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India

Food Processing Ingredients

2015

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Report Highlights:
India’s food processing sector continues expanding in response to changing demographics, strong local and international brands, emerging modern retail and growing consumer acceptance of processed foods. Packaged food sales more than doubled between 2009 and 2014 to $34 billion, yet there is opportunity for further growth as per capita consumption remains low. Imports of proprietary/non-standardized foods and ingredients are a challenge.

Post:
New Delhi

Executive Summary:

Section I – Market Summary

The processed food sector has grown fast, with a higher contribution to gross domestic product (GDP) than agriculture or manufacturing. Increasing urbanization, lifestyle changes, greater affluence, a rising number of nuclear families, and increased rates of women working outside of the home are driving demand for processed foods. According to the Ministry of Food Processing, the food processing sector accounts for 1.6 percent of gross domestic product and is valued at $25 billion (based on a revised series). According to the latest Annual Survey of Industries, there are 37,175 registered food processing units in the country that have employed 1.7 million people.

Table 1. India: Registered Manufacturing Units in the Food Processing Sector (2012/13)

Description	Number of Units
Total Food Processing Industries, of which	37,175
Grain Mill and Starch Products	18,855
Vegetable & Animal Oils and Fats	3,313
Beverages	2,079
Dairy Products	1,695
Fruits and Vegetables Products	1,110
Prepared Animal Feeds	873
Fish, Crustaceans and Molluscs	462
Meat Processing & Preserving	140

Source: Annual Survey of Industries (ASI), Ministry of Statistics and Program Implementation

A great deal of Indian food is sold fresh or partially processed in traditional open air stalls, street carts and shops. A significant segment of the food processing in India was confined to primary processing (e.g., milling and crushing) of cereals, pulses and oilseeds along with the processing of foods such as traditional pickles, spice mixes and snack foods (cookies and savory snacks). Until the late 1990s, most of the food processing sector was limited to small-scale industries (SSI) where only small firms were allowed to obtain a license to process foods. In recent years, laws have changed to allow large firms to invest in the sector and Indian and global food companies have entered the sector. Despite increasing investment and modernization in the industry, various challenges, including; dynamic policy regulations; lack of appropriate processing, lack of training in food processing/safety/etc.; storage and transportation infrastructure; awareness of price consciousness, which affects food safety and quality; etc. exist. While food processing and storage infrastructure has been expanding for a few years (e.g., the recent drive for food processing parks), transportation and logistics-related infrastructure growth is sluggish.

A key component of the new Government of India's strategy was the launch of the 'Make in India' campaign in September 2014 to facilitate investment, generate employment and build a manufacturing infrastructure. The government aims to reduce food losses and contain persistently high food inflation by attracting investment into food processing and the food value chain. Parks are being developed in various areas across the country to support domestic demand for processed foods, beverages, and ingredients for food service and retail/consumer sale.

While India is one of the world's largest producers of fruits, vegetables, cereals and milk, a significant amount of food is damaged or lost each year due to insufficient and inadequate storage, transportation, cold chain, and post-harvest or further processing facilities. A study conducted by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) showed that perishable product wastage varies from 4.6-15.9 percent and is valued at $14 billion annually (based on 2014 wholesale prices).

Key Factors Driving Growth in the Indian Food Processing Sector

Rising Disposable Incomes - Income growth has increased consumer appetites and discretionary spending. This shift in spending appears promising for manufacturers and service providers; especially, in hotel, leisure, healthcare and household goods and service categories. According to the Government of India, the per capita net national income during 2014-15 was Rs. 87,750; a rise of 9.2 percent over the previous period.

Women in Workplace and Changing Lifestyles - Increases in urbanization and the number of working women has pushed consumers to look for products offering convenience. This will lead to trading up from unpackaged to packaged and unbranded to branded products. Urbanization will continue driving consumers towards packaged foods, as well. Additionally, consumers have gained some health consciousness – a development which has led them to choose their packaged foods products more wisely. Given that the industry is underpenetrated, improved competition will create more awareness and better availability through stronger distribution and bolster volume growth.

Demographic Changes - India's current population is nearly 1.3 billion, up from 670 million in 1980. The pace of growth is slowing but the country's youthful age structure promises continued gains for some time. The median age is rising over time but is still relatively low – just 26.3 years in 2014. About 32 percent of India's population is classified as urban and nearly 65 percent is under the age of 30. The Indian government projects that there will be 400-500 million people in the work force before 2025 but if female empowerment takes off that figure might increase to 600 or 700 million.

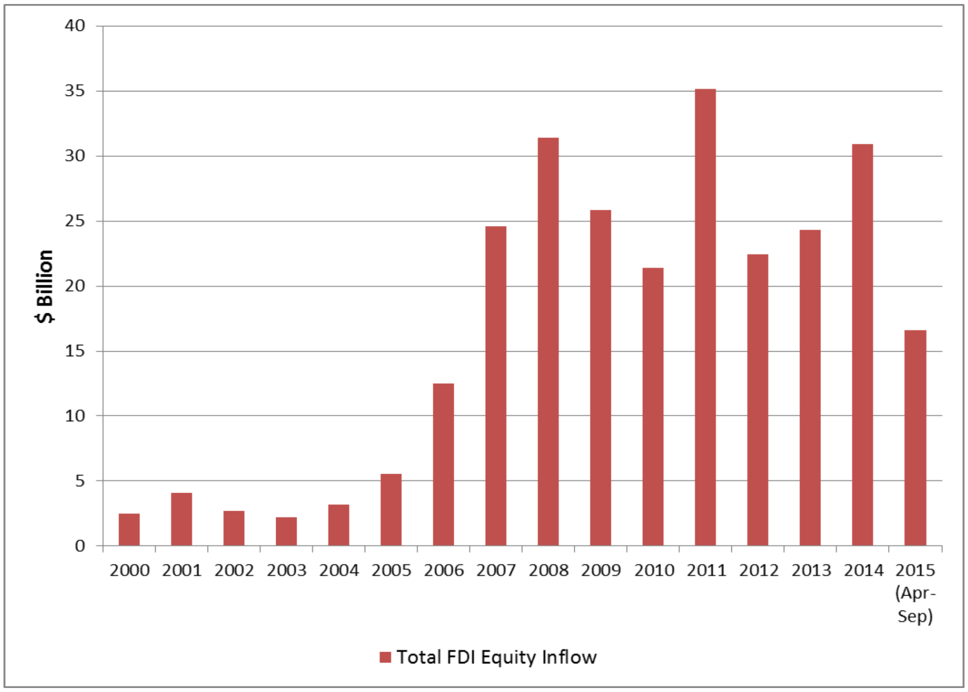
Rising Organized Retail and E-retail outlets – Although small, traditional outlets dominate the Indian food retail sector and account for about 95 to 98 percent of sales, modern retail chains offering a consumer-friendly shopping experience are emerging and stores now exceed 3,200. India remains a growing market for consumer-ready food products. With a sharp rise in mobile penetration across India, online and e-commerce retail opportunities have opened up and afforded options to consumers on payment mechanisms as well as conveniences for time and cost savings.

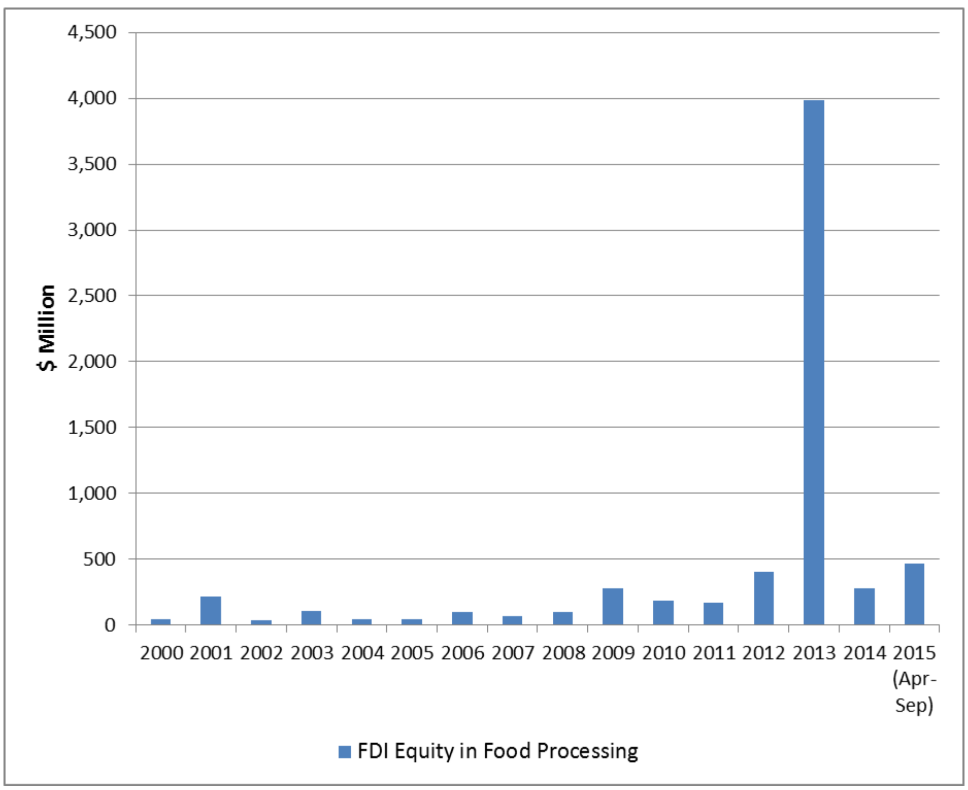
Emerging Casual Dining Restaurant (CDR) and Quick Service Restaurant (QSR) Segments - India has witnessed a sizeable shift in its CDR and QSR sector. CDRs and QSRs have gone from largely serving Indian snacks to serving western foods with an Indian flavor. The restaurant sector in India is divided into the organized and unorganized market. The unorganized international-style market includes roadside vendors, vans and trolleys serving Chinese and Italian-style foods. The organized sector includes QSRs, CDRs, pubs, bars, clubs and lounges (PBCL), and food court kiosks. In terms of market segments, QSR and CDR formats account for 74 percent of the total market, while cafés make up 12 percent, and fine dining and PBCL comprise the remaining 14 percent. QSR's have their presence in different formats such as dine-in, food courts in malls and drive-ins at highway rest areas which has provided customers easy access to these restaurants.

Government Policy (Foreign Direct Investment Policy)

The Government of India has simplified investment procedures in the food processing sector in an effort to attract foreign investment. The number of food products reserved for small scale industries has been reduced; investments are permitted under the "automatic route" which simplifies capital reporting procedures; up to 100 percent foreign equity can be invested for most products as listed under the Consolidated FDI Policy 2015; certain taxes have been reduced for investors; import tariffs on some equipment have been reduced; and there are incentives for setting up processing plants. A few food items are reserved for the micro and small scale sector where automatic approval is available for up to 24 percent foreign direct investment. The food processing industry has attracted $6.5 billion in foreign direct investment over the past 14 years accounting for two percent of total foreign direct investment inflows. (Note: In the bottom half of figure 1, below, the spike in 2013 is associated with government efforts aimed at clearing out long-standing cases. End Note).

Figure 1. India: Fiscal Year (Apr-March) FDI in Food Processing





Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

Trade Policy

High tariffs at the federal and state-level disadvantage imported ingredients and limit opportunities for foreign exporters. India's average bound tariffs on food and agricultural products averages between 30-40 percent. In addition, there are several additional fees that apply. Exporters should work closely with their prospective importers to determine the likely landed post-duty cost of their products.

The Ministry of Food Processing is an advocate for investing in India with the goal of exporting processed products as well as catering to domestic demand. Use of imported ingredients in these facilities remains limited. A large number of multinationals have set up their plants in India over the years (Refer Table 4).

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively 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 (e.g. milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet foods). Furthermore, imports of beef are banned due to religious concerns. The foods derived from biotech crops (except soybean oil) are also effectively prohibited due to stringent import requirements. Exporters should also ensure that their products comply with India's food labeling and inspection requirements. The Ministry of Health and Family Welfare regulates both domestic and imported range of processed foods and food ingredients, through the requirements laid out in Food Safety and Standards Act.

The Food Safety and Standards Authority of India (FSSAI) made it mandatory for every food business operator (FBO) in the country (including Food Processing Companies) to follow and comply with the Food Safety and Standards Act, 2006, and Rules & Regulations, 2011. On August 6, 2015, FSSAI issued an order extending the deadline to obtain an FBO license to February 4, 2016. The previous deadline was August 4, 2015. The order also reports that the GOI's Ministry of Health and Family Welfare (MOHFW) received broad feedback from various stakeholders, including individuals, associations, and businesses seeking such an extension. This most recent extension marks the sixth consecutive extension granted by FSSAI. (See IN5101 for more information. On November 1, 2012, the Ministry of Consumer Affairs, Food Public Distribution, formally implemented rules requiring that food products be sold in standard-sized packages under the Legal Metrology Act 2011. The rule stipulates standard package weights such as (but not limited to) 100 grams or 250 grams. Non-standard weights (i.e. 413 grams) are no longer allowed as of November 1, 2012. (See IN2150 and IN5076 for more information).

The system of product approval for proprietary food or "novel" foods (i.e., food products not classified by a "standard" in Indian regulation) continues to be a challenge. As per the Food Safety and Standards Act, 2006, any proprietary food requires product approval under Section 22 of the FSS Act, 2006. However, this existing process of product approval for such food products has been discontinued by FSSAI as of August 26, 2015. FSSAI published an official notice on its website on August 26, 2015, stating that it would no longer "continue with the process of Product Approvals". Products designated under Section 22 of the FSS Act 2006 include foods derived from genetically engineered sources, nutritional supplements, special foods for medical or dietary requirements, traditional Indian *ayurvedic*, *sidha* and *unani* foods, organic and "novel foods".

FSSAI is in the process of framing regulations specific to proprietary foods to ease the difficulties faced by domestic and international food manufactures to launch new products in the market.

Table 2. India: Advantages and Challenges for U.S. Food Ingredients

Opportunities	Challenges
• Growth in the food processing industry	• Processed foods still seen as inferior to fresh foods by many consumers
• Increasing disposable incomes, dual income households, urbanization, increasing numbers of nuclear families, preference for convenience foods	• Forward and backward linkages still developing
• Seasonality of raw materials produced in India	• Fragmented and long supply chain
• Indian consumers are becoming more accepting of foreign foods and flavors	• Processing firms source most of their ingredients locally
• Small but growing modern food retail and e-e-retail sector	• Modern retail sector is relatively small
• Increasing demand for quality and hygienic ingredients and foods	• High tariffs and market access issues
• Rising number of foreign brands is boosting quality throughout the sector	• Despite expanding palates, most consumers prefer Indian cuisine.
• U.S. food ingredients are well-known and considered of high quality.	• New local food developments follow global market trends (natural foods, juices, processed meats)
• Local processors are increasing their production capacity and food quality to meet higher export standards for foreign markets.	• Dynamic food safety policy regulations
• Government support to attract FDI in food processing sector	• Low levels of processing, storage and transportation infrastructure
• Consumers moving away from cereals towards higher protein rich diet	• Price-sensitive market

Section II – Roadmap for Market Entry

A. Entry Strategy

The best way to begin exporting to India is to identify a firm that imports and distributes food ingredients. These firms are adept at navigating the import and distribution processes and are able to engage directly with India-based food processors. While a few firms specialize in ingredients, others may handle retail-ready products in addition to ingredients. Some importers are also approved suppliers for multinational food processors and restaurants operating in India. U.S. processors that already supply major food processors in the United States or other foreign markets may wish to investigate similar supply relationships with firms that have a presence in India. Key initial factors to consider when researching the market are whether a product has a market access and the landed post-duty cost of a product.

- Survey existing and potential opportunities by reviewing FAS policy and market reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.

- Determine if your product has market access in India.

- Analyze the likely landed post-duty cost of a product. Recognize that after local margins and transportation, a product may be significantly more expensive.

- Establish a relationship with an Indian importer/distributor that provides services to the food processing sector.

- U.S. firms should examine all distributor prospects and thoroughly research the more promising ones. Check the potential agent's reputation through local industry or trade associations, potential clients or bankers.

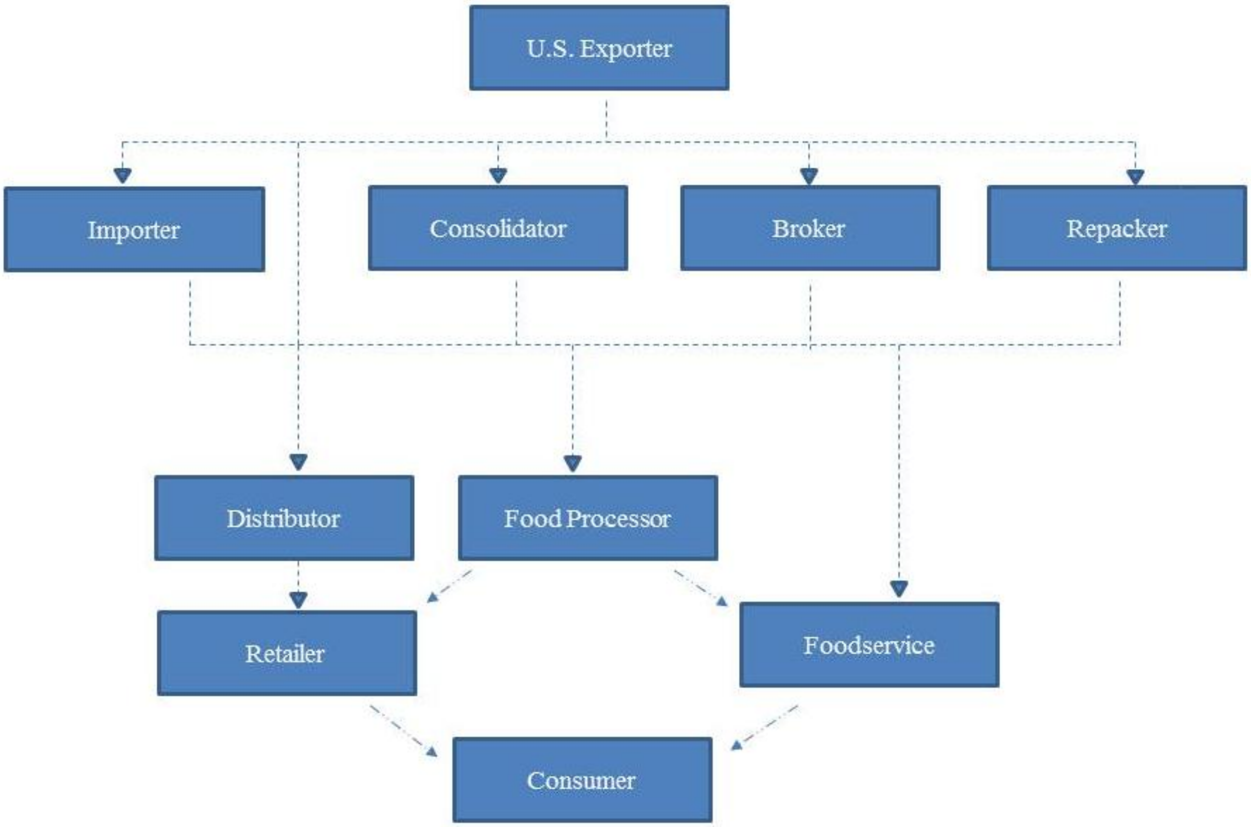
- Consider whether participating in an Indian trade show would be an effective means of identifying a distributor.

- For products with a potentially longer shelf life and/or larger order volumes (e.g., from medium or large food processing chains), U.S. exporters may identify and explore supplying through consolidators based in Dubai, Singapore and Europe.

Participation in trade shows offers a good opportunity to get a sense of the Indian market and engage directly with potential importers or distributors. USDA currently endorses one annual trade show in India. The Mumbai-based Annapoorna, World of Food India show typically takes place from September 22 to 24. While this show is not geared specifically to ingredients, it typically draws many of the major Indian importers. Indian importers also travel to major international shows such as SIAL, ANUGA and Gulfood. Food Ingredient India is a trade show dedicated exclusively to the ingredient industry and is gaining popularity within the industry.

Ensuring payment is another important consideration when establishing a relationship with an importer. Until a successful working relationship is established, exporters may wish to consider vehicles such as an irrevocable letter of credit. Alternatively, Indian importers are accustomed to operating without credit and may be willing to pay cash prior to shipment. While FAS India receives few queries concerning delinquent Indian importers, our offices do not have the authority or expertise to mediate contractual disputes or serve as a collection agent when differences over payment arise. FAS India can recommend local legal services (refer IN4069), but these situations can be avoided with proper preparation and sale terms. For firms that qualify, the Export-Import Bank of the United States provides exporter insurance.

B. Market Structure



C. Company Profiles

Depending on the scale of the operation, the Indian food processing sector can be divided into the following categories:

- Large Indian companies
- Wholly-owned subsidiaries of foreign companies or joint ventures
- Medium-sized domestic food processing companies with a local or regional presence.
- Small-scale companies or cottage industries in the "unorganized" sector.

Table 3. India: Major Food Processing Players in the Indian Market

Company	Product Types	Brand	End-Use Channels	Production Location
Aachi Group (Aachi Masala Foods Pvt. Ltd., Aachi Spices and Foods Pvt. Ltd., Aachi Special Foods Pvt. Ltd.)	Pure and Blended Spice powders (Masalas), Wheat products, Edible Oil, Ghee, Ready to Cook products, Asafoetida, Papad, Rice and Wheat products for Diabetic patients, Tea, Biscuits, Vegetable pickles ,rice paste varieties & thokku varieties, Soups	Aachi	Retail, Export	Karnataka
AB Mauri	Bread improvers, cake mixes, bread mixes, cake gels, sweet flavors, seasonings, emulsions for beverages, flavors and color blend	Tower, Prime, Mauripan, Mauri	Foodservice	Karnataka, Maharashtra, Uttar Pradesh, Kerala, West Bengal
Adani Wilmar (50:50 JV between Adani Group, India and Wilmar Holdings, Singapore)	Cooking oils, vanaspati, packed basmati rice, pulses	Fortune, Fortune Plus, King's, Bullet, Raag, Fryola, Avsar, Jubilee, Pilaf, Alpha, Aadhaar, A-kote	Retail	Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu
Agro Tech Foods Ltd. (A public limited company, affiliated with ConAgra Foods Inc., USA)	Edible oils, snacks, spreads, RTE & RTC popcorn, soups, puddings and desserts, meals and meal enhancers	Sundrop, ACT II, Hunt’s Snack Pack, Crystal, Snack Break, 10 min Yummeals	Retail & Foodservice	Maharashtra, New Delhi, Andhra Pradesh and West Bengal
Al-Kabeer Exports Private Limited	Seafood, RTE meals, cottage cheese, snacks, nuggets, burgers, French fries	Al-Kabeer	Retail	Hyderabad
Allanasons	Halal Frozen boneless buffalo meat, halal chilled vacuum packed buffalo and mutton, tropical fruit purees, spices, grains, coffee beans and pet foods	Saffa, Premier	Retail & Foodservice	Andhra Pradesh, Maharashtra, Karnataka, Uttar Pradesh
Anmol Biscuits	Biscuits and cakes	Anmol	Retail	West Bengal and Delhi
AVT McCormick Ingredients Ltd.	Spices, oleoresins, spice mixes	McCormick	Export, Retail	Kerala
Balaji Wafers Pvt. Ltd.	Wafers and Indian snack foods	Balaji	Retail	Gujarat
Bikaji Foods International	Indian snacks, chips, Indian sweets, frozen snacks, cookies, canned sweets	Bikaji	Retail & Foodservice	Rajasthan
Bikanervala Foods Pvt. Ltd.	Syrups, Indian sweets, Indian savory snacks, biscuits, cookies, cakes, chocolates	Bikano	Retail & Export	Andhra Pradesh, Delhi, Gujarat
Britannia Industries Limited (Britannia New Zealand Foods Pvt. (50:50 JV between Britannia Industries Ltd. and Fonterra , New Zealand)	Biscuits, bread, cakes, cheese, dairy whitener	Britannia	Retail	Delhi, Maharashtra West Bengal & Tamil Nadu
Cadbury India Limited (Mondelēz International)	Chocolate, confectionery, milk based drinks, candy, chocolate, beverages,	Cadbury Dairy Milk, Cadbury Celebrations, Bournville, 5 Star, Perk,	Retail	Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka and Himachal

	biscuits, gum	Gems, Toblerone, Bournvita, Tang, Oreo, Halls, Bubbaloo		Pradesh
Capital Foods	Ketchup, cooking and curry pastes, soy sauce, baked beans, mango chutney, coconut milk powder, hakka and instant noodles, soup & sauce mixes frozen entrees	Ching's Secret, Smith and Jones	Retail & Foodservice	Maharashtra, Gujarat
Cargill India Private Limited	Vegetable oils, wheat flour, flavors etc.	Nature Fresh	Retail	Haryana
Dabur Foods Limited	Fruit juices, vegetable pastes, tomato ketchup, honey	Real, Nature Care, Capsico, Homemade, Dabur	Retail	West Bengal, Nepal
Darshan Foods Private Limited	Skinless sausages, pepperoni, German salami, sausages, lemon pepper breaded burger patty, black forest ham, chicken breast roll, imported French turkey	Meatzza	Retail & Foodservice	Haryana
Desai Brothers	Indian pickles, papads, appalams, cooking pastes, curry powders, ready to cook products, ready to eat products, chutneys, canned vegetables, mango pulp	Mothers Recipe, Dabee, Rozana	Retail	Maharashtra
Devyani Food Industries Pvt. Ltd.	Ice-cream	Cream Bell	Retail & Foodservice	Himachal Pradesh
Dharampal Satyapal Group	Spices, snacks, flavored water, spring water, skimmed milk powder, whole milk powder, pasteurized cream, white butter, mouth freshener, powdered beverages	Catch, Dairy Max, Pass Pass, Piyoz, Yomil	Retail	Himachal Pradesh, Uttar Pradesh, Delhi, Assam and Tripura
Dr. Oetker India Pvt. Ltd./ Funfoods Pvt. Ltd.	Mayonnaises, sauces, spreads, salad dressings, cakes, dessert toppings, milk shake mixes, bar syrup concoctions, muesli	Dr. Oetker Fun Foods	Retail & Foodservice	Delhi
Dynamix Dairy Industries Ltd	Cheese, butter, clarified butter, whole milk powder, skimmed milk powder, dairy whitener, infant food, casein / lactose, whey products, UHT plain milk, flavored milk & juices	Dynamix	Retail, Foodservice, Export	Maharashtra
Ferrero India Private Limited	Chocolates, chocolate spread, mouth freshners	Ferrero Rocher, Nutella, tic tac, kinder joy	Retail	Maharashtra
Field Fresh Foods Private Limited (A Joint venture between Bharti Enterprises & Del Monte Pacific Limited)	Packaged fruits, fruit drinks, ketchup, pasta sauces, olive oil	Del Monte, Fieldfresh	Retail & Foodservice	Tamil Nadu, Punjab
Foods and Inns	Processed Tropical fruits pulps, purees and vegetables, Canned, Spray Dried powders, Frozen and IQF vegetables	N/A	Export	Maharashtra, Gujarat, Andhra Pradesh

General Mills India	Whole wheat flour, vermicelli, cake mixes (cooker and oven), custard powder, canned corn and specialty vegetables, baking mixes and specialty flour, granola bars, ice cream, frozen Indian flat breads	Pillsbury, Betty Crocker, Nature Valley, Green Giant, Häagen-Dazs	Retail & Foodservice	Karnataka
Gits Foods	Ready meals, instant mixes, dairy products	Gits	Retail	Maharashtra
GlaxoSmithKline Consumer Healthcare	Health food drinks, biscuits	Horlicks, Boost, Maltova, Viva	Retail	Punjab, Andhra Pradesh, Haryana
Gujarat Cooperative Milk and Marketing Federation	Packaged milk, butter, milk, fresh cream, milk powder, sweets, clarified butter, milk spray, cheese, chocolates, yogurt, infant milk formula, sweetened condensed milk, ice-cream and flavored milk	Amul	Retail, Export, Foodservice	Gujarat
Haldiram Snacks Pvt. Ltd.	Indian savory snacks and sweets, frozen foods	Haldiram's	Retail	Maharashtra
Hatsun Agro	Packaged milk, butter, milk, fresh and frozen cream, milk powder, sweets, clarified butter, yogurt, condensed milk, ice-cream and flavored milk	Arokya, Hatsun, Arun Ice cream, Hatsun Dairy, Ibaco	Retail & Foodservice	Tamil Nadu, Karnataka
Heinz India Private Limited	Tomato ketchup, baby food, energy drink	Complan, GluconD, Heinz	Retail	Uttar Pradesh and Karnataka
Heritage Foods Limited	Milk, Ice Cream, Dairy Products, Beverages. Instant Foods, Sauces, Potato Chips, Honey, Pickles, Jams/Marmalades,, Salt, Spices, Wheat Flour	Heritage	Retail, Export	Andhra Pradesh, Tamil Nadu, Telangana, Karnataka, Maharashtra
Hershey India Private Ltd. (100% subsidiary of the Hershey Company. USA)	Confectionery, soymilk, juices,	Sofit, Jumpin, Hershey's Syrup, Nutrine (Maha Lacto, Maha Choco, NUTRINE Eclairs, NUTRINE Lollipop, NUTRINE Santra Goli, AASAY, KOKANAKA and HONEYFAB)	Retail & Foodservice	Madhya Pradesh and Andhra Pradesh
Hind Agro Industries Limited	Boneless meat and other meat and meat products (goat, buffalo, sheep)		Export	Uttar Pradesh and Delhi
Hindustan Coca Cola Beverages Pvt. Ltd.	Aerated beverages, fruit juices, energy drinks, tea and coffee	Coca-Cola, Diet Coke, Kinley, Georgia, Thums up, Sprite, Fanta, Limca, Maaza, Minute Maid, Burn, Schweppes	Retail	Jammu, Uttarakhand, Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Goa, West Bengal, Andhra Pradesh, Karnataka, Orissa, Bihar, Meghalaya, Assam, Tamil Nadu
Hindustan Unilever Limited (Unilever holds 51.5 % equity in HUL)	Tomato ketchup, fruits drinks, vegetable soups, ice-cream, jams, ready to drink products	Kissan, Annapurna, Knorr	Retail	Maharashtra Madhya Pradesh, Uttar Pradesh
Indian Tobacco Company (ITC)	Fruit purees/concentrates, IQF/frozen fruits,	Sunfeast, Kitchens of India, Aashirwad,	Retail	Karnataka and West Bengal

	sFoodservicemp, prawns, spices, biscuits, salty snacks, wheat flour, RTE foods, confectionery	Candyman, Mint-o, Bingo		
Indo Nissin Foods Ltd. (a subsidiary of Nissin Food Products Company Ltd., Japan)	Noodles	Top Ramen, Cup Noodles	Retail	Haryana and Karnataka
Kellogg’s India Private Limited (A wholly owned subsidiary of Kellogg’s U.S.A.)	Breakfast cereals, biscuits	Kellogg’s	Retail	Maharashtra
Kwality Dairy	Dairy products (ghee, butter, yogurt, milk, sweet and flavored milk, UHT milk, cottage cheese, dairy creamers)	Dairy Best	Retail, Exports	Haryana
Mahaan Foods Limited, Mahaan Dairies Limited, Mahaan Protein Limited	Coffee and dairy whiteners, edible casein, pharmaceutical and edible grade lactose, whey protein concentrate, milk protein concentrate, clarified butter, SMP, full cream milk powder, dehydrated milk fat, milk powder replacer, functional foods, infant food formulation, sports food, sauces and soups	Mahaan	Retail Foodservice Processing	Delhi
MARS International India Pvt. Ltd.	Pet foods, confectionary	Pedigree, Whiskas; Boomer, Doublemint, Juicy Fruit, Orbit, Pim Pom, Solano, Trex	Retail	Karnataka, Himachal Pradesh
Marico	Edible Oils, Oats, Muesli, Salt	Saffola	Retail, Export	Goa, Puducherry, Kerala, Himachal Pradesh, Uttarakhand, Daman and Diu
McCain Foods India	Frozen French Fries and Potato Specialties, Burger Patties	Smilies, Super Wedges, Cheese Shots	Retail, Foodservice, Export	Gujarat
Monginis Food Ltd.	Cakes, cookies and chocolates	Monginis	Retail & Foodservice	Maharashtra, Gujarat, Goa, Karnataka, Andhra Pradesh
Mother Dairy Fruit and Vegetable Private Ltd.	Ice-cream, fluid milk, flavored milk, butter, clarified butter, UHT milk, cheese, yogurt, dairy whitener, juices, edible oils, fresh & frozen fruits & vegetables	Mother Dairy	Retail, Export and Restaurants	Delhi
Mrs. Bector's Foods Specialties-CREMICA	Sauces, mayonnaise, toppings, syrups, biscuits, Indian snack foods, stabilizer blends and ice cream	Cremica	Retail & Foodservice	Punjab
MTR Foods Limited (Owned by Norway-based Orkla)	Soups, RTE foods, rice meals, spice powders, instant sweet mixes, instant ice-cream mixes, vermicelli, pickles, ice-cream	MTR	Retail	Karnataka and Maharashtra

Nashik Vintners	Wine	Sula	Retail	Maharashtra
Nestle India (Nestlé India is a subsidiary of Nestle' S.A. of Switzerland)	Dairy whitener, yogurt, noodles, tomato ketchup, packaged milk, multi grain breakfast cereal, energy drinks, chocolates	Nescafe, Maggi, Milky Bar, Milo, Kitkat, Barone, Milkmaid and Nestea	Retail	Punjab, Haryana, Uttaranchal, Goa, Karnataka and Tamil Nadu
Parle Agro Private Limited	Coffee, Juices, Packaged Water and Snacks, confectionery, biscuits	Café Cuba, Appy Fizz Frooti, Bailley, Hippo, Frio, Dhishoom, Parle G, Monaco, Hide & Seek, Golden Arcs, Top, Krackjack,, Top, Milano, Nimkin, Jam-in, Gold Star, Milk Shakti, Actfit Cream Cracker, Parle Marie, Kreams, Orange Bite, Londonderry, Melody, Mango Bite, Poppins, Mazelo, Parle's Wafers, Fulltoss, Cheeselings, Kismi, 2in1, Fruit Drops,	Retail	76 Manufacturing Facilities across the country
Parry Enterprises	Food flavors, cocoa products, taste enhancers, dairy ingredients, food additives, preservatives, protein, vegetable fat	Parry	Foodservice	Tamil Nadu
PepsiCo India Holdings Limited	Aerated beverages, fruit juices, potato chips, breakfast cereals	Pepsi, Lay's, Tropicana, Aliva, Aquafina, Cheetos, Dukes, Gatorade, Kurkure, Lehar, Mirinda, Mountain Dew, Nimbooz, Quaker Oats, Slice, Uncle Chips	Retail	
Perfetti Van Melle India (a subsidiary of Perfetti Van Melle, Italy)	Snacks, confectionery and chewing gum	Stop Not, Center Fresh, Alpenliebe Creamfills, Alpenliebe Lollilop, Centre Fruit, Centre Shock, Mangofillz, Chlormint, Chocoliebe, Fruittella, Happydent White, Protex Happydent, Marbels, Mentos Big Babol	Retail	Haryana, Tamil Nadu and Uttarakhand
Pioma Industries	Soft drink concentrate, instant drink powder, fruit jams, cordials, flavors, pickles, curry pastes, snacks, fruit syrups	Rasna	Retail, Export	Gujarat
Prataap (Prakash) Snacks Pvt. Ltd.	Potato chips, extruded snacks from corn and rice, Indian snack food	Yellow Diamond	Retail	Madhya Pradesh
Ruchi Soya Industries	Cooking oils (soybean, cotton seed, groundnut, sunflower, palmolein, mustard, rice bran), soya foods, vanaspati, bakery fats and feed ingredients	Ruchi, Nutrela, Sunrich, Mahakosh, Ruchi Gold and Ruchi Star	Retail	Jammu, Uttarakhand, Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu
Sterling Agro Industries Ltd	Milk, Dairy Creamer, Skimmed Milk Powder, Butter, Butter Milk Powder,	Nova	Retail, Foodservice, Export	Madhya Pradesh, Uttar Pradesh

	Butter Oil. Paneer, Ghee, Yogurt, Buttermilk			
Suguna Poultry Farm Limited	Poultry and poultry products (fresh, chilled, frozen and processed)	Suguna	Retail	Tamil Nadu, Karnataka, Kerala, Uttar Pradesh, Chandigarh, Gujarat Maharashtra and Andhra Pradesh
Surya Food and Agro Pvt. Ltd.	Biscuits, cookies, chocolates, confectionery, juices and beverages	Priyagold	Retail	Uttar Pradesh and Gujarat
Tasty Bite	Ready-to-eat Indian entrees, rice and noodles, sauces	Tasty Bite	Retail, Foodservice	Maharashtra
Tata Global Beverages	Tea, Coffee and Water	Tata Tea, Tetley, Good Earth, Himalayan, Tata Gluco, Jemča, Vitax, Eight O'Clock Coffee, Grand Coffee and Joekels	Retail, Foodservice, Export	Haryana, Maharashtra, Telangana, Kerala, Tamil Nadu
Unibic Biscuits India	Cookies	Unibic	Retail	Karnataka
United Breweries Limited (UBL)	Beer, spirits	Kingfisher, Zingaro, UB Export, London Pilsner, Kalyani Black Label, Bullet	Retail Foodservice Export	Punjab, Uttar Pradesh, Maharashtra Goa, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, West Bengal and Nepal
Ushodaya Enterprises Private Limited (Ramoji Group)	Pickles, Powders, Pastes, Instant Mixes, Fruit Pulp / Puries, Edible Oils, Pulihora Paste, Papads, Palm Kernel, Ready to Eat, Rice	Priya	Retail	Telangana
Vadilal Industries Limited	IQF – Frozen foods, fruit pulp, Indian breads, snacks, ready meals, mixes, condiments, desserts, canned products	Vadilal Quick Treat	Retail	Gujarat and Uttar Pradesh
Venkateshwara Hatcheries Group	Poultry and poultry products (fresh chilled, frozen and processed)	Venkys	Retail	Maharashtra and Madhya Pradesh
VRS Foods Limited	Bactofuged milk (bacteria free), yogurt, butter milk, cheese (cottage, mozzarella), UHT milk, clarified butter, SMP, instant dairy mix, demineralized whey powder, edible casein	Paras	Retail Processing	New Delhi and Uttar Pradesh
Weikfield Products Co. (India) Pvt. Ltd.	Custard powder, baking powder, drinking chocolate, cream caramel, chutneys, sauces and natural ayurvedic health foods	Weikfield	Retail	Maharashtra

Note: Most information has been sourced from company websites. This list is neither exhaustive nor ranked in any particular order.

D. Sector Trends

With the spread of cafés, chain restaurants, modern retail and efforts to attract investment in cold chains and food logistics, the food processing industry is expected to expand. Incentives and subsidies are offered for a variety of programs. The Ministry of Food Processing Industries has set targets to increase the level of processing of perishables from 6 to 20 percent, value addition by 20 to 35 percent and India's share of global processed-food trade from 1.5 to 3 percent by the year 2015. A government study entitled "Human Resource and Skill Requirements in the Food Processing Sector (2022)" indicates that by 2022, food processing industry is expected to generate 4.4 million job opportunities. The report states that the organized sector will contribute to 25 percent of total employment for the sector. Through subsidies and incentive programs, the Ministry of Food Processing is supporting cold chain infrastructure, storage facility, modern slaughter houses, food parks and laboratory development. A list of food processing research centers is provided in the following table.

Table 4. India: List of Food Processing Research Centers and Institutions in India

The Indian Institute of Crop Processing Technology	www.iicpt.edu.in/
Central Food Technological Research Institute	www.cftri.com
Directorate of Sorghum Research	www.sorghum.res.in/
National Dairy Research Institute	www.ndri.res.in
CIFT (Central Institute of Fisheries Technology)	www.cift.res.in
The Central Marine Fisheries Research Institute, Kochi	www.cmfri.org.in/
Central Avian Research Institute, Izatnagar	www.icar.org.in/cari/
The Central Inland Fisheries Research Institute (CIFRI)	www.cifri.ernet.in
The Defense Food Research Laboratory (DFRL)	www.drdo.org
Central Potato Research Institute	http://cpri.ernet.in/
Central Plantation Crops Research Institute	www.cpcri.gov.in/
Indian Agriculture Research Institute	www.iaripusa.org
Indian Institute of Horticulture Research	www.iihr.ernet.in
Directorate of Mushroom Research (ICAR)	www.nrcmushroom.org/
Directorate of Wheat Research (ICAR)	www.icar.org.in
Indian Institute of Packaging, Mumbai	http://iip-in.com
Indian Veterinary Research Institute	www.ivri.nic.in
National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT)	http://ifpkochi.nic.in
National Institute of Nutrition, Hyderabad	www.ninindia.org
Central Leather Research Institute	www.clri.org
Central Institute of Post-Harvest Engineering and Technology, Ludhiana (CIPHET)	http://www.ciphet.in/

Source: Ministry of Food Processing Industries

Government of India Initiatives for Promotion of Food Processing Sector

The Government of India has allocated nearly a billion dollars under the Twelfth Five-Year Plan (2012-17), to implement various programs for the promotion and development of the food processing sector. Programs include: infrastructure development (food parks, integrated cold chain projects, and abattoirs), quality assurance, codex standards, research and development, human resource development, and strengthening industry-related institutions.

Table 5. India: Organizations under the Ministry of Food Processing Industries

Name	Objective

National Institute of Food Technology Entrepreneurship & Management (NIFTEM)	NIFTEM is expected to become a university dedicated to food processing technology. Located near New Delhi, the Institute will cater to the needs of all public and private sectors affiliated with food processing. Apart from teaching and Research, NIFTEM works as a sector promotion organization through its resources and expertise.
Indian Institute of Crop Processing Technology (IICPT)	IICPT is engaged in the research and development of food grain processing, value addition, and by-product utilization.
National Meat & Poultry Processing Board (NMPPB)	NMPPB fosters the development of the meat and poultry processing sectors and the production of healthy and hygienic meat and meat products

Source: Ministry of Food Processing Annual Report 2014-15

Consumption

In volume and value terms, sales of every category of processed foods increased significantly between 2009 and 2014. Industry sources estimate that over 400 million consumers consume some type of processed food regularly. A number of factors have combined to spur the increase in the consumption of packaged foods such as strong economic growth in recent years, more working women, urbanization, the nascent development of modern retail, the emergence of foreign and international brands, significant improvements in packaging and quality and savvy marketing campaigns. Expansion is being driven by domestic and multinational companies. Urban areas account for over 75 percent of sales as consumers seek convenience and quality in processed foods. For higher value frozen and refrigerated foods, sales are almost exclusively in urban areas. Rural areas tend to have lower incomes and a preference for fresh ingredients. Nevertheless, rural areas are emerging as a market for well-priced shelf-stable foods. Consumers in developed markets are more open to the idea of packaged food, which manufacturers often position on the basis of convenience, nutrition, ease of use and food safety. This is something they need to do more of to attract Indian consumers.

Table 6. India: Sales Volume of Packaged Foods 2009 and 2014
(Thousand metric tons except where noted)

Category	2009	2014	Percent Change
Baby Food	53	64	22
Bakery	3,442	4,365	27
Canned Food	28	49	72
Confectionary	236	464	96
Dried Processed Food	1,274	2,179	71
Frozen Processed Food	15	33	127
Ice Cream	93	165	77
Noodles	11	25	140
Oils and Fats	210	431	105
Pasta	2,462	3,621	47
Ready Meals	27	53	96
Sauces, Dressings, Condiments	4	20	366
Snack Bars	235	393	67
Soup	1	2	137

Spreads	3	7	137
Sweet and Savory Snacks	19	27	44
Meal Solutions	249	604	143

Source: Euromonitor

Table 7. India: Sales Value of Processed Foods 2009 and 2014 ($ billion)

Category	2009	2014	Percent Change
Baby Food	0.25	0.47	89
Bakery	2.47	4.80	95
Canned Food	0.04	0.10	112
Confectionary	0.93	2.81	201
Dairy	4.80	10.47	118
Dried Processed Food	1.50	3.53	135
Frozen Processed Food	0.03	0.09	164
Ice Cream	0.26	0.63	143
Meal Replacement	0.07	0.31	332
Noodles	0.28	0.80	181
Oils and Fats	2.90	7.00	141
Pasta	0.06	0.16	162
Ready Meals	0.01	0.07	492
Sauces, Dressings, Condiments	0.66	1.41	114
Snack Bars	0.01	0.02	186
Soup	0.02	0.05	172
Spreads	0.06	0.15	130
Sweet and Savory Snacks	0.71	2.27	220
Impulse or Indulgence Products	3.53	9.20	160
Staples	10.37	23.10	123
Meal Solutions	0.81	1.78	121
Total Packaged Food*	14.70	34.06	132

Source: Euromonitor
*Total does not equal sum of individual categories because of overlap between categories.

Fruits, Nuts and Vegetables: India is a large producer of fruits and vegetables, but only two percent are processed. Processing is relatively diffuse with many small-scale industries involved in production. The major processed items are fruit pulps, juices, Indian-style pickles, dehydrated vegetables, curried vegetables, dried fruits, and processed mushrooms. The United States, Tanzania, Benin, and Côte d'Ivoire, are major suppliers of dried fruits and nuts.

Meat and Poultry: The processed meat sector, which was formerly regulated by the Ministry of Food Processing, is now regulated by the Food Safety and Standards Authority of India. There are around 4,000 municipal slaughter houses in the country along with a number of modern private sector slaughter houses and meat processing plants. Over 100 of India's meat slaughter and meat processing plants are registered exporters of meat, primarily buffalo meat and, to a lesser degree, mutton.

Dairy: India is the world's largest dairy producer, but according to the National Dairy Development Board India, demand for dairy products is growing at twice the rate of production. Sales of dairy products grew from $4.8 billion in 2009 to $10.5 billion in 2014. Sales of ice cream increased from $260 million in 2009 to $630 million in 2014. Western cheeses and yoghurt are small but emerging dairy categories. Other categories include milk powder, ice cream powder, infant foods, and condensed milk.

Edible Oils: Edible oils purchased by households or institutional users are sold in liquid form or as vanaspati (partially hydrogenated vegetable oil). According to industry sources, 35 to 40 percent of the Indian edible oil market is branded. India is the world's largest importer of vegetable oil.

Milling and Baking: Approximately 90 percent of the grains undergo primary processing and wheat is the major grain processed in India, largely for wheat flour. Milling of rice and pulses makes up the balance of the grain processing sector. Most grain processing is carried out in the unorganized or informal sector but, some large players are active in the market and sell processed grains in branded retail packs. Additionally, imported specialty flours direct for retail have found a niche in the Indian market owing to greater awareness of their benefits or unique attributes.

With changing lifestyles, the breakfast cereal segment is showing slow and steady growth, primarily for corn flakes and oat products. The bakery and snacks industry is dominated by small and medium players and a handful of large firms. As a result of growth in baking and retail industry imports of ingredients such as malt, starches, food flavoring agents, and wheat gluten are increasing. India also imports a significant amount of pulses from Myanmar, Canada, Australia, China, and Kenya.

Grape and Wine Processing: There is a small but growing interest in wine in India as consumers are exposed to wine while traveling and by domestic wine makers. Hotels are carrying more wines, both domestic and imported, and wine is gaining favor among women and by men who have primarily consumed whisky.

Imported Food Ingredients: Food processors are introducing new products and traditional recipes using improved technology, innovative packaging, and aggressive marketing. For ingredients that are not available in India, processors turn to imports and typically source through importers specializing in food ingredients. Food ingredients sourced by Indian food processing companies from the U.S. were valued at $145 million in 2014 and include dried fruits and nuts, essential oils, protein isolates, starch, vegetable saps, thickeners, lactose, sugar and sugar syrups, mayonnaise, mixed seasonings, sauces and preparations, yeast, baking powders, sweeteners and other preparations for beverages, vinegar, oleoresins, and gelatin and gelatin derivatives.

Table 8. India: Top 10 Imports of Food Ingredients from United States ($ Millions)

HS Code	Description	**2010**	**2011**	**2012**	**2013**	**2014**	**CAGR**
210690	Food Preparations Nesoi	15.71	17.10	16.91	19.02	13.85	-2%
350510	Dextrins and other Modified Starches	5.07	7.10	6.87	8.64	7.66	9%
170211	Lactose and Lactose Syrup Cont 99% More Lactse by Weight	5.39	8.86	8.06	8.32	7.51	7%
350790	Enzymes and Prepared Enzymes, Nesoi	3.16	2.67	2.81	6.46	6.64	16%

170219	Lactose in solid form and lactose syrup, Nesoi	1.80	2.01	3.99	4.05	4.81	22%
210390	Sauces Etc., Mixed Condiments and Seasonings, Nesoi	1.39	1.83	1.64	1.59	1.95	7%
210210	Yeasts, Active	0.44	0.34	0.49	0.58	1.01	18%
350220	Milk albumin. Inc Concen of 2 or more whey proteins	0.28	3.12	4.38	5.11	4.99	78%
180690	Cocoa preparations, Not in Bulk form, Nesoi	0.51	1.01	0.62	0.48	1.10	17%
350290	Albumin and Albumin Derivatives, Nesoi	2.07	2.78	1.36	1.14	0.94	-15%

Source: Directorate General of Foreign Trade, Ministry of Commerce, Government of India

Section III: Competition

India's domestic industry is the primary competitor for U.S. food ingredient exporters. India, with its diverse agro–climatic conditions, produces a variety of foods and ingredients, the quality of which is expected to improve as firms invest in the food processing and logistics sectors. In addition, some competing suppliers enjoy a freight advantage and consolidators in markets like Dubai and Singapore offer quick delivery of small quantities. High import duties and restrictions on a number of imported raw materials pose as an additional challenge for the U.S. exporters interested in Indian market.

Table 9. India: Top 10 Imports of Intermediate Products from United States ($ Millions)

HS Code	Description	**2010**	**2011**	**2012**	**2013**	**2014**
	Intermediate Agricultural Total	272.44	166.01	115.27	243.91	145.66
210610	Protein Concentrates & Textured Protein Substances	7.69	7.80	13.05	14.89	18.35
350400	Peptones, Other Proteins & Deriv Etc; Hide Powder	12.04	8.12	9.48	6.24	10.49
291570	Palmitic Acid, Stearic Acid, Their Salts And Estrs	4.49	4.56	6.21	5.31	8.40
130239	Mucilage & Thickner W/N Modified,Frm Veg Prd Nesoi	3.23	2.97	6.80	6.83	8.00
330210	Mixtures Odoriferous Substance Use Food/ Drink Ind	6.36	4.94	5.87	6.40	7.32
350300	Gelatin & Deriv; Isinglass; Glues, Animal Or Nesoi	0.54	0.56	2.66	7.28	6.26
130219	Vegetable Saps And Extracts, Nesoi	2.80	4.09	5.21	3.10	5.49
130232	Mucilages/Thicknrs Frm Locust Bean/Seed, Guar Seed	0.72	1.51	3.48	6.09	2.56
330129	Essential Oils, Nesoi	2.20	3.24	2.34	1.32	2.51
330130	Resinoids	0.35	0.61	1.44	1.26	2.26

Table 10. India: Competition in Major Product Categories

Product Category	Net Imports (In $ Million) CY 2014	Major Supply Sources	Strengths of Key Supply Countries	Advantages (A) and Disadvantages (D) of Local Suppliers
Animal or vegetable oils, fats and their cleavage products	10,656	Indonesia Argentina Malaysia Ukraine	Major production hubs and competitive prices	Local production is inadequate and more than 40 percent of total edible oil consumption is dependent on imports.(A)
Leguminous Vegetables, Dried Shelled/Pulses	2681	Myanmar Canada Australia USA	Price Competitiveness, freight advantage (for countries like Myanmar) and the ability to produce specific kind of pulses demanded in India.	Local production is inadequate and more than 20 % of total demand for pulses is met through imports.(A)
Edible Fruits and Nuts	2,584	USA Côte d'Ivoire Tanzania Benin	Growing market demand, preference for specific quality, popular at certain holidays	Domestic production of some of the major fruits and nuts is insignificant (A)
Sugars and Sugar Confectionery	635	Brazil Germany USA Netherlands	Price competitiveness	India is usually a net exporter of sugar (D)

Coffee, Tea, Mate And Spices	671	Vietnam Indonesia Nepal Sri Lanka	Price Competeveness and proximity	Most imports are for re-export (D)
Albuminoidal Substances; Modified Starches; Glues; Enzymes	349	Thailand China USA Germany	Price Competeveness	Local production is limited (A), U.S. supplies good quality products with competitive prices (A)
Lac; Gums; Resins and Other Vegetable Saps and Extracts	186	Afghanistan China USA Thailand	Price Competeveness and proximity	Local production is limited (A), U.S. supplies good quality products with competitive prices (A)
Products of the Milling Industry, Malt, Starches, Inulin, Wheat Gluten	62	Australia China Vietnam France	Price Competitiveness, high quality	Growing domestic industry (A), Increasing awareness about health & quality food (A), Stringent food laws (D)
Dairy Products; Birds' Eggs; Natural Honey; Edible Products of Animal Origin	50	New Zealand France USA Netherlands	Price Competeveness, sanitary requirements	Domestic production is not keeping pace with demand (A). The Indian import protocol is very stringent and effectively prohibits imports of dairy products from the United States. (D)

Source: Ministry of Commerce and Industry and FAS India analysis

Section IV: Best Product Prospects

Table 11. India: Best Product Prospects for the Food Processing Ingredients

Product Types	Import Value ($ Million) CY 2014	Import Volume (Metric Tons) CY 2014	5–yr. Import growth by value (in %)	Basic Import Tariff	Key Constraints	Market Attractiveness For USA
Nuts (mainly Almonds)*	907	210,505	20	In shell Almonds (Rs. 35/Kg) Pistachios (10%)	Competition from other suppliers exists but is not substantial	High demand and growing retail industry
Cocoa and cocoa preparations	264	69,754	26	30%	Strong competition from domestic and international suppliers	Strong quality and brand preference
Products of the milling industry, Malt, starches,	62	75,846	18	30%	Competition from domestic suppliers	Growing bakery and retail industry and

insulin, wheat gluten						increased popularity for processed foods
Leguminous Vegetables, Dried Shelled/Pulses	2,681	4,517,340,484	4	0%	Price Competitiveness, freight advantage (for countries like Myanmar) and the ability to produce specific kind of pulses demanded in India.	Local production is inadequate and more than 20% of total demand for pulses is met through imports.
Apples, Pears and Quinces Fresh	252	220,878	18	Apples 50% Pears 30%	Competition from domestic and foreign suppliers like China, Chile, and New Zealand	Seasonal shortages and high prices, increasing interest in quality fruits and growth of organized retail
Grapes Fresh or Dried	52	18,792	19	30%	Competition from domestic and foreign suppliers	Seasonal shortages and high prices, increasing interest in quality fruits and growth of organized retail
Fruit Juices	30	16,051 Liters	5	30%	Competition from domestic manufactures and foreign suppliers from neighboring countries	Increasing health awareness and shortage of quality products
Beverages, Spirits and Vinegar	511	290,425,827 Liters	10	150%	High import duty and competition from domestic suppliers	Growing consumption and lack of domestic production
Albuminoidal Substances; Modified Starches; Glues; Enzymes	350	93,381	14	41%	Competition from domestic and foreign suppliers like China, Thailand and Taiwan	High demand and growing ready to eat (packaged) food industry
Essential Oils, Concentrates; Resinoids; Extracted Oleoresins; Concen Of Essen Oils And Terpenic Byproducts; Aqueous Solutns	632	109,194	14	41%	Competition from domestic and foreign suppliers like China, Thailand and Taiwan	High demand and growing retail industry, Demand for additional flavorings

Etc. Of Essen Oil						

*Includes almonds, walnuts, pistachios, hazelnuts, chestnuts etc.
Source: Ministry of Commerce and Industry, GOI and Post analysis

Products Not Present Because They Face Significant Barriers

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively 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 (e.g., milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet food). Furthermore, imports of beef are banned due to religious concerns. Though imports of alcoholic beverages exist, market access is constrained by occasional state bans, local taxes, and a complex licensing system for distribution and sales.

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 and Forests. The policy also made a biotech declaration mandatory. Soybean oil derived from GE soybeans (select events) remains the only biotech food/agricultural product currently approved for import. For more information on India's biotech import policy, please see IN5088 – 'Agricultural Biotechnology Annual 2015.

Section V: Post Contact and Further Information

The following reports may be of interest to U.S. exporters interested in India. These, and related reports, can be accessed via the FAS Home Page: www.fas.usda.gov by clicking on "Data & Analysis" and then selecting GAIN reports and choosing the "search reports" function to refine the desired criteria (e.g., category and date range).

Report Number	Subject
IN5164	Retail Foods 2015
IN5162	Exporter Guide Annual 2015
IN5163	Food Service - HRI 2015
IN5131	Dairy and Products Annual 2015
IN5115	Mobile and E-Commerce Grocery Retail and Food Service Bloom
IN5106	Livestock and Products Annual 2015
IN5089	Casual Dining and QSR Sector See Fast Track Growth in India
IN5088	Agricultural Biotechnology Annual 2015

For additional information please contact:

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