



An overview of Indian food processing sector

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Abstract

Our country needs the food processing industry to solve the problems of food and nutritional security. In addition to being a good source of nutrition, processed food has a longer shelf life, is easier to transport to remote locations, and is more accessible. It also provides more chances for improved price realization and more selling opportunities for our farmers.

Keywords: Food, processing

Introduction

India's food processing industry has the potential to overtake China as the world's largest producer of food in the food and agriculture sectors. Given that India's total food production is projected to double over the next ten years, there is a significant opportunity to invest in equipment, skills, and technologies related to food and food processing, particularly in the fields of canning, dairy and food processing, specialty processing, packaging, frozen food/refrigeration, and thermo processing. Important sub-sectors of the food processing business include fruits and vegetables, fisheries, milk and dairy products, meat and poultry, packaged/convenience foods, alcoholic beverages and soft drinks, and grains. Another quickly expanding sector of this market, health food and supplements, is becoming increasingly well-liked among those who are health aware.

Objectives

- To present the overview of an Indian Food Processing sector
- To study the growth of an Indian Food Processing sector
- To study the development of an Indian Food Processing sector

Methodology

The secondary data used in the study was gathered from websites, books, publications, journals, periodicals, newspapers, and theses. This study is being carried out using an exploratory research approach. The aim of this research is to present a concise synopsis and analysis of the food processing industry.

History of Food Processing Sector

Food processing has roots in prehistoric times, when primitive techniques such as fermenting, sun-drying, preserving with salt, and roasting, smoking, steaming, and oven-baking were used. Before canning techniques were developed, salt-preservation was particularly popular for foods that were part of the diets of sailors and warriors. The literature of the ancient Greek, Chaldean, Egyptian, and Roman civilizations as well as archaeological findings from North and South America, Asia, and Europe provide evidence of the existence of these techniques. Up to the start

of the Industrial Revolution, these tried-and-true processing methods stayed mostly unchanged.

The majority of the technology used in modern food processing was created in the 19th and 20th centuries to meet military requirements. The invention of vacuum bottling by Nicolas Appert in 1809 helped to supply food for French troops, and Peter Durand used this technique to develop tinning and later canning in 1810. Canned goods eventually became a global standard, despite being pricey and potentially dangerous at first because of the lead used in cans. When Louis Pasteur discovered pasteurization in 1862, it marked a major advancement in guaranteeing the food's microbiological safety.

Food Processing Sector in India – Vision 2030

In addition to being vital to our everyday existence, the food processing industry is a key driver of the economy. The market has enormous growth potential and could make a substantial economic contribution to the nation. By 2030, the sector is expected to have doubled its GDP contribution, according to the government of India.

The goal of the food processing industry should be to raise its current 8% GDP share to 20% within the next five to ten years. This can be accomplished by emphasizing the creation of backward and forward connections, raising the proportion of processed foods in the nation's overall intake of food, and growing the industry's presence in the eastern and northeastern areas. Along with decreasing food waste, the industry should also work to make better use of the waste and byproducts produced during food processing. The industry should use cutting-edge technologies like block chain, artificial intelligence, and the Internet of Things to realize this vision by increasing the effectiveness of supply chains and lowering waste.

Investment / Development

India is home to one of the biggest food processing industries globally, with projected output of \$535 billion by 2025–2026. It is crucial in establishing a connection between Indian farmers and both local and foreign consumers. The Ministry of Food Processing Industries (MOFPI) is working as hard as it can to promote investments at every stage of the value chain, including FDI in the food processing industry. About 1.93 million people are employed in the food processing sector, which accounts

for 12.38% (at the 3-digit NIC classification) of all employment created in the Registered Factory sectors. The NSSO 73rd round report states that 5.1 million jobs are supported by the unregistered food processing industry. Among the main industries that make up India's food processing sector are crops dairy products, edible sugar oils, and beverages. Within the framework of the Pradhan Mantri Krishi Sinchayee Yojana, the nation has approved 41 Mega Food Parks, 356 Cold Chain Projects, and 60 Agro-Processing Clusters, 317 proposals for the creation or growth of food production and storage capacities, 61 projects for the creation of reverse and forward connections, and 6 Operation Green projects. Fruits and vegetables, poultry and meat processing, retail food, the dairy industry, and fisheries are the primary sub-sectors of the Indian food processing industry.

Opportunities

- Due to shifting consumption patterns and urbanization, food consumption is predicted to increase to US\$1.2 trillion by 2025–2026.
- India's food processing industry would expand dramatically, achieving US\$ 1,100 billion by FY35, US\$ 1,500 billion by FY40, US\$ 1,900 billion by FY45, and US\$ 2,150 billion by FY47, according to the Viksit Bharat@2047 research.

Achievements of Food Processing Sector

Through achieving important milestones in 2024, the Ministry of Food Processing Industries (MoFPI) increased agricultural incomes, created jobs, and decreased post-harvest losses.

The development of the food processing industry has been greatly aided by the ministry's emphasis on enhancing processing and preservation facilities as well as its numerous initiatives.

Sectoral Growth and Increased Exports

As the percentage of processed food in agri-food exports rising from 13.7% in 2014–15 to 23.4% in 2023–24, the processed food industry experienced significant development.

Pradhan Mantri Kisan Sampada Yojana (PMKSY)

With 143 new projects sanctioned in 2024, the Pradhan Mantri Kisan Sampada Yojana (PMKSY) remained the ministry's flagship program. Additionally, PMKSY has made a substantial contribution to the decrease of food waste. According to studies, 70% of cold chain initiatives that were finished demonstrated a significant decrease in waste, particularly in the dairy and fisheries sectors, where waste was cut by 85% and 70%, respectively.

Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme

As a result of the Atmanirbhar Bharat program, 46,643 loans were approved in 2024 under the PMFME scheme. A seed capital of Rs. 254.87 crore was also given to 71,714 members of Self-Help Groups (SHGs). With an emphasis on "One District, One Product," the program, which has been extended till FY 2025–2026, intends to legalize and assist two lakh micro food processing businesses.

Production Linked Incentive Scheme (PLISFPI)

Additionally, encouraging outcomes have been demonstrated by the Production Linked Incentive Scheme for Food Processing Industries (PLISFPI). The approval of 171 plans in 2024 resulted in an investment of Rs. 8,910 crore and the creation of 2.89 lakh jobs.

Global Food Processing Sector Overview

In USD 3189754.35 million in the year 2022, the size of the global food processing market is projected to grow at a compound annual growth rate (CAGR) of 3.5% to reach USD 3920145.9 million by 2028. Globally Production, consumption, income, market share, growth rate, and projections for the ensuing regions from 2017 to 2030:

United States, Europe (Germany, UK, France, Italy, Spain, Russia, Poland), China, Japan, India, Southeast Asia (Malaysia, Singapore, Philippines, Indonesia, Thailand, Vietnam), Latin America (Brazil, Mexico, Colombia), Middle East and Africa (Saudi Arabia, United Arab Emirates, Turkey, Egypt, South Africa, Nigeria), Other Regions

Largest manufacturers in food processing market globally is PepsiCo, Cargill, Tyson Foods, Archer Daniels Midland Company, Anheuser Busch Inbev, Danone, Unilever, Mars, JBS, Nestle, The Coca-Cola Company.

Challenges in Global Food Processing Sector

The global food business is full of opportunities, but it's not without its difficulties. Companies have to manage a number of variables that can affect their operations, bottom line, and long-term viability. Let's look at some of the major issues the industry is currently facing.

1. The difficulty of the Distribution System and Food Safety
2. Sustainability and ecological problems
3. Product Price Uncertainty and Supply Chain Interruptions
4. Shifting Trade Policies and Legal Environment

Conclusion

In conclusion, there is a lot of room for expansion within the Indian food processing industry, and the sector's goal should be to reduce food waste and raise its GDP contribution over the next ten years. To realize this vision, industry, agriculture, top technical schools, and the government should collaborate to embrace new technologies, create new goods, and enhance supply chain effectiveness and facilities. As a result of the Ministry of Food Processing Industries' efforts in 2024, post-harvest losses have decreased and exports, employment, and investments have increased significantly. These accomplishments have enhanced India's standing as a world leader in food processing, encouraging independence and opening doors for industries, microbusinesses, and farmers alike.

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