

INTRODUCTION

CONCEPT OF BAKERY PRODUCTS

In the olden days people were stuck to the simple food like chapatis, rice, pulses, corn, bajara etc. and there was no advancement in the food habits as there was no awareness about the advance methods of cooking food. But with the passing of time man started thinking of some new items of food to change the taste with the same ingredients used in the traditional food. Food ingredients have commanded the food industry around the globe making people savor the food they eat. Food is no more about filling the hungry stomach but it is actually driving people into an obsession with the tastes it leaves behind. Ingredients are the issue of research and experimentation because it has an immense importance in developing the taste and appearance of food cooked using them.

Bakery products are the readymade food items made of various ingredients available anytime when demanded. The main bakery products are bread, biscuits, cakes, pastries and other milk and dairy products. People due to shortage of time prefer these bakery products. The present day consumer looks for new bakery products, better appeal, taste and convenience from bakery foods. With a population of 1 billion plus, India has the largest middle-income consumers, who demand varieties in food, clothing, transport and improved living standards, also wish to eat out. Opportunities, in abundance, exist in Bakery Cafes and Restaurants, those who cater fast-foods.

Bakery products are gaining popularity day by day. Young generation mostly prefer the bakery products. Most of the bakery

products are made up of wheat, the major food crop of India produced abundantly in India. Wheat is the major cereal crop of the world and is consumed mainly in the form of bakery products in most parts of the world. In India, wheat is consumed mainly in the form of chapati – an unleavened baked product. In India, bakery products have become popular among different cross sections of population in recent years due to increased demand for convenient foods. Among bakery products, bread and biscuits are the most popular processed ready-to-eat food items in the country. Bread and biscuits accounting for 84% of the total bakery products produced in the country. India's bakery products can be divided into three main products viz., bread, biscuits and cakes. Bakery products are mostly popular in urban areas. Due to unawareness and illiteracy, rural people are not familiar with the various kinds of bakery products. Rural areas supply raw material for the bakery products.

Many bakery products are nutritive and have become important part of diet of the people. Bread and biscuits have become most popular breakfast of most of the families not only in India but all over the world.

India has a large market for the bakery products. It has become an important industry in India and is growing rapidly. In the present era growing demand for the bakery products has become one of the most important necessities in the life of the people.

IMPORTANCE OF BAKERY INDUSTRY IN THE SOCIETY

Bakery industry is the rapidly growing industry in our country. This industry in India is the largest of the food industries with an

annual turnover of about Rs. 3,000 crore. India is the second largest producer of biscuits in the world. The bakery industry is divided into two main types: Individual bakers in tiny sector catering to the requirements of their local markets and the Industrial bakers of the Fast Moving Consumer Goods (FMCG) in the category of major industrial units having market operations in many parts of the country.

Bakery products once considered as sick man's diet have now become a common essential food items. From the later part of 20th century, the bakery industry is growing due to demand for ready to eat products which is influenced by increased urbanization, increased per capita income and increased population etc.

Growing popularity of the bakery products have led to the growth of market in India. "The market has grown faster in the last five years as competition and new products have an impact on awareness and consumption of the masses. A hospitality student is in much demand after his completion of education and having specialized training in the bakery field. Multinational Companies like raw material manufacturers, equipment developers, food courts in malls, franchise fast-food chains and bakery brands growing in different cities, are all offering challenging positions and strong salaries."¹ Growing market has led to the standardization of the society. The living standard of the people has increased in our society.

The bakery industry today offers immense opportunities for bakers, decorators, trainers, process managers, distributors and many more related professions. Increased demand for the bakery products

¹ [www. Bakery India. com.](http://www.BakeryIndia.com)

has increased the jobs for the people. It provides vast employment opportunities for the youth also. Trained professionals are getting high salaried jobs in India as well as abroad. India's export of the bakery products have also raised which is helping in the growth of the economy of the country.

Bakery products have also given some relief to the women. In the early days females had to prepare food all the time with no time to get relief. But now-a-days as women are also getting professionals, they have less time to give at home and family. The growth of the bakery products has reduced the responsibilities of kitchen. They can now easily prepare food with the readymade food items which need less labour and time. Increased awareness of the bakery products has reduced the burden of the females in the society. People going out of home can easily satisfy their food needs. Thus the bakery products have solved many problems of the people.

Bakery products also solve the problem of preservation. These products can be stored for few days and do not easily get spoiled. As other food items lose their taste when stored for some time but the bakery products do not lose their taste. People living away from home can easily store these food items. The bakery products have reduced the dependence on females for satisfying their food requirements.

Increased demand for the bakery products has helped the primary sector of the country i.e. agriculture. Almost all the bakery products are made from the wheat and dairy products. There is a great demand of these agricultural items all over the world. Farming has become now more commercial. Farmers grow the crop and sell at

competitive prices in the national as well as international market. These bakery products have brought prosperity to the farmers all over the country. Likewise, the demand for the dairy products has also experienced a hike all over the world. The cattle owners get attractive prices for their products. Milk and milk products are in great demand from the last few decades.

Increased earning has improved the standard of living of the people of rural areas which helped in the overall development of the country as more than half of the population of our country is living in rural areas.

The agricultural and dairy products have raised the quantity of exports of the country and thus contributed in balancing the trade of the country.

Bakery products have globalized the market facilitating the producers to sell their products profitably.

Bakery products in India are in common use and are very important for our society. In modern days bakery products are becoming one of the most essential food items in human diet due to readymade availability and high nutritive value. These are the most consumable wheat based products. Wheat and other shortening agents are required as raw materials to manufacture these products easily available in India. The plant and machinery and the technology required to manufacturing these products are completely available in India. Since the consumption of bakery products is increasing rapidly day by day, the demand also is increasing enormously. So, though there are a lot of organized as well as private sectors existing, but the demand will not meet totally by them in near future. So, for new

entrepreneurs, it may become very good sector for investment. Thus the bakery products have great importance for our society from all of these views.

CLASSIFICATION OF BAKERY PRODUCTS

Bakery products are the easy, readymade food items which are easily available on demand. These are available from long time but now the liking of these items is increasing rapidly. In the present era there is large number of bakery products available in the market. The popular bakery products are being classified as under:

1. BREAD: In modern days bread is becoming one of the most essential food items in human diet due to its readymade availability and high nutritive value. It is the most consumable wheat based bakery products. It is the most popular breakfast item in almost every family. It is also easy to manufacture and also cheap as compared to other bakery products. Mainly wheat flour is used to prepare it.

Bread is a very old bakery product. The history of bread starts with Neolithic age and marches through time according to ingredient availability, advances in technology, economic conditions, socio-cultural influences, legal rights and evolving tastes. The earliest breads were unleavened. Variations in grain, thickness, shape and texture varied from culture to culture.

Bread is also a raw material of many other Bakery products. Wheat flour, yeast, sugar, salt, water and shortening agent are required as raw materials to manufacture bread. The plant and machinery and the technology required to manufacture the bread, are completely available in India. Since the consumption of Bread is increasing rapidly day by day, the demand also is increasing

enormously. The production of bread is estimated at 11.5 lac tones per annum. In this sector 25-30% of the production is from organized sector units. There is a lot of scope for introducing anti-diabetic bread or breads of high/low calories and so on. The major players in the bread industry that hold about 80% of the market share are Britannia and Modern Industries Ltd.

2. BISCUITS: Biscuits are the important items of Bakery industry. It has now become a common item of consumption among all classes of the community. With tea or Coffee, a biscuit makes a tasty nutritious snack. This highly nutritious and easy to digest product can be preserved for a long time. It is within the reach of even lower class people. It is available on small shops at all places. It is the most common snack used by all the people. Biscuit is made of simple wheat flour, sugar etc. By varying the ingredients and flavors it is possible to produce a variety of biscuits. About 50 percent of the total biscuit production in our country is of glucose. It is highly demandable product. It is liked by the people of all aged-groups. It is available in all rates, Cheap as well as costly. Its demand is continuously growing. These are easily digestible item. The plant and machinery used in making biscuits is not heavy and expensive. Biscuits are found in both sweet and salty tastes.

Biscuits also have very old history but these are not as old as bread. Biscuits are found in all shapes such as square, circled, rectangle etc. Due to their increasing demand, there is a bright scope for new entrants as well as for existing manufacturers. The major brands of biscuits are Britannia, Parle, Bakemen, Priya Gold, Elite, Cremica, Dukes, Anupam, Horlicks etc. In addition of these brands also a large production of this item is manufactured by the units having no brand in the area of the study.

3. CAKE: Cake is a new bakery product compared to the other bakery products. It was earlier famous in the Western countries but now becoming popular in other parts of the world too. In the olden times it was considered the rich men's items and mostly famous among Christians. But with modernization, it is gaining popularity among all the communities. It is a perishable product made of wheat flour, cream, gel, sugar and milk. It is of two types viz egg cakes and fruit cakes. Egg is mostly used in this to make it fluffy. Egg cakes are more perishable than fruit cakes. Cakes are used in all parties and on all happy occasions. Mostly the young generation has developed the taste of this item. But the use of cakes is mostly confined to urban areas. These are not very popular in rural areas due to its low accessibility. It is not available everywhere except big bakeries. Plant and machinery used in preparing cakes is expensive and needs good investment. Its scope is increasing in India also.

4. PATTIES: Patties are the bakery product made of wheat flour and other vegetables. It is the most common bakery product these days which can easily satisfy the hunger of a person as it is easily available every where on bakers and confectionaries. It is salty in taste and is found in many types such as simple potato patty, vegetable patty, cheese patty, mushroom patty, non-veg. patty etc. Egg is added to its flour to make it crispier. It is baked in ovens. It is a perishable food product and losses its taste another day. It is triangular as well as square in shape. It is widely popular item and is liked by the people of all ages especially by the young generation. They use to take it in their meals as well as in refreshment. There is large market of this bakery product because it is reasonable in price and can be afforded by every middle class people. It is mostly available in urban areas and rural people hardly get it to use. This

factor limits its market which can expand more and bakers can give good profits if they make this product available in rural areas also as the markets of Meerut Region has a good scope of this item.

5. PASTRIES: This bakery product is sweet in taste and is a highly perishable food product. Its taste is very much similar to the cream cakes and is found in small pieces. It is made with wheat flour, cream, sugar, fruit flavors, chocolates etc. It is very sensitive bakery product and needs cool place to preserve. It is made in fruits flavors and chocolate flavors and is made similar to cakes. Its taste remains good only for one or two days after it is manufactured. In winters it can be preserved for two- three days but in summer season it starts losing its taste the next day as cream, a milk product is used in preparing it. Pastries are mostly found in rectangle and triangle shape. Being a bakery product of the western countries it is now becoming popular in our country also. Children, youths and even the adults have developed the taste for the pastries. It is available at reasonable price. But the main drawback is that it is not easily available in rural areas due to its early perishable nature.

In Meerut Region pastries have a good demand especially in urban areas. It is manufactured locally and is consumed on large scale here. Pastries manufacturing and distribution provides employment to large number of people in the Region.

6. BURGER: Burger is a salty bakery product. It is highly nutritious and hunger satiable product. A person can satisfy his hunger by consuming this product. It is made of buns and various vegetables. Burger is a readymade product available immediately on demand and it needs no time to prepare. It is baked in microwave ovens and packed in silver foils. Before eating these are again reheated in microwave ovens. Burger is also a perishable product and

become stale after some time but it is less perishable than other milk bakery products like pastries, cakes etc. These are round in shape and comparatively simple to prepare. This fast food is made up of two buns made of wheat flour. One bun is put at the bottom and in between mixed cooked and raw vegetables are put and then the other bun is put at the top. These things are attached with a thin stick and are baked at a high temperature in microwave. It doesn't need any special storage place and is kept in a glass container. It is consumed in all weathers. Burgers are in demand at a large scale from earlier times but in the present time their demand is increasing rapidly day by day.

Burger has a good future prospect and its producers are earning good profits. In Meerut Region, there is a healthy demand of Burgers among the children, youths and adults due to its good taste, high calorific value, easy accessibility and reasonable price. But like other bakery products its demand is confined to urban areas most due to its unavailability in rural areas and also poverty and ignorance about such type of products among the rural people.

7. PIZZA: Pizza is a round shaped bakery product. It is salty in taste. It is the most common fast food popular among the people especially the youths and the children. It is made in many flavors. Such as cheese pizza, onion capsicum pizza, mushroom, pizza etc. It needs various raw materials to prepare it. It is prepared on pizza base pasting cream on it and adding vegetables, cheese, mushroom, spices sauce etc. It is light in taste and has high calorific value. It is also baked in ovens at a high temperature. Pizza is a highly perishable product and is preserved very carefully. It is a new bakery product in India which was earlier popular only in foreign countries. Due to

advent of the foreign culture pizza is also becoming the taste of the youths and the children. It is comparatively tough to manufacture.

Unlike the other bakery products, pizza is an expensive bakery product. Middle class people cannot easily afford to consume it regularly. Pizza is a new product in our country as well as in Meerut Region and its market is growing in this area with the passing of time. It is totally confined to urban areas and rural people are unaware about this fast food. But due to growing demand its future prospect is bright.

8. RUSK: Rusk is the bakery product which is made of wheat flour and suji. It is light sweet in taste and is consumed as snacks with tea and milk. Its preparation process is very simple. It can be preserved for a long period of time i.e. upto 2 to 3 months. They have very low storage cost. Rusk is very old product in our country.

Like the other areas Meerut Region also have a high demand and a wide market of rusks. These are very cheap bakery product and even poor people can afford to consume it easily. These are popular in urban as well as rural areas.

9. NAMKEEN: As its name suggests namkeens are salty in taste and are found in different flavors. Some namkeens are also salty as well as sweet or sour in taste. These are very old bakery products and consumed on large scale all over the country. It is not very much perishable and can be preserved for 2 to 3 months. It is simple to prepare and is a mixture of many different items.

The more items are added to the mixture, the more its taste increases. Its taste depends upon the quality and the freshness of the material used in it. That is why the branded namkeens have superior taste than the non-branded namkeens because the raw materials used

by the big brands are of very good quality and these companies maintain the quality norms.

The namkeens are made both in the urban as well as in the rural areas but the people of rural areas use the cheaper material than used by the urban manufacturers which deteriorates its taste and that is why it is available at cheaper rates. Rural people don't care about the brand and consume low quality and branded namkeens are not preferred by them because of its high cost.

The market of namkeen is very wide from very early days in our country and it is increasing day by day. There is a good scope for the producers in this field due to growing demand of this item.

Meerut Region has a large market of namkeens. Namkeens manufactured in Meerut are popular widely. These are demanded equally in urban as well as in rural areas. Many new brands of namkeens like Bikanerwala, Bikano, Haldiram are also available in the market which are very popular among the people of this area.

10. SANDWICH: Sandwich is a new bakery product in our country. Earlier it was famous only in foreign countries. It is very simple food item with high calorific value. Only few spices are used in preparing Sandwiches. It is a good accessible item in urban areas and can satisfy the hunger to a large extent. It is salty in taste. It is a readymade product which can be prepared in very less time and not much appliances are needed to manufacture it. Sandwich is a perishable product and becomes very quickly stale due to the presence of cream in it. It is triangle in shape. Bread, cream, butter and vegetables are needed to manufacture it. It is packed in thin plastic, transparent sheets and is consumed in all types of weather. It needs a moisture free place for its storage.

Sandwich is gaining popularity among the children, youths, adults and even the old-age people as it is not very spicy. It is a moderately priced product and can be consumed by middle class families too.

In Meerut Region obviously the demand for the sandwiches is increasing very fast but its demand and popularity is confined to the cities only. Being a highly perishable food item it is not available in rural areas and so is very uncommon in the villages. But it has a bright future and its manufacturers can hope to earn good profits from the increasing sale of this product in this Region.

IMPORTANCE AND SCOPE OF THE STUDY

Bakery Industry is an important part of economic and social structure of Meerut Region. As the population is growing, its food habits are changing and the consumers are driving towards low calorie fiber diets. Bakery industry is also growing in the country. Bakery Industry is having many products in itself such as- Biscuits, cakes, bread, pastries, pizza, sandwiches etc. These are such items, which are liked by young generation very much. But there are many problems and challenges before Bakery Industry in our country. Firstly, it is found that the methods which are being used for the preparation of such items are very much traditional because of which their costs remain high and the quality inferior. Secondly, this industry is not organized in nature because of which also the tastes differ from bakery to bakery. Not only this, also the marketing practices are found defective which results in the increase of their marketing costs to a large extent. If we go into depth of this industry, we find that although the profits of the manufacturers seem to be very

low but due to the mixing of inferior quality goods they earn heavy profits. So, on one hand the production and marketing costs come very high and on the other hand unethical profits are also earned by the bakery owners.

Keeping in view, the so noticeable facts about this industry, the researcher has decided to conduct a study in the field of production and marketing costs of Bakery products and had chosen the topic **“Cost-Benefit Analysis of Bakery Products in Meerut Region”**.

The researcher has a firm belief that this study will attract the attention of the people relating to this industry and constructive suggestions will be given to reduce the production and marketing costs of bakery products.

OBJECTIVES OF THE RESEARCH STUDY

The main objectives of the present research study are given below:

1. To enlighten the need, scope and importance of the study.
2. To study the concept of Bakery Industry and to evaluate the importance of bakery products in the society.
3. To classify the different types of bakery products.
4. To study about the manufacturing processes of different types of bakery products.
5. To analyse the production costs at different stages of bakery products.
6. To study about the expenses incurred at different levels of marketing of bakery products.
7. To study about the margins at different levels in the marketing of bakery products.
8. To study about the factors affecting the production and marketing costs, marketing charges and margins of bakery products.
9. To arrive at the logical conclusion and to propose constructive suggestions to reduce the production and marketing costs.

LIMITATIONS OF THE STUDY

The present study has been conducted under certain limitations which have been discussed under the following heads:

- 1. Scanty Literature:** The researcher had to face difficulties in collecting literature related to this study. He had to visit various libraries to consult the literature related to bakery products but he could get a little on this particular topic and he had to concentrate on primary data only. No doubt, the library and statistics department of District Planning Office, Meerut proved very helpful in providing the information regarding the bakery products in Meerut Region.
- 2. Limitations Regarding Personal Interviews:** During personal interviews it was observed that in most of the cases interviewees remained suspicious about the queries made from them. Generally they tried to avoid such an interview and were trying to escape in giving the answer of any question or in providing any information related to the present study. But after making continuous efforts, the researcher got success in getting required information from the Bakers. It could be possible only after giving them assurance about the non-leakage of any information provided by them except the use of these for the present research study.
- 3. Problems in collecting the Data and Information:** The researcher faced great difficulty in getting correct data and information required for the present research study. Generally the authorities of bakery industry remained reluctant to provide any information from their records due to their traditional

bureaucratic approach. But after making continuous efforts and giving them assurance again and again that these were being collected for the purpose of research work only and these will be used only for the analysis of them for the present research work so that this study may be useful to the bakery industry, the present data could be collected.

4. **Time Limitations:** As the researcher is in service and he scores limited time for his research study, he had to face the problem of time limitation. But due to entire cooperation of research team and family members, this could be performed with entire satisfaction within the minimum prescribed time-limit.
5. **Financial Limitations:** As the research scholar belongs to service class, he has limited financial resources. It is but natural that a research study of this dimension requires a large amount of money for building research team, survey work etc. However, all such expenses were managed by the researcher by his limited means.

Thus, the main limitations of the present study are scanty literature, non-cooperative response of interviewees, difficulties in collecting data and information from official records, shortage of time and paucity of funds. In spite of all these limitations and problems, the present research work could be done at satisfactory level and no compromise was made at any level due to existence of above mentioned problems.

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