



# A Study on Status of Micro Food Processing Enterprises in Andhra Pradesh, India

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## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

## **Article Information**

DOI: 10.9734/CJAST/2023/v42i104098

## **Open Peer Review History:**

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/99988>

**Original Research Article**

**Received: 03/03/2023**

**Accepted: 06/05/2023**

**Published: 10/05/2023**

## **ABSTRACT**

**Aims:** The aim of the study is to identify and understand the status of food processing enterprises in Andhra Pradesh and to categorize them into micro, small, medium, and large for better understanding.

**Study Design:** The research has been formulated to comprehend the status and distribution of food processing businesses district-wise in the state.

**Methodology:** The study used secondary data collected from multiple government sources, primarily the AP Food Processing Society (APFPS), to analyze the condition and distribution of food processing businesses in Andhra Pradesh. The study categorizes food processing businesses into micro, small, medium, and large for better clarity. The study also provides details on the number of micro food processing enterprises (MFEs) working in different categories, such as Agriculture,

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Horticulture and Plantation, Aquaculture, and Livestock, in the state of Andhra Pradesh.

**Results:** According to the study, the AP Food Processing Society has recognized a sum of 4181 food processing firms in the state, with 2132 of them being micro-enterprises, 1665 being small businesses, 152 being medium-sized firms, and 168 being large enterprises. The study also includes data on the number of micro food processing enterprises (MFEs) operating in various categories, such as Agriculture, Horticulture and Plantation, aquaculture, and livestock, in the state.

*Keywords: Food processing; micro food processing enterprises; processing business; Andhra Pradesh.*

## 1. INTRODUCTION

The food processing sector plays a crucial role in the growth and development of India's economy, given the country's vast and varied agricultural base as the world's second-largest food producer. This industry is key to adding value to agricultural products by enhancing their quality and extending their shelf life. The food processing industry has become one of the biggest industries in India and has created millions of direct and indirect job opportunities, particularly in rural communities that depend on agriculture for their livelihoods. By transforming raw materials into finished products, the industry has also helped farmers secure better prices for their crops. Furthermore, the food processing sector has significantly contributed to India's export earnings, with rice, spices, tea, coffee, and processed foods among the products exported. The industry has also facilitated the development of rural areas by promoting modern agricultural practices, which have increased productivity and yields. Additionally, the food processing industry has helped ensure food security by reducing post-harvest losses and increasing the availability of food throughout the year. Moreover, it has been instrumental in introducing new food products that meet changing consumer preferences and tastes.

## 2. PROBLEM STATEMENT

The problem addressed in this study is to determine the status of micro food processing enterprises in Andhra Pradesh state. Despite the significant contribution of the food processing sector to the state's economy, there is a lack of comprehensive information on the status and distribution of micro enterprises in the state. This study aims to fill this research gap and provide insights into the current state of micro food processing enterprises in the state. The study seeks to identify the number and distribution of micro food processing enterprises across different districts and to classify them based on

their investment size. The findings of this study are expected to be useful for policymakers and stakeholders in the food processing industry in developing strategies to promote the growth of micro food processing enterprises in the state.

## 3. METHODOLOGY

The study aimed to gather and analyse data from several government sources, with a particular emphasis on the AP State Food Processing Society. Statistical methods were used to analyse the data, with the primary goal of gaining a better understanding of the current status of micro food processing businesses in Andhra Pradesh and their distribution across the various districts of the state. To achieve this objective, the study utilized secondary data from multiple government sources, including the AP Food Processing Society (APFPS) [1-5]. The food processing enterprises were divided into micro, small, medium, and large categories to provide a clearer picture of their status. Additionally, the study provides information on the number of micro food processing enterprises (MFEs) operating in different categories, such as Agriculture, Horticulture and Plantation, Aquaculture, and Livestock, in the state of Andhra Pradesh.

## 4. RESULTS AND DISCUSSION

### 4.1 Food Processing Enterprises

The table provides a classification of food processing enterprises based on their level of investment. Micro enterprises have an investment of less than 1 crore, small enterprises have an investment above 1 crore and up to 10 crores, medium-sized enterprises have an investment between 10 to 50 crores, and large enterprises have an investment of more than 50 crores. This classification allows for a better understanding of the distribution of food processing enterprises across different categories in the state of Andhra Pradesh [6-8].

**Table 1. Classification of food processing enterprises based on their investment**

S. No	Investment	Type of Food Processing Enterprise
1	Below one crore	Micro Food Processing Enterprise
2	One crore to 10 crores	Small Food Processing Enterprise
3	10 crores to 50 crores	Medium Food Processing Enterprise
4	Above 50 crores	Large Food Processing Enterprise

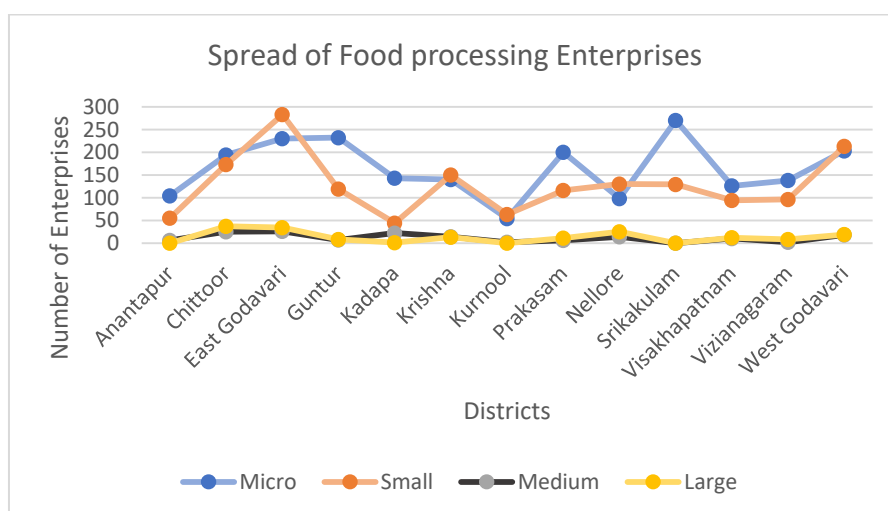
According to the categorization mentioned above, the AP Food Processing Society has identified a total of 4181 food processing businesses in the state. Out of these, 2132 are micro enterprises, 1665 are small enterprises, 152 are medium-sized enterprises, and 168 are large enterprises. The district with the highest number of food enterprises is East Godavari, followed by West Godavari. A graphical representation of the distribution of food processing enterprises across different districts is provided in Fig. 1.

Adding to that, the table shows the distribution of micro, small, medium, and large food processing enterprises across various districts in Andhra Pradesh. Anantapur has the fewest number of food processing enterprises, with only 104 micro, 55 small, and 6 medium-sized businesses. Chittoor has the highest number of large-sized food processing enterprises with 37 such businesses, while East Godavari has the highest number of small and medium-sized businesses, with 283 and 34 respectively. Guntur has the highest number of micro-enterprises with 232 such businesses, while Srikakulam has the highest total number of food processing enterprises overall, with 270 micro and 129 small businesses. Kurnool has the lowest number of

medium and large-sized businesses, with only 2 medium-sized and no large-sized enterprises. Visakhapatnam and Vizianagaram have a relatively low number of food processing enterprises, with both districts having fewer than 150 micro-enterprises. West Godavari has a relatively even distribution of food processing enterprises across all categories, with the highest number of small-sized enterprises at 213. Overall, the table shows a diverse distribution of food processing enterprises across the districts of Andhra Pradesh, with some districts having a high concentration of small or large businesses, while others are dominated by micro-enterprises.

#### 4.2 Micro Food Processing Enterprises

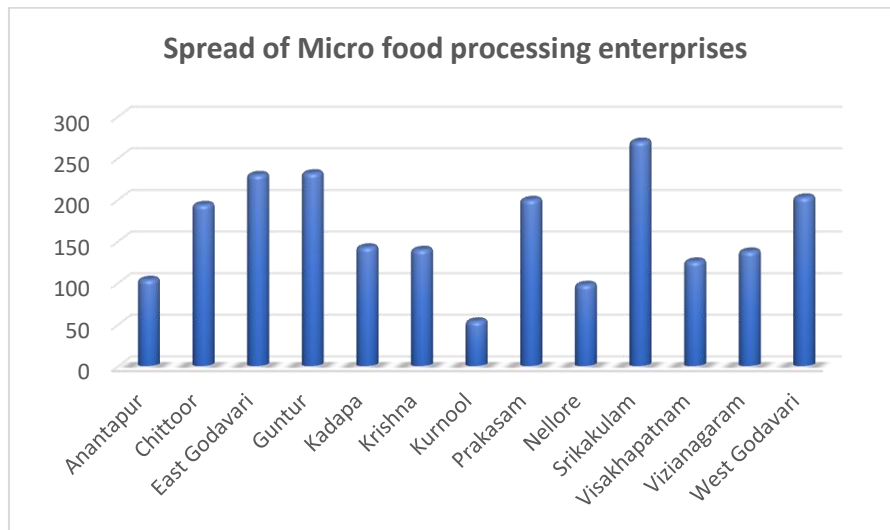
The bar chart (Fig. 2) shows the number of micro food processing enterprises in each district of Andhra Pradesh state. Anantapur has 104 such enterprises, Chittoor has 194, East Godavari has 230, Guntur has 232, Kadapa has 143, Krishna has 140, Kurnool has 54, Prakasam has 200, Nellore has 98, Srikakulam has 270, Visakhapatnam has 126, Vizianagaram has 138, and West Godavari has 203 micro food processing enterprises.



**Fig. 1. Spread of Micro Small Medium and Large food processing enterprises in the districts of AP**

**Table 2. Classification of Food processing enterprises based on their investment**

District	Micro	Small	Medium	Large
Anantapur	104	55	6	0
Chittoor	194	173	25	37
East Godavari	230	283	26	34
Guntur	232	119	7	8
Kadapa	143	44	22	1
Krishna	140	150	14	13
Kurnool	54	63	2	0
Prakasam	200	116	6	11
Nellore	98	130	14	25
Srikakulam	270	129	0	0
Visakhapatnam	126	94	10	12
Vizianagaram	138	96	2	8
West Godavari	203	213	18	19



**Fig. 2. Spread of Micro food processing enterprises in the districts of AP**

Table 2 displays information on the number of micro food processing enterprises (MFEs) operating in different categories such as Agriculture, Horticulture and Plantation, Aquaculture, and Livestock in the state of Andhra Pradesh. Additionally, the table also provides details on the number of MFEs operating in these categories in the districts of Guntur and Krishna within the state. To illustrate, the Agriculture category has a total of 1269 MFEs in Andhra Pradesh, out of which 138 are

located in Guntur district and 63 are in Krishna district [9-11]. Similarly, there are 83 MFEs operating in the Horticulture and Plantation category in Andhra Pradesh, with 16 located in Guntur district and 5 in Krishna district. The Aquaculture category has 185 MFEs in Andhra Pradesh, with 21 in Guntur district and 21 in Krishna district. Lastly, the Livestock category has a total of 403 MFEs in Andhra Pradesh, with 30 located in Guntur district and 42 in Krishna district.

**Table 3. Categorical spread of micro food processing enterprises**

Category	Andhra Pradesh	Guntur	Krishna
Agriculture	1269	138	63
Horticulture and Plantation	83	16	5
Aquaculture	185	21	21
Livestock	403	30	42

## 5. CONCLUSION

Based on the information presented above, it can be concluded that the food processing industry in Andhra Pradesh state is thriving, with a total of 4,181 enterprises operating in the sector. These enterprises are categorized into micro, small, medium-sized, and large, based on their investment size. The majority of the enterprises are micro enterprises, with a total of 2,132 operating in the state. East Godavari district has the highest number of food processing enterprises, followed by West Godavari. The number of micro enterprises in each district is also provided, with Srikakulam having the highest number of micro enterprises and Kurnool having the lowest. Overall, the data indicates that the food processing industry in Andhra Pradesh is a significant contributor to the state's economy, providing employment opportunities and contributing to the growth of the agriculture sector.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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*Peer-review history:*  
The peer review history for this paper can be accessed here:  
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