REPORT ON
INDIAN PACKAGED FOOD INDUSTRY

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India is among the top 15 countries in the global economy in terms of GDP at current prices.

**INDIAN ECONOMIC SCENARIO**

After several consecutive years of strong growth, the world economy entered the worst recession which started in third quarter of 2008. All the advanced economies faced deep economic crisis, as the world GDP dropped by 1.3% in 2009. The signs of recovery shall be visible from fourth quarter of 2010. The Indian economy which has also been impacted by the global turmoil, posted a growth of 5.4% in FY 2009.

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**GDP SCENARIO**

Source: International Monetary Fund (IMF)
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The United States, not surprisingly, leads the world in eating food from boxes and bags.

The size of the global processed-food market is estimated at USD 3.2 Trillion and nearly 80 per cent of Agricultural products in the developed countries get processed and packaged.

As nations such as China, India, Brazil and Russia become wealthier, they are changing their eating habits. In particular, they are buying more packaged foods.

Source: New York Times Database
The Indian packaged processed foods industry is estimated at US$ 10.87 billion – US$ 13.05 billion, including biscuits, chocolates, ice-cream, confectionery, snacks, cheese and butter.

- The industry is growing at a healthy 14-15 per cent over the past two-three years.
- The industry received foreign direct investments (FDI) totalling US$ 143.80 million in 2008-09 against US$ 5.70 million in 2006-07.

Source: New York Times Database, 2010
Excise duty on ready to eat packaged foods and instant food mixes has been brought down to 8 per cent from 16 per cent.

**GROWTH DRIVERS FOR PACKAGED FOOD IN INDIA**

The major factor among others is Convenience without compromising on taste as packaged food works well for a busy person who wants to eat a balanced meal or for a person who doesn't like to cook because there's virtually no cooking involved.

Rising disposable incomes and the on-going urbanisation of India's population are set to drive the packaged food market in India.

The government plans to open 30 mega Food Parks and many Cold Storage by the end of the 11th five year plan (2007-2012).

The calories, carbs and protein are predetermined, making it perfect for health conscious people.

The arrival of food multinationals, rising popularity of quick-service restaurants, modern retail trade and technological advancements.
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The dairy exports in 2007–08 rose to US$ 210.5 million against US$ 113.57 last fiscal.

### UNDERSTANDING PACKAGED FOOD

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Sauces, Dressings and Condiment</td>
<td>Ketchups, Pickles, Mayonnaise, Spreads, Salad Dressings, Jams, Syrups and Cordials.</td>
</tr>
<tr>
<td>II. Dairy Products</td>
<td>Yogurt, Plain and Flavored Milk, Butter, Cheese, Ice Cream, Buttermilk, Pudding.</td>
</tr>
<tr>
<td>III. Bakery Goods</td>
<td>Breads, Cakes, Croissants, Cookies, Bakery Snacks, Sandwiches</td>
</tr>
<tr>
<td>IV. Soup and canned food</td>
<td>Soups, Baked Beans, Fruits and Vegetables, Sweets, Canned Meat, Pulps</td>
</tr>
<tr>
<td>V. Snacks and Candy</td>
<td>Wafers, Chocolates and Confectionaries, Namkeens</td>
</tr>
<tr>
<td>VI. Processed and Ready to eat Meals</td>
<td>Vegetable and Curry Meals, Rice, Cup Noodles, Cooked Noodles and Pastas</td>
</tr>
</tbody>
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Recognising the growth potential of the branded health food sector in India, fast moving consumer goods (FMCG) majors are foraying into this sector in a big way.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name</th>
<th>Sales Turnover 2008-09 (Rs. crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Britannia</td>
<td>3,143</td>
</tr>
<tr>
<td>2</td>
<td>PepsiCo</td>
<td>2,000</td>
</tr>
<tr>
<td>3</td>
<td>Nestle</td>
<td>5,232</td>
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<tr>
<td>4</td>
<td>Amul</td>
<td>6,705</td>
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<tr>
<td>5</td>
<td>ITC</td>
<td>3,833</td>
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<tr>
<td>6</td>
<td>Kellogg’s</td>
<td>NA</td>
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<tr>
<td>7</td>
<td>GlaxoSmithKline</td>
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<tr>
<td>8</td>
<td>Wrigley</td>
<td>500</td>
</tr>
<tr>
<td>9</td>
<td>Hindustan Unilever</td>
<td>791</td>
</tr>
<tr>
<td>10</td>
<td>Haldirams</td>
<td>NA</td>
</tr>
<tr>
<td>11</td>
<td>Parle Agro</td>
<td>850</td>
</tr>
</tbody>
</table>

COMPETITION ANALYSIS

The industry is mainly unorganized with 75% of the processing units belonging to the unorganised category, the organised category though small, is growing fast.
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ABOUT US

Foundation
➢ BIG Strategic Management Consultants, established in 2008, is a fusion of the vast experience of industry veterans and its synergy with the young blood, which blends to give superior consulting services to both domestic and international clients in fields as diverse as strategic consulting, technology consulting, financial consulting, market research and analysis, feasibility studies and manpower planning.

Our Goal
➢ To exceed the expectations of every client by providing outstanding services which are timely, accurate and innovative.

Our Associates
➢ Are distinguished by their functional and technical expertise along with their hands-on experience, thereby rendering the most effective and professional service.

Our Services help clients
➢ Define new areas of businesses.
➢ Give a competitive edge to current and new businesses.
➢ Service with inventive business solutions which are realistic and achievable.
OUR SERVICES

➢ The regional exposure has a reach in Asia-Pacific, Middle East and Europe.
➢ The various industries covered by the panel are divided into 3 different sectors covering the various industries as mentioned below.

A - Government Departments and Organizations
(Policy Formulations, Organization Redesign, Impact Assessment Studies)

B – Manufacturing Industry
(Automotive, Chemicals, Consumer Goods, Food & Beverage, Pharmaceuticals, Textiles, Cement, Building Materials)

C - Service Industry
(Advertising, Financial Services, Banking & Insurance, Media and Telecom, Healthcare, Hospitality, Transportation & Logistics, Travel & Tourism, Aviation, Shipping)

D – Miscellaneous Industry
(Agriculture, Construction and Real Estate, Power and Water, Oil and Gas, Infrastructure)
HOW CAN BIG HELP?

- Assessment of the Current Product Market in India.
- Market Research for foraying into new Product and Demand Assessment for the same.
- Competitive Positioning, Branding and Acquiring Market Share
- Strategy Formulation for Entering New Segments and Portfolio Expansion

IDENTIFICATION & VALUATION STUDIES
Thank You