CHAPTER - 4

PROFILE AND PROSPECT OF FOOD PROCESSING INDUSTRY OF ASSAM

DEFINITION OF FOOD PROCESSING INDUSTRY

VARIOUS TYPES OF FOOD PROCESSING UNITS OF ASSAM

DISTRICT WISE ANALYSIS OF FOOD PROCESSING UNITS OF ASSAM

PROSPECTS OF FOOD PROCESSING UNITS IN ASSAM
DEFINITION OF FOOD PROCESSING:

The term 'Food Processing' covers all the processed edible items may it be agro processing, meat processing or dairy products. The processed food sector covers a wide spectrum of product which includes Rice mills, Atta chakkis, Supari making units, Bakeries, Oil mills, Noodles making, Fruit and vegetable processing units. Meat processing, Spice grinding, Confectionery, Sea food, Extruded foods & Soft drinks. However there is no prescribed government guideline (as per the Ministry of Food Processing Government of India) regarding the definition of the term 'Food Processing'. So far as the administration of different edible products are concerned, earlier the whole spectrum of edible processed products were under the control of Ministry of Agriculture (including food processing) but now different departments are sub-divided which has been entrusted with the control & administration of different products of which food processing is one which comprise of fruit and vegetable products. Likewise, Dairy products are under the control of the Department of Animal Husbandry. Therefore different products are under the control and administration of different departments.
VARIOUS TYPES OF FOOD PROCESSING UNITS OF ASSAM:

Assam is an agricultural state. Its unique geographical and climatic condition has endowed this land with a wide range of raw materials for the food processing industry. The climate of Assam is also suitable for the processing of edible items. But the growth of the units are not evenly distributed throughout the state. In some districts units processing certain items are yet to be started. The table 4.1 shows the district wise analysis of the various food processing units.

TABLE 4.1
DISTRICT ANALYSIS OF FOOD PROCESSING UNITS OF ASSAM SINCE INCEPTION TO 31. 3.1998.

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(Source: Directorate of Industries, Govt of Assam)

From the table it can be easily understood that the growth of the units are not evenly distributed in all the districts. For example, fruit and vegetable processing which constitute a unique position in the field of food processing is yet to be started in the districts of Cachar, N.C.Hills, Kokrajhar, Barpeta, Bongaigaon, Dhemaji, Hailakandi, Morigaon etc.

Out of the total 3139 food processing units in Assam there are 1310 Rice mills, 495 Atta chakkis, 45 Supari units, 276 Oil mills, 579 Bakeries, 87 Fruit and vegetable units, 23 Noodles making units, 40 Ice making units, 8 Tea packaging units, 21 Bhujia & Dalmug units, 83 Spice grinding units, 3 Meat processing units, 8 Confectionery units, 126 Modern Atta Chakkis and 35 Other food processing units.
DISTRICT WISE ANALYSIS OF THE FOOD PROCESSING UNITS OF ASSAM:

CACHAR DISTRICT:

The Cachar district situated in the Barak valley region of Assam has a very scanty number of food processing units. The district has 4 Rice mills, 1 Atta chakkis, 4 Bakeries, 3 Ice making units, 2 Bhujia and Dalmug units, 13 Spice grinding units and 21 Modern Atta chakkis. The total number of food processing units in the districts stands to only 49. Certain items of food processing are to be started in the Cachar district. These are Supari units, Noodles making, Oil mills, Fruit and vegetable Tea packaging, Meat processing and Confectionery.

N.C.HILLS:

The North Cachar district of Assam with its Capital Halflong has a very small number of food processing units. The total number of food processing units in the district is only 31. Of these, there are 6 Rice mills, 2 Atta chakkis and 23 Bakeries. Other branches of food processing such as Fruit and vegetable processing, Supari, Oil mills, Noodles; Tea packaging, Spice, Meat processing etc, are yet to be started.
in the district. The hilly district of Assam has a tremendous supply of horticultural products which may be used as raw materials for the fruit and vegetable units. But there is not a single fruit and vegetable unit in the district at present.

However, in the year 1973, the Assam Hill Industries Development Corporation had started a fruit and vegetable processing unit under the brand name kaanch (KAANCH) at Jatinga, N.C. Hills. But the unit today have closed down. The production has been totally stopped. The factory shed have today become a haunted one without any human being visiting it.

The reason behind the failure of kaanch is that in the year 1973 when kaanch was started the price of raw materials locally available was very low. But gradually when production gained its momentum and the unit began to flourish the farmers and local cultivators supplying the raw materials raised the prices of raw materials. As a result, the cost of production become very high. So this was one of the root causes for failure of kaanch brand.

Moreover, there was also some sort of mismanagement in the Assam Hill Industries Development Corporation. Thereafter neither the government nor AHIDC has taken any step for revival
SONITPUR:

The Sonitpur district in the middle Assam has a fairly good number of food processing units in comparison to the previously mentioned two districts. The district has a total of 315 food processing units. Out of these, there are mostly rice mills which stands 148 in number. Next in line are 18 Atta chakkis, 73 Bakeries, 27 Oil mills, 2 Fruit and vegetable processing units, 4 Ice making units, 5 Spice grinding units, 2 other food processing units and 36 Modern atta chakkis. The district does not have any Supari, Noodles, Tea packaging, Bhujia & Dalmug, Meat processing & Confectionery units.

GOALPARA:

The Goalpara district of Assam has 110 Rice mills, 35 Atta chakkis, 3 Supari units, 89 Bakeries, 21 Oil mills, 2 Fruit and vegetable processing units, 2 Ice making units, 1 Spice grinding unit and 1 Modern Atta chakki. The total number of food processing units in the district stands to 264. Other units like Noodles, Tea packaging, Meat processing, Bhujia and

23. Directorate of Industries, Govt. of Assam.
Dalmug, Confectionery are yet to be started in this district.

**KAMRUP:**

The Kamrup district of Assam in which Guwahati the capital city of the state is situated has the second highest number of food processing units in the state. The number stands to 440. The district has almost every type of food processing except tea packaging and Meat processing. There are 149 Rice mills, 39 Atta chakkis, 9 Supari units, 116 Bakeries, 48 Oil mills, 14 Fruit and vegetable processing units, 9 Noodles making unit, 1 Ice making unit, 8 Bhujia and Dalmug units, 18 Spice grinding units, 3 Confectionery, 21 Modern Atta chakki & 5 other types of food processing units.

**LAKHIMPUR:**

The Lakhimpur district of Assam has 162 food processing units. Out of this, there are 99 Rice mills, 7 Atta chakkis, 29 Bakeries, 14 Oil mills, 6 Fruit and vegetable processing units, 1 Ice making units, 1 Bhujia and Dalmug unit, 1 Spice grinding unit, 3 other units and 1 Modern Atta chakki. Other type of food processing units such as Supari, Noodles, Tea packaging, Meat processing, Confectionery are absent in the district.
KARBI ANGLONG:

Karbi Anglong which is a hill district of Assam has only 56 food processing units. Out of these, there are 35 Rice mills, 4 Atta chakkis, 7 Bakeries, 8 Oil mills, 2 Fruit and vegetable units. Other types of food processing units such as Supari, Noodles, Ice making, Tea packaging, Bhujia & Dalmug, Spice grinding, Meat processing, Confectionery, Modern Atta chakkis are yet to be started in the district.

NAGAON:

The Nagaon district in the middle Assam has the highest number of food processing units in the state. The number stands to 482. Except Noodles, Tea packaging and Confectionery the district witnesses all types of food processing units. There are 288 Rice mills, 72 Atta chakkis, 8 Supari units, 22 Bakeries, 48 Oil mills, 17 Fruit and vegetable processing units, 3 Ice making units, 3 Bhujia and Dalmug units, 7 Spice grinding units, 1 Meat processing unit, 11 Modern Atta chakkis and 2 other units.

SIBSAGAR:

Sibsagar district has a total number of 215 food
processing units. Of these, there are 110 Rice mills, 33 Atta Chakkis, 33 Bakeries, 16 Oil mills, 12 Fruit and vegetable processing units, 2 Noodles unit, 2 Ice making units, 4 Spice grinding units, 2 Modern atta chakkis and other type of food processing unit. The district does not have Supari, Tea packaging and Confectionery units.

**DIBRUGARH:**

The Dibrugarh district in the Upper Assam has a total of 207 food processing units. Of these, there are 63 Rice mills, 41 Atta chakkis, 1 Supari unit, 30 Bakeries, 16 Oil mills, 9 Fruit and vegetable processing units, 6 Noodles making units, 1 Ice making unit, 3 Tea packaging units, 1 Bhujia and Dalmug unit, 6 Spice grinding unit, 1 Meat processing unit and 29 Modern atta chakkis. The district does not have any confectionery unit.

**KOKRAJHAR:**

The Kokrajhar district of Assam witnesses a total of 71 food processing units. Out of these, there are 19 Rice mills, 24 Atta chakkis, 12 Bakeries, 12 Oil mills, 2 Fruit and vegetable processing units and 2 Noodles making units. Other units like Supari unit, Ice making, Tea packaging, Bhujia and
Dalmug, Spice grinding, Meat processing, Confectionery and Modern atta chakki are totally absent in the district.

**DHUBRI:**

The Dhubri district has a total number of 162 food processing units. The district has 21 Rice mills, 100 Atta chakkis, 2 Supari units, 17 Bakeries, 9 Oil mills, 2 Noodles making units, 4 Ice making units, 4 Bhujia and Dalmug units, 1 Confectionery, 1 Modern atta chakki and 1 Other food processing unit. The district does not have any Fruit and vegetable processing, Tea packaging, Spice grinding and Meat processing unit.

**DARRANG:**

Darrang district has got 32 Rice mills, 17 Atta chakkis, 3 Supari units, 9 Bakeries, 8 Oil mills, 1 Fruit and vegetable processing unit, 1 Bhujia and Dalmug unit, 1 Spice grinding unit, 1 Modern atta chakki and 1 Other type of food processing unit. The district does not have any noodles making, Ice making, Tea packaging, Meat processing and Confectionery units.
KARIMGANJ:

The Karimganj district situated in the Barak valley of Assam has a total number of 65 food processing units. There are at present 17 Rice mills, 1 Atta chakki, 21 Bakery units, 4 Oil mills, 13 Fruit and vegetable processing units, 2 Ice making units, 4 Spice grinding units, 1 Confectionery, 1 Modern Atta chakki and 1 Other type of food processing unit. Supari, Noodles, Tea packaging, Bhujia and Dalmug & Meat processing units are yet to be started in the district.

BARPETA:

The Barpeta district of Assam has 134 food processing units of which there are 54 Rice mills, 21 Atta chakkis, 5 Supari units, 26 Bakery units, 21 Oil mills, 2 Ice making units, 4 Spice grinding units and 1 Confectionery unit. Fruit and vegetable processing, Noodles, Tea packaging, Bhujia & Dalmug, Meat processing, Modern Atta chakki are yet to be started in the district.

JORHAT:

The Jorhat district has a total number of 201 food processing units. These units comprise of 9 Rice mills, 47
Atta chakkis, 29 Bakeries, 19 Oil mills, 1 Fruit and vegetable unit, 4 Ice making units, 1 Bhujyia and Dalmug unit, 3 Spice grinding units, 5 other type of food processing units and 1 Modern Atta chakki. The district does not have any Supari, Noodles, Tea Packaging, Meat processing and Confectionery units.

NALBARI:

The Nalbari district has 45 food processing units which consist of 26 Rice mills, 1 Atta chakki, 1 Supari unit, 8 Bakeries, 4 Oil mills, 1 Fruit and vegetable units, 3 Ice making units, 1 Meat processing units. Noodles, Tea packaging, Bhujyia and Dalmug, Spice Grinding, Confectionery, Modern Atta chakki are totally absent in the district.

BONGAIGAON:

There are 21 food processing units in the Bongaigaon district of Assam. Of these, there are 3 Rice mills, 7 Atta chakkis, 2 Supari units, 6 Bakeries, 1 Noodles making unit, 1 Ice making unit and 1 Spice grinding unit. There are no oil mills, fruit and vegetable processing, confectionery, modern atta chakki, Tea Packaging, Bhujyia and Dalmug and Meat processing units in the district.
DHEMAJI:

The Dhemaji district in the Upper Assam has got the lowest number of food processing units in the state. The total number of such units are only 12. Except 4 rice mills, 1 Atta chakki, 2 Supari units, 4 Bakery units and 1 Ice making unit, the rest of the types of food processing units i.e. Oil mills, fruit and vegetable processing units, noodles, tea packaging, bhujia and dalmug, spice grinding, meat processing, confectionery and modern atta chakki are absent in the district. One of the reasons for the lowest number of food processing units in the district is that the district is visited by severe floods every year which disturbs its normal life and also spoils the agriculture which creates difficulty in the setting up of the food processing units. Moreover, the flood also causes serious problems in the transport system of the district. Dhemaji district often remains cut off from the rest of the country during floods.

HAILAKANDI:

The Hailakandi district situated in the Barak valley region of Assam has a very scanty number of food processing units which stands to 27. The district has 3 Rice mills, 3 Atta chakkis, 9 Supari units, 5 Bakeries, 1 Ice making unit, 4 Spice
grinding unit and 2 Other units. Oil mills, Fruit and vegetable processing, Noodles making, Tea packaging, Bhujia and Dalmug, Meat processing, Confectionery and Modern Atta chakki are yet to be started in the district.

**MORIGAON:**

The Morigaon district also has a very scanty number of food processing units. The number stands to 20. Except 17 rice mills, 2 confectionery and 1 other type of food processing unit, the district does not have any other food processing units. The district does not have any Atta chakki, Supari, Bakery, Oil mills, Fruit and vegetable processing units, Noodles, Ice making, Tea packaging, Bhujia and Dalmug, Spice grinding, Meat processing and Modern Atta chakki.

**TINSUKIA:**

The Tinsukia district in the Upper Assam has 52 food processing units. Of these there are 5 rice mills, 15 Atta Chakkis, 9 Bakeries, 1 Oil mill, 2 Fruit and vegetable processing units, 1 Noodles making unit, 2 Ice making units, 5 Tea packaging units, 6 Spice grinding units and 6 other types of food processing units. The district does not have any Supari, Bhujia and Dalmug, Meat processing, Confectionery and Modern Atta chakki.
FIG. 4.1: Map of Assam showing the districts having / not having fruit & vegetable processing units.
PROSPECTS OF FOOD PROCESSING UNITS IN ASSAM

1. With the changing culture and social habits the prospects for setting the food processing units in Assam has increased a lot. Though earlier it was seen that except a few urban areas the consumption of processed food was hardly found in any parts of the state. But today the whole scene have changed. At present with the change in the culture and standard of living of the people both in the urban and rural areas the consumption and buying of processed food from the market have increased a lot. Though earlier most of the women folk spent most of their time in kitchen preparing food in the indigenous way yet with the change in the social and cultural conditions more and more women both in the urban and rural areas have occupations other than household services and therefore they spend most of their time in offices and business establishments and as such the demand of processed food available in the market have increased a lot. Besides this, in modern times life is becoming fast not only in urban areas but also in the semi urban areas and to some extent in the rural areas too. This also results in increased demand of processed food available in the market. In any seminar, workshop or conference in the semi urban areas the serving of fast food inevitably includes processed food too. The age old habit of preparing indigenous item as tiffin for
school children has now been replaced by the items of processed food. Even the outings, picnic and pleasure trips seasonally increases the demand for processed food items.

2. The consumption of processed Baby food available in the market have not only increased in the urban areas but also in the rural areas. The old method of feeding the babies of the rural areas with rice powder ground by pedal tooth have gone. Today with the socio-cultural change and rise in the standard of living of the people and with the fast life and increase in number of working women in both towns and villages, the consumption of instant baby food have increased a lot. This is also because people are becoming very conscious towards nutritious food items available in the market.

3. Assam is an exchequer of the various raw materials required by the food processing industries. Assam is an agricultural state. The rich alluvial soil of the region not only produces rice, wheat but also various horticultural crops which serve as raw materials to the various food processing industry. Since the supply of raw material is in abundance the cost of production is also quite low. Moreover due to the availability of raw materials within the state the cost of transportation of bringing the raw materials to the place of production is also quite cheap. Furthermore, due to the abundance of raw
materials the manufacture of wide range of products to be manufactured can be chosen. In this context, mention can be made of the fruit and vegetable processing which is restricted only to a few items. There is a vast potential to exploit minor fruits in the region.

4. The climatic condition of the state is also suitable for food processing.

5. The equipment and machinery required by the food processing industry is not very costly and are available within the country itself. These are mostly procured from the eastern region of the country. Some of the equipments are also available within the state. The procurement of such equipments and machines do not demand a complicated procedure and the cost of transportation is also not very high. Moreover, the machinery and equipments required are easy to maintain and are simple.

6. Food processing units do not demand high technical expertise and also very high qualifications on the part of the entrepreneur. Most of the entrepreneurs of the food processing units are locally trained by the DIC, I.I.E, SISI for a short period and are doing quite well in this sector.
7. Both the Central and the State government have made food processing as one of the thrust areas of development. Large number of incentives and facilities are given by the government in this sector. The centre had sanctioned an amount of Rs. 21.41 crores for the various food processing industries in the seven north eastern states during the eight plan of which Assam have received the highest amount of Rs. 11,84,78,000\(^{24}\). Moreover, in the ninth plan (1997-2002) many incentives and facilities are given to the food processing industries of the state. During the first two year of the 9th plan the amount of assistance provided to the whole food processing sector throughout the country stands to Rs. 48 crores which though seem to be a small figure but have generated projects of the value of an estimated Rs.1100 crore\(^{25}\). Furthermore, the government have increased the rate of subsidy upto 35% in case of food processing industry\(^{26}\). Many loans, subsidies and grants are given to the food processing sector of the north-east including Assam. Moreover the government have announced seven years tax holiday for the food processing units in the state of Assam.

8. The food processing industry requires cheap labour which is available within the state itself. The industry does not

\(^{24}\) The Assam Tribune Daily, Dated 16 June, 1997.
\(^{25}\) Bhatnagar P.S., (Secy., Food Processing Department, Govt. of India.); Food Processing Industry: A Sunrise Sector; Employment News. March 2000. pp. 11-17.
\(^{26}\) Directorate of Industries, Govt. of Assam.
demand highly skilled labour. Most of the labour of such industry are semi skilled and unskilled who receive training on the job from the entrepreneur. For example in case of fruit and vegetable processing labourers are mostly engaged in doing the cutting work which could be done even by a layman, other works like chopping, grinding, juice extracting being done by the machines.

9. The space required in the food processing unit are relatively smaller than any other units. Most of the units are started by the entrepreneurs in their own household. Though it causes a bit of difficulty but however production could be carried out in a minimum space which is seldom possible in any other industry.

10. It has been found from the field study that the units often fail to supply the products to meet the local demands. Therefore the viability of the units will increase by tapping the local market. Besides this, bright export potentials are also seen in this sector. Here mention can be made of the different food processing products which receive a very good public response in the fairs and exhibitions outside the state as well as outside the country.

11. The cost of investment in food processing industry is
also very low compared to other industry. Moreover, the technology adopted in this industry is also very easy.

12. The large scale expansion of tourism and hotel industry in the entire north eastern region has in turn led to the growth and development of the food processing industry. Today the entire north eastern region has become an important place of tourist resort. Tourist from not only different parts of India but also from abroad come here to see the natural beauty of the region. One of the important point of tourist attraction is the Kaziranga National Park. This in turn has led to the expansion of hotel industry which have led to the increased use of processed food thereby having a tremendous impact on the development of the industry.