SECTOR HIGHLIGHTS

- Ranked 2nd globally in food production
- Ranked 1st in spice production in the world
- Ranked 2nd in world production of fish, as well as in aquaculture
- Ranked 1st in milk production in the world
- Ranked 2nd in production of horticulture crops globally
- Ranked 1st in bovine population

GROWTH DRIVERS

STRONG DOMESTIC DEMAND:
- Changing lifestyle and food habits
- Increasing disposable income

SUPPLY SIDE ADVANTAGES:
- High level of agricultural production - large livestock base, wide variety of crops
- Inland water bodies and long coastline, that help increase marine production

EXPORT OPPORTUNITIES:
- Proximity to key export destinations
- Greater integration with the global economy

PROACTIVE GOVERNMENT POLICY AND SUPPORT
**DAIRY**

- Milk production was 176.3 Mn ton during 2017-18, showing an annual growth of 6.59%.
- Per capita availability of milk during 2017-18 was 376 grams per day.

**Opportunities:**

- Introduce value added dairy products viz. Cheese, smoothies, flavoured milk, custard, yoghurt and other ethnic Indian products.
- Cattle feed, new veterinary technology, cattle diagnostics services etc.

### Major Milk Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production ('000 MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>29052</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>22427</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>14713</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>13725</td>
</tr>
<tr>
<td>Gujarat</td>
<td>13569</td>
</tr>
</tbody>
</table>

**FISHERIES**

- During 2017-18, India exported 13,77,244 MT of seafood worth USD 7.08 Bn - 22.57% more than previous year in value terms.
- India’s fish production constitutes about 6.3% of the global number, as per estimated values of 2017-18.
- Total fish production during 2017-18 was estimated to be 12.60 Mn metric tonnes, of which nearly 65% was from the inland sector. About 50% was from culture fisheries.

**Opportunities:**

- Most marine exports are currently in the frozen form and there is immense potential for exporting value added products.
- Infrastructure development for fishing harbours/landing centres.
- Value addition and product development for items such as ready-to-cook, ready-to-eat, canned and frozen goods, etc.
POULTRY AND MEAT PROCESSING

- The total poultry population in India was 729.21 Mn (as per 19th Livestock Census), and egg production was around 95.2 Bn during 2017-18.
- India produces around 7.7 Mn MT of meat, and is the largest producer of buffalo meat.
- The country exported buffalo meat products worth USD 4,036.9 Mn during 2017-18.
- The major export destinations were Vietnam, Malaysia, Egypt, Iraq and Saudi Arabia.

Per capita availability is around 69 eggs per annum.

Opportunities:
- New technology in meat and poultry processing
- Egg powder plants
- Hatcheries
- New products - value added products such as frozen/chilled goods, RTC/RTE, ethnic products/snacks
- Modern abattoirs

FRUITS AND VEGETABLES

- India is the second largest producer of fruits and vegetables in the world, with a production of 307 Mn MT (2017).
- India is the world’s largest producer of bananas, papaya, mangoes and guavas, and the second largest producer of potatoes, green peas, cabbages and cauliflowers.

Opportunities:
- New technology to reduce wastage levels
- Adequate infrastructure (cold chain, processing infrastructure, R&D for processed food, packaging and innovative farm preservation systems)
- Packaging technology for convenience foods
- Processed fruit-based ingredients for ice cream, yoghurt, beverages

Major Fruits Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (Mn MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>10.3</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>10.1</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>9.7</td>
</tr>
<tr>
<td>Gujarat</td>
<td>8.5</td>
</tr>
<tr>
<td>Karnataka</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Major Vegetable Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (‘000 MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>26.3</td>
</tr>
<tr>
<td>West Bengal</td>
<td>12.8</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>15.6</td>
</tr>
<tr>
<td>Bihar</td>
<td>14.4</td>
</tr>
<tr>
<td>Gujarat</td>
<td>13.4</td>
</tr>
</tbody>
</table>
FOOD RETAIL

- Indian food retail market was estimated at around USD 600 Bn in 2017, and is growing at a CAGR of 14.4%.
- The food retail market is majorly dominated by food grocery (FG) and food service (FS) segments.
- Organized retail in FS is growing at a CAGR of 15% and modern retail in the FG is growing at a CAGR of 25%.

The growth of the food grocery market is mainly driven by the dry food grocery segment since the products involved are not only consumed in a raw form, but also serve as raw material for food processing.

Other growing segments are spices, perishables, fresh produce, other processed food and beverages.

As it deals with items of everyday consumption, the FG market can never face a shortage of demand, thus resulting in constant growth.

Due to evolving economic demographics and economic growth, India is likely to drive the global food service industry. Some key aspects that drive the demand in this segment are:

- Improving demand metrics of ready-to-eat products
- Impact of technology on the entire food service industry, from sourcing of raw materials to reservations and on-demand delivery
- Online aggregators and third party logistics service providers

Key formats behind the FS market’s growth are Quick Service Restaurants (QSRs), Casual Dining Restaurants (CDR), Cafes, Frozen Dessert Parlours, Lounges, Fine-Dining Restaurants, etc.
COLD CHAIN SOLUTIONS

The annual value of harvest and post-harvest losses of major agricultural produce at the national level is estimated to be INR 92,651 Cr (USD 14 Bn). Hence, the need for feasible cold chain solutions is critical.

Product-wise segmentation of temperature-controlled logistic chain

- Horticulture (Fresh fruits & vegetables)
- Floriculture (Fresh flowers)
- Dairy Products (Milk, Ice-cream, Butter)
- Meats, Fish, Poultry
- Processed Food Products
- Pharma, Life Sciences, Chemicals, Electronics

Currently, about 60% of India’s cold chain storage capacity is held by the states Uttar Pradesh and West Bengal, where the majority of cold storages are used for a single commodity: potato.

Government of India initiatives to curb losses in supply chain of agriculture produce, and to improve existing infrastructure:

- Ministry of Food Processing Industries under the Pradhan Mantri Kisan SAMPADA Yojana, provides financial aid for setting up integrated cold chain and reservation infrastructure facilities up to a maximum of INR 10 Cr (USD 1.4 Mn) per project.
- Ministry of Food Processing Industries has approved 299 Integrated Cold Chain and Value Addition Infrastructure projects.
- Since 2011-12, cold chain has been given infrastructure status.
- In 2014, the Ministry of Agriculture launched “Mission for Integrated Development of Horticulture” (MIDH) under which cold chain development was given thrust to ensure the enhancement of horticulture yields for gainful end-use.
- Establishment of NCCD (National Centre for Cold Chain Development) - an autonomous think tank for cold chain projects.

Opportunities:

- Efficient technology for Cold Chain Logistics
- Energy-efficient storage technology
- Modern Hack Houses, Ripening Facilities, Cold Distribution Hubs, etc.
GOVERNMENT INITIATIVES

1. FDI Policy
   - 100% FDI permitted for food processing
   - 100% FDI under government approval route for trading, including the same through e-commerce, with respect to food products manufactured and/or produced in India

2. Pradhan Mantri Kisan SAMPADA Yojana
   - Mega Food Parks
   - Integrated cold chain and value addition infrastructure
   - Creation of infrastructure for agro processing clusters
   - Creation/Expansion of food processing and preservation capacities (Unit Scheme)
   - Creation of backward and forward linkages
   - Food Safety and Quality Assurance Infrastructure
   - Human Resources & Institutions

3. Nivesh Bandhu
   - A dedicated investors’ portal aimed at facilitating ease of doing business, and presenting information on incentives and policies on a single platform

4. e-NAM
   - National Agriculture Market (NAM) is a pan-India electronic trading portal that networks existing APMC mandis to create a unified national market for agricultural commodities

5. Infrastructure Support
   - 42 Mega Food Parks approved - 17 operational
   - 299 cold chain projects approved

6. World Food India 2019
   - The Ministry of Food Processing Industries (MoFPI) is gearing up for the second edition of World Food India (WFI), to be held from 1st to 4th November, 2019
   - India was showcased as the preferred investment destination in the Food Processing sector at WFI 2017; 50 MoUs with domestic and foreign investors, worth investment intent of USD 11.5 Bn, were signed at WFI 2017

7. Operation Greens
   - A scheme to control the price fluctuation of Tomato, Onion and Potato by promoting Farmer Producers Organisations (FPOs), agri-logistics, processing facilities and professional management etc.

8. Investor Targeting and Facilitation Desk
   - Dedicated Investment Targeting and Facilitation Desk (ITFD) at Invest India to assist potential investors in a structured manner, and help frame policies/strategies to sensitise the investment community about opportunities as well as policies
KEY STAKEHOLDERS

GOVERNMENT MINISTRY/DEPARTMENT

- Ministry of Food Processing Industries
- Ministry of Agriculture & Farmers Welfare
- Agriculture and Processed Foods Export Development Authority
- Food Safety and Standards Authority of India
- Marine Products Export Development Authority
- Ministry of Food Processing Industries
- Food Safety and Standards Authority of India
- Marine Products Export Development Authority

RESEARCH INSTITUTIONS

- National Institute of Food Technology Entrepreneurship and Management (NIFTEM)
- Indian Institute of Food Processing Technology (IIFPT)
- Indian Council of Agricultural Research (ICAR)
- Central Marine Fisheries Research Institute (CMFRI)
- Central Food Technological Research Institute (CFTRI)

MEGA FOOD PARKS

Ready Infrastructure

- 42 Approved Mega Food Parks
- 17 operational Mega Food Parks

* Under MoFPI assistance
HOW WE HELP INVESTORS

- Research Content Provided
- Policy Advisory/Representation
- Stakeholder Meeting
- Site Visits
- Location Analysis
- Issue Resolution
- Regulatory Clearance Facilitation

To find out more:
www.investindia.gov.in/sector/food-processing

Phone No: 011 2304 8101
Email ID: foodprocessing@investindia.org.in

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