



FOOD PROCESSING INDUSTRIES IN KERALA- SCOPE AND CHALLENGES

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Abstract

This paper examines performance of food processing industries in Kerala and its scope and challenges. The analysis was based on Annual Survey of Industries (ASI) data from 1998-99 to 2013-14. Our findings indicate that the strengthening of interdependence between productive sectors in an economy is necessary for the growth of sectors and thus the evolution of a strong based economy. Performance evaluation of Food Processing Industry (FPI) gives light in to the importance of this sector in our state economy. All sub sectors of Food Processing Industries in organized sector showed a considerable growth in output during 1998-99 to 2013-14. While number of factories and gross capital formation increased, labour force in Food Processing Industries declined to great extent during the same period. This shows changing input structure of this industry towards capital intensive techniques and increasing industrial efficiency in terms of output input ratio. Also the productivity of inputs, labour and capital is considerably high. This is the picture of organized Food Processing Industries. But there exist a large number of units in unorganized sector whose contributions are not being noticed under a common network. If it is possible, it is sure that this sector will be the emerging force of our state economy which links the agricultural and industrial sectors. Though there are weaknesses and challenges for the development of Food Processing Industries, we can overcome these with greater strengths and wider opportunities in future.

Keywords: *Food Processing, Forward Linkage, Organized sector, Interdependence, Input-Output ratio*
