India's food processing sector continues expanding in response to changing demographics, strong local and international brands, emerging modern retail and growing consumer acceptance of processed foods. Packaged food sales more than doubled between 2009 and 2014 to $34 billion, yet there is opportunity for further growth as per capita consumption remains low. Imports of proprietary/non-standardized foods and ingredients are a challenge.
Executive Summary:

Section I – Market Summary

The processed food sector has grown fast, with a higher contribution to gross domestic product (GDP) than agriculture or manufacturing. Increasing urbanization, lifestyle changes, greater affluence, a rising number of nuclear families, and increased rates of women working outside of the home are driving demand for processed foods. According to the Ministry of Food Processing, the food processing sector accounts for 1.6 percent of gross domestic product and is valued at $25 billion (based on a revised series). According to the latest Annual Survey of Industries, there are 37,175 registered food processing units in the country that have employed 1.7 million people.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Food Processing Industries, of which</td>
<td>37,175</td>
</tr>
<tr>
<td>Grain Mill and Starch Products</td>
<td>18,855</td>
</tr>
<tr>
<td>Vegetable &amp; Animal Oils and Fats</td>
<td>3,313</td>
</tr>
<tr>
<td>Beverages</td>
<td>2,079</td>
</tr>
<tr>
<td>Dairy Products</td>
<td>1,695</td>
</tr>
<tr>
<td>Fruits and Vegetables Products</td>
<td>1,110</td>
</tr>
<tr>
<td>Prepared Animal Feeds</td>
<td>873</td>
</tr>
<tr>
<td>Fish, Crustaceans and Molluscs</td>
<td>462</td>
</tr>
<tr>
<td>Meat Processing &amp; Preserving</td>
<td>140</td>
</tr>
</tbody>
</table>

Source: Annual Survey of Industries (ASI), Ministry of Statistics and Program Implementation

A great deal of Indian food is sold fresh or partially processed in traditional open air stalls, street carts and shops. A significant segment of the food processing in India was confined to primary processing (e.g., milling and crushing) of cereals, pulses and oilseeds along with the processing of foods such as traditional pickles, spice mixes and snack foods (cookies and savory snacks). Until the late 1990s, most of the food processing sector was limited to small-scale industries (SSI) where only small firms were allowed to obtain a license to process foods. In recent years, laws have changed to allow large firms to invest in the sector and Indian and global food companies have entered the sector. Despite increasing investment and modernization in the industry, various challenges, including: dynamic policy regulations; lack of appropriate processing, lack of training in food processing/safety/etc.; storage and transportation infrastructure; awareness of price consciousness, which affects food safety and quality; etc. exist. While food processing and storage infrastructure has been expanding for a few years (e.g., the recent drive for food processing parks), transportation and logistics-related infrastructure growth is sluggish.

A key component of the new Government of India’s strategy was the launch of the ‘Make in India’
campaign in September 2014 to facilitate investment, generate employment and build a manufacturing infrastructure. The government aims to reduce food losses and contain persistently high food inflation by attracting investment into food processing and the food value chain. Parks are being developed in various areas across the country to support domestic demand for processed foods, beverages, and ingredients for food service and retail/consumer sale.

While India is one of the world’s largest producers of fruits, vegetables, cereals and milk, a significant amount of food is damaged or lost each year due to insufficient and inadequate storage, transportation, cold chain, and post-harvest or further processing facilities. A study conducted by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) showed that perishable product wastage varies from 4.6-15.9 percent and is valued at $14 billion annually (based on 2014 wholesale prices).

**Key Factors Driving Growth in the Indian Food Processing Sector**

**Rising Disposable Incomes** - Income growth has increased consumer appetites and discretionary spending. This shift in spending appears promising for manufacturers and service providers; especially, in hotel, leisure, healthcare and household goods and service categories. According to the Government of India, the per capita net national income during 2014-15 was Rs. 87,750; a rise of 9.2 percent over the previous period.

**Women in Workplace and Changing Lifestyles** - Increases in urbanization and the number of working women has pushed consumers to look for products offering convenience. This will lead to trading up from unpackaged to packaged and unbranded to branded products. Urbanization will continue driving consumers towards packaged foods, as well. Additionally, consumers have gained some health consciousness – a development which has led them to choose their packaged foods products more wisely. Given that the industry is underpenetrated, improved competition will create more awareness and better availability through stronger distribution and bolster volume growth.

**Demographic Changes** - India’s current population is nearly 1.3 billion, up from 670 million in 1980. The pace of growth is slowing but the country’s youthful age structure promises continued gains for some time. The median age is rising over time but is still relatively low – just 26.3 years in 2014. About 32 percent of India’s population is classified as urban and nearly 65 percent is under the age of 30. The Indian government projects that there will be 400-500 million people in the work force before 2025 but if female empowerment takes off that figure might increase to 600 or 700 million.

**Rising Organized Retail and E-retail outlets** – Although small, traditional outlets dominate the Indian food retail sector and account for about 95 to 98 percent of sales, modern retail chains offering a consumer-friendly shopping experience are emerging and stores now exceed 3,200. India remains a growing market for consumer-ready food products. With a sharp rise in mobile penetration across India, online and e-commerce retail opportunities have opened up and afforded options to consumers on payment mechanisms as well as conveniences for time and cost savings.

**Emerging Casual Dining Restaurant (CDR) and Quick Service Restaurant (QSR) Segments** - India has witnessed a sizeable shift in its CDR and QSR sector. CDRs and QSRs have gone from largely serving Indian snacks to serving western foods with an Indian flavor. The restaurant sector in India is divided into the organized and unorganized market. The unorganized international-style market
includes roadside vendors, vans and trolleys serving Chinese and Italian-style foods. The organized sector includes QSRs, CDRs, pubs, bars, clubs and lounges (PBCL), and food court kiosks. In terms of market segments, QSR and CDR formats account for 74 percent of the total market, while cafés make up 12 percent, and fine dining and PBCL comprise the remaining 14 percent. QSR’s have their presence in different formats such as dine-in, food courts in malls and drive-ins at highway rest areas which has provided customers easy access to these restaurants.

**Government Policy (Foreign Direct Investment Policy)**

The Government of India has simplified investment procedures in the food processing sector in an effort to attract foreign investment. The number of food products reserved for small scale industries has been reduced; investments are permitted under the “automatic route” which simplifies capital reporting procedures; up to 100 percent foreign equity can be invested for most products as listed under the Consolidated FDI Policy 2015; certain taxes have been reduced for investors; import tariffs on some equipment have been reduced; and there are incentives for setting up processing plants. A few food items are reserved for the micro and small scale sector where automatic approval is available for up to 24 percent foreign direct investment. The food processing industry has attracted $6.5 billion in foreign direct investment over the past 14 years accounting for two percent of total foreign direct investment inflows. (Note: In the bottom half of figure 1, below, the spike in 2013 is associated with government efforts aimed at clearing out long-standing cases. End Note).

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**Figure 1. India: Fiscal Year (Apr-March) FDI in Food Processing**
Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

Trade Policy
High tariffs at the federal and state-level disadvantage imported ingredients and limit opportunities for foreign exporters. India’s average bound tariffs on food and agricultural products averages between 30-40 percent. In addition, there are several additional fees that apply. Exporters should work closely with their prospective importers to determine the likely landed post-duty cost of their products.

The Ministry of Food Processing is an advocate for investing in India with the goal of exporting processed products as well as catering to domestic demand. Use of imported ingredients in these facilities remains limited. A large number of multinationals have set up their plants in India over the years (Refer Table 4).

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively banned due to established Indian import requirements. This includes certain sub-categories in the Harmonized Tariff Schedule under Chapters 2, 3, 4, 5, 16 and 21 (e.g. milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet foods). Furthermore, imports of beef are banned due to religious concerns. The foods derived from biotech crops (except soybean oil) are also effectively prohibited due to stringent import requirements. Exporters should also ensure that their products comply with India’s food labeling and inspection requirements. The Ministry of Health and Family Welfare regulates both domestic and imported range of processed foods and food ingredients, through the requirements laid out in Food Safety and Standards Act.

The Food Safety and Standards Authority of India (FSSAI) made it mandatory for every food business operator (FBO) in the country (including Food Processing Companies) to follow and comply with the Food Safety and Standards Act, 2006, and Rules & Regulations, 2011. On August 6, 2015, FSSAI issued an order extending the deadline to obtain an FBO license to February 4, 2016. The previous deadline was August 4, 2015. The order also reports that the GOI’s Ministry of Health and Family Welfare (MOHFW) received broad feedback from various stakeholders, including individuals, associations, and businesses seeking such an extension. This most recent extension marks the sixth consecutive extension granted by FSSAI. (See IN5101 for more information. On November 1, 2012, the Ministry of Consumer Affairs, Food Public Distribution, formally implemented rules requiring that food products be sold in standard-sized packages under the Legal Metrology Act 2011. The rule stipulates standard package weights such as (but not limited to) 100 grams or 250 grams. Non-standard weights (i.e. 413 grams) are no longer allowed as of November 1, 2012. (See IN2150 and IN5076 for more information).

The system of product approval for proprietary food or “novel” foods (i.e., food products not classified by a “standard” in Indian regulation) continues to be a challenge. As per the Food Safety and Standards Act, 2006, any proprietary food requires product approval under Section 22 of the FSS Act, 2006. However, this existing process of product approval for such food products has been discontinued by FSSAI as of August 26, 2015. FSSAI published an official notice on its website on August 26, 2015, stating that it would no longer “continue with the process of Product Approvals”. Products designated under Section 22 of the FSS Act 2006 include foods derived from genetically engineered sources, nutritional supplements, special foods for medical or dietary requirements, traditional Indian ayurvedic, sidha and unani foods, organic and “novel foods”.

FSSAI is in the process of framing regulations specific to proprietary foods to ease the difficulties
faced by domestic and international food manufactures to launch new products in the market.

### Table 2. India: Advantages and Challenges for U.S. Food Ingredients

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Growth in the food processing industry</td>
<td>• Processed foods still seen as inferior to fresh foods by many consumers</td>
</tr>
<tr>
<td>• Increasing disposable incomes, dual income households, urbanization, increasing numbers of nuclear families, preference for convenience foods</td>
<td>• Forward and backward linkages still developing</td>
</tr>
<tr>
<td>• Seasonality of raw materials produced in India</td>
<td>• Fragmented and long supply chain</td>
</tr>
<tr>
<td>• Indian consumers are becoming more accepting of foreign foods and flavors</td>
<td>• Processing firms source most of their ingredients locally</td>
</tr>
<tr>
<td>• Small but growing modern food retail and e-e-retail sector</td>
<td>• Modern retail sector is relatively small</td>
</tr>
<tr>
<td>• Increasing demand for quality and hygienic ingredients and foods</td>
<td>• High tariffs and market access issues</td>
</tr>
<tr>
<td>• Rising number of foreign brands is boosting quality throughout the sector</td>
<td>• Despite expanding palates, most consumers prefer Indian cuisine.</td>
</tr>
<tr>
<td>• U.S. food ingredients are well-known and considered of high quality.</td>
<td>• New local food developments follow global market trends (natural foods, juices, processed meats)</td>
</tr>
<tr>
<td>• Local processors are increasing their production capacity and food quality to meet higher export standards for foreign markets.</td>
<td>• Dynamic food safety policy regulations</td>
</tr>
<tr>
<td>• Government support to attract FDI in food processing sector</td>
<td>• Low levels of processing, storage and transportation infrastructure</td>
</tr>
<tr>
<td>• Consumers moving away from cereals towards higher protein rich diet</td>
<td>• Price-sensitive market</td>
</tr>
</tbody>
</table>

### Section II – Roadmap for Market Entry

#### A. Entry Strategy

The best way to begin exporting to India is to identify a firm that imports and distributes food ingredients. These firms are adept at navigating the import and distribution processes and are able to engage directly with India-based food processors. While a few firms specialize in ingredients, others may handle retail-ready products in addition to ingredients. Some importers are also approved suppliers for multinational food processors and restaurants operating in India. U.S. processors that already supply major food processors in the United States or other foreign markets may wish to investigate similar supply relationships with firms that have a presence in India. Key initial factors to consider when researching the market are whether a product has a market access and the landed post-duty cost of a product.

- Survey existing and potential opportunities by reviewing FAS policy and market reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.
Determine if your product has market access in India.

Analyze the likely landed post-duty cost of a product. Recognize that after local margins and transportation, a product may be significantly more expensive.

Establish a relationship with an Indian importer/distributor that provides services to the food processing sector.

U.S. firms should examine all distributor prospects and thoroughly research the more promising ones. Check the potential agent’s reputation through local industry or trade associations, potential clients or bankers.

Consider whether participating in an Indian trade show would be an effective means of identifying a distributor.

For products with a potentially longer shelf life and/or larger order volumes (e.g., from medium or large food processing chains), U.S. exporters may identify and explore supplying through consolidators based in Dubai, Singapore and Europe.

Participation in trade shows offers a good opportunity to get a sense of the Indian market and engage directly with potential importers or distributors. USDA currently endorses one annual trade show in India. The Mumbai-based Annapoorna, World of Food India show typically takes place from September 22 to 24. While this show is not geared specifically to ingredients, it typically draws many of the major Indian importers. Indian importers also travel to major international shows such as SIAL, ANUGA and Gulfood. Food Ingredient India is a trade show dedicated exclusively to the ingredient industry and is gaining popularity within the industry.

Ensuring payment is another important consideration when establishing a relationship with an importer. Until a successful working relationship is established, exporters may wish to consider vehicles such as an irrevocable letter of credit. Alternatively, Indian importers are accustomed to operating without credit and may be willing to pay cash prior to shipment. While FAS India receives few queries concerning delinquent Indian importers, our offices do not have the authority or expertise to mediate contractual disputes or serve as a collection agent when differences over payment arise. FAS India can recommend local legal services (refer IN4069), but these situations can be avoided with proper preparation and sale terms. For firms that qualify, the Export-Import Bank of the United States provides exporter insurance.

B. Market Structure
C. Company Profiles

Depending on the scale of the operation, the Indian food processing sector can be divided into the following categories:

- Large Indian companies
- Wholly-owned subsidiaries of foreign companies or joint ventures
- Medium-sized domestic food processing companies with a local or regional presence.
- Small-scale companies or cottage industries in the “unorganized” sector.

Table 3. India: Major Food Processing Players in the Indian Market
<table>
<thead>
<tr>
<th>Company</th>
<th>Product Types</th>
<th>Brand</th>
<th>End-Use Channels</th>
<th>Production Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB Mauri</td>
<td>Bread improvers, cake mixes, bread mixes, cake gels, sweet flavors, seasonings, emulsions for beverages, flavors and color blend</td>
<td>Tower, Prime, Mauripan, Mauri</td>
<td>Foodservice</td>
<td>Karnataka, Maharashtra, Uttar Pradesh, Kerala, West Bengal</td>
</tr>
<tr>
<td>Adani Wilmar (50:50 JV between Adani Group, India and Wilmar Holdings, Singapore)</td>
<td>Cooking oils, vanaspati, packed basmati rice, pulses</td>
<td>Fortune, Fortune Plus, King's, Bullet, Raag, Fryola, Avsar, Jubilee, Pilaf, Alpha, Aadhara, A-kote</td>
<td>Retail</td>
<td>Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu</td>
</tr>
<tr>
<td>Agro Tech Foods Ltd. (A public limited company, affiliated with ConAgra Foods Inc., USA)</td>
<td>Edible oils, snacks, spreads, RTE &amp; RTC popcorn, soups, puddings and desserts, meals and meal enhancers</td>
<td>Sundrop, ACT II, Hunt’s Snack Pack, Crystal, Snack Break, 10 min Yummmeals</td>
<td>Retail &amp; Foodservice</td>
<td>Maharashtra, New Delhi, Andhra Pradesh and West Bengal</td>
</tr>
<tr>
<td>Al-Kabeer Exports Private Limited</td>
<td>Seafood, RTE meals, cottage cheese, snacks, nuggets, burgers, French fries</td>
<td>Al-Kabeer</td>
<td>Retail</td>
<td>Hyderabad</td>
</tr>
<tr>
<td>Al-Fazah</td>
<td>Halal Frozen boneless buffalo meat, halal chilled vacuum packed buffalo and mutton, tropical fruit purees, spices, grains, coffee beans and pet foods</td>
<td>Saffa, Premier</td>
<td>Retail &amp; Foodservice</td>
<td>Andhra Pradesh, Maharashtra, Karnataka, Uttar Pradesh</td>
</tr>
<tr>
<td>Allanaasons</td>
<td>Spices, oleoresins, spice mixes</td>
<td>McCormick</td>
<td>Export, Retail</td>
<td>Kerala</td>
</tr>
<tr>
<td>Balaji Wafers Pvt. Ltd.</td>
<td>Wafers and Indian snack foods</td>
<td>Balaji</td>
<td>Retail</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Bikaji Foods International</td>
<td>Indian snacks, chips, Indian sweets, frozen snacks, cookies, canned sweets</td>
<td>Bikaji</td>
<td>Retail &amp; Foodservice</td>
<td>Rajasthan</td>
</tr>
<tr>
<td>Bikanerwal Foods Pvt. Ltd.</td>
<td>Syrups, Indian sweets, Indian savory snacks, biscuits, cookies, cakes, chocolates</td>
<td>Bikano</td>
<td>Retail &amp; Export</td>
<td>Andhra Pradesh, Delhi, Gujrat</td>
</tr>
<tr>
<td>Britannia Industries Limited (Britannia New Zealand Foods Pvt. (50:50 JV between Britannia Industries Ltd. and Fonterra, New Zealand))</td>
<td>Biscuits, bread, cakes, cheese, dairy whitener</td>
<td>Britannia</td>
<td>Retail</td>
<td>Delhi, Maharashtra West Bengal &amp; Tamil Nadu</td>
</tr>
<tr>
<td>Cadbury India Limited (Mondelēz International)</td>
<td>Chocolate, confectionery, milk based drinks, candy, chocolate, beverages</td>
<td>Cadbury Dairy Milk, Cadbury Celebrations, Bournville, 5 Star, Perk</td>
<td>Retail</td>
<td>Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka and Himachal</td>
</tr>
<tr>
<td>Company</td>
<td>Products</td>
<td>Retail &amp; Foodservice</td>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Capital Foods</td>
<td>Ketchup, cooking and curry pastes, soy sauce, baked beans, mango chutney, coconut milk powder, hakka and instant noodles, soup &amp; sauce mixes frozen entrees</td>
<td>Ching’s Secret, Smith and Jones</td>
<td>Maharashtra, Gujarat</td>
<td></td>
</tr>
<tr>
<td>Cargill India Private Limited</td>
<td>Vegetable oils, wheat flour, flavors etc.</td>
<td>Nature Fresh</td>
<td>Haryana</td>
<td></td>
</tr>
<tr>
<td>Dabur Foods Limited</td>
<td>Fruit juices, vegetable pastes, tomato ketchup, honey</td>
<td>Real, Nature Care, Capsico, Homemade, Dabur</td>
<td>West Bengal, Nepal</td>
<td></td>
</tr>
<tr>
<td>Darshan Foods Private Limited</td>
<td>Skinless sausages, pepperoni, German salami, sausages, lemon pepper breaded burger patty, black forest ham, chicken breast roll, imported French turkey</td>
<td>Meatzza</td>
<td>Haryana</td>
<td></td>
</tr>
<tr>
<td>Desai Brothers</td>
<td>Indian pickles, papads, appalam, cooking pastes, curry powders, ready to cook products, ready to eat products, chutneys, canned vegetables, mango pulp</td>
<td>Mothers Recipe, Dabee, Rozana</td>
<td>Maharashtra</td>
<td></td>
</tr>
<tr>
<td>Devyani Food Industries Pvt. Ltd.</td>
<td>Ice-cream</td>
<td>Cream Bell</td>
<td>Himachal Pradesh</td>
<td></td>
</tr>
<tr>
<td>Dharmapal Satyapal Group</td>
<td>Spices, snacks, flavored water, spring water, skimmed milk powder, whole milk powder, pasteurized cream, white butter, mouth freshener, powdered beverages</td>
<td>Catch, Dairy Max, Pass Pass, Piyoz, Yomil</td>
<td>Himachal Pradesh, Uttar Pradesh, Delhi, Assam and Tripura</td>
<td></td>
</tr>
<tr>
<td>Dr. Oetker India Pvt. Ltd./ Funfoods Pvt. Ltd.</td>
<td>Mayonnaises, sauces, spreads, salad dressings, cakes, dessert toppings, milk shake mixes, bar syrup concoctions, muesli</td>
<td>Dr. Oetker Fun Foods</td>
<td>Delhi</td>
<td></td>
</tr>
<tr>
<td>Dynamix Dairy Industries Ltd</td>
<td>Cheese, butter, clarified butter, whole milk powder, skimmed milk powder, dairy whitener, infant food, casein / lactose, whey products, UHT plain milk, flavored milk &amp; juices</td>
<td>Dynamix</td>
<td>Maharashtra</td>
<td></td>
</tr>
<tr>
<td>Ferrero India Private Limited</td>
<td>Chocolates, chocolate spread, mouth freshners</td>
<td>Ferrero Rocher, Nutella, Tic tac, kinder joy</td>
<td>Maharashtra</td>
<td></td>
</tr>
<tr>
<td>Field Fresh Foods Private Limited (A Joint venture between Bharti Enterprises &amp; Del Monte Pacific Limited)</td>
<td>Packaged fruits, fruit drinks, ketchup, pasta sauces, olive oil</td>
<td>Del Monte, Fieldfresh</td>
<td>Tamil Nadu, Punjab</td>
<td></td>
</tr>
<tr>
<td>Foods and Inns</td>
<td>Processed Tropical fruits pulps, purees and vegetables, Canned, Spray Dried powders, Frozen and IQF vegetables</td>
<td>N/A</td>
<td>Maharashtra, Gujarat, Andhra Pradesh</td>
<td></td>
</tr>
<tr>
<td>Company Name</td>
<td>Products</td>
<td>Brands/Products</td>
<td>Distribution</td>
<td>Location(s)</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>General Mills India</td>
<td>Whole wheat flour, vermicelli, cake mixes (cooker and oven), custard powder, canned corn and specialty vegetables, baking mixes and specialty flour, granola bars, ice cream, frozen Indian flat breads</td>
<td>Pillsbury, Betty Crocker, Nature Valley, Green Giant, Häagen-Dazs</td>
<td>Retail &amp; Foodservice</td>
<td>Karnataka</td>
</tr>
<tr>
<td>Gits Foods</td>
<td>Ready meals, instant mixes, dairy products</td>
<td>Gits</td>
<td>Retail</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>GlaxoSmithKline Consumer Healthcare</td>
<td>Health food drinks, biscuits</td>
<td>Horlicks, Boost, Maltova, Viva</td>
<td>Retail</td>
<td>Punjab, Andhra Pradesh, Haryana</td>
</tr>
<tr>
<td>Gujarat Cooperative Milk and Marketing Federation</td>
<td>Packaged milk, butter, milk, fresh cream, milk powder, sweets, clarified butter, milk spray, cheese, chocolates, yogurt, infant milk formula, sweetened condensed milk, ice-cream and flavored milk</td>
<td>Amul</td>
<td>Retail, Export, Foodservice</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Haldiram Snacks Pvt. Ltd.</td>
<td>Indian savory snacks and sweets, frozen foods</td>
<td>Haldiram’s</td>
<td>Retail</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>Hatsun Agro</td>
<td>Packaged milk, butter, milk, fresh and frozen cream, milk powder, sweets, clarified butter, milk spray, cheese, chocolates, yogurt, condensed milk, milk cream and flavored milk</td>
<td>Arokya, Hatsun, Arun Ice cream, Hatsun Dairy, Ibico</td>
<td>Retail &amp; Foodservice</td>
<td>Tamil Nadu, Karnataka</td>
</tr>
<tr>
<td>Heinz India Private Limited</td>
<td>Tomato ketchup, baby food, energy drink</td>
<td>Complan, GluconD, Heinz</td>
<td>Retail</td>
<td>Uttar Pradesh and Karnataka</td>
</tr>
<tr>
<td>Heritage Foods Limited</td>
<td>Milk, Ice Cream, Dairy Products, Beverages. Instant Foods, Sauces, Potato Chips, Honey, Pickles, Jams/Marmalades, Salt, Spices, Wheat Flour</td>
<td>Heritage</td>
<td>Retail, Export</td>
<td>Andhra Pradesh, Tamil Nadu, Telangana, Karnataka, Maharashtra</td>
</tr>
<tr>
<td>Hershey India Private Ltd. (100% subsidiary of the Hershey Company, USA)</td>
<td>Confectionery, soymilk, juices,</td>
<td>Sofit, Jumpin, Hershey’s Syrup, Nutrine (Maha Lacto, Maha Choco, NUTRINE Eclairs, NUTRINE Lollipop, NUTRINE Santra Goli, AASAY, KOKANAKA and HONEYFAB)</td>
<td>Retail &amp; Foodservice</td>
<td>Madhya Pradesh and Andhra Pradesh</td>
</tr>
<tr>
<td>Hind Agro Industries Limited</td>
<td>Boneless meat and other meat and meat products (goat, buffalo, sheep)</td>
<td></td>
<td>Export</td>
<td>Uttar Pradesh and Delhi</td>
</tr>
<tr>
<td>Hindustan Coca Cola Beverages Pvt. Ltd.</td>
<td>Aerated beverages, fruit juices, energy drinks, tea and coffee</td>
<td>Coca-Cola, Diet Coke, Kinley, Georgia, Thums up, Sprite, Fanta, Limeca, Maaza, Minute Maid, Burn, Schweppes</td>
<td>Retail</td>
<td>Jammu, Uttarakhand, Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Goa, West Bengal, Andhra Pradesh, Karnataka, Orissa, Bihar, Meghalaya, Assam, Tamil Nadu</td>
</tr>
<tr>
<td>Hindustan Unilever Limited (Unilever holds 51.5 % equity in HUL)</td>
<td>Tomato ketchup, fruits drinks, vegetable soups, ice-cream, jams, ready to drink products</td>
<td>Kissan, Annapurna, Knorr</td>
<td>Retail</td>
<td>Maharashtra Madhya Pradesh, Uttar Pradesh, West Bengal</td>
</tr>
<tr>
<td>Indian Tobacco Company (ITC)</td>
<td>Fruit purees/concentrates, IQF/frozen fruits</td>
<td>Sunfeast, Kitchens of India, Aashirwad</td>
<td>Retail</td>
<td>Karnataka and West Bengal</td>
</tr>
<tr>
<td>Company</td>
<td>Products</td>
<td>Company Details</td>
<td>State/Region</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>-------------------------------</td>
<td></td>
</tr>
<tr>
<td>Indo Nissin Foods Ltd. (a subsidiary of Nissin Food Products Company Ltd., Japan)</td>
<td>Noodles</td>
<td>Candyman, Mint-o, Bingo</td>
<td>Haryana and Karnataka</td>
<td></td>
</tr>
<tr>
<td>Kellogg’s India Private Limited (A wholly owned subsidiary of Kellogg’s U.S.A.)</td>
<td>Breakfast cereals, biscuits</td>
<td>Kellogg’s</td>
<td>Maharashtra</td>
<td></td>
</tr>
<tr>
<td>Kwality Dairy</td>
<td>Dairy products (ghee, butter, yogurt, milk, sweet and flavored milk, UHT milk, cottage cheese, dairy creamers)</td>
<td>Dairy Best</td>
<td>Haryana</td>
<td></td>
</tr>
<tr>
<td>Mahaan Foods Limited, Mahaan Dairies Limited, Mahaan Protein Limited</td>
<td>Coffee and dairy whiteners, edible casein, pharmaceutical and edible grade lactose, whey protein concentrate, milk protein concentrate, clarified butter, SMP, full cream milk powder, dehydrated milk fat, milk powder replacer, functional foods, infant food formulation, sports food, sauces and soups</td>
<td>Mahaan</td>
<td>Delhi</td>
<td></td>
</tr>
<tr>
<td>MARS International India Pvt. Ltd.</td>
<td>Pet foods, confectionary</td>
<td>Pedigree, Whiskas; Boomer, Doublemint, Juicy Fruit, Orbit, Pim Pom, Solano, Trex</td>
<td>Karnataka, Himachal Pradesh</td>
<td></td>
</tr>
<tr>
<td>Marico</td>
<td>Edible Oils, Oats, Muesli, Salt</td>
<td>Saffola</td>
<td>Goa, Puducherry, Kerala, Himachal Pradesh, Uttarakhand, Daman and Diu</td>
<td></td>
</tr>
<tr>
<td>McCain Foods India</td>
<td>Frozen French Fries and Potato Specialties, Burger Patties</td>
<td>Smilies, Super Wedges, Cheese Shots</td>
<td>Gujarat</td>
<td></td>
</tr>
<tr>
<td>Monginis Food Ltd.</td>
<td>Cakes, cookies and chocolates</td>
<td>Monginis</td>
<td>Maharashtra, Gujarat, Goa, Karnataka, Andhra Pradesh</td>
<td></td>
</tr>
<tr>
<td>Mother Dairy Fruit and Vegetable Private Ltd.</td>
<td>Ice-cream, fluid milk, flavored milk, butter, clarified butter, UHT milk, cheese, yogurt, dairy whitener, juices, edible oils, fresh &amp; frozen fruits &amp; vegetables</td>
<td>Mother Dairy</td>
<td>Delhi</td>
<td></td>
</tr>
<tr>
<td>Mrs. Bector’s Foods Specialties-CREMIC A</td>
<td>Sauces, mayonnaise, toppings, syrups, biscuits, Indian snack foods, stabilizer blends and ice cream</td>
<td>Cremica</td>
<td>Punjab</td>
<td></td>
</tr>
<tr>
<td>MTR Foods Limited (Owned by Norway-based Orkla)</td>
<td>Soups, RTE foods, rice meals, spice powders, instant sweet mixes, instant ice-cream mixes, vermicelli, pickles, ice-cream</td>
<td>MTR</td>
<td>Karnataka and Maharashtra</td>
<td></td>
</tr>
<tr>
<td>Company Name</td>
<td>Products</td>
<td>Locations</td>
<td></td>
<td></td>
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<tr>
<td>------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nashik Vintners</strong></td>
<td>Dairy whitener, yogurt, noodles, tomato ketchup, packaged milk, multi grain breakfast cereal, energy drinks, chocolates</td>
<td>Maharashtra</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nestle India (Nestlé India is a subsidiary of Nestle’ S.A. of Switzerland)</strong></td>
<td>Nescafe, Maggi, Milky Bar, Milo, Kitkat, Barone, Milkmaid and Nestea</td>
<td>Retail, Maharashtra, Punjab, Haryana, Uttaranchal, Goa, Karnataka and Tamil Nadu</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parle Agro Private Limited</strong></td>
<td>Dairy whitener, yogurt, noodles, tomato ketchup, packaged milk, multi grain breakfast cereal, energy drinks, chocolates</td>
<td>Maharashtra</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parley Enterprises</strong></td>
<td>Food flavors, cocoa products, taste enhancers, dairy ingredients, food additives, preservatives, protein, vegetable fat</td>
<td>Parry, Foodservice, Tamil Nadu</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PepsiCo India Holdings Limited</strong></td>
<td>Aerated beverages, fruit juices, potato chips, breakfast cereals</td>
<td>Retail, Haryana, Tamil Nadu and Uttarakhand</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Perfetti Van Melle India (a subsidiary of Perfetti Van Melle, Italy)</strong></td>
<td>Snacks, confectionery and chewing gum</td>
<td>Retail, Haryana, Tamil Nadu and Uttarakhand</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pioma Industries</strong></td>
<td>Soft drink concentrate, instant drink powder, fruit jams, cordials, flavors, pickles, curry pastes, snacks, fruit syrups</td>
<td>Rasna, Retail, Export, Gujarat</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prataap (Prakash) Snacks Pvt. Ltd.</strong></td>
<td>Potato chips, extruded snacks from corn and rice, Indian snack food</td>
<td>Yellow Diamond, Retail, Madhya Pradesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ruchi Soya Industries</strong></td>
<td>Cooking oils (soybean, cotton seed, groundnut, sunflower, palmolein, mustard, rice bran), soya foods, vanaspati, bakery fats and feed ingredients</td>
<td>Ruchi, Nutrela, Sunrich, Mahakosh, Ruchi Gold and Ruchi Star, Retail, Jammu, Uttarakhand, Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sterling Agro Industries Ltd</strong></td>
<td>Milk, Dairy Creamer, Skimmed Milk Powder, Butter, Butter Milk Powder,</td>
<td>Nova, Retail, Foodservice, Export, Madhya Pradesh, Uttar Pradesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Name</td>
<td>Products</td>
<td>Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suguna Poultry Farm Limited</td>
<td>Poultry and poultry products (fresh, chilled, frozen and processed)</td>
<td>Suguna Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surya Food and Agro Pvt. Ltd.</td>
<td>Biscuits, cookies, chocolates, confectionery, juices and beverages</td>
<td>Priyagold Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasty Bite</td>
<td>Ready-to-eat Indian entrees, rice and noodles, sauces</td>
<td>Tasty Bite Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tata Global Beverages</td>
<td>Tea, Coffee and Water</td>
<td>Tata Tea, Tetley, Good Earth, Himalayan, Tata Gluco, Jemča, Vitax, Eight O’Clock Coffee, Grand Coffee and Jockels Retail, Foodservice Export</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unibic Biscuits India</td>
<td>Cookies</td>
<td>Unibic Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Breweries Limited (UBL)</td>
<td>Beer, spirits</td>
<td>Kingfisher, Zingaro, UB Export, London Pilsner, Kalyani Black Label, Bullet Retail, Foodservice, Export</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ushodaya Enterprises Private Limited (Ramoji Group)</td>
<td>Pickles, Powders, Pastes, Instant Mixes, Fruit Pulp / Puries, Edible Oils, Pulihora Paste, Papads, Palm Kernel, Ready to Eat, Rice</td>
<td>Priya Retail Telangana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vadilal Industries Limited</td>
<td>IQF – Frozen foods, fruit pulp, Indian breads, snacks, ready meals, mixes, condiments, desserts, canned products</td>
<td>Vadilal Quick Treat Retail Gujarat and Uttar Pradesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venkateshwara Hatcheries Group</td>
<td>Poultry and poultry products (fresh chilled, frozen and processed)</td>
<td>Venkys Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VRS Foods Limited</td>
<td>Bactofuged milk (bacteria free), yogurt, butter milk, cheese (cottage, mozzarella), UHT milk, clarified butter, SMP, instant dairy mix, demineralized whey powder, edible casein</td>
<td>Paras Retail Processing New Delhi and Uttar Pradesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weikfield Products Co. (India) Pvt. Ltd.</td>
<td>Custard powder, baking powder, drinking chocolate, cream caramel, chutneys, sauces and natural ayurvedic health foods</td>
<td>Weikfield Retail Maharashtra</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Most information has been sourced from company websites. This list is neither exhaustive nor ranked in any particular order.

D. Sector Trends

With the spread of cafés, chain restaurants, modern retail and efforts to attract investment in cold chains and food logistics, the food processing industry is expected to expand. Incentives and subsidies are offered for a variety of programs. The Ministry of Food Processing Industries has set targets to...
increase the level of processing of perishables from 6 to 20 percent, value addition by 20 to 35 percent and India’s share of global processed-food trade from 1.5 to 3 percent by the year 2015. A government study entitled “Human Resource and Skill Requirements in the Food Processing Sector (2022)” indicates that by 2022, food processing industry is expected to generate 4.4 million job opportunities. The report states that the organized sector will contribute to 25 percent of total employment for the sector. Through subsidies and incentive programs, the Ministry of Food Processing is supporting cold chain infrastructure, storage facility, modern slaughter houses, food parks and laboratory development. A list of food processing research centers is provided in the following table.

### Table 4. India: List of Food Processing Research Centers and Institutions in India

<table>
<thead>
<tr>
<th>Name</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Indian Institute of Crop Processing Technology</td>
<td><a href="http://www.iicpt.edu.in/">www.iicpt.edu.in/</a></td>
</tr>
<tr>
<td>Central Food Technological Research Institute</td>
<td><a href="http://www.cftri.com">www.cftri.com</a></td>
</tr>
<tr>
<td>Directorate of Sorghum Research</td>
<td><a href="http://www.sorghum.res.in/">www.sorghum.res.in/</a></td>
</tr>
<tr>
<td>National Dairy Research Institute</td>
<td><a href="http://www.ndri.res.in/">www.ndri.res.in/</a></td>
</tr>
<tr>
<td>CIFT (Central Institute of Fisheries Technology)</td>
<td><a href="http://www.cift.res.in/">www.cift.res.in/</a></td>
</tr>
<tr>
<td>The Central Marine Fisheries Research Institute, Kochi</td>
<td><a href="http://www.cmfri.org.in/">www.cmfri.org.in/</a></td>
</tr>
<tr>
<td>Central Avian Research Institute, Izatnagar</td>
<td><a href="http://www.icar.org.in/cari/">www.icar.org.in/cari/</a></td>
</tr>
<tr>
<td>The Central Inland Fisheries Research Institute (CIFRI)</td>
<td><a href="http://www.cifri.ernet.in">www.cifri.ernet.in</a></td>
</tr>
<tr>
<td>The Defense Food Research Laboratory (DFRL)</td>
<td><a href="http://www.drdo.org">www.drdo.org</a></td>
</tr>
<tr>
<td>Central Potato Research Institute</td>
<td><a href="http://cpri.ernet.in/">http://cpri.ernet.in/</a></td>
</tr>
<tr>
<td>Central Plantation Crops Research Institute</td>
<td><a href="http://www.cpcri.gov.in/">www.cpcri.gov.in/</a></td>
</tr>
<tr>
<td>Indian Agriculture Research Institute</td>
<td><a href="http://www.jaripusa.org/">www.jaripusa.org/</a></td>
</tr>
<tr>
<td>Indian Institute of Horticulture Research</td>
<td><a href="http://www.iihr.ernet.in">www.iihr.ernet.in</a></td>
</tr>
<tr>
<td>Directorate of Mushroom Research (ICAR)</td>
<td><a href="http://www.nrcmushroom.org/">www.nrcmushroom.org/</a></td>
</tr>
<tr>
<td>Directorate of Wheat Research (ICAR)</td>
<td><a href="http://www.icar.org.in/">www.icar.org.in/</a></td>
</tr>
<tr>
<td>Indian Institute of Packaging, Mumbai</td>
<td><a href="http://iip-in.com">http://iip-in.com</a></td>
</tr>
<tr>
<td>Indian Veterinary Research Institute</td>
<td><a href="http://www.ivri.nic.in/">www.ivri.nic.in/</a></td>
</tr>
<tr>
<td>National Institute of Fisheries Post Harvest Technology and</td>
<td><a href="http://ifpkochi.nic.in/">http://ifpkochi.nic.in/</a></td>
</tr>
<tr>
<td>Training (NIFPHATT)</td>
<td></td>
</tr>
<tr>
<td>National Institute of Nutrition, Hyderabad</td>
<td><a href="http://www.ninindia.org/">www.ninindia.org/</a></td>
</tr>
<tr>
<td>Central Leather Research Institute</td>
<td><a href="http://www.clri.org">www.clri.org</a></td>
</tr>
<tr>
<td>Central Institute of Post-Harvest Engineering and Technology,</td>
<td><a href="http://www.ciphet.in/">http://www.ciphet.in/</a></td>
</tr>
<tr>
<td>Ludhiana (CIPHET)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of Food Processing Industries

### Government of India Initiatives for Promotion of Food Processing Sector
The Government of India has allocated nearly a billion dollars under the Twelfth Five-Year Plan (2012-17), to implement various programs for the promotion and development of the food processing sector. Programs include: infrastructure development (food parks, integrated cold chain projects, and abattoirs), quality assurance, codex standards, research and development, human resource development, and strengthening industry-related institutions.

### Table 5. India: Organizations under the Ministry of Food Processing Industries

<table>
<thead>
<tr>
<th>Name</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**National Institute of Food Technology Entrepreneurship & Management (NIFTEM)**

NIFTEM is expected to become a university dedicated to food processing technology. Located near New Delhi, the Institute will cater to the needs of all public and private sectors affiliated with food processing. Apart from teaching and Research, NIFTEM works as a sector promotion organization through its resources and expertise.

**Indian Institute of Crop Processing Technology (IICPT)**

IICPT is engaged in the research and development of food grain processing, value addition, and by-product utilization.

**National Meat & Poultry Processing Board (NMPPB)**

NMPPB fosters the development of the meat and poultry processing sectors and the production of healthy and hygienic meat and meat products.

**Source:** Ministry of Food Processing Annual Report 2014-15

**Consumption**

In volume and value terms, sales of every category of processed foods increased significantly between 2009 and 2014. Industry sources estimate that over 400 million consumers consume some type of processed food regularly. A number of factors have combined to spur the increase in the consumption of packaged foods such as strong economic growth in recent years, more working women, urbanization, the nascent development of modern retail, the emergence of foreign and international brands, significant improvements in packaging and quality and savvy marketing campaigns. Expansion is being driven by domestic and multinational companies. Urban areas account for over 75 percent of sales as consumers seek convenience and quality in processed foods. For higher value frozen and refrigerated foods, sales are almost exclusively in urban areas. Rural areas tend to have lower incomes and a preference for fresh ingredients. Nevertheless, rural areas are emerging as a market for well-priced shelf-stable foods. Consumers in developed markets are more open to the idea of packaged food, which manufacturers often position on the basis of convenience, nutrition, ease of use and food safety. This is something they need to do more of to attract Indian consumers.

**Table 6. India: Sales Volume of Packaged Foods 2009 and 2014**

(Thousand metric tons except where noted)

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2014</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Food</td>
<td>53</td>
<td>64</td>
<td>22</td>
</tr>
<tr>
<td>Bakery</td>
<td>3,442</td>
<td>4,365</td>
<td>27</td>
</tr>
<tr>
<td>Canned Food</td>
<td>28</td>
<td>49</td>
<td>72</td>
</tr>
<tr>
<td>Confectionary</td>
<td>236</td>
<td>464</td>
<td>96</td>
</tr>
<tr>
<td>Dried Processed Food</td>
<td>1,274</td>
<td>2,179</td>
<td>71</td>
</tr>
<tr>
<td>Frozen Processed Food</td>
<td>15</td>
<td>33</td>
<td>127</td>
</tr>
<tr>
<td>Ice Cream</td>
<td>93</td>
<td>165</td>
<td>77</td>
</tr>
<tr>
<td>Noodles</td>
<td>11</td>
<td>25</td>
<td>140</td>
</tr>
<tr>
<td>Oils and Fats</td>
<td>210</td>
<td>431</td>
<td>105</td>
</tr>
<tr>
<td>Pasta</td>
<td>2,462</td>
<td>3,621</td>
<td>47</td>
</tr>
<tr>
<td>Ready Meals</td>
<td>27</td>
<td>53</td>
<td>96</td>
</tr>
<tr>
<td>Sauces, Dressings, Condiments</td>
<td>4</td>
<td>20</td>
<td>366</td>
</tr>
<tr>
<td>Snack Bars</td>
<td>235</td>
<td>393</td>
<td>67</td>
</tr>
<tr>
<td>Soup</td>
<td>1</td>
<td>2</td>
<td>137</td>
</tr>
<tr>
<td>Category</td>
<td>2009</td>
<td>2014</td>
<td>Percent Change</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>----------------</td>
</tr>
<tr>
<td>Baby Food</td>
<td>0.25</td>
<td>0.47</td>
<td>89</td>
</tr>
<tr>
<td>Bakery</td>
<td>2.47</td>
<td>4.80</td>
<td>95</td>
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<tr>
<td>Canned Food</td>
<td>0.04</td>
<td>0.10</td>
<td>112</td>
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<tr>
<td>Confectionary</td>
<td>0.93</td>
<td>2.81</td>
<td>201</td>
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<tr>
<td>Dairy</td>
<td>4.80</td>
<td>10.47</td>
<td>118</td>
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<tr>
<td>Dried Processed Food</td>
<td>1.50</td>
<td>3.53</td>
<td>135</td>
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<tr>
<td>Frozen Processed Food</td>
<td>0.03</td>
<td>0.09</td>
<td>164</td>
</tr>
<tr>
<td>Ice Cream</td>
<td>0.26</td>
<td>0.63</td>
<td>143</td>
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<tr>
<td>Meal Replacement</td>
<td>0.07</td>
<td>0.31</td>
<td>332</td>
</tr>
<tr>
<td>Noodles</td>
<td>0.28</td>
<td>0.80</td>
<td>181</td>
</tr>
<tr>
<td>Oils and Fats</td>
<td>2.90</td>
<td>7.00</td>
<td>141</td>
</tr>
<tr>
<td>Pasta</td>
<td>0.06</td>
<td>0.16</td>
<td>162</td>
</tr>
<tr>
<td>Ready Meals</td>
<td>0.01</td>
<td>0.07</td>
<td>492</td>
</tr>
<tr>
<td>Sauces, Dressings, Condiments</td>
<td>0.66</td>
<td>1.41</td>
<td>114</td>
</tr>
<tr>
<td>Snack Bars</td>
<td>0.01</td>
<td>0.02</td>
<td>186</td>
</tr>
<tr>
<td>Soup</td>
<td>0.02</td>
<td>0.05</td>
<td>172</td>
</tr>
<tr>
<td>Spreads</td>
<td>0.06</td>
<td>0.15</td>
<td>130</td>
</tr>
<tr>
<td>Sweet and Savory Snacks</td>
<td>0.71</td>
<td>2.27</td>
<td>220</td>
</tr>
<tr>
<td>Impulse or Indulgence Products</td>
<td>3.53</td>
<td>9.20</td>
<td>160</td>
</tr>
<tr>
<td>Staples</td>
<td>10.37</td>
<td>23.10</td>
<td>123</td>
</tr>
<tr>
<td>Meal Solutions</td>
<td>0.81</td>
<td>1.78</td>
<td>121</td>
</tr>
<tr>
<td>Total Packaged Food*</td>
<td>14.70</td>
<td>34.06</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: Euromonitor

*Total does not equal sum of individual categories because of overlap between categories.

**Fruits, Nuts and Vegetables:** India is a large producer of fruits and vegetables, but only two percent are processed. Processing is relatively diffuse with many small-scale industries involved in production. The major processed items are fruit pulps, juices, Indian-style pickles, dehydrated vegetables, curried vegetables, dried fruits, and processed mushrooms. The United States, Tanzania, Benin, and Côte d’Ivoire, are major suppliers of dried fruits and nuts.

**Meat and Poultry:** The processed meat sector, which was formerly regulated by the Ministry of Food Processing, is now regulated by the Food Safety and Standards Authority of India. There are around 4,000 municipal slaughter houses in the country along with a number of modern private sector slaughter houses and meat processing plants. Over 100 of India’s meat slaughter and meat processing plants are registered exporters of meat, primarily buffalo meat and, to a lesser degree, mutton.
**Dairy:** India is the world’s largest dairy producer, but according to the National Dairy Development Board India, demand for dairy products is growing at twice the rate of production. Sales of dairy products grew from $4.8 billion in 2009 to $10.5 billion in 2014. Sales of ice cream increased from $260 million in 2009 to $630 million in 2014. Western cheeses and yoghurt are small but emerging dairy categories. Other categories include milk powder, ice cream powder, infant foods, and condensed milk.

**Edible Oils:** Edible oils purchased by households or institutional users are sold in liquid form or as vanaspati (partially hydrogenated vegetable oil). According to industry sources, 35 to 40 percent of the Indian edible oil market is branded. India is the world’s largest importer of vegetable oil.

**Milling and Baking:** Approximately 90 percent of the grains undergo primary processing and wheat is the major grain processed in India, largely for wheat flour. Milling of rice and pulses makes up the balance of the grain processing sector. Most grain processing is carried out in the unorganized or informal sector but, some large players are active in the market and sell processed grains in branded retail packs. Additionally, imported specialty flours direct for retail have found a niche in the Indian market owing to greater awareness of their benefits or unique attributes.

With changing lifestyles, the breakfast cereal segment is showing slow and steady growth, primarily for corn flakes and oat products. The bakery and snacks industry is dominated by small and medium players and a handful of large firms. As a result of growth in baking and retail industry imports of ingredients such as malt, starches, food flavoring agents, and wheat gluten are increasing. India also imports a significant amount of pulses from Myanmar, Canada, Australia, China, and Kenya.

**Grape and Wine Processing:** There is a small but growing interest in wine in India as consumers are exposed to wine while traveling and by domestic wine makers. Hotels are carrying more wines, both domestic and imported, and wine is gaining favor among women and by men who have primarily consumed whisky.

**Imported Food Ingredients:** Food processors are introducing new products and traditional recipes using improved technology, innovative packaging, and aggressive marketing. For ingredients that are not available in India, processors turn to imports and typically source through importers specializing in food ingredients. Food ingredients sourced by Indian food processing companies from the U.S. were valued at $145 million in 2014 and include dried fruits and nuts, essential oils, protein isolates, starch, vegetable saps, thickeners, lactose, sugar and sugar syrups, mayonnaise, mixed seasonings, sauces and preparations, yeast, baking powders, sweeteners and other preparations for beverages, vinegar, oleoresins, and gelatin and gelatin derivatives.

### Table 8. India: Top 10 Imports of Food Ingredients from United States ($ Millions)

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>210690</td>
<td>Food Preparations Nesoi</td>
<td>15.71</td>
<td>17.10</td>
<td>16.91</td>
<td>19.02</td>
<td>13.85</td>
<td>-2%</td>
</tr>
<tr>
<td>350510</td>
<td>Dextrins and other Modified Starches</td>
<td>5.07</td>
<td>7.10</td>
<td>6.87</td>
<td>8.64</td>
<td>7.66</td>
<td>9%</td>
</tr>
<tr>
<td>170211</td>
<td>Lactose and Lactose Syrup Cont 99% More Lactose by Weight</td>
<td>5.39</td>
<td>8.86</td>
<td>8.06</td>
<td>8.32</td>
<td>7.51</td>
<td>7%</td>
</tr>
<tr>
<td>350790</td>
<td>Enzymes and Prepared Enzymes, Nesoi</td>
<td>3.16</td>
<td>2.67</td>
<td>2.81</td>
<td>6.46</td>
<td>6.64</td>
<td>16%</td>
</tr>
</tbody>
</table>
Section III: Competition

India’s domestic industry is the primary competitor for U.S. food ingredient exporters. India, with its diverse agro–climatic conditions, produces a variety of foods and ingredients, the quality of which is expected to improve as firms invest in the food processing and logistics sectors. In addition, some competing suppliers enjoy a freight advantage and consolidators in markets like Dubai and Singapore offer quick delivery of small quantities. High import duties and restrictions on a number of imported raw materials pose as an additional challenge for the U.S. exporters interested in Indian market.

Table 9. India: Top 10 Imports of Intermediate Products from United States ($ Millions)

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>170219</td>
<td>Lactose in solid form and lactose syrup, Nesoi</td>
<td>1.80</td>
<td>2.01</td>
<td>3.99</td>
<td>4.05</td>
<td>4.81</td>
</tr>
<tr>
<td>210390</td>
<td>Sauces Etc., Mixed Condiments and Seasonings, Nesoi</td>
<td>1.39</td>
<td>1.83</td>
<td>1.64</td>
<td>1.59</td>
<td>1.95</td>
</tr>
<tr>
<td>210210</td>
<td>Yeasts, Active</td>
<td>0.44</td>
<td>0.34</td>
<td>0.49</td>
<td>0.58</td>
<td>1.01</td>
</tr>
<tr>
<td>350220</td>
<td>Milk albumin, Inc Concen of 2 or more whey proteins</td>
<td>0.28</td>
<td>3.12</td>
<td>4.38</td>
<td>5.11</td>
<td>4.99</td>
</tr>
<tr>
<td>180690</td>
<td>Cocoa preparations, Not in Bulk form, Nesoi</td>
<td>0.51</td>
<td>1.01</td>
<td>0.62</td>
<td>0.48</td>
<td>1.10</td>
</tr>
<tr>
<td>350290</td>
<td>Albumin and Albumin Derivatives, Nesoi</td>
<td>2.07</td>
<td>2.78</td>
<td>1.36</td>
<td>1.14</td>
<td>0.94</td>
</tr>
</tbody>
</table>

Source: Directorate General of Foreign Trade, Ministry of Commerce, Government of India
### Table 10. India: Competition in Major Product Categories

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Net Imports (In $ Million) CY 2014</th>
<th>Major Supply Sources</th>
<th>Strengths of Key Supply Countries</th>
<th>Advantages (A) and Disadvantages (D) of Local Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal or vegetable oils, fats and their cleavage products</td>
<td>10,656</td>
<td>Indonesia, Argentina, Malaysia, Ukraine</td>
<td>Major production hubs and competitive prices</td>
<td>Local production is inadequate and more than 40 percent of total edible oil consumption is dependent on imports. (A)</td>
</tr>
<tr>
<td>Leguminous Vegetables, Dried Shelled/Pulses</td>
<td>2681</td>
<td>Myanmar, Canada, Australia, USA</td>
<td>Price Competitiveness, freight advantage (for countries like Myanmar) and the ability to produce specific kind of pulses demanded in India.</td>
<td>Local production is inadequate and more than 20% of total demand for pulses is met through imports. (A)</td>
</tr>
<tr>
<td>Edible Fruits and Nuts</td>
<td>2,584</td>
<td>USA, Côte d’Ivoire, Tanzania, Benin</td>
<td>Growing market demand, preference for specific quality, popular at certain holidays</td>
<td>Domestic production of some of the major fruits and nuts is insignificant (A)</td>
</tr>
<tr>
<td>Sugars and Sugar Confectionery</td>
<td>635</td>
<td>Brazil, Germany, USA, Netherlands</td>
<td>Price competitiveness</td>
<td>India is usually a net exporter of sugar (D)</td>
</tr>
</tbody>
</table>
### Section IV: Best Product Prospects

#### Table 11. India: Best Product Prospects for the Food Processing Ingredients

<table>
<thead>
<tr>
<th>Product Types</th>
<th>Import Value ($ Million) CY 2014</th>
<th>Import Volume (Metric Tons) CY 2014</th>
<th>5-yr. Import growth by value (in %)</th>
<th>Basic Import Tariff</th>
<th>Key Constraints</th>
<th>Market Attractiveness For USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuts (mainly Almonds)*</td>
<td>907</td>
<td>210,505</td>
<td>20</td>
<td>In shell Almonds (Rs. 35/Kg) Pistachios (10%)</td>
<td>Competition from other suppliers exists but is not substantial</td>
<td>High demand and growing retail industry</td>
</tr>
<tr>
<td>Cocoa and cocoa preparations</td>
<td>264</td>
<td>69,754</td>
<td>26</td>
<td>30%</td>
<td>Strong competition from domestic and international suppliers</td>
<td>Strong quality and brand preference</td>
</tr>
<tr>
<td>Products of the milling industry, Malt, starches,</td>
<td>62</td>
<td>75,846</td>
<td>18</td>
<td>30%</td>
<td>Competition from domestic suppliers</td>
<td>Growing bakery and retail industry and</td>
</tr>
<tr>
<td>Product Type</td>
<td>Price</td>
<td>Competitiveness, Freight Advantage</td>
<td>Demand</td>
<td>Local Production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-------</td>
<td>------------------------------------</td>
<td>--------</td>
<td>------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leguminous Vegetables, Dried Shelled/Pulses</td>
<td>2,681</td>
<td>Price, Competitiveness, freight advantage for countries like Myanmar and the ability to produce specific kind of pulses demanded in India.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apples, Pears and Quinces Fresh</td>
<td>252</td>
<td>Competition from domestic and foreign suppliers like China, Chile, and New Zealand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grapes Fresh or Dried</td>
<td>52</td>
<td>Competition from domestic and foreign suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruit Juices</td>
<td>30</td>
<td>Competition from domestic manufactures and foreign suppliers from neighboring countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beverages, Spirits and Vinegar</td>
<td>511</td>
<td>High import duty and competition from domestic suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albuminoidal Substances; Modified Starches; Glues; Enzymes</td>
<td>350</td>
<td>Competition from domestic and foreign suppliers like China, Thailand and Taiwan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essential Oils, Concentrates; Resinoids; Extracted Oleoresins; Concent Of Essen Oils And Terpenic Byproducts; Aqueous Solutns</td>
<td>632</td>
<td>Competition from domestic and foreign suppliers like China, Thailand and Taiwan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
*Includes almonds, walnuts, pistachios, hazelnuts, chestnuts etc.

Source: Ministry of Commerce and Industry, GOI and Post analysis

**Products Not Present Because They Face Significant Barriers**

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively banned due to established Indian import requirements. This includes certain sub-categories in the Harmonized Tariff Schedule under Chapters 2, 3, 4, 5, 16 and 21 (e.g., milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet food). Furthermore, imports of beef are banned due to religious concerns. Though imports of alcoholic beverages exist, market access is constrained by occasional state bans, local taxes, and a complex licensing system for distribution and sales.

Effective July 8, 2006, the Government of India’s (GOI) Foreign Trade Policy (2004-2009) specified that all imports containing products of modern biotechnology must have prior approval from the Genetic Engineering Approval Committee (GEAC), Ministry of Environment and Forests. The policy also made a biotech declaration mandatory. Soybean oil derived from GE soybeans (select events) remains the only biotech food/agricultural product currently approved for import. For more information on India’s biotech import policy, please see IN5088 – ‘Agricultural Biotechnology Annual 2015.

**Section V: Post Contact and Further Information**

The following reports may be of interest to U.S. exporters interested in India. These, and related reports, can be accessed via the FAS Home Page: [www.fas.usda.gov](http://www.fas.usda.gov) by clicking on “Data & Analysis” and then selecting GAIN reports and choosing the “search reports” function to refine the desired criteria (e.g., category and date range).

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN5164</td>
<td>Retail Foods 2015</td>
</tr>
<tr>
<td>IN5162</td>
<td>Exporter Guide Annual 2015</td>
</tr>
<tr>
<td>IN5163</td>
<td>Food Service - HRI 2015</td>
</tr>
<tr>
<td>IN5131</td>
<td>Dairy and Products Annual 2015</td>
</tr>
<tr>
<td>IN5115</td>
<td>Mobile and E-Commerce Grocery Retail and Food Service Bloom</td>
</tr>
<tr>
<td>IN5106</td>
<td>Livestock and Products Annual 2015</td>
</tr>
<tr>
<td>IN5089</td>
<td>Casual Dining and QSR Sector See Fast Track Growth in India</td>
</tr>
<tr>
<td>IN5088</td>
<td>Agricultural Biotechnology Annual 2015</td>
</tr>
</tbody>
</table>

For additional information please contact:

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