

LOCATION AND GROWTH OF VANASPATI INDUSTRY IN INDIA

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THE GROWING concentration of population in urban areas gave an impetus to the food-processing industries to meet the growing needs of the ever-expanding number of people divorced from agriculture. Indeed, the increasing urbanization of the country is a more important factor in the growth of such industries than the increase in total population.

One such industry is *vanaspati*. In the food-processing industries in India, *vanaspati* comes next to the sugar industry. This is an agro-based industry. This industry is one where the asymmetrical relationship between industry and agriculture is conspicuous. While the agricultural sector is the main supply sector, it is not the main source of demand for the manufactured goods. The object of this study is to examine the economic efficiency of the industry and to identify the location determinants.

The growth of *vanaspati* industry during the period 1956-1965 has been phenomenal. *Vanaspati* production increased from 260,000 tonnes to 429,000 tonnes, and the number of factories rose from 30 to 48. This remarkable progress of the industry was marked by a change in the geographical pattern of production of the industry. There was more than two-fold increase in *vanaspati* production during this period in the North Zone. The share of the North Zone in the total *vanaspati* production increased, while that of the West and East Zones declined. The share of the South Zone remained more or less the same. The percentage share of each zone to the total production in 1956 and 1965 is as given on next page.

The growth of the industry in each zone is examined under two heads : (1) consumption increase, and (2) growth of groundnut production.

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