

Financing for Skill Development in Food Processing Units-With Special Reference to the Urban and Rural Sector of Dibrugarh District of Assam

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Abstract

In a developing state like Assam, to meet different human needs the state must improve the food sector far more for an ever-increasing population. Food processing industry is slowly and steadily becoming one of the major industries of our economy and it is widely accepted that the food processing sector is the most appropriate sector for creating jobs for rural poor. For that purpose, different aspects of industrial development of food sector including financing for food processing industries possess great importance in today's scenario. Though the food processing sector is considered to be a sunrise sector, yet the Indian food regulations policies implementation comprises of various loop holes. Food processing units in Assam have a greater potential to acquire the status with sustained efforts and with the increasing demand for processed food. The present study monitors the financing required for skill development in food processing units in Dibrugarh district of Assam and also monitors the various loopholes which stand as a hindrance in the development of the food processing industries in Assam.

Keywords: Food Processing Units, Financing, Skill Development, Dibrugarh

Introduction

In a developing state like Assam, to meet different human needs the state must improve the food sector far more for an ever-increasing population. For that purpose, different aspects of industrial development of food sector including financing for food processing industries possess great importance in today's scenario. In terms of

population, Assam is considered to be the largest of the northern-eastern India with a population of 3.13 crores (2011 census) which was earlier recorded as 2.67 crores in 2001 census is considered to be the largest state of the north-eastern India in terms of population.¹ The state is covered with a total area of 78,523 sq km (approximate) where about 63% of the state's working forces are engaged in agriculture and allied activities. The state has a gross cropped area of about 27,52,601 hectares out of which more than 79% accounts for food grain crops and paddy alone covers about 24,20,000 hectare². The state of Assam is traditionally wealthy in horticultural crops such as orange, ginger, citrus fruits, banana, pineapple, coconut, guava, mango, jackfruit etc. due to its conducive agro climatic conditions. Thus we can say that agriculture and horticulture both forms the backbone of the Assam's economy. However, the horticulture crops do not form the primary cultivating crops in the entire state, yet it accounts to a huge contribution to Assam's economy. In spite of having abundant natural resources it is yet to see development at a pace as compared to other parts of the country.

The food processing sector in Assam is critical to its development, for establishing a vital linkage and synergy between the two pillars of the economy i.e. Industry and Agriculture. Food processing units in Assam has a greater potential to acquire the status with sustained efforts and

¹ <http://www.joiaaiaxom.com/assam/about/geography-of-assam-10.html> accessed on 12th June, 2017 at 4.00 P.M

² <http://www.joiaaiaxom.com/assam/about/economy-of-assam-63.html> accessed on 12th June, 2017 at 4.30 P.M

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with the increasing demand for processed food. Although agriculture and horticulture both forms the backbone of the Assam's economy yet the productivity of horticulture crops in the north-eastern region is significantly lower than the prevailing national standards. It is imperative to promote improved methods of cultivation to raise productivity levels. Proper growth of this sector will bring immense benefits to the economy, creating employment and raising life-standards of a large number of people across the country, especially those living in the rural areas. Food processing industry is increasingly seen as a potential source for driving the rural economy and bringing about synergy between the consumer, industry and agriculture. But the North-East states are still quite lagging behind in terms of processing of food items and lack in respect to skill labour. Skill development is thus extremely important to expand people's employment opportunities in this sector and to create a pool of employable skilled personnel, which would act as an attraction for private investment. For the growth of the food processing industry in the said region, the biggest challenge faced by the sector is the domination of unorganised players who are also mostly unskilled in this context, contribute about 80 percent of the industry's volume. The government on its part has initiated extensive reforms to facilitate and exploit the growth of this sector. Despite continual effort and initiatives of the government to provide the required stimulus to the sector, in the form of skill development, said sector is still at a nascent stage. This stands as a major hindrance in the development of the overall sector. The sector requires trained manpower for continuous technological up gradation and diversification, marketing of food products and adequate of quality control system. There is an urgent need to have an apex organisation responsible for skill development and training for this sector. The financing for providing skill development training in food processing industries in Assam is not seen at all. Very few organisations are involved in financing for the skill development training for the food processing industries rather training for the IT, handloom, and textile sectors are given much more emphasis.

For the development of the food processing sector, the government has set up a food sector skill council called Food Industry Capacity & Skill Initiatives (FICSI), which has 46 affiliated training partners and 192 training centres across 26 states in the country.³ The FICSI is working

on identification of job roles and competencies required for each job role so as to develop National Occupational Standards (NOS) for different sectors of food processing. The scope of this work is to determine what skills are required and in which parts of our country and also with respect to food processing activity being undertaken there.

Out of 192 training centres in across 26 states in the country, the Indian Institute of Crop Processing Technology (IICPT) in Guwahati and Panasia Learning and Skills Pvt. Ltd in Dibrugarh⁴ are the two skill development training centres in Assam which are the training partners of Food Industry Capacity and Skill Incentive (FICSI), Ministry of Skill Development & Entrepreneurship and National Skill Development Corporation providing Skill Development Training. The Indian Institute of Crop Processing Technology (IICPT) in Guwahati provides skill development training in food processing, entrepreneurship development and related courses but basically in the region of Guwahati itself where they have their own unit setup whereas the Panasia Learning and Skills Pvt. Ltd in Dibrugarh provides skill development training in tailoring, gardening, car driving and such other courses. There are very few government and non-government organisations dealing with providing of skill development training in food processing units in Dibrugarh district of Assam. Rather more emphasis is given by the government in providing of training in other vocational courses such as tailoring, mobile repairing, electrician, nursing, welding and fabrication, beautician etc.

Assam being one of the focus states of government's Skill India mission, a lot of effort is being made to fast track the skill development process in the state. In the context of providing skill development training, the Krishi Vigyan Kendras (KVKs) under the Assam Agriculture University, Jorhat in collaboration with various NGO's has been doing their best in imparting skill based training and also amplifying mass awareness campaigns relating to production and preservation of food and allied activities.

Assam Agricultural University is the first institution of its kind in the whole of north-eastern region of India. The main goal of this institution is to produce globally competitive human resources in farm sector and to carry out research in both conventional and frontier areas for production optimisation as well as to disseminate the

³ <http://www.makeinindia.com/sector/food-processing> accessed on 15th June,2017 at 1.18 P.M

⁴ <http://www.ficsi.in/list-of-tcs> accessed on 15th June,2017 at 1.21 P.M

generated technologies as public good for benefitting the food growers/ producers and traders involved in the sector while emphasizing on sustainability, equity and overall food security at household level.⁵

There are total 665 numbers of KVKs in India. In north-eastern region 78 nos. of KVKs have been established till date out of that Assam has 25 numbers of KVKs (23 under AAU and 2 nos. are directly under Indian Council of Agricultural Research & Agricultural Technology Application Research Institute (ICAR-ATARI) imparting skill based training and awareness campaigns to agricultural employees.^{6,7}

These KVKs have various mandates and impart trainings to the practising farmers/farm women, rural youth and field level extension functionaries by following the methods of “teaching by doing” and “learning by doing” is also one of their mandatory activities to be performed relating to the present study. They are with the aim of organising short and long term training courses in agriculture and allied vocations for the farmers and rural youths with emphasis on “learning by doing” for higher production on farms and generating self-employment.

Some other mandates of these KVKs are as follows:

- To conduct on-farm testing for identifying technologies in terms of location specific sustainable land use systems.
- To organise training to update the extension personnel with emerging advances in agricultural research on regular basis.
- To organise front line demonstrations (FLDs) on various crops to generate production data and feedback information.

The basic objectives undertaken by these KVKs are:

- With a view to reduce the time lag between the technology generation and its adoption, promptly demonstration of the latest agricultural technologies to the farmers as well as extension employees of state departments of agriculture/ horticulture/ fishery/ animal science/ NGOs is one of their basic objective to

fulfil the above mandates.

- Another main objective is to test and verify the technologies in the socio-economic conditions of the farmers with a view to study the production constraints and modification of the technologies to make them appropriate.
- In order to achieve the above mandates, backing-up with training and communication supports to the district level development departments viz. agriculture/ horticulture/ fisheries/ animal science and NGOs in their extension programmes is also their basic objective.

Over the last few years, the Assam Agricultural University has been making experiments to broaden the horizons of its training programmes to include different courses for capacity building of the rural people and to improve their socio-economic condition. The University has setup the Krishi Vigyan Kendras (KVKs) for doing the same. The University allots one Krishi Vigyan Kendra (KVK) in each district for the overall lookout and development of the agriculture and allied sector. These Krishi Vigyan Kendras (KVKs) perform under the strict observation and supervision of the Assam Agricultural University.

The Assam Agricultural University has been administered and fully funded by Indian Council of Agricultural Research (ICAR) which is under the Ministry of Agriculture, Government of India for its overall operational activities look over each and every minute activity of these Krishi Vigyan Kendras. In recent past few years, these KVKs under this university have been performing tremendously in promoting the food processing sector to meet government’s Skill India mission.

The proposal for the Krishi Vigyan Kendra, Dibrugarh was sanctioned in the year 2006 and was established in the year 2007. It is located in Romai- Kordoibam village of Dibrugarh. The Krishi Vigyan Kendra, Dibrugarh has been performing remarkable training programmes and awareness programmes in various areas relating to technological development in agricultural and allied activities.

The trainings provided by the Krishi Vigyan Kendra of Dibrugarh district in regard to food processing are shown in Table 1.

⁵ <http://www.aau.ac.in/about> accessed on 13th June, 2017 at 4.30 P.M

⁶ <http://www.icar.org.in/en/krishi-vigyan-kendra.htm> accessed on 13th June, 2017 at 4.57 P.M

⁷ <http://www.icar.org.in/en/node/197> accessed on 13th June, 2017 at 5.31 P.M

Table 1: Sponsored Training Projects on Food Processing and Preservation

S. No	Training	Sponsored by	Year	Duration	Venue	Participants
1	Vocational Training on processing and preservation of fruits and vegetables	NRLM, Tengakhat Development Block	2013	3 days	Tengakhat Development Block	45
2	Preparation of Pickles of Bhutjolokia	Pathar Parichalana Sammittee (NGO)	2014	1 day	Lengeri, Moran	10
3	Women Empowerment through Fisheries Value addition	District Fishery Office	2014	1 day	District Fishery Office	20
4	Women Empowerment through Fisheries Value addition	District Fishery Office	2014	1 day	District Fishery Office	21
5	Training on Papar Making	Resource Development Institute (NGO)	2014	1 day	Natun Nagar, Moran	17

Source: Krishi Vigyan Kendra (KVK), Dibrugarh

The five training programmes (shown in Table 1) are undertaken by different NGOs and Govt. offices in collaboration with Krishi Vigyan Kendra where the

KVK has tremendously played their active role in providing training to the unemployed youth for their self-employability.

Table 2: Vocational Training Programmes on Food Processing and Preservation undertaken by Krishi Vigyan Kendra (KVK), Dibrugarh

S. No.	Training	Year	Duration	Venue	Participants
1	Preparation of Jam, Jelly, Squash, Pickles	2009	1 day	Ekoratoli	26
2	Preparation of Jam, Jelly, Squash, Pickles	2009	1 day	Ekoratoli	25
3	Preparation of Squash and Pickles	2010	1 day	Phulampur	37
4	Preservation of Squash and Jelly from locally available fruits	2011	1 day	1 No. Bakulonigaon	26
5	Value addition of locally available fruits and vegetables through processing and preservation	2012	1 day	Namrup Kochari Pathar	25
6	Vocational training on processing and preservation of fruits and vegetables	2013	6 days	Krishi Vigyan Kendra (KVK), Dibrugarh	25
7	Training on preparation of brinjal and chilly pickles	2015	1 day	Natun Bas Pathar	25
8	Preservation of fruits and vegetables for economic empowerment of rural women	2016	1 day	Lengrai, Tinikunia	20
9	Training on preparation of brinjal and chilly pickles	2016	1 day	Ekaratoli	25

Source: Krishi Vigyan Kendra (KVK), Dibrugarh

These are the various training programmes (Table 2) undertaken by Krishi Vigyan Kendra (KVK), Dibrugarh on food processing and food preservation. Apart from conducting training in home science, other trainings programmes have also been successfully conducted by this government organisation on various disciplines viz. soil science, horticulture, entomology, agricultural

economy, and many such. These trainings are the mandates of the organisation. The overall activities performed are to be reported time to time to the head office i.e. the Assam Agricultural University, Jorhat. The training activities and allied educational activities undertaken by Krishi Vigyan Kendra (KVK) under the Assam Agricultural University are fully funded by

Indian Council of Agricultural Research (ICAR) which is under the Ministry of Agriculture, Government of India for its overall operational activities. Besides these some NGOs in collaboration with the KVKs helps in building up the skills in different sectors viz. food processing, animal husbandry, crop protection, scientific method and management of crops, pest management in tea etc.

Apart from providing training by the two above-mentioned NGOs (Table 1: Sponsored Training Projects on Food Processing and Preservation), some of the other NGOs who are continuously working in collaboration with the KVK on production and processing of agricultural products are also mentioned below:

- Matri
- Sath Guru
- Chai
- Sewa
- Pathar Parichalana Sammittee
- Neerado
- Sonali Krishi Samittee etc.

Where most of the government skill development schemes are made only for the handloom and textile industries, IT industries and many allied industries, these Krishi Vigyan Kendras (KVKs) and the above listed NGOs in Dibrugarh are imparting skill-based training and awareness campaigns in both urban and rural areas promoting skill development in food processing and also empowering employability in the said sector.

Objectives of the Study

The study has been undertaken with the following main objectives:

1. To identify the challenges of food processing units in the area under study.
2. To identify the skill development training in food processing industries undertaken by various government and non-government organisations in the area under study.
3. To assess the extent of financing required for skill development in the food processing units operating in Dibrugarh district of Assam.

Research Questions

1. Whether enterprise in food processing under the stated period 2007-2014 is using own fund or some other source as their start-up capital?
2. Whether main area where finance is required is utilised for skill development training or do the FPIs have some other area where finance is mostly required?
3. Whether the government schemes and provisions are helpful for developing employee's skills?
4. Whether skill development provisions are available for the employees after the business setup?
5. If skill development training is available for the employees of the FPIs, from where the financial assistance is acquired for such trainings?
6. How much the registered authority (DI&CC) provides information to the enterprises for getting funds for the skill development training?
7. Whether government has provided financial support for providing skill development training in food processing industries?

Methodology of the Study

The study mainly targets all the owners/ managers/ supervisors those associated with the food processing units in the Dibrugarh district of Assam. The universe of the study is the owners/ managers/ supervisors of the food processing units in the said region. From the total of 83 food processing units registered under DI&CC office of Dibrugarh district under the period 2007-2014, a sample of 37 units have been taken as per purposive method of sampling. It is purposive sampling as the researcher finds that some owners of the units are not responding and as such to the availability of owners this method of sampling is adopted. The study is based on both primary as well as secondary sources of data in order to get an insight view of the scenario. The primary data is collected through direct interview with the owners/ managers/ supervisors through a structured questionnaire. The sample population of the study is selected purposively looking at the nature of the work performed by the units from the total 83 units registered under DI&CC under the period 2007-2014.

Data Analysis and Finding

The data has been collected from total 37 units out of 83 units registered under DI&CC (2007-2014) out of which 27 units have responded, 3 units from the list were closed their business, 5 units address could not be traced as per the address recorded in DI&CC and 1 unit ignored to respond to the researcher.

Accordingly, information have been collected with the help of questionnaire and analysed them for drawing some meaningful conclusion. The following data has been analysed with the help of tables and diagrams based on primary information collected from the sample of 37 units.

Table 3: Source of Start-Up Capital

Source of Start-Up Capital							
Type of Units	Own fund	Bank Loan	Loan through Govt subsidy scheme	Friends	Relatives	No Idea	Total
Rice Milling	7	4	1	1	2	2	17
Bakery	4	0	1	1	0	0	6
Sewai Manufacturing unit	0	0	1	0	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	2	0	0	0	0	0	2
Soya Nuggets Factory	0	1	0	0	0	0	1
Pickles, Jam & Jelly	1	0	0	0	0	0	1
Total	14	5	3	2	2	2	28

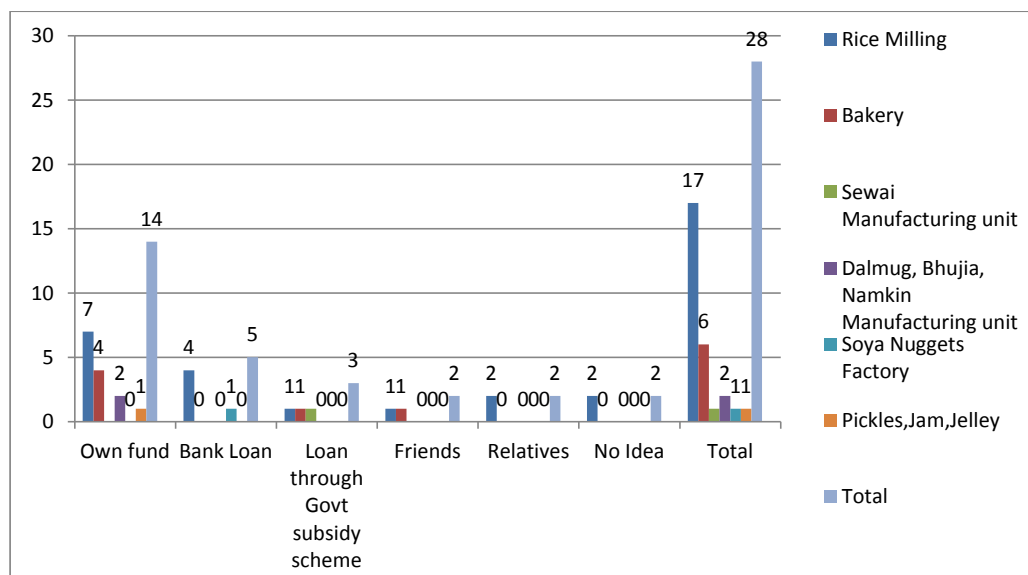


Fig. 1: Source of Start-Up Capital

Source: Field Survey

Analysis and Inferences

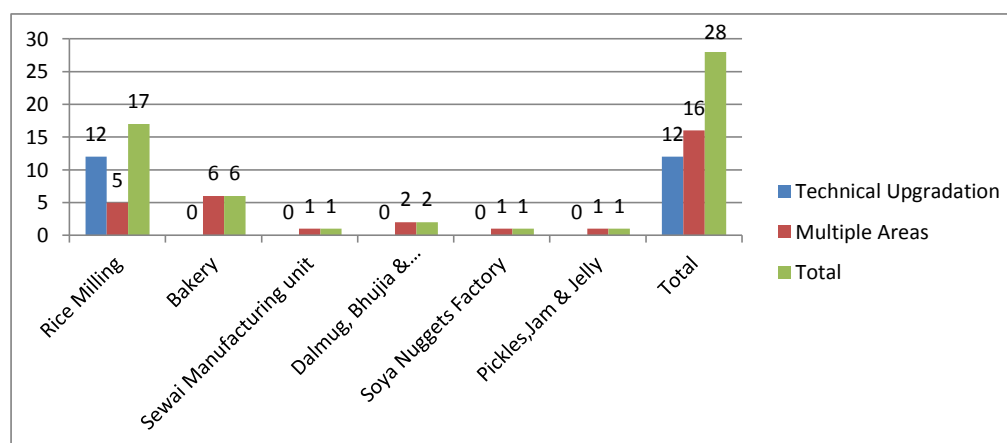
From Table 1 and Fig. 1, the researcher found that out of 28 units, 14 units (i.e. 50 %) use own fund as the source of their start-up capital followed by 5 units (i.e. 17.86 %) which use bank loan as the source of start-up capital, 3

units (i.e. 10.71 %) use loan through government subsidy schemes, 2 units (i.e. 7.14 %) take help from friends, 2 units (i.e. 7.14 %) take help from relatives to start-up their business, and remaining 2 units (i.e. 7.14 %) have no idea about it. It is observed that majority of the units use own fund as the source of their start-up capital.

It is observed from the table that majority of the units have used own fund as start-up capital. The complex procedure of the banking system for applying of loan and for availing of any subsidies under various government scheme is one of the reason why people like to invest their own fund rather running for government's support. The researcher has noticed that the respondents were very much offended towards the government and they prefer to invest their own money to start-up their business. They opined that the government officials and also the bank authority demand a percentage of money sometimes even before sanctioning the loan amount. As per the respondents, this has changed now as some of the officials of the registered authority generally demand a fix rate of 10 percent and also a percentage is to be given to the bank officials for sanctioning the loan amount. To get this amount they have to run many a times to the banks to fulfil the documentation part which again creates a problematic situation for them.

Table 4: Reasons for Requirement of Finance

Reason for requirement of finance			
Type of Units	Technical Upgradation	Multiple Areas	Total
Rice Milling	12	5	17
Bakery	0	6	6
Sewai Manufacturing unit	0	1	1
Dalmug, Bhujia & Namkin Manufacturing unit	0	2	2
Soya Nuggets Factory	0	1	1
Pickles, Jam & Jelly	0	1	1
Total	12	16	28

**Fig. 2: Reasons for Requirement of Finance**

Source: Field Survey

Analysis and Inferences

From Table 4 and Fig. 2, the researcher found that out of 28 units, 12 units (i.e. 42.86 %) responded that finance is mostly required for technical upgradation in the unit whereas 16 units (i.e. 57.14 %) responded that they requires finance in their unit for multiple purposes. It is observed that majority of the units requires finance in their unit for multiple purposes.

From the table, it is observed that maximum of the units have multiple reasons for requirement of finance. Generally, the term "multiple reasons" includes skill development, sales promotion, advertising, technical

upgradation, credit requirement, donation, and such. The researcher, after surveying, finds that finance is mostly required by the rice mills for their technical upgradation i.e. for procuring of machinery etc. The bakery, dalmug, bhujia manufacturing and sewai manufacturing units require finance mainly for procurement of raw materials, paying wages to the employees, and other contingencies. Another common problem faced by these units was the electricity bill. Most of the time the electricity bills were charged to these units on average basis and so it created another problem to these units as even if the units remain closed they have to pay the fixed average charge. The researcher observes that the basic reason for which finance

is mostly required in these units is for availing a period of credit from various parties where the products are handed over to the retailers and other parties for sale. Generally, the products like dalmug, bhujia, sewai, and the bakery products were basically handed over to the retailer shops for sale as most of the units do not have their own sales outlet. The retailers take the items on condition that they will be paid fully after their products gets sold out. Apart from the above-mentioned reason, donation to be paid to the various political and non-political parties as per their demand is another major hurdle in operating their small business. This is one of the most common reasons found by the researcher in the area under study.

As per the first objective of the study, the researcher observes that the reasons for availing finance are technological upgradation, availing a period of credit from various parties and most importantly donation to be paid to the various political and non-political parties as

Pickles, Jam & Jelly	0	0	1	1
Total	1	1	26	28

per their demand. Hence, these reasons are the challenges for the units to face in running their enterprise.

Table 5: Process of Starting a New Business

Process of starting a new business is simple and easy				
Type of Unit	AGREE	DISAGREE	STRONGLY DISAGREE	Total
Rice Milling	0	0	17	17
Bakery	1	1	4	6
Sewai Manufacturing unit	0	0	1	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	0	2	2
Soya Nuggets Factory	0	0	1	1

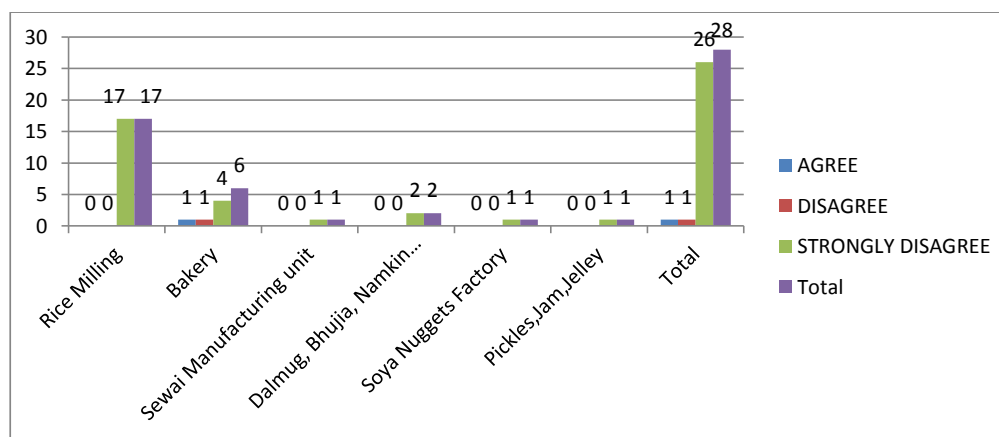


Fig. 3: Process of starting a new business

Source: Field Survey

Analysis and Inferences

From Table 5 and Fig. 3, the researcher found that out of 28 units, 1 unit (i.e. 3.57 %) agrees that starting up a business is easy and simple, 1 unit (.e. 3.57 %) disagrees the statement and remaining 26 units (i.e. 92.86%) strongly disagree the statement. Hence, it is observed that majority of the units strongly disagree that the process of starting up a business is easy and simple.

The researcher observes that majority of the units was against the statement that it is easy and simple to start a business. It is also observed that the respondents were basically against the statement as because of the reason of huge competition in the market and presence of various political and other such associations which makes it more troublesome to start up a new business. Moreover, the documentation procedure for registration of a unit is not

easy and simple. The respondents also thereby opined that the registered authority always keeps a way to take a bribe from the units and hence if they were not able to satisfy the officials then they have to run several times to the offices to complete the registration process. On the other hand, the unit who agreed that the start-up of a unit is easy and simple is basically the bakery unit. The unit had started its business at about 20 to 25 years ago and generally run it as a family business. Hence, for them it may not be a problematic situation.

The above analyses and inferences drawn on Tables 3, 4, and 5 clearly fulfil the first objective of the study about the major challenges faced by the food processing units in Dibrugarh district of Assam. It also clearly answers to the research question about the source of start-up capital of these units and also the reasons for which finance is mostly required by the business units.

Table 6: Government Schemes and Provisions

Government Schemes and provisions helpful for developing workers skill				
Type of Unit	Yes	No	Indifferent	Total
Rice Milling	4	12	1	17
Bakery	0	1	5	6
Sewai Manufacturing unit	1	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	1	1	2
Soya Nuggets Factory	0	1	0	1
Pickles, Jam, Jelly	1	0	0	1
Total	6	15	7	28

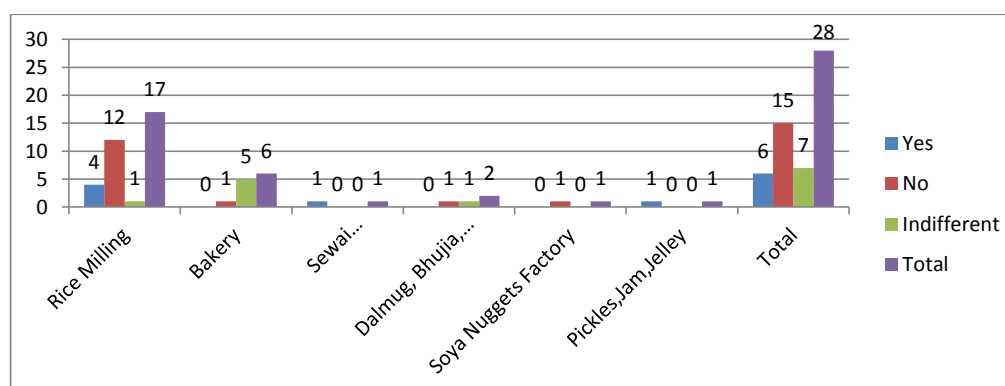


Fig. 4: Government Schemes and Provisions

Source: Field Survey

Analysis and Inferences

From Table 6 and Fig. 4, the researcher found that out of 28 units, 6 units (i.e. 21.43 %) opine that government schemes and provisions are helpful for the development of the employee's skill, whereas majority i.e. 15 units (53.57%) replied that the government schemes and provisions are of no help to them relating to development of employees skill. Remaining 7 units (i.e. 25%) have an indifferent view relating to the schemes and provisions of the government. It is observed that that majority of the units think that the government schemes and provisions are not helpful for developing the employee's skill.

The researcher while surveying observes that 6 number of units basically the rice mill, sewai manufacturing unit and the pickles, jam & jelly manufacturing unit who have

either availed the government benefit or applied for any government benefit for getting any kind of provision for developing employees skill were positive towards the government's schemes and provisions, whereas majority of the units i.e. 15 units have a negative view. 7 units who were indifferent in their views have an opinion that these schemes and provisions were basically for the persons who have good terms with the higher level authorities and also with the registered authority. From amongst them few responded that these schemes are meant only for taking bribes by some government officials. The researcher also finds that skill development training was provided by the registered office, but the training was provided as to how to obtain the loan from the banks and financial institutions rather giving importance to train the employees as to how to process and preserve food products and such others.

The respondents were in a view that vocational trainings are given much more importance by the government and hence most of the financial beneficiary schemes are also made for those sectors.

The analysis and inferences drawn from Table 6 are related to the research question whether majority of the units were not benefited by any government schemes or provision. It was observed that the schemes are not beneficial to them and pointed the negligence of the government towards the food processing sector.

Table 7: Availability of Skill Development Provision

Skill Development Provision available for workers after business set up				
Type of Unit	Yes	No	Indifferent	Total
Rice Milling	0	15	2	17
Bakery	1	3	2	6
Sewai Manufacturing unit	0	0	1	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	2	0	2
Soya Nuggets Factory	0	0	1	1
Pickles, Jam & Jelly	1	0	0	1
Total	2	20	6	28

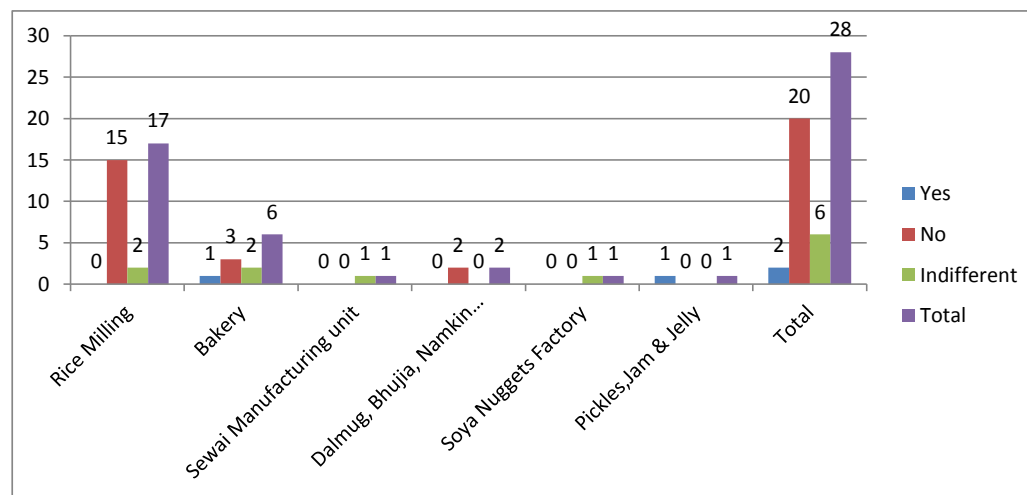


Fig. 5: Availability of Skill Development Provision

Source: Field Survey

Analysis and Inferences

From Table 7 and Fig. 5, the researcher found that out of 28 units, 2 units (i.e. 7.14 %) have skill development provisions available for the employees associated with the units after starting their business, whereas majority i.e. 20 units (71.43 %) do not have any skill development provision for their employees and 6 units (i.e. 21.43 %) were indifferent about providing skill development training to their employees after their business start-up. It is observed that majority of the units do not have any provision for skill development available for their employees after the starting their business.

The researcher observes that most of the trainings are provided to the IT, handloom & textile, and some other allied sectors for skill development whereas the skill development for the food processing industries was not at all available in the area under the study. It was also observed that those units who have availed skill development training for its employees are basically the pickles, jam, and jelly manufacturing unit and the bakery unit. It was found that the KVKs most of the time deals with the training of pickles, jam & jelly processing, whereas training in the bakery unit is provided by the private training providers especially when the bakery unit purchase hi-tech food processing equipment and other food processing products. The researcher observed that

majority of the units do not have any provision for skill development for its employees. The majority generally comprising the rice mill units viewed that they do not require skill development training to grind the rice grains. It was also observed that those units who were indifferent in their views regarding availability of skill development provision for the employees after the business start-up was that the owner in those units themselves train-up the employees or they advice their experienced employees to train them up. The owners were of view that in running the small business they could not spend a separate amount of fund for training the employees instead they always advice the new comers to adopt watch and learn process.

The list of sponsored trainings on food processing industries shown in Tables 1 and 2 and the analysis and inference drawn on Table 7 clearly identify the skill development training in food processing industries undertaken by various government and non-government organisations in the area under study and thereby fulfil the second objective of the study relating to identification of skill development training in food processing industries undertaken by various government and non-government organisations. The inferences drawn from Table 7 also answers to the research question whether skill development provisions are available for the employees after the business setup or not, as it was observed that skill development provisions are not available after starting of the business.

Table 8: Financial Assistance Acquired for Skill Development Training

<i>Financial Assistance acquired for Skill Development Training</i>				
<i>Type of Unit</i>	<i>Under Government Scheme</i>	<i>Any other</i>	<i>Not applicable if Skill Dev Training is not undertaken</i>	<i>Total</i>
Rice Milling	0	0	17	17
Bakery	0	1	5	6
Sewai Manufacturing unit	0	0	1	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	0	2	2
Soya Nuggets Factory	0	0	1	1
Pickles, Jam & Jelly	0	1	0	1
Total	0	2	26	28

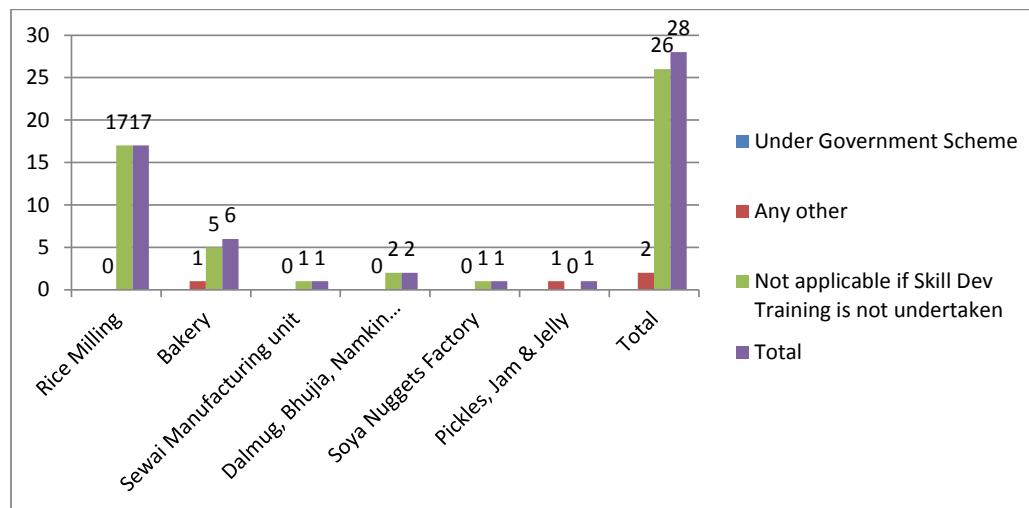


Fig. 6: Financial Assistance Acquired for Skill Development Training

Source: Field Survey

Analysis and Inferences

From Table 8 and Fig. 6, the researcher found that out of 28 units, no unit has been provided with financial assistance directly for skill development by the government. 2 units (i.e. 7.14%) avail assistance for skill development training in any other form, and the remaining 26 units (i.e. 92.86%) have not availed any benefit. Hence, it was observed that no unit have been provided with financial assistance directly for skill development by the government.

The researcher while surveying observes that no government financial support have been directly provided to the units under the name of any scheme for skill development to the food processing sector. It was also observed that one unit i.e. the pickles, jam, and jelly manufacturing unit have acquired the benefit of skill development training in the any other form and that is by the NGO & KVK. The bakery unit availed the skill

development training by private training providers who train the employees of that unit especially when they purchase the hi-tech food processing equipment and other food processing products from their company.

The analysis and inferences drawn on Table 8 state that the KVKs funded by Indian Council of Agricultural Research (ICAR) which is under the Ministry of Agriculture, Government of India and some NGOs funded by other such financial institutions were the only funding agencies observed as providing financial assistance for skill development training in food processing industries in Dibrugarh district. It was also observed that no direct financial assistance for skill development training is provided to the enterprises in the name of skill development training to their employees. Hence, the above analysis and inferences answer the research question about where from the financial assistance is acquired for the skill development training for the employees of the FPIs.

Table 9: Approach to Any Organisation/NGO for Providing Skill Development Training

Approach to any Organisation / NGO for providing Skill Development Training				
Type of Unit	Yes	No	Indifferent	Total
Rice Milling	2	13	2	17
Bakery	1	4	1	6
Sewai Manufacturing unit	0	0	1	1
Dalmug, Bhujia, Namkin Manufacturing unit	1	0	1	2
Soya Nuggets Factory	0	0	1	1
Pickles, Jam & Jelly	1	0	0	1
Total	5	17	6	28

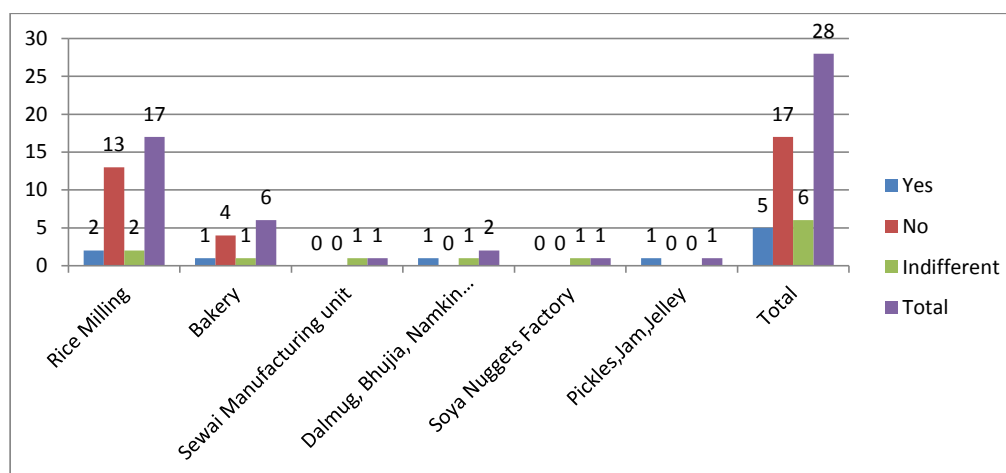


Fig. 7: Approach to Any Organisation/NGO for Providing Skill Development Training

Source: Field Survey

Analysis and Inferences

From Table 9 and Figure 7, the researcher found that out of 28 units, 5 units (17.86 %) have approached government organisations for providing skill development training to their employees, 17 (60.71%) units have not approached any organisation and remaining 6 units (i.e. were indifferent towards the above statement. Hence, it was observed that majority of the units have neither visited any government organisation nor have approached any NGO acquiring skill development training. Most of them were the rice milling units who feel that they do not require

skill development training. It was also observed that one bakery unit has approached the government organisation (DI&CC) regarding the matter but no help was provided in this regard, whereas the pickles, jam, and jelly manufacturing units who have visited the government organisation i.e. the KVK have acquired the training facility for skill development. The remaining units opined that they themselves train their employees. They also opined that it is better to spend a day running the business rather running in DI&CC and other government offices for the sake of availing any help from those officials.

Table 10: Registered Authority Providing Information for Funds for Skill Development Training

Registered authority provide information for getting fund for Skill Development Training			
Type of Unit	No	Indifferent	Total
Rice Milling	7	10	17
Bakery	2	4	6
Sewai Manufacturing unit	0	1	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	2	2
Soya Nuggets Factory	0	1	1
Pickles, Jam & Jelly	1	0	1
Total	10	18	28

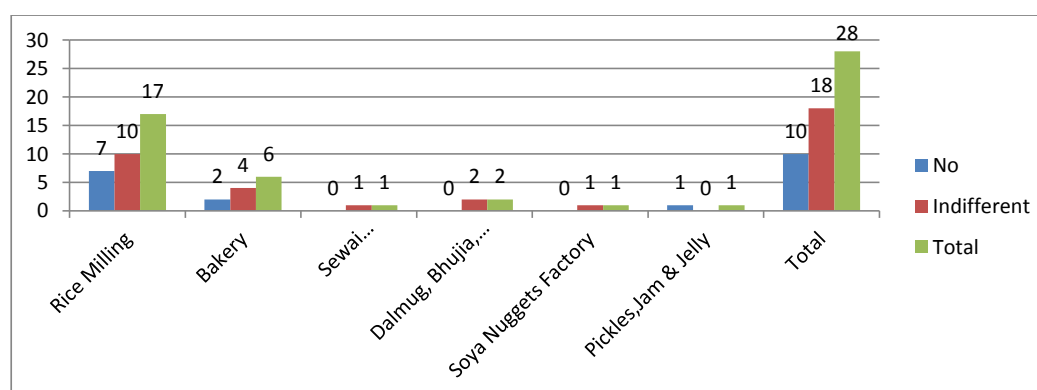


Fig. 8: Registered Authority Providing Information for Funds for Skill Development Training

Source: Field Survey

Analysis and Inferences

From Table 10 and Fig. 8, the researcher found that out of 28 units, 10 units (35.71%) were not provided with any information for getting fund for skill development training and remaining 18 units (64.29%) were indifferent in their views in this regard. Hence, it was observed that majority of the units were indifferent in their views towards availing of any of the information from the

registered authority regarding getting of financial support for skill development.

The researcher also observed that most of the rice mills were indifferent in their views regarding getting financial support for skill development. Most of these units were not provided with any information for skill development from the registered authority and basically they feel that these types of units mostly require only the basic skill

to operate the machine, whereas the bakery units and the others argue that the registered authority has neither provided any information regarding skill development nor regarding getting financial support in this regard.

The analysis and inferences drawn from Table 10 state that the registered authority fails to provide information to

the enterprises for getting fund for the skill development training and thereby answers the research question as to how far the registered authority is providing information to the enterprises for getting financial support for skill development training.

Table 11: Financial Support by Government for Skill Development Training

Government have provided financial support for Skill Development Training in FPIs					
Type of Unit	Agree	Undecided/Not Applicable	Disagree	Strongly Disagree	Total
Rice Milling	0	10	1	6	17
Bakery	0	1	3	2	6
Sewai Manufacturing unit	0	1	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	0	0	2	2
Soya Nuggets Factory	0	0	0	1	1
Pickles, Jam & Jelly	1	0	0	0	1
Total	1	12	4	11	28

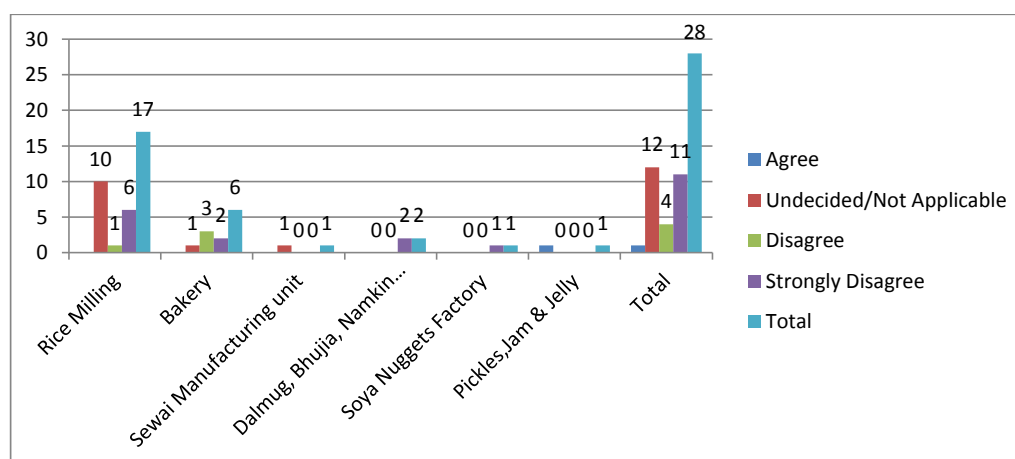


Fig. 9: Financial Support by Government for Skill Development Training

Source: Field Survey

Analysis and Inferences

From Table 11 and Fig. 9, the researcher found that out of 28 units, 1 unit (i.e. 3.57 %) agrees that government has provided financial support for providing skill development training in FPIs. Remaining 12 units (i.e. 42.86%) were undecided about the statement. 4 units (i.e. 14.29%) disagree with the statement and remaining 11 units (i.e. 39.29%) strongly disagreed that the government has provided financial support for providing skill development training in FPIs. Hence, it was observed that majority of the units have strongly disagreed that the

government have provided financial support for providing skill development training in FPIs.

The researcher observed that no financial support have been directly provided to the units from the government house regarding skill development in food processing in Dibrugarh district. It was also observed that various skill development training programmes have been undertaken in other districts such as Sibsagar, Jorhat whereas no initiatives have been taken to provide skill development training in Dibrugarh district. The respondents opine that there is an urgent need of financial assistance for the

rural sector enterprises for modernisation of those FPIs and also for conducting skill development training to face competition with the urban units. Further the data collected from the units states that only KVKs and few NGOs were practically related to providing of training of skill development in the said sector whereas the role of the registered authority is totally negative in this aspect. The respondents have also opined that there were various other vocational trainings organised by the DI&CC and other organisations but no skill development training benefit has been availed by the food processing units of Dibrugarh district. It is also observed that maximum financial support is provided to various IT, handloom & textile sector units for procurement of machineries and equipment, and to provide training to operate the same but is not the same in case of FPIs.

The analysis and inferences drawn on Table 11 state that the government fails to provide financial support to the food processing industries in Dibrugarh district for skill development training. The urgent need of financial assistance for the rural sector enterprises for modernisation of those FPIs and also for conducting skill development training to face competition with the urban units hereby fulfils the third objective of the study, that is to access the extent of financing required for skill development in the food processing units operating in Dibrugarh district. The analysis and inferences drawn also answer the research question that food processing units in the area under study have not received any financial support for skill development from the government.

Table 12: Adequacy of Financial Institutions in Financing Small Enterprises

<i>Financial institutions are adequate in financing small enterprise</i>						
Type of Industry	Strongly Agree	Agree	Undecided/Not Applicable	Disagree	Strongly Disagree	Total
Rice Milling	0	6	0	6	5	17
Bakery	2	1	1	0	2	6
Sewai Manufacturing unit	0	1	0	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	0	0	0	2	2
Soya Nuggets Factory	0	0	0	0	1	1
Pickles, Jam & Jelly	0	0	0	1	0	1
Total	2	8	1	7	10	28

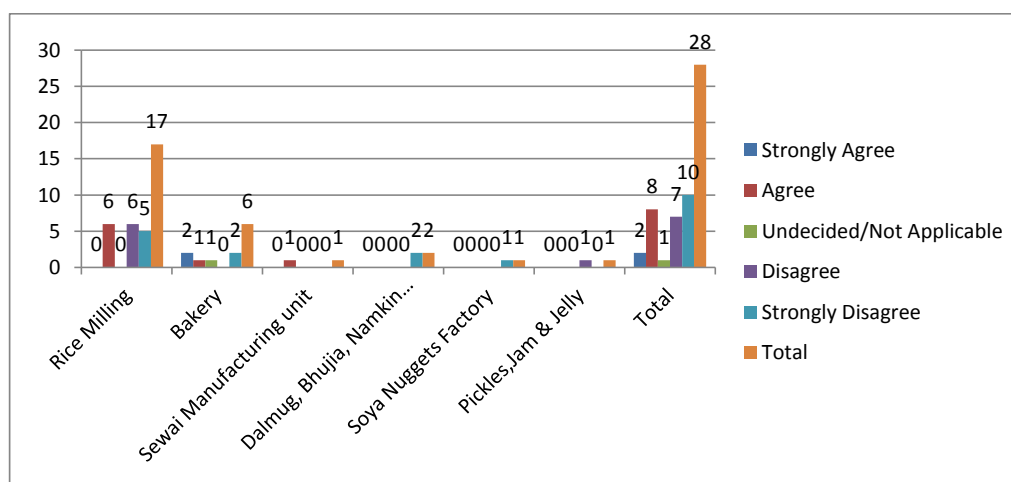


Fig. 10: Adequacy of Financial Institutions in Financing Small Enterprises

Source: Field Survey

Analysis and Inferences

From Table 12 and Fig. 10, the researcher found that out of 28 units, 2 unit (i.e. 7.14 %) strongly agree to the statement that the financial institutes are adequate in financing the small scale enterprises and 8 units (i.e. 28.57%) also agree to the statement whereas 1 unit (i.e. 3.57%) is undecided about the matter. Out of remaining units, 7 units (25%) and 10 units (35.71%) disagree or strongly disagree to the statement. Hence, it was observed that majority of the units do not agree that the financial institutes are adequate in financing the small scale enterprises.

The researcher finds that the units those who have acquired finance by taking loans from the banks either through government scheme or personal loan to start up their units were in a view that the financial instructions are adequately providing finance to these small scale enterprises, whereas majority of the units were against the view that financial instructions are adequate in providing finance. As per the respondents they have tried to avail the financial benefit but the process to acquire the benefit is very complicated and the financing authority many a times have not supported them in this regard due to incomplete documentation process so as to avail the benefit.

Table 13: Unavailability of Raw Materials

FPIs in Assam is not sustaining due to unavailability of raw materials					
Type of Unit	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Rice Milling	4	8	5	0	17
Bakery	0	0	3	3	6
Sewai Manufacturing unit	1	0	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	0	2	0	2
Soya Nuggets Factory	1	0	0	0	1
Pickles, Jam and Jelly	1	0	0	0	1
Total	7	8	10	3	28

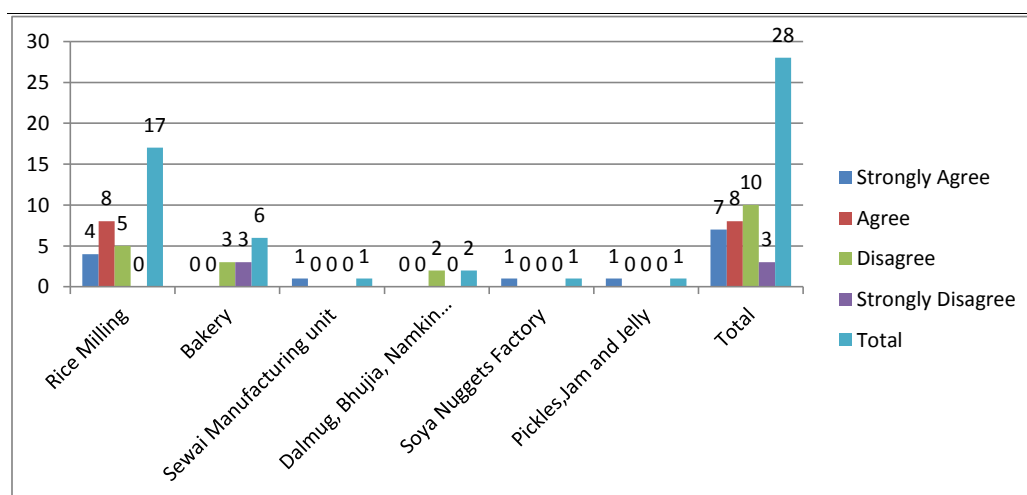


Fig. 11: Unavailability of Raw Materials

Source: Field Survey

Analysis and Inferences

From Table 13 and Fig. 11, the researcher found that out of 28 units, 7 units (i.e. 25 %) strongly agree and 8 units (i.e. 28.57%) agree to the statement that food processing

industries in Assam are not sustaining due to unavailability of raw materials, whereas 10 units (i.e. 35.71%) disagree to the statement and remaining 3 units (i.e. 10.71%) strongly disagree to the same. Hence, it was observed that majority of the units strongly agreed that food processing industries

in Assam are not sustaining due to unavailability of raw materials.

The researcher finds that basically the units such as the rice mill were in a view that the food processing industries in Assam are not sustaining due to unavailability of raw materials. The shortage of raw materials is because of the reason that most of the rice mills were set up in Jorhat and Sibsagar district while rice is mostly produced in the paddy fields like “Hamdoi” in Jorhat district. In present days, many rice mills were set up at Jorhat and Sibsagar district itself for which the milling units in Dibrugarh and

Tinsukia district were facing the problem of shortage of raw materials. They now have to depend only on the local production. Moreover, one of the common problems what the researcher have observed is that, most of the people have either sold their farming lands to various parties to build houses or have utilised it for some other profitable business rather doing rice cultivation on it. Moreover, the present young generation does not want to go for cultivation rather they prefer to make themselves engaged in some other business activities which is one of the serious problems as observed in case of rice cultivation.

Table 14: Government Response Towards Need of FPIs

Government Response Towards Need Of The Fpis Is Positive						
Type of unit	Strongly Agree	Agree	Undecided/ Not Applicable	Disagree	Strongly Disagree	Total
Rice Milling	2	2	1	5	7	17
Bakery	1	1	0	3	1	6
Sewai Manufacturing unit	0	1	0	0	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	0	1	0	0	1	2
Soya Nuggets Factory	0	0	0	0	1	1
Pickles, Jam & Jelly	0	1	0	0	0	1
Total	3	6	1	8	10	28

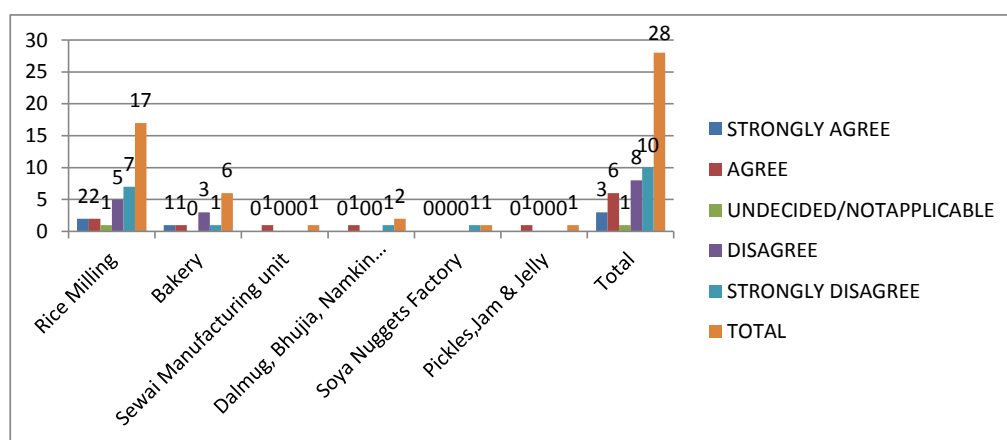


Fig. 12: Government Response Towards Need of FPIs

Source: Field Survey

Analysis and Inferences

From Table 14 and Fig. 12, the researcher found that out of 28 units, 3 units (i.e. 10.71 %) strongly agreed and 6 units (i.e. 21.43%) agreed to the statement that government

response towards need of the food processing industries is positive, whereas 8 units (i.e.28.57%) disagreed, 10 units (i.e.35.71%) strongly disagreed, and remaining 1 unit (i.e. 3.57%) is undecided to the above statement. Hence, it is observed that majority of the units do not agree that the

government is responsive towards the needs of the food processing industries.

The researcher finds that most of the units were in a view that the government is inactive towards the need of the food processing industries and the main problem is with the government officials who do not understand about the need of the business. The researcher also observed that various facilities were provided by the government to other units such as electricity subsidy. For this, the

beneficiaries have to first take the permission from the DI&CC in order to avail the electricity subsidy. But, to get the permission from DI&CC is a tough task for these units as they have to run to the office many times for the same. Moreover, the respondents have also opined that the registered authority have never informed about these facilities to these units. So, the respondents were in a view that these schemes and provisions were made only for the known peoples or relatives of the officials and not for the general public.

Table 15: Number of Other Skill Development Trainings in Dibrugarh

<i>Other Skill Development Training is more in number than FPIs in Dibrugarh district</i>			
Type of Unit	Strongly Agree	Undecided/Not Applicable	Total
Rice Milling	13	4	17
Bakery	6	0	6
Sewai Manufacturing unit	1	0	1
Dalmug, Bhujia, Namkin Manufacturing unit	2	0	2
Soya Nuggets Factory	1	0	1
Pickles, Jam & Jelly	1	0	1
Total	24	4	28

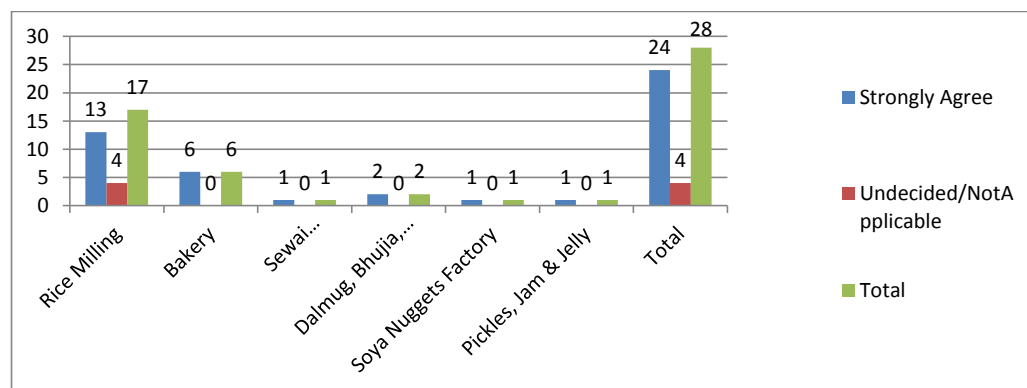


Fig. 13: Number of Other Skill Development Trainings in Dibrugarh

Source: Field Survey

Analysis and Inferences

From Table 15 and Fig. 13, the researcher found that out of 28 units, 24 units (i.e. 85.71 %) strongly agreed and remaining 4 units (i.e. 14.29%) were undecided to the statement that in Dibrugarh district skill development training in other sectors is more in number than in food processing industries. Hence, it is observed that majority of the units agrees that the skill development training in other sectors is more in number in Dibrugarh district than in food processing industries.

The researcher, after surveying, finds that the IT, handloom & textile, and other various vocational training courses are given more preference by the government than skill development training in food processing industries especially in Dibrugarh district of Assam. The researcher has also observed that many skill development trainings have been undertaken in other parts of Assam, but no such initiatives have been taken in the study area.

Findings and Suggestions

Analysis of the Results According to the Objectives and Research Questions

Objective Number 1: To identify the challenges of food processing units in the area under study.

Research Question 1 & 2:

- Whether enterprise in food processing under the stated period 2007-2014 is using own fund or some other source as their start-up capital?
- Whether main area where finance is required is utilised for skill development training or do the FPIs have some other area where finance is mostly required?

Findings

- About 50 % of the respondent responded that they have managed the start-up capital by own fund.
- Industries especially the tailoring units, handloom and textile industries are given maximum of the benefits in regard to subsidy and also in regard to start-up fund which is one of the major challenges for the food processing sector for its survival.
- The complex procedure of the banking system for applying of loan and for availing of any subsidies under various government scheme is another big challenge for the small scale industries of this type.
- Apart from these, it was found that to avail a subsidised loan the applicant has to pay 10 percent commission to government offices and even the bank officials take a percentage from that amount. The remaining amount sometimes becomes almost equal to the subsidised amount plus the travelling and miscellaneous expenses which they have to bear for getting the loan sanctioned.

Objective Number 2: To identify the skill development training in food processing industries undertaken by various government and non-government organisations in the area under study

Research Question 4: Whether skill development provisions are available for the employees after the business setup?

Findings

- From Table 1 and 2, it can be noted that only a few trainings have been done in food processing sector and that too by the KVKs and the two stated NGOs.
- It was observed that most of the skill development schemes were made for the IT, handloom & textile and also for some other vocational programmes, hence skill development training in food processing industries is countable in numbers.
- The number of skill development trainings undertaken in Dibrugarh district is comparatively lesser whereas the same has been found to be more in case of districts like Jorhat and Sibsagar of Assam. Moreover it is also seen that only few food processing unit have been imparted with skill development training after starting their business and that too in pickle, jam, jelly making and bakery units.

Objective No. 3: To assess the extent of financing required for skill development in the food processing units operating in Dibrugarh district of Assam.

Research Question 7: Whether government has provided financial support for providing skill development training in food processing industries?

Findings

- It was observed that majority of the units have not availed any of the financial benefit for skill development. Neither have they availed any skill development training nor have they been given any financial support to conduct skill development training of their own.
- With regard to skill development training only KVK and few NGOs have been actively providing training in this regard.
- The study has also brought this in light that vocational trainings are given much more importance and hence most of the financial beneficiary schemes are also made for those sectors.

Research Question 3: Whether the government schemes and provisions are helpful for developing employee's skill?

Findings

- It was observed from the study that government schemes and provisions were basically not found to

be much helpful for the food processing units.

- It was also found that the respondents were with a view that these government schemes were basically for those who have good terms with the government officials and not for the general public.

Research Question 5: If skill development training is available for the employees of the FPIs, from where the financial assistance is acquired for the skill development training?

Findings

- The study reveals the fact that no financial benefits have been directly provided in any form to the food processing units in the name of skill development training.
- It was found that the KVK who were tremendously acting for the skill development training were basically funded by Indian Council of Agricultural Research (ICAR) which is under the Ministry of Agriculture, Government of India. The NGOs too acquire fund for conducting such training activities from such other sources.
- It was also observed that few private training providers provide training only to those units who purchases products of that company.

Research Question 6: How much the registered authority provides information to the enterprises for getting fund for skill development training?

Findings

- The study reveals that the registered authorities have not provided with any information to the units regarding availing of any financial benefit for skill development training to its employees.
- Most of the respondents were in a view that if the matter of finance appears then the government officials first decide the percentage that the beneficiaries have had to pay to them so as to avail any of such benefits if arises.

Some other Observations and Findings

Some observations and findings based on the photos of the units collected in the area under study are as follows:



Fig. 14 (a): Frying Chamber Back view



Fig. 14 (b): Frying Chamber Front View Vermicelli Noodle



Fig. 14 (c): Wood Fire based Oven of Bakery Unit



Source: Field Survey

Fig. 14 (d): Unprocessed Vermicelli Noodle

- One of the main observations was lack of available manpower. It is the basic problem faced by these units especially in the bakery units. One of the reasons is not installing of modern technology in these units such as the electric ovens. People engaged in these units have to still work on those old fire/gas ovens in a hot atmosphere and people nowadays do not like to work in such an environment with that minimum wage. They rather get engaged in various shops and tea gardens.
- As most of the units do not avail any subsidy from the government in regard to electrification of the units. Hence, these units still use old ways and methods of processing the food items. Some of the units those who have the electricity facility face the problem in paying electricity bill. The reason behind this is that most of the time the electricity bills were charged to these units on an average basis. It thus create another problem for these units as even if the units remain closed, they have to pay the fixed average charge.
- The large number of non-registered players in the market is another major problem for survival of the registered units. The reason is that the non-registered units can sale the same products at a cheaper rate which a registered unit cannot because of various taxes which registered units have to bear.

Conclusion

Lack of experience and knowledge, unavailability of modern machines, unskilled workforce, and government support are some of the factors which affect the food processing units adversely.

So, it is high time to chalk out a well-planned project for all-around upliftment of the food processing industries by the government. Experts should provide their valuable advice to the government in making the availability of all kind of facilities to the industries for production method. The government should help in arranging for transportation, distribution and storage of the produced goods in order to fulfill higher demands of the customers. At the same time, the government training agencies should play an active role in developing the food processing units.

For the better development of the said sector, proper vigilance should be undertaken in every sphere and apart from vigilance from government departments such as (Sales Tax dept., Income Tax dept., Food and Supply dept.), private collaboration should be undertaken under PPP (public private partnership) mode.

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