

### Significance of Food Processing Sector:

- United Nations estimates that 40% of production is wasted. Similarly, the NITI Aayog estimated annual post-harvest losses of close to Rs. 90,000 crore. Thus, food processing is also significant from the point of **reducing food waste**.
- With a growth rate of 10.35% in the 2010-17 period, this sector provides huge **employment generation potential** also.
- Owing to the labour intensive nature of the food processing industry, it has a higher **multiplier effect** on the overall economy.
- Moving up the value chain in the processed food sector is key to **doubling farmer's income by reducing food wastage; enhancing food exports and contributing to food security**.

### Challenges facing the Food Processing Sector:

- There is a lack of **efficient supply chain infrastructure** and inadequate expansion of processing and storage capacity commensurate with agriculture production.
- Minimization of **losses in the perishable segment** requires **huge investment** with a long payback period in farm gate infrastructure, storage & cold chain infrastructure and expansion of processing capacities.
- Low level of food processing and value addition impacts our **competitiveness & export performance**.
- **Inadequate linkage** of processors, exporters and bulk purchasers with farmers results in **mismatch between industry requirements and supply of agri-produce by the farmers**.
- Inadequate and high cost of credit **fails to attract prospective entrepreneurs** in the food processing sector for investment.
- **Multiple permissions & clearances, inadequate marketing experience, tough labour laws, uniformity of standards** applicable to small and large units act as disincentives for smaller establishments.
- There is a lack of adequate **emphasis on food safety standards** along the food value chain to promote Good Hygiene Practice (GHP) and Good Manufacturing Practice (GMP).

To realize the potential of this sector, the Government of India has accorded it '**high priority**' **status under its Make in India initiative**. Furthermore, policy environment is being made conducive through efforts like relaxation of FDI norms, marketing reforms, and facilitation of infrastructure creation through schemes like **National Mission on Food Processing, Pradhan Mantri Kisan SAMPADA Yojana, Mega Food Parks Scheme, Agri export zones etc.** This shall go a long way in making India the 'Food Basket of the world'.

### 9. *What is unemployment? Highlight the various types of unemployment that exist in a developing country like India.*

#### **Approach:**

- Introduce by defining unemployment.
- Explain the various kinds of unemployment in Indian context.
- Conclude appropriately.

#### **Answer:**

Unemployment is defined as a situation in which a mentally and physically capable person of working age is **willing to work** at the existing wage rate, but **does not get a job** to work. Unemployment is expressed by the following formula:

$$\text{Unemployment rate} = (\text{Unemployed workers} / \text{Total Labour Force}) \times 100$$

In India, the unemployment rate is measured by the National Sample Survey Organisation on three approaches- daily status approach, weekly status approach and usual status approach.