

Required Report: Required - Public Distribution

Date: April 01, 2024

Report Number: IN2024-0014

Report Name: Food Processing Ingredients Annual - 2024

Country: India

Post: New Delhi

Report Category: Food Processing Ingredients

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Report Highlights:

The Indian food processing industry is an important driver of the country's economic growth. It is experiencing significant development and is innovating in the field of processed and packaged foods. The sector significantly contributes to India's gross domestic product (GDP), exports, investment, and employment. The market for imported food products has grown these past few years; it is influenced by India's growing middle class, affluent professionals, brand-oriented importers, modern retail outlets, e-commerce retailers, and trend setting restaurants. These developments bode well for the introduction of U.S.-origin food processing ingredients in the Indian market.

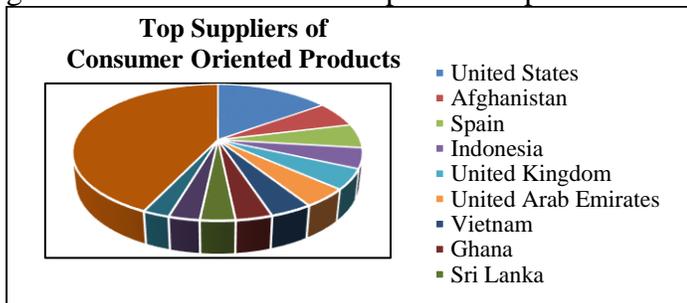
Market Fact Sheet: India

Executive Summary:

In 2024, India is ranked as the [world's fifth largest economy](#) and is considered amongst the fastest developing major economies. India surpassed China as the world's most populated country in 2023. As of January 2024, India's population stands at [1.44 billion](#), about 18 percent of the total world population. The median age stands at 28 years, 55 percent of the population is below the age of 25 years and over 65 percent of the population is below the age of 35. Rising population and increasing prosperity are expected to increase food demand in India significantly. According to the [International Monetary Fund's October 2023 World Economic Outlook projections](#), growth in India is projected to remain strong at 6.3 percent in 2024. In 2023, India imported \$21 billion of processed foods and related products from all sources, while exports totaled \$17 billion.

Imports of Consumer-Oriented Products:

India's imports of consumer-oriented foods, led by tree nuts, spices, and fresh fruits, are some of the fastest growing imported agricultural products. In 2023 (Jan-Nov), India imported \$7 billion of consumer-oriented products, of which 15 percent were from the United States. Rising number of brand-oriented importers, modern and e-retail platforms, and trendsetting restaurants are major contributors to the growth of consumer-oriented product imports.



Source: Trade Data Monitor.

Food Processing Sector:

India's food processing sector contributes nearly 13 percent to the country's Gross Domestic Product (GDP). India has set a vision for this sector to achieve

a target of doubling its contribution to GDP by 2030. According to sources, the sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 15 percent and reach [\\$535 billion by 2025/26](#). This growth is driven by increased consumption in Tier-II and III cities, government impetus, and foreign investments among other factors.

Quick Facts CY 2023

Consumer-Oriented Product Imports: \$7 billion

Top Import Growth Products in India

- Tree Nuts (almonds, pistachios, and walnuts)
- Fresh fruits (apples, pears, and grapes)
- Processed fruits

Food Industry by Channels

Food Industry Output	\$400 billion
Food Exports	\$56 billion
Food Imports	\$40 billion

Top Food Processors

- Hindustan Unilever Ltd.
- Nestle India Ltd.
- Britannia Industries Ltd.

GDP/Population (2023)

- Population: 1.4 billion
- GDP: \$3.7 trillion (nominal)
- GDP per capita: \$2,850 (nominal)

Sources: Global Trade Atlas, Trade Data Monitor.

SWOT Analysis:

Strengths	Weaknesses
<i>U.S. products held in high regard. No/less language barriers.</i>	<i>Lack of awareness regarding the range and value of U.S. products.</i>
Opportunities	Threats
<i>Growth potential in food processing and imported food ingredients.</i>	<i>Tariff/non-tariff barriers Strong competition from domestic and foreign suppliers.</i>

Section 1: Market Summary

Rising Demand for Processed Food Products

India's food processing sector is a significant economic pillar of the Indian economy, which has huge potential for growth. The sector's development runs in tandem with changing demographics, lifestyle, affordable workforce availability, improved transportation, and changing consumer perceptions of quality and safety. The sector has shown enormous potential for creating employment opportunities in 41,481 registered processing units, with a vision to add 9 million jobs by calendar year 2024. The share of processed food exported in a decade jump from 13 percent to 23 percent, constituting a 150 percent overall increment in the export of Indian processed foods.

Food and agricultural processing levels in India, however, remain significantly lower in comparison to global standards. As per a Deloitte study from 2020/21, processing levels in India are 4.5 percent for fruits; 2.7 percent for vegetables; 21.1 percent for milk, 34.2 percent for meat; and 15.4 percent for fishery. Food waste is another challenge, with sources estimating that over 40 percent of perishable produce goes to waste. In its Annual Report (2018/19), the Central Institute of Post-Harvest Engineering and Technology (CIPHET) indicates that post-harvest losses in India range from 3 to 16 percent for all major crops, with the level of value addition and processing of less than 10 percent. CIPHET has developed Vision 2025, which aims to increase the value addition of food products from the current 10 percent to 35 percent, and processing in fruits and vegetables to increase from 2 percent to 35 percent by 2025.

Immense opportunities for boosting processing levels exist. For example, in 2023 foreign direct investment in the sector reached \$33 billion. The online grocery market itself has gained immense traction on account of the changing lifestyle of the consumers, growing urbanization, and the tech-savvy generation who prefer buying online. Increased internet penetration and the boom of digital payment have acted as additional factors driving the market. However, the climate for importing food and beverage products continues to face significant challenges. India routinely revises import tariff rates, experiences exchange rate fluctuations that impact the affordability of imported goods and implements a host of technical barriers to trade (TBT) and sanitary-phytosanitary (SPS) barriers.

Government Support

The Indian government's [*Atmanirbhar Bharat*](#) (Self-reliant India) initiative is prioritizing the food processing sector.¹ It is actively encouraging and providing incentives for increased private sector investments. Additionally, the government is promoting value-addition in agricultural and allied sectors, and the reduction of waste. Other government initiatives include financing the development of food parks; integrated cold chain and value addition infrastructure; formalization of micro food-processing enterprises schemes; agro-processing clusters; creation and expansion of food processing/preservation capacities; creation of backward and forward linkages; food safety and quality assurance infrastructure; fish processing; and the one district one product

¹ *Atmanirbhar Bharat Abhiyaan* or Self-reliant India campaign is the vision of a new India envisaged by Prime Minister Narendra Modi. The aim is to make the country, and its citizens independent and self-reliant in all aspects.

approach.² Besides these initiatives, the Ministry of Food Processing Industries launched the “Nivesh Bandhu” portal for investors seeking to invest in India’s food processing sector. The portal shows the steps for doing business in India, policies, and facilities provided by the Indian government and the regulatory frameworks involved in setting up operations in India.

Table 01. Advantages and Challenges for U.S. Food Ingredients	
Opportunities	Challenges
Growing food processing industry and rising demand in Tier I and II Indian cities and in rural areas.	Processed foods are still seen as inferior to fresh foods by many consumers.
Continuous growth in urban population, dual-income households, changing spending patterns/priorities, emergence of nuclear families, increasing proportion of working women, fast-paced, busy lifestyle with limited time available for cooking, and a growing preference for convenience.	Fragmented and long supply chain resulting in food wastage. Inadequate transportation for perishable items. Inconsistent supply and quality of raw material.
Indian consumers becoming more acceptable to foreign foods and flavors and the United States is known as a supplier of high-quality products and consistency.	Processor’s source most of their ingredients locally. Despite expanding palates, most consumers prefer Indian cuisine.
Growing modern food retail and e-retail along with private label penetration make products easily available.	Dominance of traditional retail formats (Mom and Pop Stores/Kirana Stores).
Increasing demand for quality and hygienic ingredients and foods. U.S.-origin food ingredients are well known and considered to be of high quality.	High tariffs, market access issues, and changing food safety policy regulations.
India’s geographic proximity to key export markets.	Inadequate infrastructure and industry automation. Nearly one-third of the produce is wasted due to poor post harvesting techniques, especially in the seasonal enterprises, inadequate primary processing, and insufficient storage infrastructure, including warehouses, and cold storage.
Rising demand for frozen, ready-to-eat, and ready-to-cook products.	Price-sensitive market.
Changing lifestyles and aspirations. Fast paced and busy lifestyle with limited time available for cooking and meal preparation. Consumers opting for convenience.	Majority of consumers prefer eating freshly prepared food. Adaptability to varied food habits in each region with climate, topography, culture, and heritage.

² One District One Product (ODOP) initiative is aimed at fostering balanced regional development across all districts of the country. The initiative aims to select, brand, and promote at least One Product from each District (ODOP) of the country for enabling holistic socioeconomic growth across all regions. The ODOP Initiative has identified a total of 1,102 products from 761 districts across the country (see, <https://www.india.gov.in/spotlight/one-district-one-product-odop>).

Section 2: Roadmap for Market Entry

A. Entry Strategy

Key factors to consider before entering or introducing products into the Indian market:

- **Can your product enter India and comply with local laws?**
 - ✓ Conduct due diligence when exporting to India and determine if your product has market access.
 - ✓ Study India's varied laws, particularly those pertaining to foods and beverages.
 - ✓ Review [FAS GAIN](#) policy and market reports, including specific commodity information on custom duties or sanitary requirements.
 - ✓ Consider engaging a market research firm to assist with market entry, better understand the trade challenges and opportunities, and navigate the complex regulatory environment.

- **Find the Right Partner**
 - ✓ Identify a reliable importer/distributor who services the food retail, food service, or food processing sector.
 - ✓ Avoid conflicts of interest – i.e., find a partner who can ensure that all channels are followed within Indian laws.
 - ✓ Consider whether participating in an Indian trade show would be an effective mean to identify a key importer/distributors/partner.
 - ✓ Consider if collaborating/participating in USDA-endorsed promotional activities would be an effective way to create and/or increase market awareness and penetration.

- **Secure Payment Terms**
 - ✓ Until establishing a successful working relationship, U.S. suppliers or exporters may wish to consider vehicles such as an irrevocable Letter of Credit (L/C), advance payment, and or payment on sight.
 - ✓ FAS India offices do not have the authority to mediate contractual disputes or serve as a collection agent when differences over payment or other commercial issues arise. For information about local legal services, refer to GAIN Report [IN6155](#).

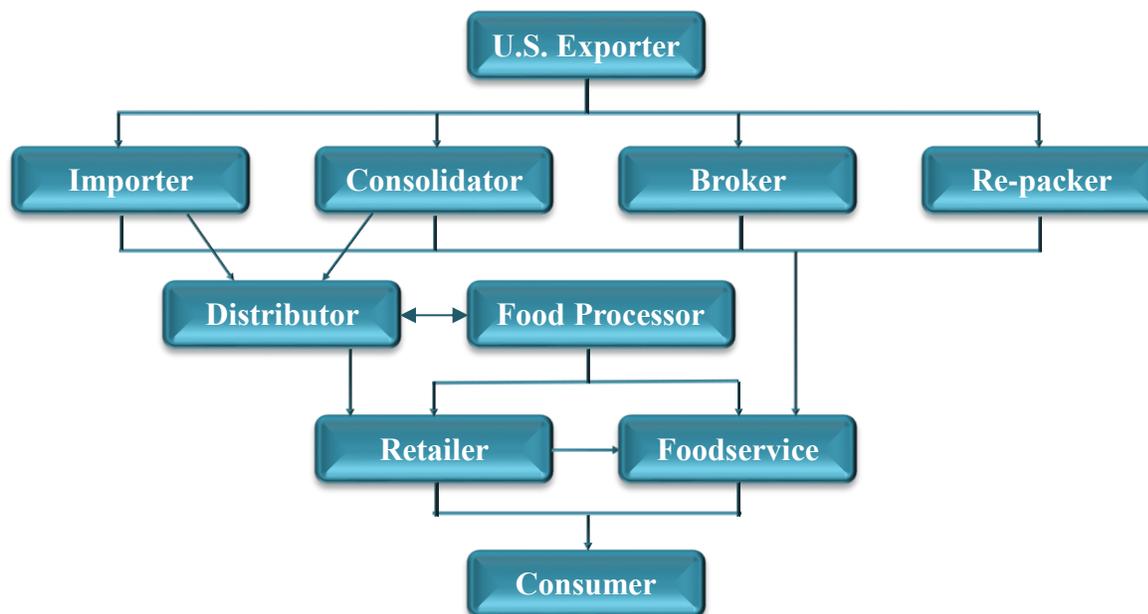
B. Import Procedure

Laws regulating Indian imports of food and agricultural products fall under the jurisdiction of multiple Indian government authorities (see, [GAIN-INDIA | IN2023-0086 | Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report – 2023](#), and the Food Safety Standards Authority of India (FSSAI) [Food Import Clearance Manual](#)).

C. Distribution Channels

Major players in the distribution channel for products entering the food ingredients sector include food processing companies that have access to global supply chains, as well as a combination of clearing and forwarding agents, wholesalers, distributors, and importers who supply domestic food manufacturing companies.

D. Market Structure



E. Share of Major Segments in the Food Processing Industry

Table 02. India: Major Food Processing Sectors 2023	
Segment	Production in Million Metric Tons (MMT)
Fruits and Vegetables	350.87 MMT (First Advance Estimates 2022/23 – April-March)
Milk	230.58 MMT (2022/23 – March-February)
Meat and Poultry	Buffalo Meat: 9.77 MMT (2022/23 – March-February)
	Broiler Meat: 4.99 MMT (2022/23 – March-February)
	Eggs: 138.38 MMT (2022/23 – March-February)
Marine Products	16.24 MMT (2021/22)
Grain (cereals and pulses)	329.7 MMT (crop year 2022/23 – July-June)
Consumer Foods	Packaged Foods: Not available
Beverages	Aerated soft drinks: 2,659 million liters (2018). Packaged drinking water: 8,305.9 million liters. Alcoholic beverages: Not available

F. Company Profiles

Table 03. India: Top Five Food Processing Companies	
Company	Website Links
Hindustan Unilever Ltd.	www.hul.com
Nestle India	www.nestle.in/
Britannia Industries Limited	www.britannia.co.in/
Parle AGRO Pvt. Ltd.	https://www.parleagro.com/
ITC Limited	www.iteportal.com
Source: Public Media.	

G. Sector Trends

Food constitutes [35-40 percent](#) of consumer expenditures and will continue to do so for the next decade. Food consumption is no longer confined to meeting basic energy/ nutritional requirements but is seen as a source for enhancing health attributes. Consumers are now less price conscious. With increasing disposable income, consumers are shifting their focus from loose/non-branded to packaged/branded products. Consumers prefer premium branded packaged food products as they believe that these products are more hygienic and safer for consumption. The Indian food and beverage packaged industry is experiencing substantial growth with market size projected to increase from \$33.7 billion in 2023 to \$46.3 billion by 2028. Key drivers behind this growth include rising consumer demand for packaged products due to shifts in consumption habits and changing lifestyles, as well as greater awareness, economic growth, demographic changes, an increasing working population, retail, and an e-commerce sector. Rice, pasta, bread, noodles, and breakfast cereals represent the largest portion of the sector. Other segments driving growth include edible oils, ready-to-eat products, tree nut based snacking products, confectionery products, dairy-based products, meat and poultry, sweet biscuits (cookies), snack bars, savory snacks, spreads, sauces, condiments, baby food and baked goods.

Consumer preference trends show growing demand for fresh fruits, eggs, meats, beverages, processed foods, probiotic foods, sugar-free products, organic, natural foods, and most importantly immunity boosting and healthy foods. Awareness of the benefits of consuming breakfast cereals, cheese, sausages, salami, among other products is growing. According to the [ASSOCHAM Report 2023](#), the emergence of plant-based food in the recent past is revolutionizing the Indian food processing industry. For example, mock meat is a plant-based protein made from soy, green peas, jack fruit, wheat gluten, legumes, beans, coconut oil, beet juice, vegetable proteins, nuts, and seeds; meant to feel, taste, and appear like real meat. At the same time some vegetarian consumers are gradually shifting their preferences to a meat-based lifestyle to help fill protein gaps in their diets. Increased interest in *Ayurvedic* immunity boosting formulations and growing fitness enthusiasm is likely to create strong growth for sports nutrition, including energy bars, protein powder, and ready-to-drink protein.³

Section 3: Competition

India's food processing industry primarily depends on domestic agricultural ingredients and inputs, and the domestic industry is the main competitor for U.S.-origin exports of food ingredients including cereals, spices, rice, sugar, pulses, fresh fruits and vegetables, dairy, and livestock. Despite expanding palates, most consumers prefer Indian cuisine cooked in the traditional style and do not want to adapt to varied tastes. The quality of U.S.-origin tree nuts, dried fruits, berries, and similar products makes them attractive imported ingredients for major players in the processing industry. High import duties and restrictions on several imported raw materials, however, poses challenge for direct U.S. exports to the market.

³ *Ayurveda* is an alternative medicine system with 3,000-year-old historical roots in the Indian subcontinent.

Table 4. Competition in Major Product Categories in Calendar Year (CY) 2023

Product Category	Net Imports CY 2023	Major Supply Sources	Strengths of Key Supplying Countries	Advantages (A) and Disadvantages (D) of Local Suppliers
Animal or vegetable oils, fats, and their cleavage products	\$17 billion	Indonesia Malaysia Argentina Brazil Thailand	Major production hubs and competitive prices.	Local production is inadequate, and more than 40 percent of total edible oil consumption is dependent on imports. (A)
Leguminous Vegetables, Dried Shelled/Pulses	\$3 billion	Myanmar Mozambique Canada Australia Tanzania	Price competitiveness, freight advantage and the ability to produce specific variety of pulses is in demanded in India.	Since 2023, India has taken series of measures to relax imports of pulses on food inflation concerns. These measures along with the removal of retaliatory tariffs will boost import prospects for U.S.-origin pulses. (A)
Edible Fruits and Nuts	\$4 billion	USA Cote d'Ivoire Ghana Benin Afghanistan	Growing market demand, preference for specific quality, popular at certain holidays.	Domestic production of some of the major fruits and nuts is insignificant. (A)
Sugars and sugar confectionery	\$1.5 billion	Brazil Germany Netherlands USA South Africa	Price competitiveness.	India is a large producer, consumer, and usually a net exporter of sugar. (D)
Coffee, Tea, Mate and Spices	\$1 billion	Vietnam Indonesia Nepal Madagascar Sri Lanka	Price competitiveness and geographic proximity to India.	Most imports are for re-export to other regions. (A)
Albuminoidal Substances; Modified Starches; Glues; Enzymes	\$9 million	China USA Germany Thailand Netherlands	Price competitiveness	Local production is limited, and the United States supplies good quality products with competitive prices. (A)

Source: Ministry of Commerce and Industries; Trade Data Monitor; FAS India office research.

Section 4: Best Product Prospects

Recent expanded market access and tariff reductions for U.S.-origin frozen turkey, frozen duck, and all forms of blueberries and cranberries (fresh, frozen, dried, and processed) present good opportunities for trade expansion.

Table 5: Products Present in Market and have Good Sales Potential			
Product Types	Import Value (\$ Million) CY 2023	U.S. Market Share (%)	Market Attractiveness for USA
Almonds (Almonds, Fresh or Dried, In Shell and Fresh or Dried, Shelled)	1,476	86	The United States with 86 percent market share of imported almonds has a supplier advantage.
Chocolate and Cocoa Products	438	0.4	Strong preference for recognized brands.
Beverages, Spirits, and Vinegar	1,476	12	Increased consumption and lack of domestic production of alcoholic and non-alcoholic beverages.
Pistachios, In Shell, Fresh or Dried	138	86	Better quality compared to competitors. High perceived health benefits and usage in traditional sweets and gifting during festivals.
Apples, Pears, and Quinces, Fresh	391	2	Lifting of retaliatory tariff will boost import prospects for U.S.-origin apples.

Source: Trade Data Monitor.

Table 6: Products Not Present in Significant Quantities but have Good Sales Potential			
Product Types	Import Value (\$ Million) CY 2023	U.S. Market Share (%)	Limiting and Impacting Factors
Tree Nuts (Except Almonds)	1 billion	14	India imports a large variety of tree nuts such as pistachios from the United States and Iran, and walnuts from Chile. Limited awareness for other tree nuts such as hazelnuts and pecans.
Leguminous Vegetables, Dried Shelled/Pulses	3 billion	Negligible	Since 2023, India has taken series of measures to relax imports of pulses on food inflation concerns. These measures along with the removal of retaliatory tariffs will boost import prospects for U.S.-origin pulses.
Sugars and sugar confectionery	1.5 billion	1.3	India is a large producer, consumer, and exporter of sugar. Indian consumers consume many sweets including traditional products; innovative and new products in sugar confectionery are always preferred by consumers of all ages and class.
Fresh Fruits (Except Apples)	3 million	3	Seasonal availability of domestic fresh fruits and imports from other destinations limit U.S. market share. Enhanced market access for U.S. cherries, removal of retaliatory tariffs on U.S. apples, reduction in import duties for U.S. blueberries offer strong potential for growth.
Poultry Meat & Products. (ex. eggs)	1 million	0	Recent tariff relaxation on U.S.-origin frozen turkey and duck meat will boost import prospects.

Source: Trade Data Monitor.

Products Not Present Because They Face Significant Barriers: The Indian government has placed various trade restrictions that have prevented marketed access for U.S. food products. Except for pork and pork products, poultry meat and products, most animal and livestock-derived food product imports 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, and 16 (e.g., milk and dairy products, certain seafood, sheep, and goat products, and pet foods). Certain products if allowed (e.g., gourmet cheeses) may have good sales potential for the food processing, retail, and HRI sectors. Furthermore, imports of beef are banned due to religious considerations. The Indian government’s aim to implement new health certificate requirements for dairy and dairy products being imported into India, may further restrict dairy products covered under Chapter 17 and 35. The implementation date to comply with these new Indian government health certificate requirements is effective July 1, 2024 (see, [GAIN-INDIA | IN2024-0001 | India – Timeline for Implementation of Integrated Veterinary Health Certificate Gets Another Extension](#)).

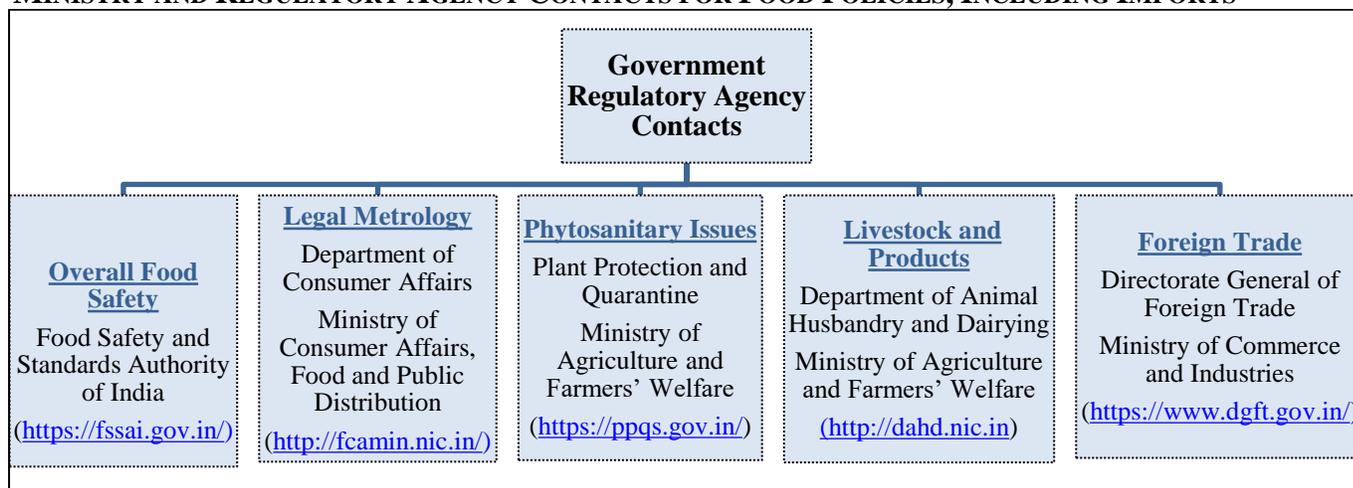
Effective July 8, 2006, the Indian government’s Foreign Trade Policy (2004-2009) specified that all imports containing products of modern biotechnology must have prior approval from the Genetic Engineering Approval Committee (GEAC), Ministry of Environment, Forests and Climate Change. The policy also made a biotech declaration mandatory. Soybean oil and canola oil derived from select events are the only genetically engineered food products currently approved for import into India. For more information on India’s biotech import policy, see, [GAIN-INDIA | IN2023-0073 | Agricultural Biotechnology Annual – 2023](#)).

Section 5: Key Contacts and Further Information

GOVERNMENT SOURCES FOR DATA

Ministry of Food Processing Industries	https://mofpi.gov.in/
Legal Metrology (Weights and Measures)	http://fcamin.nic.in/
The Food Safety and Standards Authority of India (Food Regulations)	https://www.fssai.gov.in/
Ministry of Commerce and Industry	https://commerce.gov.in/

MINISTRY AND REGULATORY AGENCY CONTACTS FOR FOOD POLICIES, INCLUDING IMPORTS



OTHER IMPORT SPECIALIST CONTACTS

Director
Confederation of Indian Food Trade and Industry
Federation of Indian Chambers of Commerce and Industry
Federation House, Tansen Marg, New Delhi – 110 001
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- [FAS India Online Grocery Market](#)
- [FAS India - Food Service - Hotel Restaurant Institution](#)
- [FAS India Plant-Based Meat Substitutes Market](#)
- [India: Sweet Opportunities in the Indian Confectionary and Snacks Market](#)
- [FAS India - Food Processing Ingredients Report 2018 - For information on Food Processing Research Institutions and Associations as well as organizations under the Ministry of Food Processing Industries.](#)

Attachments:

No Attachments