

Voluntary Report – Voluntary - Public Distribution

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Report Name: Sweet Opportunities in the Indian Confectionary and Snacks Market

Country: India

Post: Mumbai

Report Category: Food Processing Ingredients, Market Promotion/Competition, Promotion Opportunities, Snack Foods, Tree Nuts, Sugar

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Report Highlights:

India's sweets and snacks market continues to expand rapidly thanks to rising incomes and holiday/corporate gifting. COVID-19 accelerated the industry's adoption of digital marketing/delivery platforms, leading to new partnerships with organized retailers. Manufacturers are increasingly procuring high-value, specialty ingredients in response to an ongoing shift in consumer tastes and preferences, including increased demand for healthier sweets and snacks options. Opportunities for U.S. exporters exist in consumer-oriented products, especially tree nuts, fruits, and seasonings.

Section I. Indian Sweets and Snacks Industry Overview The Indian Mithai (sweets) and Namkeen (savory snacks) industry is one of the largest and oldest industries in the country. According to the Federation of Sweets and Namkeen Manufacturers, the industry reached sales of over \$13 billion in Indian fiscal year 2019-20.¹ While the industry suffered a significant reduction in sales due to COVID-19, the industry is recovering and is expected to reach revenues of \$8.56 billion in FY 2022.² Local sources indicate that they expect the sector to grow at high rates during the next few years. The pandemic has transformed the sector, accelerating its adoption of digital platforms to market their products and facilitate purchases/payments. During the pandemic, local sweets and snacks manufacturers explored multiple ways to *digitize* their operations and reach their consumers despite lockdown conditions, such as the development of their own e-commerce site (e.g., Almond House, Bombay Sweet Shop), and/or partnerships with grocery e-commerce sites (e.g., Amazon, Flipkart, and BigBasket), and/or deliver aggregators such as Zomato and Swiggy.

The Indian sweets and snacks sector employs over 10 million individuals (directly and indirectly) though over 100,000 manufacturers across the country that produce 500 types of sweets and snacks.³ The sector is becoming more organized through the modernization/automation of manufacturing processes, the incorporation of new food packaging methods, and greater emphasis on hygiene and the use of healthier ingredients in their products. COVID-19 led to greater consumer demand for healthy and immunity-boosting products. In response, sweets and snacks manufactures are producing alternatives with sugar substitutes, fruits, dried berries, nuts, and gluten-free ingredients. Some manufactures are even producing products that are baked and not fried.

Indians' propensity for sweets and snacks, especially during celebrations and holidays, has allowed this sector to grow tremendously within the country and more recently, around the globe. A number of Indian sweets and snacks brands, including Amul, Almond House, Bikano, Chitale, Cornitos, Haldirams, and Yellow Diamond, can be found in foreign markets, where there remains significant sales potential.

The sector is a major procurer of raw food ingredients, including flours, oils, sugar, spices, seasonings, dairy products, cocoa products, fruits, and nuts. Manufacturers are increasingly demanding more high-value, speciality ingredients due to the sector's continued growth and an ongoing evolution in tastes and preferences. U.S. suppliers stand to benefit from this demand with opportunities in consumer-oriented products, including tree nuts, fruits, and seasonings.

Structure of Indian Sweets and Snacks Industry

¹ Mithai, namkeen industry sales cross Rs 1 lakh cr, [The Hindu BusinessLine](#)

² Blogger's Park: Sweet Innings, [Financial Express](#)

³ The 1 lakh cr Snacks and Sweets industry in India, [CaseReads](#)

Sector	Strengths	Weaknesses
Organized (branded)	Quality certification, competitive pricing, extensive marketing, distribution networks, and strong traditional products.	Higher price, untapped rural market base, large and fragmented supply chain network.
Unorganized (non-branded)	Accessible to a large section of population, readily available at Kirana (Mom-and-Pop) stores, relatively cheap.	Improper labeling, storage problems, un-organized distribution network & inadequate marketing.

Section II. World Mithai and Namkeen Convention and Expo 2021

On December 15-16, 2021, FAS Mumbai Marketing Specialist Uma Patil attended the 4th annual World Mithai and Namkeen Convention and Expo in Jaipur, Rajasthan. The B2B expo provided a great platform to interact with the country’s main sweets and snacks manufacturers and identify market opportunities for U.S. exporters. U.S. cooperator groups, including the California Walnut Commission, USA Highbush Blueberry Council, and the U.S. Cranberry Marketing Committee, exhibited at the show and organized cooking demonstrations to highlight the use of U.S. ingredients in local sweets and snacks.

The World Mithai and Namkeen Convention and Expo 2021 (WMNCE) is one of the largest B2B trade exhibitions for sweets and snacks manufacturers, distributors, and retailers. The expo is organized by the Federation of Sweets and Namkeen Manufacturers, which represents over 4,000 sweets and snacks manufacturers and associations. The 4th edition of this expo attracted over 200 exhibitors and 5,000 visitors from across the country, including manufacturers, ingredient suppliers/importers, packaging companies, bakeries, equipment manufacturers, and logistics companies. The expo also hosted various interesting seminars and roundtable meetings. The “Future of Indian Sweets and Namkeen Industry” seminar emphasized the need to increase the use of modern machinery in the sector and provide safe packaging. The seminar also highlighted the use of healthy ingredients and sugar substitutes, the role of attractive packaging and marketing designs, and the preparation of sweets without the use of milk or milk products, which results in a longer shelf life (1-2 years). Roundtable discussions focused on local regulations, tax rates, food safety, and other compliance topics.

Participating U.S. cooperators hosted live cooking demonstrations with celebrity chefs and showcased the use of U.S. food ingredients in the traditional and gourmet sweets and snacks. They also utilized their booth spaces for sampling purposes and B2B meetings. The California Walnuts Commission and U.S. Cranberry Marketing Committee organized a mithai competition where India’s top mithai and namkeen manufacturers presented unique regional, fusion, and gourmet style mithais prepared with U.S. ingredients. The next edition of the World Mithai and Namkeen Convention and Expo will be held in December 2022 in Chandigarh. U.S. cooperators and exporters are encouraged to participate in this expo if they are interested in tapping into this market and exhibiting their products. Please contact FAS India for registration guidance and details.

World Mithai and Namkeen Convention and Expo 2021 Images





The U.S. Cranberry Marketing Committee received an award at the Gala Night and Awards Ceremony



The California Walnut Commission received an award at the Gala Night and Awards Ceremony



USA Highbush Blueberry Council booth



USA Highbush Blueberry Council booth



U.S. Cranberry Marketing Committee booth



California Walnut Commission booth

Source: FAS Mumbai staff

Section III. Opportunities and Challenges

Opportunities	Challenges
Rapid expansion of organized retail sector, particularly e-commerce	Food safety issues and regulations
Rising investment (domestic and foreign) in the food processing sector	High tariffs for select consumer-oriented goods and ingredients
Consumers prefer high-quality, hygienic foods	Need for greater automation and moderation within the sector.
Consumers are willing to spend on quality, high value, and healthy products regardless of price and delivery costs	Competition from local confectionary product manufacturers (chocolates, ice-cream, bakery products, etc.) and ingredient suppliers
Rising income levels with dual income households and increasing purchasing power	Competition from countries in geographical proximity to India
Changing lifestyles and aspirations. Fast paced and busy lifestyle with limited time available for cooking and meal preparation	Need for infrastructure improvements to reduce supply chain issues.

Section IV: Post Contacts and Further Information

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For additional information please visit the FAS websites & useful FAS India GAIN reports

- [FAS Homepage](#)
- [FAS India - Exporter Guide](#)
- [FAS India - Retail Report](#)
- [FAS India - Food Service - Hotel Restaurant Institution](#)
- [FAS India - Food and Agricultural Trade Show Calendar](#)
- [FAS India - Food Processing Ingredients Report](#)

Attachments:

No Attachments.