic reach and capitalize on backward linkages. Brands like Vishal Mega mart, Domino's Pizza, Subway, KFC, Vadilal etc. iv.) Growing retail business of food.

## 8. Challenges for Food Processing Sector in Manipur

Food processing sector in spite of being projected as having ample opportunities in the state is actually facing numerous constraints. Lack of surplus production, scattered distribution of produces in large marginal holdings, lack of advanced processing machinery and technologies, unavailability of skilled manpower, inadequate R&D activities, lack of training facilities, inefficient supply chain connected with weak strong backward and forward linkages, unorganized production system, weak marketing support, inadequate support infrastructures like pre-processing facilities, warehouses, cold storage, advanced food testing facilities, transportation bottlenecks and inefficient implementation of government projects in a time bound manner are the real challenges. Generation of surplus produce to run processing units in a suitable manner, integrating the scattered produces and producers in the efficient supply cum value chain, creating basic pre-processing infrastructure, ensuring advanced R&D support, creating skilled manpower base, marketing and quality control support and effective implementation of government schemes are the key factors for the success of Food Processing sector in the state <sup>[2]</sup>.

## 9. Conclusions

Manipur Micro food processing sector is a fast growing industry and provides an ample and promising opportu-

nity for the young and women food entrepreneurs in the state. Regardless of the abundance of the unique and quality raw materials, the geographical location of the state, and the favourable climatic conditions, the food entrepreneurs are facing a lot of challenges in the food processing entrepreneurship which are hindering the economic and viable processing units. Lack of government funding, raw material quality and quantity, seasonality, insufficient infrastructure, access to cutting-edge technology, limited access to credit, a lack of export support, a lack of qualified manpower, insufficient training methods, and wastage are all serious challenges for food processing entrepreneurship that are affecting the growth of food processing sector in the state.

To overcome these obstacles, the government must properly address and take measures to promote the growth of food processing entrepreneurs, such as through training programmes, favourable legislation, favourable initiatives/schemes, financial assistance, and infrastructural improvements, among other things.

Food Processing Entrepreneurship must concentrate on improving the shelf life of agro and horticultural produce, developing new and innovative products, adding value to the product, reducing waste, rising worker wages, and expanding job opportunities for the general public, all of which contribute to the growth of the food processing sector and the state's economy <sup>[3]</sup>.



**Figure 1.** Women folks participating in the different Food Micro-enterprises and SHGs in Manipur

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