

# Food Processing Industries: India, an Exciting Venue

by R C Rajamani

EVER since India embarked on a new philosophy of economic liberalisation in 1991, perceptible changes are taking place in every sector of economy, particularly in agriculture and industry. Being predominantly an agriculture country, India provides an excellent base to provide raw material for most of the processing industries. As a result of liberalisation of economic and investment

policies, it has been possible to cut down the red-tape to the minimum thus providing a very congenial atmosphere for industrial development. There is an attitudinal change also at every level.

Though the share of agriculture in GDP has come down to one third over the years, agriculture continues to provide direct employment to 64% of the Indian population. About 74% of the population lives in rural areas, where agriculture is virtually the only occupation.

The government is committed to providing a thrust to food processing and other agro-based industries in an endeavour to increase the income of farmers, create employment opportunities, diversify the rural economy and foster rural industrialization.

This sector is recognized as the one that can play an important role in improving agricultural productivity, reducing wastage of fruits, vegetables and other perishable food items and improving food availability, both for the domestic market and for exports.

The country is endowed with an excellent agro-climatic conditions congenial for the production of large varieties of fresh fruits and vegetables. The estimated production of fruits is 30 million tonnes and of vegetables about 58 million tonnes. The country has the distinction of being world's largest producer of fruits, recently overtaking Brazil. It ranks second in vegetables after China.

While the production base of the country is very large the processing sector has not been able to make use of the raw material available to the extent possible. This has resulted in colossal post-harvest losses estimated at rupees 6800 crores annually.

The environment is however changing, and it is possible to overcome many of these constraints in the current altered scenario.

For example, the problem of low yields and variations in quality of raw materials has been successfully tackled through contract farming; the import of capital goods is freely allowed; technology imports have been liberalized; foreign investments in packaging for the food processing industry are encouraged; the import of capital

goods, spares, packaging material and other inputs required for export production can take place on a duty free basis, or at concessional rates of duty.

These changes have opened up opportunities for a more rapid development of this sector.

All food processing industries (other than milk food, malted foods and flour, and a few items reserved for the small-scale sector) are included in the list of high priority industries eligible for automatic approval.

Foreign investment proposals which do not come under the category of automatic approvals, are also considered on merit and a fast track clearance is provided by a high-powered Foreign Investment Promotion Board (FIPB). Automatic approval also extends to foreign technology agreements.

There are no requirements for obtaining industrial licences for setting up or expanding capacity in a food processing industry, provided that the unit is not located within 25 kilometers of the periphery of the standard urban area limits of a city with a population of more than 1 million, as shown by the 1991 Census. But there are licensing requirements in the case of distillation and brewing of alcoholic drinks and manufacture of sugar, animal fats and oils.

The government has a specific policy for the encouragement of deep sea fishing, and policy guidelines for licensing additional capacity in the case of sugar mills, beer, portable alcohol and alcoholic drinks.

A number of processed food items and alcohol have been identified as thrust areas for exports (shrimps, meat, tomato, paste products, tropical fruit juices, pulps and concentrates and preserved mushroom).

Following the exchange rate adjustments since 1991 and the introduction of an unified exchange rate in early 1993, Indian exports of processed food items have become extremely price competitive and exported items fetch attractive prices in rupee terms. In addition, export profits are exempted from income tax and duty free imports are available through the advance licensing scheme.

## Insat-2C

Continued from page 17  
take care of both contingencies. However, the maximum pointing errors permissible for the co-located Insat-2 satellites has been found to be 0.2 degrees in the pitch and roll axis, and 0.4 degrees in the yaw axis. In actual practice, 0.2 degrees or better have been achieved even for the yaw axis in the Insat-2A and 2B satellites.

Accurate station keeping

becomes even more critical with co-located satellites. Since these satellites will provide operational services routinely, corrections to the satellite's orbit and orientation have to be carefully synchronised. At the same time, it is also necessary to ensure that the two satellites do not collide.

A large number of simulations studies have been completed to analyse various problems which could arise and to find ways of handling them. A good deal of opera-

tional software has been developed to predict the relative motion of co-located satellites and to evolve orbit control strategies to avoid collision. With manoeuvres having been tested on the Insat-1D, Insat-2A and 2B, ISRO is confident of being able to co-locate satellites.

Insat will not be the first operationally collocated satellites. Societe Europeenne des Satellite (SES), a privately owned Luxembourg based consortium, put the Astra 1A

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A close-up of the new primary grade distillation tower and furnace at HPC's Bombay Refinery

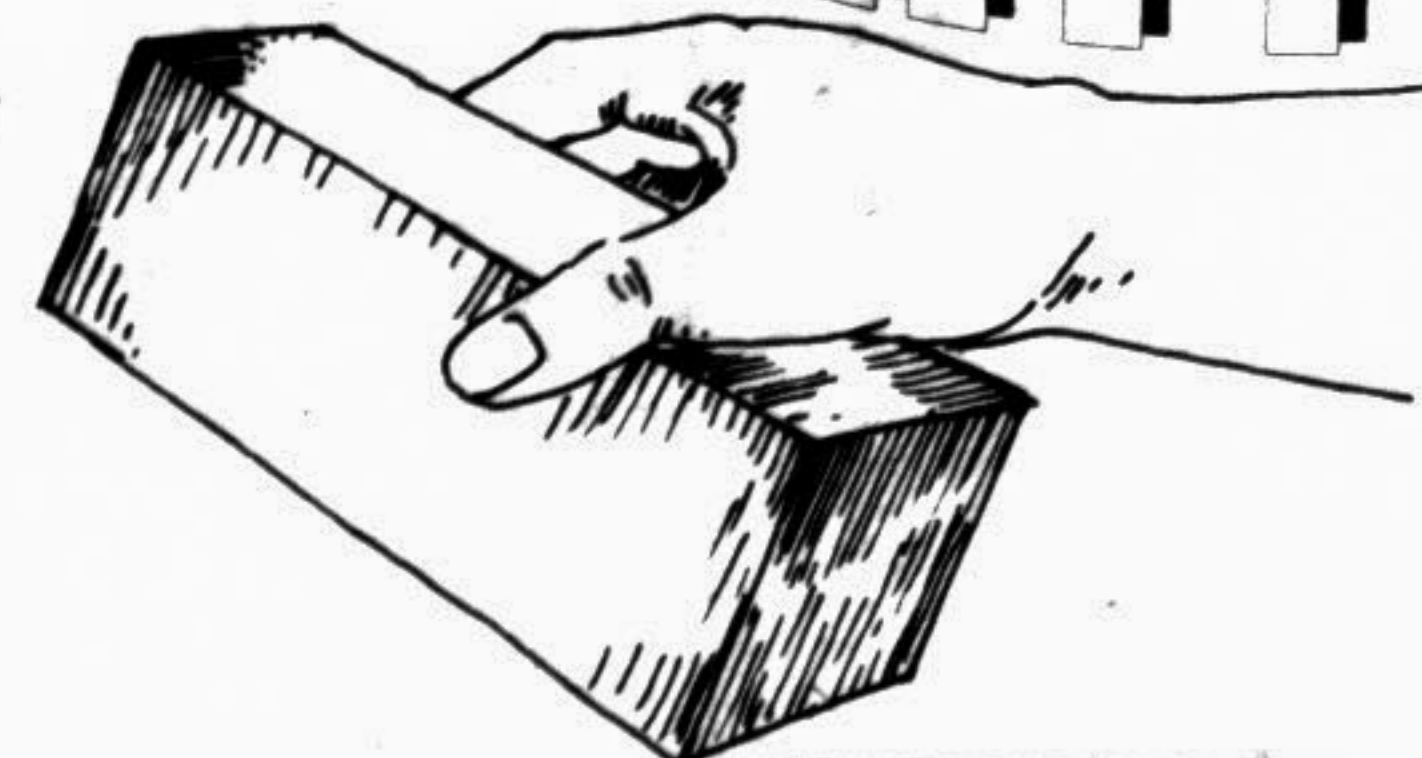
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