

Business performance of fruit processing in Tamil Nadu

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ABSTRACT

Food processing industry has enormous significance for India's economic development because of its vital linkages and synergies with industry and agriculture. This study focuses on the performance of fruit processing unit in Tamil Nadu. The data from management records, balance sheets, profit and loss account and trading account were obtained for a period of 9 years. The growth and business performance of the unit was accessed through financial / ratio analysis and compound annual growth rate. It could be observed that the firm registered an impressive performance with annual compound growth rates of 16.8, 15.7 and 27.00 per cent for raw mango procurement, pulp manufactured and sales of finished product (pulp) in that order. Firm was having comfortable liquidity to meet short and long-term financial obligations. The gross profit margin had increased over the years, but net profit margin had remained constant and declined and had not increased as fast as gross profit margin, implying that the operating expenses relative to sales have been increasing over many years. Increasing expenses should be identified and controlled.

Key words : Fruit processing, Business performance

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The food industry is the complex, global collective of diverse businesses that together supply much of the food energy consumed by the world population. The food processing industry is one of the largest industries in India. It is ranked fifth in terms of production, consumption, export and expected growth (Singh, 2006). Food processing industry is widely recognized as a 'sunrise industry' in India having huge potential for uplifting agricultural economy, creation of large scale processed food manufacturing and

food chain facilities, and the resultant generation of employment and export earnings.

Fruits and vegetable processing:

The processing industry consists of public, private and co-operative sectors. In mixed economy like India, from the performance point of view, many public and co-operative units have failed, while the private units have achieved some success. A detailed study of business performance of mango processing unit, would be of immense use to know whether the private sectors follow the sound management principles for their success. Keeping in view of these facts, an attempt was made to assess the management of mango processing unit in Tamil Nadu. In this regard, this study aims to evaluate the growth and business performance and to document the production and marketing constraints faced by the firm.

Since, mango is a perishable commodity, it has to be processed immediately after procurement. The processing activity cannot be neglected as it imparts value to the product and enhances its keeping quality.

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