

# Challenges and Opportunities of Small Scale Entrepreneurs

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*This study examines Challenges and Opportunities of Entrepreneurs of cashew industries in Palasa/Kasibugga in Srikakulam district of Srikakulam District. This study was carried out in 2015 march and data were collected from 75 cashew entrepreneurs with the aid of well structured questionnaire and through personnel interview. Respondents were selected using purposive and systematic sampling techniques. Data were analyzed using percentile analysis. Results showed that cashew entrepreneurs in the study area is male dominated with 90% of the respondents being males. Majority (72%) of the respondents in the study area ranked lack of credit facility as the most severe constraint, Imposition of heavy taxes during marketing of finished product was ranked by (56%) of the respondents. (84%) of the entrepreneurs stated their business by the way of acquiring loan from the banks but this could be attributed to a fact that subsidy is not given in time by the bankers.*

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## **Cashewnut Industry - Global**

Cashew a native of Eastern Brazil was introduced to India by the Portuguese nearly five centuries ago. India was the first country to hit the world market with cashew kernels and it was she who pioneered cashew processing as an industry. India is among the top producers of cashew nuts, next to Vietnam, Nigeria and Ivory Coast. These four countries contribute to 70 % of the global cashew production. The area under the crop is 4.71 million hectares worldwide with a production of 2.75 million tonnes annually.

The export of cashew kernels from India has grown at the rate of 3.6 per cent per annum during the last ten years as compared to the annual growth rate of 4.73 per cent of the world export. Among the agro-horticultural commodities getting exported from India, cashew bags the second position. USA, Netherlands, UK, Japan, UAE, France, Canada, Saudi Arabia, Singapore, Italy, German Fed. Republic, Austria, Israel, and Spain are the major international buyers of Indian Cashews. Nowadays Indian cashew export market is facing stiff competition from the new entrant to the world cashew market-Vietnam.

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Worldwide, trade in cashews exceeds US\$2 billion and its demand is increasing. Of the total world supply, 0.1 million tonnes are traded on international markets, with India claiming (40 per cent) and Vietnam (33 per cent). Vietnam topped global production with 0.64 million tonnes which is 30 per cent of global production, followed by India (0.5 million tonnes) and Brazil (0.22 million tonnes) in the second and third position respectively. Going by the area under cashew production, Vietnam is in the fifth position with 0.26 million hectares and Brazil has the second largest area under harvest with 0.68 million hectare after India. The United States is the largest importer of cashew kernels, accounting for over 50 per cent of the world's imports. Other importers include the Netherlands (ten per cent), Germany (seven per cent), Japan (five per cent) and the United Kingdom (five per cent). Cashew production in Asia currently accounts for about 50 per cent of global production. India has long been the main cashew producer in Asia, accounting for 70 to 90 per cent of total Asian production. Also Indonesia and Vietnam emerged as important cashew producing countries within Asia. African countries produce one-third of the world's raw cashew nuts, but 95 per cent of Africa's production is currently being exported abroad for processing. Tanzania and Guinea-Bissau are the largest producers of cashew nuts in Africa, each accounting for eight per cent of the world's production. Brazil produces approximately 2.24 lakh tonnes of raw cashew nuts a year, of which 90 per cent are sold abroad, and 80 per cent of the producers are small scale. Brazil currently occupies the third position in world exports with 16 per cent share. Majority of importers of cashew are serviced by India cashew growers.

Major contributions within the country are from Maharashtra (32.3 %), Andhra Pradesh (16.15 %), Orissa (13.7 %), Kerala (10.76 %) and Tamil Nadu (9.8 %), indicating maximum growth of the crop in the peninsular region. In the context of imports, India is the major importer, particularly from various countries of the African sub-continent.

#### **Objectives of the Study**

- 1) To review cashew industry at national and international level with special emphasis to Srikakulam District of Andhra Pradesh.
- 2) To find out the problems and challenges of small scale entrepreneurs of cashew industry in palasa and kasibugga in Srikakulam District and to provide suitable recommendations based on the findings of the study.

#### **Methodology**

The study uses, a survey mode and administers a questionnaire and personal interview with the cashew entrepreneurs to collect primary data to

investigate the challenges and prospects of cashew industry. Secondary data is also obtained from the directorates of Cashew and Cocoa Development, Cashew research stations, annual reports, books, journals and websites. Analysis of the responses has been attempted for brand groups of enterprises falling in different investment ranges of plant and machinery.

### Sample Design

Since the objective of the study is to find out the challenges and opportunities of cashew entrepreneurs of Palasa/Kasibugga of Srikakulam district in AP, the researcher has adopted simple random sampling technique for data collection and covered 75 sample enterprises out of 350 (21%) for the present study.

### Framework of Analysis

The collected primary data were processed with the help of appropriate tools in order to fulfill the objectives of the study. The collected data were carefully classified and tabulated. For the present study the researcher used percentile analysis

### Key Markets and Export Destinations

- The country accounts for about 65 per cent of the world's total exports of cashew products.
- India exports kernels to more than 60 countries across the world
- In 2013-14, India's exports of cashew and cashew-based products were worth US\$ 0.82 billion
- In 2013-14, India exported 113,620 tonnes of cashew shipments which also constituted 9226 tonnes of cashew nut shell liquid (CNSL), generating revenues US\$ 825.89 million and US\$ 6.18 million, respectively.

Table 1. The state-wise production of cashew in the country during 2011-2012 to 2013-2014.

| State          | (Quantity in MT) |               |               |
|----------------|------------------|---------------|---------------|
|                | 2011-12          | 2012-13       | 2013-14       |
| Maharashtra    | 223000           | 224640        | 236200        |
| Andhra Pradesh | 110000           | 118144        | 100420        |
| Odisha         | 97000            | 100840        | 85710         |
| Kerala         | 73000            | 76960         | 80120         |
| Tamil Nadu     | 68000            | 62400         | 67390         |
| Others         | 13200            | 145490        | 166720        |
| <b>Total</b>   | <b>692000</b>    | <b>728474</b> | <b>736560</b> |

Source: Directorate of Cashewnut and Cocoa Development-2014

The quantum and value of cashew export and import during the last three years and current year, country-wise are given below in tables 2 and 3 respectively.

Table 2. Export of cashew kernels country-wise (top 5 destination):

| Countries    | Quantity in MT/Value in Rs.Crs. |                |               |                |               |                |
|--------------|---------------------------------|----------------|---------------|----------------|---------------|----------------|
|              | 2011-2012                       |                | 2012-2013     |                | 2013-2014     |                |
|              | QTY                             | VALUE          | QTY           | VALUE          | QTY           | VALUE          |
| U.S.A        | 47611                           | 1470.47        | 33898         | 1505.80        | 30106         | 1236.17        |
| U.A.E        | 14173                           | 606.105        | 17437         | 788.84         | 13625         | 550.18         |
| Netherlands  | 11515                           | 365.56         | 9934          | 424.26         | 8589          | 341.24         |
| Saudi Arabia | 5135                            | 207.008        | 7195          | 326.20         | 5862          | 231.34         |
| Japan        | 7055                            | 237.451        | 6703          | 311.62         | 6370          | 274.10         |
| Others       | 45379                           | 1497           | 39937         | 1706           | 35553         | 1413           |
| <b>Total</b> | <b>130869</b>                   | <b>4383.82</b> | <b>115104</b> | <b>5062.76</b> | <b>100105</b> | <b>4046.23</b> |

Source: Cashew Export Promotion Council of India - 2014

Table 3. Import of Cashewnut during the last three years, country-wise (top 5 destination):

| Countries     | Quantity in MT/Value in Rs.Crs. |                |                  |                |               |                |
|---------------|---------------------------------|----------------|------------------|----------------|---------------|----------------|
|               | 2011-2012                       |                | 2012-2013        |                | 2013-2014     |                |
|               | QTY                             | VALUE          | QTY              | VALUE          | QTY           | VALUE          |
| Ivory Coast   | 181265                          | 1058.45        | 268306           | 1367.11        | 209201        | 1058.09        |
| Guinea Bissau | 136384                          | 1046.20        | 109627           | 764.90         | 114701        | 676.32         |
| Tanzania      | 60011                           | 442.18         | 145107           | 1052.26        | 111935        | 892.17         |
| Benin         | 122301                          | 791.37         | 154834           | 871.53         | 103979        | 608.16         |
| Ghana         | 128361                          | 787.62         | 83810            | 465.89         | 96343         | 524.83         |
| Others        | 181504                          | 1213.00        | 130681           | 810.00         | 135197        | 804.00         |
| <b>Total</b>  | <b>809825</b>                   | <b>5338.64</b> | <b>892365.23</b> | <b>5331.74</b> | <b>771356</b> | <b>4563.99</b> |

Source: Cashew Export Promotion Council of India- 2014

In order to promote Cashew export, the Government has been continuously assisting the Cashew Export Promotion Council of India through Five Year Plans. In the XI Five Year Plan, the Cashew Export Promotion Council of India was provided an assistance of Rs.9.02 crore for upgrading processing facilities. Similarly, for the XII Five Year Plan (2012-2017), the CEPCI has been sanctioned Rs.26 crore for modernization, diversification, Process Mechanization, Automation of Cashew Processing Units, quality up-gradation and Food Safety Certifications. In addition, the Ministry of Commerce & Industry has put in place various schemes, namely, Market Development Assistance (MDA), Market Assistance Initiative (MAI), Assistance to State for Development of Export infrastructure and Allied Activities (ASIDE), VisheshKrishi and Gram UpajYojana, Focus Product Scheme, Focus Market Scheme, Towns of Export Excellence etc. to boost export of agri products which includes cashew industry also.

As regards steps to boost production of cashew, various cashew development programmes being implemented under NHM for the last three years and the current year are:

- New plantation development of cashew with high yielding varieties
- Replanting of old and senile gardens owned by Corporations with high yielding varieties.
- Rejuvenation of existing cashew plantations by adopting improved farming practices.
- Technology demonstration in farmers field & institutional farms.
- Production and distribution of planting materials by promoting model cashew nurseries and its accreditation.
- Publicity for crop promotion and technology dissemination.
- Training Programme for farmers and extension workers on new technologies.

Andhra Pradesh leads over all other parts of the world when speaking about the total area under Cashew cultivation and has about 46,913 hectares of area under cashew with an annual production of 12,500 tonnes of raw nuts. Districts of Srikakulam, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Prakasham and Nellore are the important cashew growing districts in the state. Palasa adjoining Kasibugga in srikakulam district is very famous nationally and abroad for the industry density, and its door to door cottage industry phenomenon,

Changing socio-economic factors consequent to economic growth, have made mechanization of the sector imperative and most of the units have come out of the traditional system of processing through kiln roasting meeting the anti-pollution commitment. Labourers are also finding the sector unattractive due to the nature of the job, and poor remuneration compared to other sectors. Most of the labour are out of enrollment required to be entitled to statutory benefits as they are not recognized labour. As an added misery, due to frequent cyclones the industry is thrown out of gear and workers made to starve as the units do not get power to run for several days which results in loss of revenue and wages. Last year Phyllin and this year Hudhud super cyclones had ravaged the area and razed the crops causing irrecoverable damages. The recent bifurcation of the state separating Telangana region has hit the industry hard both in terms of revenue and market support.

Palasa adjoining Kasibugga in Srikakulam district of AP is bounded by the west is Bay of Bengal towards the South east is Vijayanagaram district and towards north the state of Odisha.

There are around 350 Cashew processing industries around Palasa town, the highest among the northern coastal districts. These twin towns are the

largest cashew producing towns of Andhra Pradesh and are among the largest processing centers in India. The cashew industry provides direct and indirect employment to about 15,000 people in the surrounding areas. Palasa/Kasibugga Municipality is called as White Gold City because in Palasa/Kasibugga Cashew processing industries are one of the promising sector producing valuable commodity exported to Gulf, European and Western countries.

### Survey Results

The selected personal characteristics of the entrepreneurs are presented here. Most of (90%) them are males and only 10% are females. Therefore we can say that the investment in cashew industry is totally male dominated.

It is generally believed that entrepreneurs level of education would enhance their entrepreneurial activities and level of awareness. Most (44%) of the respondents have no formal education while (40%) are graduated which is an indication that entrepreneurs level of education in the study area is very low which could affect their level of receptivity of adoption of improved technologies.

It also reveals that more than (80%) of the entrepreneurs mobilised their investment by taking loans from banks and the remaining (20%) have invested out of their personal amount and through borrowings from families and friends. Majority (72%) opined that the interest rates are moderate, (28%) said it is high.

Experience makes a perception of work (32%) entrepreneurs have more than 15 years of experience, (28%) have 5-10 years of experience, (20%) have 10-15 years of experience, and another (20%) of the entrepreneurs have less than 5 years of experience in running the cashew industry.

Table 4. Problems faced by Entrepreneurs during licensing time

| Particulars                     | Less than 10 lakhs | 10-20 lakhs | More than 20 lakhs | Total    |
|---------------------------------|--------------------|-------------|--------------------|----------|
| Lot of paper work               | 12(16%)            | 6(8%)       | 3(4%)              | 21(28%)  |
| Regularities and technicalities | 21(28%)            | 6(8%)       | 9(12%)             | 36(48%)  |
| Lot of local laws               | 0                  | 0           | 3(4%)              | 3(4%)    |
| Environmental laws              | 3(4%)              | 0           | 9(12%)             | 12(16%)  |
| Others                          | 0                  | 0           | 3(4%)              | 3(4%)    |
| Total                           | 36(48%)            | 12(16%)     | 27(36%)            | 75(100%) |

Source : Field survey, 2015

It is evident from Table-4 that 48% of the whole population said regularities and technicalities is the major problem they face during the licensing time, about 28% said lot of paper work was the problem they have faced, 4%

of the respondents said lot of local laws is the problem for getting the license, and the remaining 4% have faced other problems.

Table 5. Problems faced by Entrepreneurs for running the Industry

| Particulars                     | Less than<br>Rs.10 lakh | Rs.10-20<br>lakh | More than<br>Rs.20 lakh | Total    |
|---------------------------------|-------------------------|------------------|-------------------------|----------|
| Shortage of labor               | 27(36%)                 | 9(12%)           | 18(24%)                 | 54(72%)  |
| Procurement of raw material     | 3(4%)                   | 0                | 0                       | 3(4%)    |
| Frequent failure of electricity | 6(8%)                   | 3(4%)            | 9(12%)                  | 18(24%)  |
| Marketing of finished product   | 0                       | 0                | 0                       | 0(0%)    |
| Total                           | 36(48%)                 | 12(16%)          | 27(36%)                 | 75(100%) |

Source : Field survey, 2015

It is significant in noticing the fact that 72% of the total population have faced the problem of shortage of labor for running the Industry, and of which 36% have invested less than Rs.10 lakh, 24% have invested more than Rs.20 lakh and 12% have invested Rs.10-20 lakh. While about 4% of the entrepreneurs said procurement of raw material is the problem and all of them have invested less than Rs.10 lakh. About 24% faced the problem of frequent failure of electricity out of which 8% have invested less than Rs.10 lakh 12% have invested more than Rs.20 lakh and only 4% have invested Rs.10-20 lakh. None of the entrepreneur faced the problem of marketing of finished products (Table-5).

Table 6. Problems faced by Entrepreneurs during Purchase of Raw material from the farmers

| Particulars                                   | Less than<br>Rs.10 lakh | Rs.10-20<br>lakh | More than<br>Rs.20 lakh | Total    |
|---|-------------------------|------------------|-------------------------|----------|
| Heavy investment                              | 0                       | 0                | 6(8%)                   | 6(8%)    |
| Lack of credit facility                       | 24(32%)                 | 9(12%)           | 21(28%)                 | 54(72%)  |
| Non availability of good quality raw material | 9(12%)                  | 3(4%)            | 0                       | 12(16%)  |
| Too much transportation cost                  | 3(4%)                   | 0                | 0                       | 3(4%)    |
| Total   | 36(48%)                 | 12(16%)          | 27(36%)                 | 75(100%) |

Source : Field survey, 2015

Table-6 shows the problems faced by entrepreneurs during purchase of raw material. This table shows that 8% of the total population have faced the problem of heavy investment during purchase of raw material from the farmers and all those entrepreneurs have invested more than Rs.20 lakh. The majority 72% of the entrepreneurs have faced the problem of lack of credit facility and of which 32% have invested less than Rs.10 lakh, 12% have invested Rs.10-20 lakh and 24% have invested more than Rs.20 lakh. 16% of the

respondents said there is no availability of good quality raw material is a problem out of them 12% have invested less than Rs.10 lakh and 4% have invested Rs.10-20 lakh. Only 4% have said there is too much transportation cost and all of them have invested less than Rs.10 lakh.

Table 7. Problems faced by Entrepreneurs during Marketing of Finished Cashew

| Particulars    | Less than<br>Rs.10 lakh | Rs.10-20<br>lakh | More than<br>Rs.20 lakh | Total    |
|----------------|-------------------------|------------------|-------------------------|----------|
| Lack of demand | 0                       | 0                | 0                       | 0(0%)    |
| Heavy taxes    | 21(28%)                 | 3(4%)            | 18(24%)                 | 42(56%)  |
| competition    | 15(20%)                 | 6(8%)            | 9(12%)                  | 30(40%)  |
| price          | 0                       | 3(4%)            | 0                       | 3(4%)    |
| Total          | 36(48%)                 | 12(16%)          | 27(36%)                 | 75(100%) |

Source : Field survey, 2015

The problems faced by entrepreneurs during marketing of finished cashew. In view of that 56% of the assessed entrepreneurs point out that they have faced the problem of heavy taxes during marketing of finished product among them 28% have invested less than Rs.10 lakh, 4% have invested Rs.10-20 lakh and 24% have invested more than Rs.20 lakh. While 40% have faced the problem of competition out of them 20% have invested less than Rs.10 lakh, 8% have invested Rs.10-20 lakh and 12% have invested more than Rs.20 lakh. The remaining 4% of the entrepreneurs said price is a problem for marketing of the finished product and all of them have invested Rs.10-20 lakh (Table-7).

Table 8. Classification based on how the Product is sold by the Cashew Entrepreneurs

| Particulars | Less than<br>10 lakhs | 10-20<br>lakhs | More than<br>20 lakhs | Total    |
|-------------|-----------------------|----------------|-----------------------|----------|
| Kgs         | 24(32%)               | 9(12%)         | 15(20%)               | 48(64%)  |
| Quintal     | 3(4%)                 | 0              | 0                     | 3(4%)    |
| Tonnes      | 0                     | 0              | 0                     | 0(0%)    |
| Others      | 9(12%)                | 3(4%)          | 12(16%)               | 24(32%)  |
| Total       | 36(48%)               | 12(16%)        | 27(36%)               | 75(100%) |

Source : Field survey, 2015

64% of the total population sell the cashew in kgs among them 32% have invested less than Rs.10 lakh, 12% have invested Rs.10-20 lakh and 20% have invested more than Rs.20 lakh. Whereas 4% sell it in quintals and 24% of the entrepreneurs through other means like Tins among them 12% have invested less than Rs.10 lakh, 4% have invested Rs.10-20 lakh and 16% have invested more than Rs.20 lakh (Table-8).



Table 9. Strategies that Banks should adopt for the Cashew Business Development

| Particulars                         | Less than<br>Rs.10 lakh | Rs.10-20<br>lakh | More than<br>Rs.20 lakh | Total    |
|-------------------------------------|-------------------------|------------------|-------------------------|----------|
| Easy available bank loans           | 9(12%)                  | 0                | 3(4%)                   | 12(16%)  |
| Low interest rates                  | 6(8%)                   | 3(4%)            | 6(8%)                   | 15(20%)  |
| Subsidy should be given in time     | 15(20%)                 | 9(12%)           | 15(20%)                 | 39(52%)  |
| Concentration on cashew cultivation | 6(8%)                   | 0                | 3(4%)                   | 9(12%)   |
| Total                               | 36(48%)                 | 12(16%)          | 27(36%)                 | 75(100%) |

Source : Field survey, 2015

From Table-9, it can be noticed that 16% of the total population said that banks should give their helping hand by the way of availing easy bank loans 12% have invested less than Rs.10 lakh, 4% have invested more than Rs.20 lakh. 20% said by the way of providing low interest rates among them 8% have invested less than Rs.10 lakh 4% have invested Rs.10-20 lakh and 8% have invested more than Rs.20 lakh. 52% said subsidy should be given in time among them 20% have invested less than Rs.10 lakh, 12% have invested Rs.10-20 lakh and 20% have invested more than Rs.20 lakh. 12% said banks should concentrate on cashew cultivation among them 8% have invested less than Rs.10 lakh 4% have invested more than Rs.20 lakh.

Table 10. Strategies adopted by HR's or the Management for Business Development

| Particulars  | Less than<br>10 lakhs | 10-20<br>lakhs | More than<br>20 lakhs | Total    |
|--|-----------------------|----------------|-----------------------|----------|
| Employee retention strategies                          | 12(16%)               | 3(4%)          | 9(12%)                | 24(32%)  |
| Training for the labor on grading and breaking of nuts | 21(28%)               | 6(8%)          | 9(12%)                | 36(48%)  |
| Safety and healthy working strategies                  | 3(4%)                 | 3(4%)          | 9(12%)                | 15(20%)  |
| Others   | 0                     | 0              | 0                     | 0(0%)    |
| Total  | 36(48%)               | 12(16%)        | 27(36%)               | 75(100%) |

Source : Field survey, 2015

From Table-10, it can be observed that 32% of the total population said that the employee retention strategy is the best HR strategy for smooth running of the business among them 16% have invested less than Rs.10 lakh 4% have invested Rs.10-20 lakh and 12% have invested more than Rs.20 lakh, 48% said HR strategy would include training for the labor on grading and breaking of nuts among them 28% have invested less than Rs.10 lakh 8% have invested Rs.10-20 lakh and 12% have invested more than Rs.20 lakh. 20% said safety healthy working strategies result in healthy business environment out of them 4% have invested less than Rs.10 lakh 4% have

invested Rs.10-20 lakh and 12% have invested more than Rs.20 lakh. Hence There is need to convince the workers about grading practices and breaking of nuts through demonstration and training.

Table 11. Strategies should be adopted by government for smooth running of the cashew industry

| Particulars                     | Less than 10 lakhs | 10-20 lakhs | More than 20 lakhs | Total    |
|---------------------------------|--------------------|-------------|--------------------|----------|
| Reasonable and grade wise price | 3(4%)              | 3(4%)       | 6(8%)              | 12(16%)  |
| Tax relief                      | 30(40%)            | 9(12%)      | 18(24%)            | 57(76%)  |
| Retail shops must be available  | 3(4%)              | 0           | 3(4%)              | 6(8%)    |
| Others                          | 0                  | 0           | 0                  | 0(0%)    |
| Total                           | 36(48%)            | 12(16%)     | 27(36%)            | 75(100%) |

Source : Field survey, 2015

From Table-11, it can be observed that 16% of the total respondents said government should give their helping hand by making reasonable and grade wise prices for the cashew among them 4% have invested less than Rs.10 lakh, 4% have invested Rs.10-20 lakh 8% have invested more than Rs.20 lakh. 76% said tax relief as a major help out of them 40% have invested less than Rs.10 lakh 12% have invested Rs.10-20 lakh 24% have invested more than Rs.20 lakh. 8% said retail shops must be made available among them 4% have invested less than Rs.10 lakh and another 4% have invested more than Rs.20 lakh.

### Findings

The research was conducted in order to find the challenges and opportunities of small scale entrepreneurs for starting and running a cashew industry in Srikakulam district and to suggest some measures to overcome those problems. In order to answer the research questions, stratified random sampling method was applied. Through qualitative and quantitative approaches the researcher developed a questionnaire, and gathered pertinent data, literature to support the findings was also integrated. The answers given by the 75 selected respondents were then analyzed by computing percentages. Results were then presented in tables to facilitate the analysis.

Based on the results of the survey, during the time of licensing, there were some serious problems like lot of paper work, regularities and technicalities, environmental laws, were specified by entrepreneurs.

Genuine problems conveyed by the enterpreneural include the following: like Shortage of labor, frequent failure of electricity, non availability of skilled labor, lack of credit facility, non availability of good quality raw material,

imposition of Heavy taxes on marketing of finished products and heavy competition between the industrial units.

### **Suggestions**

Cashew Industry occupies an important position in the industrial structure of our country. In a country like India, where on the one hand there is the acute problem of unemployment and on the other scarcity of capital, it is only the small scale sector which is best suited under these circumstances. Small scale enterprises play an important role in employment generation, resource mobilisation and utilisation, income generation and in helping to promote change in a gradual and phases manner. Among such small scale industries cashew industry has vast potentialities but the progress of enterprises has not been satisfactory. Their performance is not good as they face the problems of labour, availability of raw material, absence of credit facility, lack of machinery and equipment, unsuitable location, competition from large scale units, technology, marketing facilities etc. Suitable measures are necessary to remove these bottlenecks in the optimum operation of cashew sector.

The process of development has its own problems, its own challenges. Success of the entrepreneurs is largely affected by their ability to arrange adequate money in time. Due to inadequate assistance from commercial banks, industries are facing lot of problems. The availability of credit to small enterprises can often be increased by reducing the rate of interest.

Considering that cashew processing is spreading across different regions of India and conditions of work are still unsatisfactory, it is suggested that some important employee retention strategies should be implemented like training for the labor on grading and breaking of nuts, safety and healthy working strategies, the cashew workers are made to sit on the floor to perform tasks such as shelling, peeling, and grading. This uncomfortable posture causes health problems. Benches and chairs should be provided to the workers, since the majority of them are women. Training/ orientation may be given on increasing output, improving quality of the output, need for better work environment, more hygienic practices in processing etc. Most of the jobs in the sector require some skill acquisition which is presently acquired through on the job training. This will benefit both the workers and the management. The relatively better education of the workers in the sector as compared to the scenario in other cashew processing states is a positive aspect in adopting any technological change in the industry.

Employers could be encouraged to bring about changes in the working conditions if some incentives are provided by the government, by way of tax relief and reasonable and grade wise price fixation.

### Conclusion

Cashew Entrepreneurs in Palasa/Kasibugga (90%) are males. The cashew Entrepreneurs are middle aged with low level of education. Based on the results of the survey, during the time of licensing problems like lot of paper work, regularities and technicalities, environmental laws were specified by entrepreneurs.

There is also a need to recognize that entrepreneurs face some genuine problems like shortage of labor, frequent failure of electricity, non availability of skilled labor, lack of credit facility, non availability of good quality raw material, imposition of Heavy taxes on marketing of finished products and heavy competition between the industrial units.

The availability of credit to small enterprises can improved by reducing the rate of interest. It is suggested that some important employee retention strategies should be implemented like training for the labor on grading and breaking of nuts, and safety and healthy working strategies. Employers could be encouraged to bring about changes in the working conditions through incentives are provided by the government, by way of tax relief and reasonable and grade wise price fixation.

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