FOOD PROCESSING
FEEDING NEW INDIA’S GROWTH STORY
SECTOR HIGHLIGHTS

Ranked 2nd globally in food production

Ranked 1st in milk production in the world

Ranked 1st in spice production in the world

Ranked 2nd in production of horticulture crops globally

Ranked 2nd in world production of fish, as well as in aquaculture

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
KEY SUB-SECTORS OF INTEREST

DAIRY

- Milk production was 198.4 million tonnes during 2019-20 — showing an annual growth of 5.7%*
- Per capita availability of milk was 407 grams/day in 2019-20*

**Handbook on Fisheries Statistics, 2020**

**Provisional figures, Economic Survey 2021**

<table>
<thead>
<tr>
<th>State</th>
<th>Production (‘000 MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>30,519</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>23,668</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>15,911</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>15,044</td>
</tr>
<tr>
<td>Gujarat</td>
<td>14,493</td>
</tr>
</tbody>
</table>

Major Milk Producing States:

Opportunities:
- Value added dairy products viz. cheese, smoothies, flavoured milk, custard, yoghurt and other ethnic Indian products
- Bulk milk cooler, mobile milk chiller etc.
- Cattle feed, new veterinary technology, cattle diagnostics services etc.

FISHERIES

- Total fish production was estimated to be 14.16 MMT during 2019-20**
- India’s fish production constitutes about ~7.73% of the global number, as per estimated values of 2019-20**
- India’s seafood exports stood at USD 6.7 billion during financial year 2019-20 — frozen shrimp and frozen fin fish continued to be the flagship export items**

Major export destinations were USA, South East Asia, EU, China and Japan
Vizag, Kochi, Kolkata and Pipavav were the major ports for marine products cargo

**Handbook on Fisheries Statistics, 2020**

**Provisional figures, Economic Survey 2021**

**Overview of Indian Fisheries**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastline</td>
<td>8,118 Km</td>
</tr>
<tr>
<td>Exclusive Economic Zone</td>
<td>2.02 Mn sq. Km</td>
</tr>
<tr>
<td>Rivers &amp; Canals</td>
<td>0.19 Mn Km</td>
</tr>
<tr>
<td>Brackish Waters</td>
<td>1.24 Mn ha</td>
</tr>
<tr>
<td>Reservoirs</td>
<td>3.15 Mn ha</td>
</tr>
<tr>
<td>Fish Landing Centers</td>
<td>1,548</td>
</tr>
<tr>
<td>Fishing Harbours Commissioned</td>
<td>7 (major) 62 (minor)</td>
</tr>
</tbody>
</table>

Major States:

The top 5 states in terms of production are: Andhra Pradesh, West Bengal, Gujarat, Karnataka and Kerala

Inland Fisheries: Andhra Pradesh, West Bengal, Uttar Pradesh, Bihar and Odisha

Marine Fisheries: Gujarat, Andhra Pradesh, Tamil Nadu, Maharashtra and Kerala

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.

Inland Fisheries
Marine Fisheries

Coastline
Exclusive Economic Zone
Rivers & Canals
Brackish Waters
Reservoirs
Fish Landing Centers
Fishing Harbours Commissioned

8,118 Km
2.02 Mn sq. Km
0.19 Mn Km
1.24 Mn ha
3.15 Mn ha
1,548
7 (major) 62 (minor)
POULTRY AND MEAT PROCESSING

- The size of the Indian poultry industry in 2019 was USD 18.5 billion
- In 2019-20, India produced 114.38 billion eggs with a growth rate of 10.19% over the previous year (2018-19)
- India is the 2nd biggest exporter of poultry products with major export destinations being Oman, Maldives, Indonesia, Russia, Vietnam, Japan, Nigeria, Bhutan
- Buffalo meat contributes to 89.08% of India’s animal products export
- India ranks 3rd in sheep population, 6th in duck population, and 8th in chicken population

Major Egg Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>19.75</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>18.84</td>
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<tr>
<td>Telangana</td>
<td>13.68</td>
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<tr>
<td>West Bengal</td>
<td>8.59</td>
</tr>
<tr>
<td>Haryana</td>
<td>6.05</td>
</tr>
</tbody>
</table>

Major Meat Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (000 MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>127.09</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>102.60</td>
</tr>
<tr>
<td>West Bengal</td>
<td>83.12</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>78.61</td>
</tr>
<tr>
<td>Telangana</td>
<td>75.06</td>
</tr>
</tbody>
</table>

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

- The total horticulture production of India was estimated to be 310.74 million tonnes in 2018-19*
- Spices production was estimated to be around 9.43 million tonnes*

Major Fruits Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>16.99</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>10.77</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>10.66</td>
</tr>
<tr>
<td>Gujarat</td>
<td>9.22</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>7.54</td>
</tr>
</tbody>
</table>

Major Vegetable Producing States:

<table>
<thead>
<tr>
<th>State</th>
<th>Production (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>27.78</td>
</tr>
<tr>
<td>West Bengal</td>
<td>27.01</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>17.97</td>
</tr>
<tr>
<td>Bihar</td>
<td>16.53</td>
</tr>
<tr>
<td>Gujarat</td>
<td>12.55</td>
</tr>
</tbody>
</table>

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

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*National Horticulture Board, 2018-19
FOOD RETAIL

- India's food retail market is expected to reach USD 827 Bn by 2023, and is growing at a CAGR of 9.23%
- 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%

FG Retail Market (2017)

- Dry Food Grocery (35%)
- Fresh Produce (17%)
- Perishables (9%)
- Dairy (6%)
- Other Processed Food (16%)

Food Service Market

- Organized
  - Organized Stand-alone (71%)
  - Chain Restaurants (20%)
- Restaurants in Hotel (9%)
- Unorganized

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.

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.
COLD CHAIN SOLUTIONS

Need for integrated cold chain and feasible cold chain solutions is critical in India. Gaps identified by the National Center for Cold Chain Development (NCCD) –

- Cold Storage Capacity – 3.2 Mn MT
- Packhouses – 69,000
- Refer Vehicles – 50,000+
- Ripening Chambers – 8,000+

According to a study by the Central Institute of Post-harvest Engineering and Technology (CIPHET), the total harvest and post-harvest losses of agricultural produce in India equal USD 14 Bn

PROCESS FLOW OF COLD CHAIN

Government initiatives to curb wastage in supply chain of agri-food produce:

- Under the Pradhan Mantri Kisan SAMPADA Yojana, Ministry of Food Processing Industries (MoFPI) 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 Agriculture launched the Mission for Integrated Development of Horticulture (MIDH) under which cold chain development was given a thrust to ensure the enhancement of horticulture yields for gainful end-use
- Setting up of cold chain infrastructure is assisted by the Agricultural and Processed Food Products Export Development Authority (APEDA), National Horticulture Board (NHB) and the National Centre for Cold Chain Development (NCCD)
- Cold chain projects have been given infrastructure status
- 324 integrated cold chain and value addition infrastructure projects were approved by MoFPI – 216 are operational as of 28th February 2021

Opportunities:

- Efficient technologies for cold chain system
- Modern pack houses, ripening chambers, bulk coolers, 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. Infrastructure Support
   - 41 Mega Food Parks – 22 operational
   - 324 approved cold chain projects – 216 operational

5. Operation Greens
   - The scheme helps to manage the price fluctuation of Tomato, Onion, Potato by promoting Farmer Producers Organisations (FPOs), agri-logistics, processing facilities and professional management etc. Its scope has expanded to include 22 other perishable products in order to encourage value addition in agriculture and allied products

6. 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
- Marine Products Export Development Authority
- Food Safety and Standards Authority of India
- Ministry of Agriculture & Farmers Welfare
- Food Safety and Standards Authority of India
- Ministry of Fisheries, Animal Husbandry and Dairying
- Marine Products Export Development Authority
- Ministry of Food Processing Industries
- Ministry of Agriculture & Farmers Welfare
- Agriculture and Processed Foods Export Development Authority
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- Food Safety and Standards Authority of India
- Ministry of Fisheries, Animal Husbandry and Dairying
- Marine Products Export Development Authority
- Food Safety and Standards Authority of India

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)
- 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
- 41 Approved Mega Food Parks
- 22 Operational Mega Food Parks
* Under MoFPI assistance

All information in this brochure was last updated on Jun 22nd, 2021.
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

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