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Report Highlights:

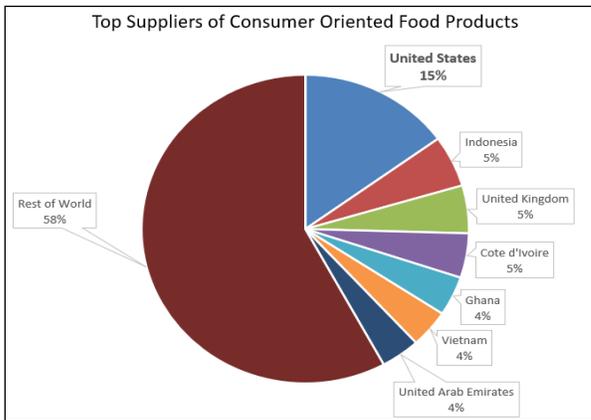
India's food retail sector will continue its upward trajectory following a decade of market evolution and sustained growth. The increased purchasing power of Indian households, growing awareness and access to gourmet products, and consumer awareness toward international cuisines and food products have acted as primary growth catalysts in the sector. While traditional brick-and-mortar retailers continue to lead sales, the growing e-commerce sector has distinguished itself by offering high-quality imported products at a good value, with the convenience of quick delivery. Import demand for U.S. tree nuts, fruits, and processed products feeds easily into India's diversified retail channels. Yet, competition from countries with freight advantages, stringent food regulations, and the Indian government's "Self-Reliant India" initiative limit market access.

Executive Summary

India is the world’s fifth largest economy and is considered the fastest growing middle-income market economies. At 1.4 billion persons, India now retains the largest global population, and the median age is 28 years, and over 65 percent of the population is below the age of 35. The [International Monetary Fund’s World Economic Outlook Report](#) projects India’s economic growth to reach 5.9 percent in 2023 and 6.3 percent in 2024. Last year, India imported \$40 billion of processed foods and related products, while exports totaled \$56 billion.

Imports of Consumer-Oriented Products:

India’s imports of consumer-oriented foods, led by tree nuts, spices (e.g., cloves, cinnamon, etc.), and fresh fruits, are the fastest growing imported agricultural products in the country. In 2022, India imported \$7.5 billion of consumer-oriented products, 15 percent of U.S. origin. Rising brand-oriented importers, modern retail outlets, e-retail platforms, and trendsetting restaurants are fueling the demand of consumer-oriented product imports.



Source: Trade Data Monitor.

Food Retail Industry:

India’s food retail market is the [third largest](#) globally, valued at \$656 billion and is expected to reach \$1 trillion by 2030. The sector contributes over [10 percent](#) of the country’s GDP and employs over 35 million. Food retail constitutes almost 66 percent of the country’s total retail market, and growth is driven by increasing urbanization, dual-income households, and demand for health-driven products and convenience.

India’s 2022 Snapshot
Consumer-Oriented Product Imports: \$7.5 billion

Top Import Growth Products in India:

- Tree nuts (almonds, pistachios, and walnuts)
- Fresh fruits (apples, pears, and grapes)
- Processed fruits, foods, and preparations.

Food Industry by Channels (U.S. Billions):

Food Exports	\$56 billion
Food Imports	\$40 billion
Retail	\$656 billion

Top Indian Food Retailers:

- Reliance Retail
- Avenue Supermarts Limited
- Nature’s Basket

Top Indian Food E-Retailers:

- Big Basket
- JioMart – Reliance Retail
- Flipkart
- Amazon Pantry

GDP/Population (2022):

Population	1.4 billion
GDP	3.5 trillion (nominal)
GDP per capita	\$2,466 (nominal)

Sources: Global Trade Atlas and Trade Date Monitor.

Situational Analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> • U.S. products enjoy good reputation • Demand for diverse range of U.S. foods and products 	<ul style="list-style-type: none"> • Lack of awareness regarding the range and value of U.S. products
Opportunities	Threats
<ul style="list-style-type: none"> • Growth potential in food processing and imported food ingredients 	<ul style="list-style-type: none"> • Certain Tariff/non-tariff barriers • Strong competition from local/foreign suppliers

Section I. Market Summary

India is one of the fastest growing economies in the world whose gross domestic product (GDP) is projected to grow at 6.4 percent¹ in Indian fiscal year (IFY) 2023 and is expected to expand 6.7 percent in IFY 2024. This growth is driven by strong domestic consumption by high income earners and growing private investment. However, the Indian government's "Make in India" policy provides an advantage to domestic food manufacturing over imports, and high import tariffs and other non-tariff barriers limit imports. Due to the uncertain regulatory environment, exporters are advised to do their due diligence before entering this market.

India's retail sector was valued at \$835 billion in IFY 2022, making it the world's third-largest food and grocery market, and it is projected to reach \$2 trillion by 2032.² India's food and grocery retail sector continues to grow due to increased demand for a range of healthy and diverse food products. This growth is primarily fueled by India's aspirational, more affluent younger consumers. India's food and grocery sector was valued at \$528.7 billion in IFY 2022, a 63 percent share of its total retail sector.³

India's retail sector has been rapidly growing following the COVID-19 pandemic with major retail chains like Nature's Basket, Spencer's, Smart Bazaar, among others, increasing their presence throughout India. India's retail sector is also taking advantage of revolutionary digital payment methods that have facilitated commerce, like Unified Payments Interface (UPI)⁴ and other digital applications. In 2022, India registered 88.4 billion digital transactions, a 52 percent increase 2019's total of 31 billion digital transactions.⁵

Table 1. India: Grocery retail outlets by Channels

Type	2017	2018	2019	2020	2021	2022
Modern grocery retailers	17,686	18,756	19,561	19,548	20,119	22,112
Traditional grocery retailers	12,695,235	12,770,413	12,833,521	12,641,018	12,792,710	12,997,393
Total	12,712,921	12,789,169	12,853,082	12,660,566	12,812,829	13,019,505

Source: Euromonitor International.

E-Grocery sector trends in India 2023

India's e-grocery market is well positioned to continue its upward trajectory in 2023. This growth is attributed to increasing demand for better-quality imported products, a shift toward healthy snacking, growing digital literacy among consumers, and convenience offered by the e-grocery platforms. These factors will not only contribute to the sustained expansion of the e-grocery sector in India's metropolitan cities but also in smaller regional cities.

Retail Trends

- Digitization in the e-grocery sector will improve inventory management, demand forecasting, and supply chain operations.
- Expansion to Tier-II and Tier-III cities: E-grocery platforms will grow operations and presence to emerging cities and towns to tap into the growing demand.
- Various e-grocery companies have set new trends such as rapid grocery delivery.

- Indian companies are opting for an omnichannel (seamless shopping experience) approach by integrating online platforms with physical store to provide convenience for customers.
- Healthy snacking: Demand for healthy snacks has been increasing since the pandemic.
- Aspiration to buy imported and better-quality products: Well-traveled and digitally connected young consumers desire to purchase trending and high-quality products.

Section II. Roadmap for Market Entry

A. Entry Strategy:

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

- **Can your product enter India and comply with local laws?**
 - Conduct due diligence and determine if your product has market access in India.
 - Study India's varied regulations, particularly those pertaining to foods and beverages.
 - Review FAS policy and [market reports](#); specific custom duties, sanitary requirements.
 - Consider engaging a market research firm to assist with market entry, better understand the trade challenges and opportunities, and navigate the regulatory environment.
- **Find the Right Partner**
 - Find a reliable importer/distributor for retail, food service, or food processing sector.
 - Avoid conflicts of interest for a partner who can ensure domestic laws are followed.
 - Consider whether participating in a domestic trade show would be an effective means to identify key importers/distributors/partners.
 - Consider collaborating/participating in USDA/FAS-endorsed promotional activities to create and/or increase market awareness and penetration.
- **Secure Payment Terms**
 - U.S. suppliers or exporters may wish to consider vehicles such as an irrevocable Letter of Credit, advance payment, and/or payment at 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 Procedures:

India's regulations governing imports of food and agricultural products fall under the jurisdiction of multiple Indian government authorities. For more information, exporters should refer to the 2022 Food and Agricultural Import Regulations and Standards ([FAIRS](#)) [Country Report](#) and the Food Safety Standards Authority of India (FSSAI) [Food Import Clearance Manual](#).

C. Market Structure and Competition:

India's food retail sector is divided into modern set-ups (hypermarkets, supermarkets, cash and carry stores, and e-retail) and traditional formats (*Kirana* stores, mobile pushcarts, etc.). The grocery retail business operates through a multidimensional network comprised of food processors, importers, clearing and forwarding agents, wholesalers, and distributors that supply goods to both modern and traditional grocery retailers. Most imported food procurement decisions are based on consumer demand and the latest market trends. Retailers and importers

typically attend domestic and international trade shows to connect with existing and new suppliers to learn about the latest offerings from across the world.

Table 2. Major Grocery Retail Chains

Company	Website
Avenue Supermarts Limited: DMart	http://www.dmartindia.com
Foodworld Supermarkets: Foodworld, Foodworld Gourmet, Dairy Farm, Health, and Glow	www.foodworld.in
Future Group: Big Bazaar, Nilgiris, Easy Day, Heritage Fresh, Aadhaar Super Market, WHSmith	http://www.futureretail.in
LuLu Group: LuLu Hypermarket	https://www.luluhypermarket.in/en-in
More Retail Limited	https://www.moreretail.in
Reliance Retail: Freshpick, Fresh Signature, Reliance SMART, SMART Point, 7-Eleven	https://relianceretail.com
Spar Hypermarket	https://www.sparindia.com
Spencer's Retail: Nature's Basket, Spencer's Retail (Convenience Stores and Hypermarket)	http://www.spencersretail.com
Star (Tata & TESCO Enterprise): Star Hyper, STAR Bazaar, Star Market	https://starbazaarindia.com
Walmart India: Best Price Modern Wholesale (Cash & Carry), Flipkart	https://corporate.walmart.com/our-story/our-business/international/walmart-india

Table 3. Major Grocery E-Retail Platforms

Company	Website
Amazon Pantry and Amazon Fresh	https://www.amazon.in
Big Basket	https://www.bigbasket.com
BlinkIt	https://blinkit.com
DMart Ready	https://www.dmart.in
Easyday	https://www.easyday.in
Flipkart Grocery	https://www.flipkart.com
FreshToHome	https://www.freshtohome.com
Nature's Basket	https://naturesbasket.co.in
JioMart	https://www.jiomart.com
Spencer's	https://www.spencers.in
SPAR India	https://www.sparindia.com
STAR Quik	https://www.starquik.com
Zepto	https://www.zeptonow.com
ZopNow	https://www.zopnow.com

Section III. Competition

India's domestic industry is the primary competitor for U.S. retail foods with its competitive pricing against imports. Many third-country competitors enjoy seasonal and freight advantages over the United States due to proximity and lower prices. Consolidators in nearby markets in

Dubai and Singapore offer quick delivery of smaller shipment volumes that often include transshipped U.S.-origin products. High import duties, labeling requirements, and restrictions on certain imported packaged retail goods also pose challenges for U.S. products in India.

Table 4. Competition in Major Product Categories

Product Category	Total Imports CY 2022	Major Supply Sources	Strengths of Key Supply Countries/ Domestic Industry	Advantages (A) and Disadvantages (D) of Local Suppliers
Edible fruit and nuts; peel of citrus fruit or melons	\$4.4 billion	USA, Afghanistan UAE, Benin Iran	Growing market demand, preference for specific quality, popular at certain holidays.	Domestic production of some major fruits and nuts is insignificant (A).
Spices (e.g., Pepper, Cloves, Anise, Cinnamon)	\$745 million	Sri Lanka, Indonesia, Vietnam, Madagascar	Price competitiveness.	India is a large producer, consumer, and net exporter of various spices (D)
Miscellaneous edible preparations	\$2 million	USA, China Myanmar, Ireland, UK	Price competitiveness, and freight advantage.	Domestic processing industry replicates several recipes using low-cost inputs (D).
Preparations of vegetables, fruit, nuts, or other parts of plants	\$1 million	China, USA Thailand Israel, Vietnam	Price competitiveness, and freight advantage.	Domestic processing industry replicates products using low-cost inputs (D).
Animal or vegetable fats and oils	\$21.4 billion	Malaysia Indonesia Argentina Ukraine, Nepal	Major production hubs and competitive prices.	Local production inadequate, and more than 40 percent of total edible oil consumption is uses imports (A).

Source: Trade Data Monitor.

Table 5. Imports of Consumer-Oriented Agricultural Products (\$1000s)

Country	2022	2023 (January – April)
United States	1,128,680	354,753
Indonesia	404,119	123,366
United Kingdom	375,450	119,750
Cote d'Ivoire	349,419	19,622
Ghana	309,790	102,159
Vietnam	295,948	83,631
United Arab Emirates	290,237	111,318
Benin	264,809	7,449
Afghanistan	257,534	95,246
Sri Lanka	210,310	59,180
Guinea-Bissau	198,785	4,101

Thailand	189,230	50,381
Tanzania	173,396	93,268
Iran	156,175	58,501
Nepal	155,982	60,161
Rest of World	2,739,894	747,749

Data source: Trade Data Monitor, Ministry of Commerce and Industry, Government of India.

Section IV. Best Product Prospects

India’s food retail market has witnessed major transformation and growth over the last decade, with an estimated \$850 billion reach by 2025. Sectoral growth is driven by factors such as increasing per capita income, urbanization, dual income households, modern retail, cash and carry formats, and e-retail. India currently houses over 12 million grocery stores, and more than a million wholesalers and distributors supplying goods to retail, food processing, and food service industries. Post contacts report that health and wellness, immunity-boosting, organic, vegan, sugar-free, and gluten-free food products remain popular trends. Additionally, demand for premium, high-quality, hygienic, packaged, and convenient (ready-to-cook and ready-to-eat) food items is growing. Opportunities for U.S. exporters exist in consumer-oriented products, especially tree nuts, fresh fruits, and packaged/processed foods.

Imported products in high demand include tree nuts (almonds, walnuts, pistachios, pecans (HS 0802); leguminous vegetables, dried, shelled pulses (HS 0713); processed, dried fruits, fresh fruits like apples and pears, (HS 0808); beverages, spirits, and vinegar (HS 22). Cocoa products (HS 18), fruit juices (HS 2009), fruit pulps (HS 2202), seasonings, condiments, and sauces (2103) although not imported in large quantities from the United States, have good potential.

Table 6. Products Present in the Market Which Have Good Sales Potential

Product Types	Import Value CY 2022	Import Volume CY 2022	Basic Import Tariff ⁶	Key Constraints	Market Attractiveness for USA
Tree Nuts	\$3.5 billion	1,763,598	Varies, see USDA GAIN: IN2022-0080	Competition from other suppliers, tariffs	Greater health awareness, aspiring middle class, and growing retail industry
Chocolate and Cocoa Products	\$377 million	103,738	30%	Competing domestic and international suppliers	Strong brand and quality preference
Fresh Fruits	\$572 million	656,167	25% to 105%	Competing domestic and foreign suppliers	High interest in quality fruits, growth of organized retail

Fruit and Vegetable Juices	\$43 million	25,810 liters	35 to 50%	Competing local, foreign suppliers and manufacturing	Increasing health awareness and shortage of quality products
Beverages, Spirits and Vinegar	\$1.1 billion	708,150,193 liters	30 to 150%	High tariffs, competing domestic suppliers	Growing consumption and lack of domestic production

Source: Trade Data Monitor and Central Board of Indirect Taxes and Customs, Government of India.

Products Not Present Because of Significant Barriers

Several trade restrictions limit market access for U.S. food products. Except for poultry meat and poultry products, imports of most animal and livestock-derived food products are 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.

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, Forest and Climate Change. The policy also made a biotech declaration mandatory. The only food products derived in part from GE crops currently authorized for import into India are soybean oil and canola oil derived from select events. For more information on India's biotech import policy, please refer to USDA India GAIN report [India: Agricultural Biotechnology Annual](#).

Table 7. Top Consumer-Oriented Product Imports

7A: Top Consumer-Oriented Products Imported from the World		7B: Top Consumer-Oriented Products Imported from the United States	
Description	CY 2022	Description	CY 2022
Cashew Nuts, Fresh or Dried, In Shell	\$1.8 billion	Almonds, Fresh or Dried, In Shell	\$915 million
Almonds, Fresh or Dried, In Shell	\$967 million	Apples, Fresh	\$6 million
Apples, Fresh	\$320 million	Walnuts, Fresh or Dried, In Shell	\$7 million
Dates, Fresh or Dried	\$229 million	Almonds, Fresh or Dried, Shelled	\$13 million
Pepper of Genus Piper, Not Crushed/Ground	\$204 million	Food Preparations Nesoi	\$15 million
Others	\$3.9 billion	Others	\$173 million

Section V: Key Contacts and Further Information

Foreign Agricultural Service
Embassy of the United States of America
Chanakyapuri, New Delhi - 110 021
Phone: +91-11 - 2419 8000
Email: agnewdelhi@usda.gov
Web: [U.S. Embassy, New Delhi](#)
Twitter: [@USDAIndia](#); Instagram: [@tasteofamericain](#)

Foreign Agricultural Service
U.S. Consulate General Mumbai
C-49, G-Block, Bandra Kurla Complex
Bandra E, Mumbai - 400 051
Phone: +91-22 - 2672 4000
Email: Agmumbai@usda.gov
Web: [U.S. Consulate General Mumbai](#)
Twitter: [@USDAIndia](#); Instagram: [@tasteofamericain](#)

For additional information, please review relevant FAS India GAIN reports:

- [FAS Homepage](#)
- [FAS India - Exporter Guide](#)
- [India's Online Grocery Market](#)
- [FAS India - Food Processing Ingredients](#)
- [FAS India - Food Service - Hotel Restaurant Institution](#)
- [FAS India Plant-Based Meat Substitutes Market](#)
- [India: Sweet Opportunities in the Indian Confectionary and Snacks Market](#)

Attachments:

No Attachments