



MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

Opportunities in the Food Processing Sector



Gargi Kaul

INDIA'S RANK IN WORLD



1st

In production of Milk, Bananas, Guavas, Papayas, Ginger, Okra, Pulses & buffalo meat

1st

In employment & Number of factories in operation in food processing sector

2nd

In Green peas, Potatoes, Tea, Tomato, sesame

2nd

In total food production globally





LOW LEVEL OF PROCESSING

PROVIDING BIG OPPORTUNITIES

Milk and Milk products

- With 155.5 MT in 2015-16, India is the largest producer of milk in the world; only 35% milk is Processed

Fruit and Vegetables

- India is the world's second largest producer of fruits and vegetables 286 MT in 2015-16; only 2% is processed: Scope for increase in Processing

Grain processing

- India's Food Grain production increased from 198 MT in 2004-05 to 252.23 MT in 2015-16; Mainly primary processing; large scope for value addition



LOW LEVEL OF PROCESSING

PROVIDING BIG OPPORTUNITIES

Marine products

- With **10.07 MT** production in **2015-16**, India is the second largest producer of fish in the world; Processing only **23%**

Meat and Poultry

- India is the largest producer of buffalo meat and the second largest producer of sheep meat; Large export market but processing is **21% in Meat & 6% in Poultry**.

Consumer food

- Among the fastest growing segments in India; it includes; Packaged Food, Aerated Soft Drinks, fruit juice, ready-to-eat products etc.

- **Fastest growing economy in the world – 4th largest economy in terms of purchasing power parity**
- **Among top 3 investment destinations of the world**
- **1.32 billion consumers with increasing demand for branded food**
- **Availability of world class ports, logistics & supply chain infrastructure**



Advantage India

- Rich demographic dividend with high focus on skill development, availability of skilled personnel
- Strategic geographic location & proximity to food importing nations favorable for export of processed food.
- Proactive Government policies and attractive fiscal incentives



Policy support and incentives

- **100% FDI through automatic route in food processing.**
- **100% FDI under government approved route for trading, including through e-commerce, in respect of food products manufactured / produced in India.**
- **Supportive regulatory framework- domestic food safety standards harmonised with international standards**

Policy support and incentives

- Direct Tax incentives on investment in food processing and cold chain infrastructure
- Project imports attract concessional rate of customs duty
- Introduction of Goods and Service Tax from July 2017
 - Single point, destination based tax
 - Create a common market and reduce compliance costs
 - Assist in ease of doing business

A black and white photograph of two people in business attire shaking hands. The person on the left is wearing a dark sweater over a white shirt. The person on the right is wearing a dark jacket over a white shirt. They are standing in front of a wall with a grid pattern.

Ease Of Doing Business

**“May I Help
You Desk”
-MoFPI**

**“Invest India”
Platform**

**Single Window
Facilitation
Cell (SWFC)**

Infrastructure Opportunities



- Cold chain logistics for perishables
- Mega Food Parks/Agro processing clusters
- IQF facilities for frozen F&VP & ready to eat items
- Modern pack houses for fruits and vegetables

Technology and Equipment Suppliers



- New technology in F&V processing, cold storage, reefers, IQF, pack houses, packaging
- Technology for new value added products
- Energy efficient technologies
- Food testing labs

Processing Opportunities



- New products – Fortified products, health food, traditional Indian food, convenience food
- New Packaging technology for enhanced shelf life, retaining taste and texture, easy to handle and space efficient

Opportunities in food retail

- **Government has announced 100% FDI in trading including e-commerce of food products produced and manufactured in India.**
- **Immense opportunities for all leading food processors and food retailers to set up shop in India.**





Advantage India for food retail

- The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales.
- India placed second in retail potential in the 2016 Global Retail Development Index (GRDI)*
- Potential to attract as much as US \$ 33 billion of investment over the next 10 years.
- The online food ordering business in India is in its nascent stage, but witnessing exponential growth



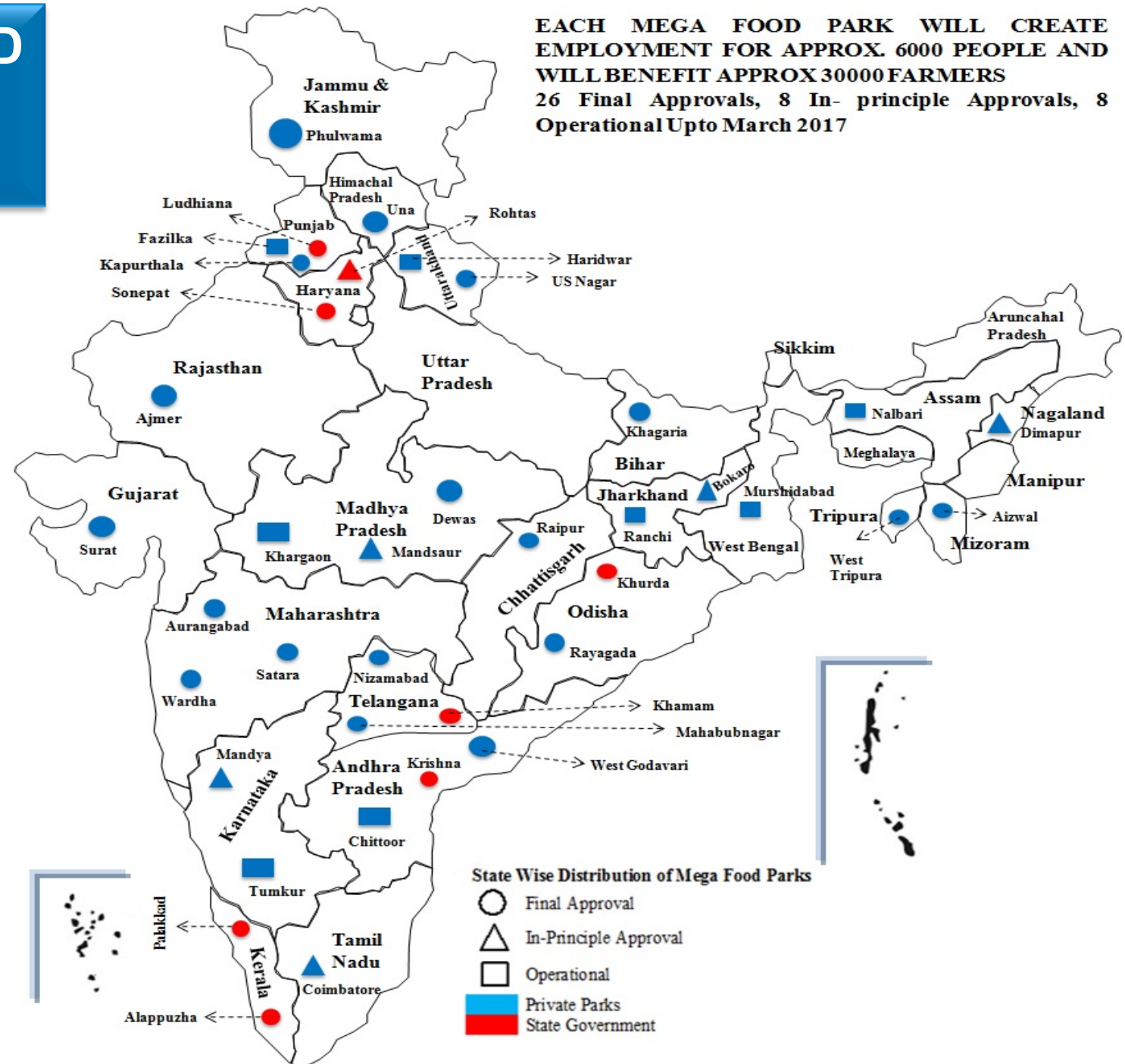
*source –AT Kearney, a Chicago-based consultancy.

Mega Food Parks

- Cluster-based approach on Hub and Spoke model
- Minimum land requirement: 50 Acres
- Financial Assistance @ 50% of project cost in general and 75% of project cost in difficult areas upto max Rs 50 crore (Rs 5 billion)
- 42 Mega Food Parks are being set up in the country with an investment of US \$ 750 million
- 8 Mega Food Parks already operational.
- 1250 plots available in these Mega Food Park projects.

MEGA FOOD PARKS IN INDIA

EACH MEGA FOOD PARK WILL CREATE EMPLOYMENT FOR APPROX. 6000 PEOPLE AND WILL BENEFIT APPROX 30000 FARMERS
26 Final Approvals, 8 In- principle Approvals, 8 Operational Upto March 2017





Infrastructure Availability

Contd.

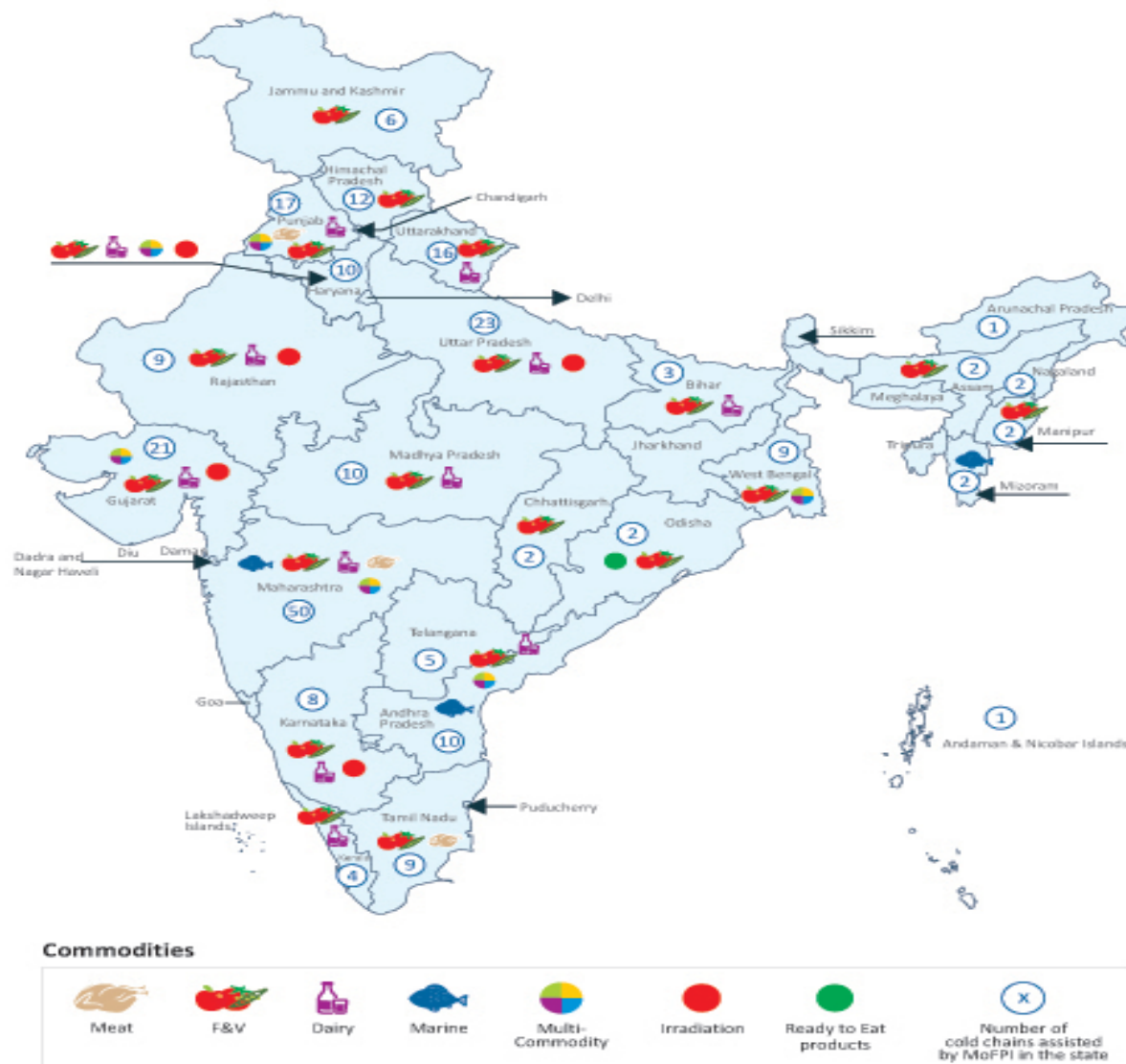
Cold Chain Infrastructure Investment

- **236 Integrated Cold Chain Projects are being set up (100 already completed) with an investment of US \$ 936 Million**

- **Grant @ 50% / 75% in general / difficult areas; Max. Rs 10 Crs (Rs 1 billion)**

- **100 completed projects created cold chain capacity of:**
 - ✓ **.77 million MT of cold storage/CA/ deep freeze.**
 - ✓ **229.25 MT/ hr IQF**
 - ✓ **10.68 million litre per day milk processing/ storage**
 - ✓ **1380 Reefer vehicles**

236 Cold Chain Projects Assisted by MoFPI





World Food India 2017

3rd to 5th November 2017: Vigyan Bhawan, New Delhi



World Food India 2017 - Objectives

SHOWCASE

- Vast resource base
- Growing food processing sector
- Progressive policies & processes

CONNECT

- Global & domestic industry leaders
- Administrators/ policy makers
- Trade / Industry / Knowledge bodies/Farmer Organizations

COLLABORATE

- To facilitate public & private engagement to the next level.
- To ensure grounding of investment intentions
- To strengthen Linkage between Industry & Farmers



World Food India 2017

1. Seminars and Business Sessions

Day 1- (3 rd Nov,2017)	Day 2- (4 th Nov,2017)	Day 3- (5 th Nov,2017)
<ul style="list-style-type: none">• Inauguration by Hon'ble Prime Minister of India• Sectoral seminars• B2B, G2B & G2G Meetings	<ul style="list-style-type: none">• Sectoral seminars• Country Sessions• State Sessions• B2B, B2G & G2G Meetings	<ul style="list-style-type: none">• B2B, B2G & G2G Meetings• Closing Ceremony



World Food India 2017

2. Exhibition

- **Country Pavilions**
- **State pavilions**
- **Global & Indian food processing Industry**
 - **Manufacturers, suppliers, equipment & machinery, food services, food technology, food ingredients additives**
- **Retail chains – Global and Indian**
- **Mega Food Parks**
- **Cold Chain**
- **Research Institutes**
- **Infrastructure and logistics providers**
- **e-commerce**



World Food India 2017

3. Food Street

- **Foods of India**
- **International Food**
- **Desserts of India**
- **Wellness food**
- **International Food with an Indian Twist/Fusion**



India Beckons



Invest in the Indian food processing sector

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