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Food Processing Industry in West Bengal: A Case Study on Haldia Industrial Region

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Abstract:

Global food habit is changing with change in life style for the last few decades. This change is may be due to many factors like liberalization, nuclear family, dual family income, time constraints and various other factors. The people are shifting for their food from fresh agri-product to processed food. This has given a new business opportunity with social uplift, various changes can be observed through the records available on food intake pattern. This study refers to the scenario of food processing industry in West Bengal especially at Haldia Industrial Region.

Keywords: Food habit, liberalization, nuclear family, agri-product, processed food, food processing industry

Introduction:

The cooking style and eating habits of India varies from north to south and from east to west. However in the present set up of rapid life, these days' people have a preference towards easy, smart and short ways of cooking. There are many people who migrate from one place to other for job and education where they find the 'processed food' (either ready to eat or ready to cook) for convenience alternative. Most of the dual income people want to spend much less time on cooking. During weekends they have a tendency to spend time with their family where they go for processed food, also heavy work load compel them to buy processed food. India has already a hub of many multinationals, national and local manufactures for processed food sector (Tiwari et al, 2015). However, due to a rise in literacy levels, and communication technology, people become more conscious of the foods they are in taking and their decision is often based upon the health and wealth of resources available which means they hair a preference for 'good' 'healthy' but processed food (Tiwari et al, 2015).

In agro processing and food sector, West Bengal is one of the three front running states in the country. Fruits, Vegetables and Cereals grave abundance in West Bengal. The state accounts for 30% of potatoes, 27% pineapples, 12% of bananas and 16% of India's rice production. Additionally, fruits like mangoes, papayas, guava and jackfruit and vegetables like tomatoes, cauliflowers cabbage, eggplant and pumpkin are available in plenty. Thus West Bengal in terms of agriculture is the largest producer of rice, pineapple, vegetables and fruits in the Country, second largest producer of potatoes and lychees (which are known as allied agri product).

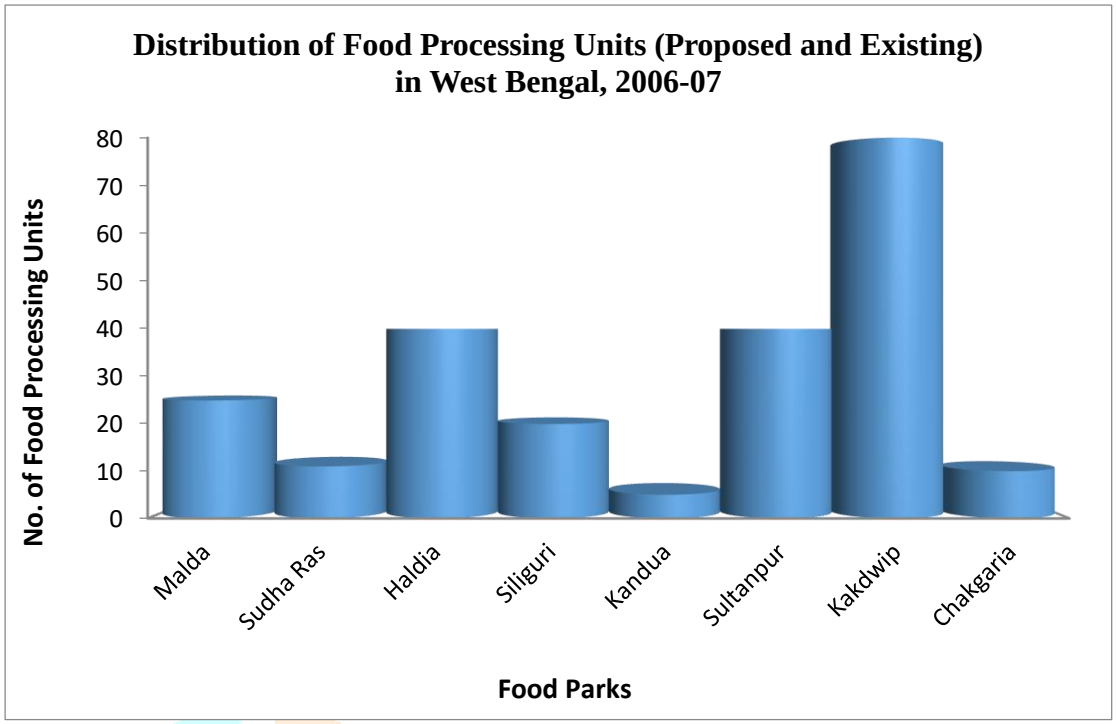
West Bengal ranks 1st in total meat production including poultry in India. It accounts for 10% of the country's edible oil production. It is also one of the leading states in pisciculture as fish is an important item in the Bengali Cuisine. The state has been awarded the 1st Prize for 8 consecutive years for its achievements in the fishery sector. It is the largest producer of fish in the country and also the largest supplier of fish and supplies nearly 80% of the crop seed demand of the country. It is the highest producer of shrimps also that earns a great deal of foreign currency.

Keeping this in mind, agro Food parks are being developed in the state with the intention of providing support toward small & medium entrepreneurs. They are assisted financially in setting up capital intensive facilities like cold storages, warehouses, quality control labs, effluent treatment plants etc. Table (1) depicts the food parks in West Bengal (2006-07):

Table 1: Distribution of Food Parks – West Bengal (2006-07)

Sl. No.	Name of Food Park	Location	No. of units set up/ to be set up	Project cost (in crores)	Status
1	Malda	Malda	25	16.084	Complete
2	Sudha Ras	Sankrail, Howrah	11	18.93	Complete
3	Haldia	Haldia, East Midnapore	40	18.8	Under Implementation
4	Siliguri	Siliguri	20	14.21	Nearing Completion
5	Kandua	Kandua, Howrah	5	16.57	Complete
6	Sultanpur	Sultanpur, S 24 Parganas	40	8.01	Complete
7	Kakdwip	Kakdwip, S 24 Parganas	80	9.24	Complete
8	Chakgaria	Chakgaria, S 24 Parganas	10	8.01	Complete

Source: Ministry of Food Processing Industries (MoFPI), Govt. of India, 2006-07 and as compiled by the authors.



Source: As in Table no. 1

Literature Review:

Chatterjee M. (2015) emphasized in her research paper that the nature and causes of industrial dispersal with Haldia as a case study, examine the major industries of the region and growth profile of industries. Das S. and Gupta K. (2012) concluded that the geo-environmental characteristics of port town Haldia, that contributes to various pollutants and our much to the related hazards. Dutta M. (2011) concluded that since 1962 Purba Medinipur district had shown an exponential growth of its large scale industrial sector especially in core and periphery of Haldia.

Tiwari and Tamrakar (2015) expressed food processing industry in Chhattisgarh highlighting the techniques of processing the foods to be consumable in highlighted for the consumers. Wilkinson J. (2004) highlighted that FDI in the food industry of developing nations like India has transformed the competitive environment in the country which has led to the promotion of exports and with increasing productivity. It has also become an important source of employment in countries like India.

Study Area:

Haldia is an important industrial city, situated in East Medinipur in the Indian state of West Bengal. Haldia is governed by the Haldia municipality, which has been set up on 9th June 1997. Previously this municipality had 26 wards but now it has 29 wards. This municipality has an average elevation of 10 metres. This municipality geographically extends from 22º1´00´´N to 22º8´41 ´´N and 88º1´15´´E to 88º11´46´´E. It is located approximately 125 km south-west from state capital Kolkata and 50 km from the Bay of Bengal at the confluence of two rivers namely, Hooghly and Haldia. The present area of the municipality is 109 sq. km approximately and about 9 sq. km area submerged in the river.

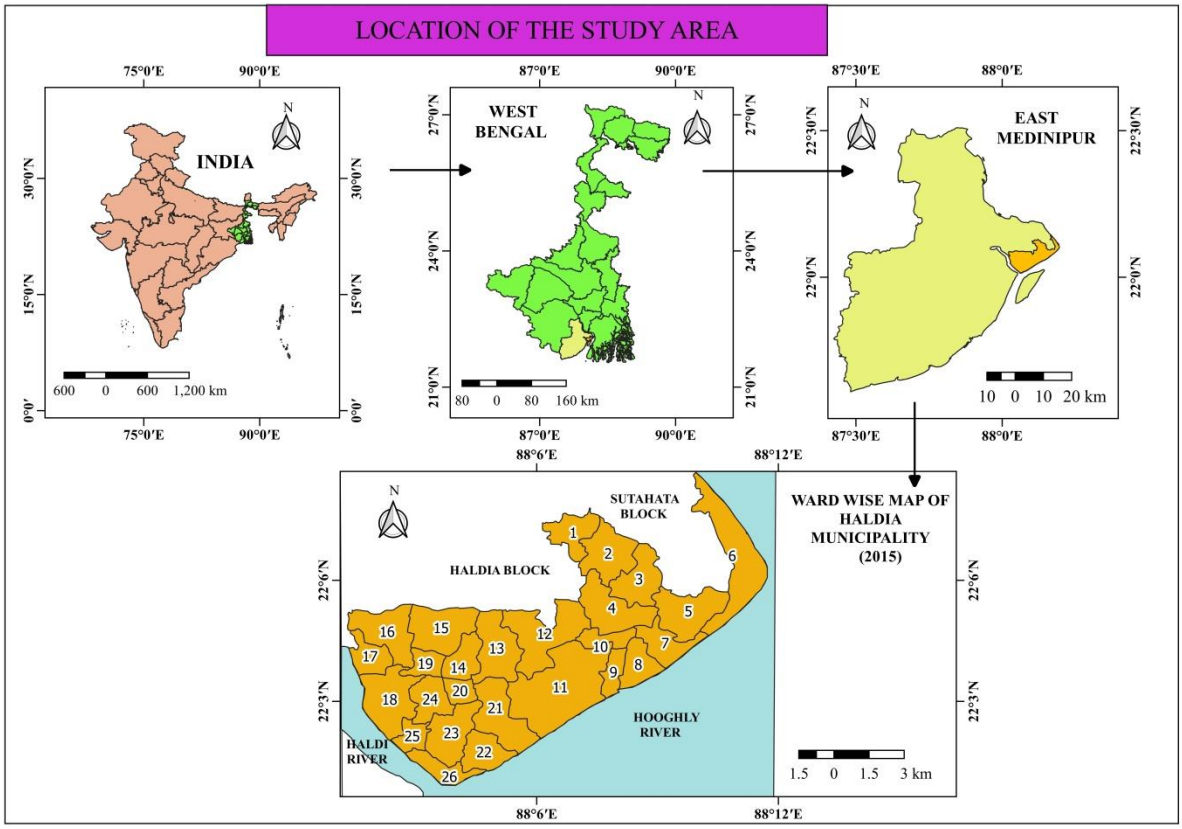


FIG 1- Ward wise Map of Haldia Municipality Area

Objectives:

The following objectives have been taken in to consideration for the study:

1. To identify the factors affecting the regional food processing industry
2. To investigate the present major food processing industries
3. To examine proposed investment and estimated employment in this sector

Methodology:

The study is based on secondary data. In first phase, maps and related information were obtained from various published and unpublished sources which include annual reports of Haldia Municipality, Haldia Development Authority and some leading industrial houses. Later, statistical data were collected from District Census Handbook, and quarterly bulletins of Directorate of Industry, Govt. of West Bengal. The post field phase, comprised by analyzing the collected data on field and forming the conclusion.

Observation and Analysis:

Favourable Factors for Food Processing Industry:

The abundance supply of vegetables, fruits, cheaper labour force and good transport system allow the region a competitive edge in food processing industry. West Bengal so far received the approval of eight food parks in 2006-07 including one at Haldia. Food processing industry can flourish in this region due to various

factors. Firstly, there is abundance of agro based raw materials. Secondly, being situated near river Haldi there is abundant supply of water and fertile alluvial soil. Thirdly, low cost skilled labour is readily available in this region. Fourthly, the particular reason for setting up any industrial plant at this region is only to take the advantage of Haldia port. Lastly, its location is nearest to Kolkata which help large domestic markets.

Highlighting Major Food Processing Industries:

1. Patanjali Foods Limited:

Ruchi Soya is India's largest manufacturer of edible oil. Ruchi Soya Industries Limited is presently known as Patanjali Foods Limited. This industry was set up in this region in 2002. Ruchi Soya Industries, Haldia is a group company of Ruchi Group with sales turnover INR 2200 Cr and it is located on the bank of River Haldi, and is situated at WBIIDC Industrial area in Haldia, West Bengal, India. The capacity of plant is 2300 TPD of edible oil refining including vanaspati and 50 TPD textured soya manufacturing from soya flakes and flour, in a plant spread over approx. 32 acres of land .The plant is equipped with world class equipment's and state of art technology.

2. Adani Wilmar Ltd.:

Adani Wilmar has the largest portfolio of brands in the consumer essentials edible oils segment. This plant was set up in haldia in 2004. Presently Adani Wilmar Ltd has two units. Gokul Refoils & Solvent Ltd. belongs to Adani Group as 2nd unit.

3. Ambo Agro Products Ltd. :

As of February 2009, edible oil refinery in Haldia port of Ambo Agro Products Limited was acquired by KS Oils Ltd. Edible oil refinery in Haldia port of Ambo Agro Products Limited comprises an edible oiln refinery with a capacity of 500 metric tons per day.

4. Emami Agrotech Ltd. :

The company chose Haldia as the location for its edible oil manufacturing unit in April 2007. The plant started operations in December 2008 and has been booming ever since.

5. JVL Oil Refinery :

JVL Agro Industries Limited formally known as Jhunjhunwala Vanaspati Limited incorporated in the year 1989 manufactures hydrogenated vegetable oil (Vanaspati Ghee) and refined oils at its manufacturing facility in Varanasi Uttar Pradesh located in North India. This plant was registered in 2014 at Haldia.

6. Shree Renuka Sugars Limited:

Shree Renuka Sugars is a global agribusiness and bio-energy corporation. The Company is one of the largest sugar producers in the world, the leading manufacturer of sugar in India, and one of the largest sugar refiners in the world. The company also has two large port based sugar refineries in India, among them one at Haldia. The Company operates two port based sugar refineries with total refining capacity of 1.7 MTPA. The rated capacity of the Kandla sugar refinery is 3,000 tons per day and that of the Haldia refinery 2,000 tons per day. Shree Renuka Sugar Mill has set up in 2008 at Haldia.

Table 2: Year wise set up and present status of FPI in Haldia

Sl. No.	Name of Industry	Year Of Establishment	Location	Product	Present Status
1.	Patanjali Foods Limited (formerly known as Ruchi Soya Industries Limited)	2002	Ward no.12, Haldia	Edible Oil, Soya Nuggets.	Active
2.	Adani Wilmar Ltd.	2004	Ward no. 13, Haldia	Edible Oil Refinery	Active
3.	Haldia Agro Pvt. Ltd	2006	City Centre HPL Link Rd Haldia	Aata – Mayda Mill	Active
4.	Emami AgroTech Ltd.	2007	City Centre, HPL Link Road, Haldia	Edible Oil	Active
5.	Shree Renuka Sugar Ltd.	2008	Cipet-City Center Rd, Debhog, Haldia	Suger Refinery and Food Complex	Active
6.	Ambo Agro Product Ltd.	2009	City Centre, Debhog, Haldia,	Edible Oil Refinery	Not in operation
7.	Gokul Refoils & Solvent Ltd.	-	Ward no. 10, Haldia	Edible Oil Refinery	Presently belongs to Adani Group as 2nd unit
8.	Jhunjhunwala Vanaspati Ltd. (JVL)	2014	Ward no. 13, Haldia	Edible Oil Refinery	Active

Source: Haldia Development Authority, Haldia Municipality and as surveyed by the authors, December, 2018

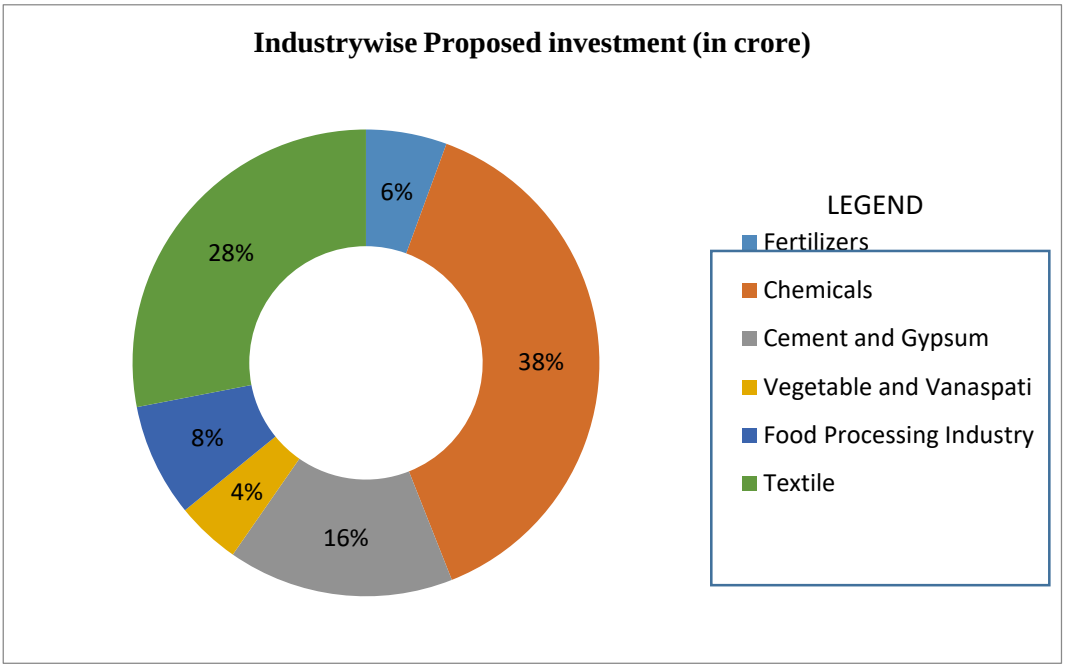
Proposed Investment on FPI:

With the crowding of industries, the direct investment and proposed investment are increasing day by day. Haldia Development Authority (HDA) has calculated proposed proposed industrial development in the following sectors including FPI.

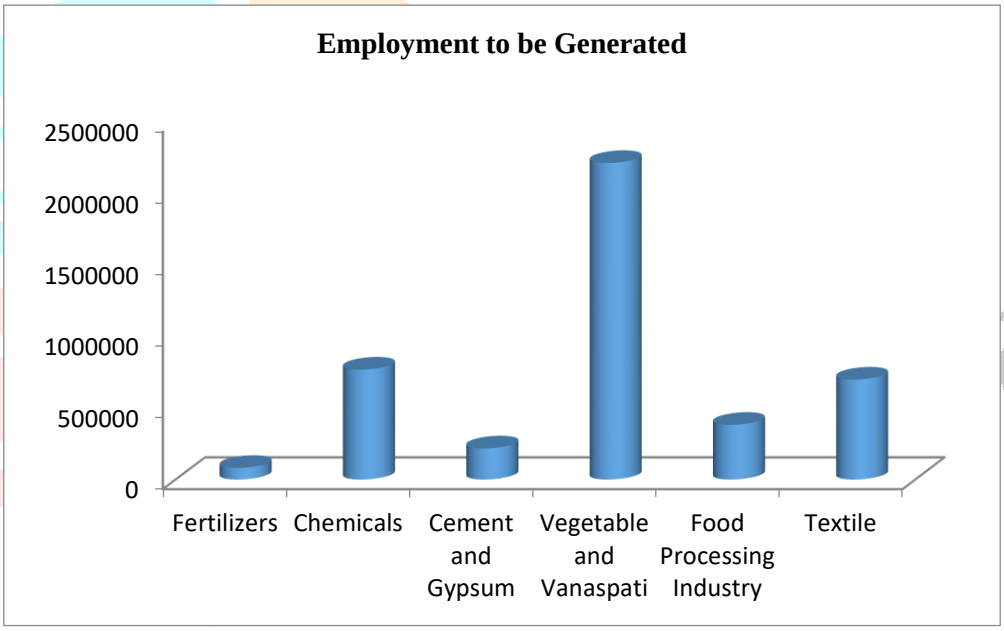
TABLE 3: Proposed investment employment in different industries, 2001

Name of industry	Proposed investment (crore)	Proposed employment to be generated
Fertilizers	21332	81752
Chemicals	146143	771253
Cement and Gypsum	59612	218729
Vegetable and Vanaspati	16975	2213545
Food Processing Industry	29844	383915
Textile	106701	701362

Source: Draft Development Plan in Haldia Municipality (2001-2002 to 2005-2006)



Source: As in Table no. 3



Source: As in Table no. 3

Major Findings:

The major outcomes of the analysis are as follows:

i. The abundant supply of vegetables, fruits, cheaper labour force and a good transport system allow the region a competitive edge in the food processing industry.

ii. Haldia is second in terms of the total number of existing and proposed food processing units in West Bengal (MoFPI, Govt. of India, and 2006-07).

iii. Most of the food processing industry is active excluding Ambo Agro Product Ltd.

iv. Haldia refinery strategically located close to sugar deficit regions in East India and South-East Asia.

v. There is an opportunity for large employment in this sector.

Conclusion:

This food processing sector is yet to be explored to the fullest. More than half of the population of this region has limited knowledge about processed and canned foods. People generally prefer having fresh foods rather than preserved food items. As they are sceptical about the safety of this machine made food products. The availability is also a major factor for people not knowing much about it as it is mostly available in supermarkets, malls and renowned departmental stores in the city. So it's not included in the middle-income man's diet. So, the present situation of this industrial region needs business entrepreneurs to come from outside and more invest in this sector.

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