



INDIA'S FOOD PROCESSING INDUSTRY

Driving growth through
value addition



September 2026



M O F P I

अविनाश जोशी, भा.प्र.से.
Avinash Joshi, IAS



MESSAGE

सचिव
भारत सरकार
खाद्य प्रसंस्करण उद्योग मंत्रालय
Secretary
Government of India
Ministry of Food Processing Industries

I am pleased to extend my best wishes for the **2nd Global Annual Food Processing Summit 2026** and for the publication of "**India's Food Processing Industry: Driving Growth Through Value Addition**", brought out by **YES BANK** in association with the **Knowledge Chamber of Commerce & Industry (KCCI)**.

India's food processing sector is emerging as a key driver of economic growth, with immense potential for **value addition, innovation, employment generation, farmer empowerment and global market expansion**. MSMEs and entrepreneurs are central to this transformation, bringing innovation and regional strengths into India's evolving food value chains.

The journey ahead calls for greater adoption of **technology, modern infrastructure, food safety, efficient supply chains, access to finance, branding and international market linkages**. Strengthening collaboration among government, industry, financial institutions, technology providers and global partners will be essential to enabling enterprises to scale and compete globally.

This research publication is a timely initiative to capture industry perspectives, emerging trends and opportunities, and to encourage informed dialogue on strengthening India's food processing ecosystem.

I commend **YES BANK and KCCI** for this collaborative endeavour and am confident that this publication and the Summit will contribute towards building a **resilient, innovative, sustainable and globally competitive food processing industry**.

I extend my best wishes for the success of the Summit and the publication.


28/9/26
(Avinash Joshi)

MESSAGE



It gives me immense pleasure to welcome you to the 2nd Global Annual Food Processing Summit 2026, a platform dedicated to advancing dialogue, collaboration and opportunities across India's rapidly evolving food processing ecosystem.

India stands at an important juncture in its journey towards becoming a globally competitive food processing and manufacturing hub. With a strong agricultural base, a growing consumer market, an expanding entrepreneurial ecosystem and increasing global demand for Indian food products, the sector presents tremendous opportunities for value addition, innovation, investment, exports and employment generation.

The future of food processing, however, will depend not only on production capacity, but on how effectively we integrate **technology, sustainability, quality, modern supply chains, food safety, branding and global market access**. From farm to consumer, every stage of the value chain offers opportunities to create greater efficiency and higher value.

At KCCI, we firmly believe that meaningful progress is achieved when **industry, government, entrepreneurs, investors, institutions and global partners** come together with a shared vision. Our objective is to create platforms that go beyond discussions—platforms that facilitate knowledge exchange, business connections, partnerships and actionable opportunities.

The 2nd Global Annual Food Processing Summit, strengthened through **BRICS Connects**, is envisioned as one such platform. It brings together leaders and stakeholders to explore new markets, cross-border partnerships, investment opportunities, technological advancements and strategies for building Indian food brands that can compete confidently on the global stage.

I am confident that the deliberations and connections created through this Summit will contribute to a more **innovative, resilient, sustainable and globally integrated food processing ecosystem**.

I extend my warm wishes to all distinguished speakers, industry leaders, policymakers, entrepreneurs, investors and delegates participating in this important initiative.

Let us connect knowledge with opportunity, innovation with impact, and Indian enterprise with the world.

Bharat Patel

Hon. Director General

Knowledge Chamber of Commerce & Industry (KCCI)

MESSAGE



India's food processing industry is entering a defining phase of transformation. As the nation advances towards a more competitive, sustainable and globally integrated economy, food processing has the potential to emerge as one of the most significant drivers of agricultural value creation, industrial growth, employment and exports.

India possesses a unique advantage — a rich and diverse agricultural resource base, a large domestic consumer market, a strong entrepreneurial ecosystem and an expanding network of global trade relationships. The opportunity before us is to convert these strengths into greater value through modern processing, technology adoption, innovation, efficient supply chains and globally benchmarked quality standards.

The next phase of growth must go beyond increasing processing capacity. It must focus on value addition, product innovation, food safety, sustainability, traceability and global market access. Investments in cold-chain infrastructure, advanced processing technologies, packaging, logistics and digital solutions will be critical in enabling Indian businesses to compete effectively in international markets.

Equally important is the need to build stronger connections between farmers, processors, MSMEs, large enterprises, technology providers, financial institutions and global buyers. Such collaboration can create an integrated ecosystem where innovation reaches the grassroots, businesses scale faster and agricultural produce translates into higher economic value.

The growing importance of emerging markets and platforms such as BRICS presents another significant opportunity. Greater cooperation in trade, investment, technology and cross-border partnerships can open new avenues for Indian food processing companies and enable them to establish a stronger presence in international markets.

The 2nd Global Annual Food Processing Summit 2026, along with BRICS Connects, provides an important platform for bringing these conversations together. It creates an environment where industry leaders, policymakers, investors, entrepreneurs and international stakeholders can exchange knowledge, identify opportunities and develop meaningful partnerships.

As Chairman – Food Processing, Gujarat Council, KCCI, I believe that platforms such as this can play an important role in accelerating the transformation of India's food processing ecosystem. Our collective objective should be to build an industry that is not only larger in scale, but also more innovative, sustainable, inclusive and globally competitive.

I am pleased to be associated with this important initiative and extend my appreciation to YES BANK and the Knowledge Chamber of Commerce & Industry (KCCI) for bringing together this valuable industry and knowledge platform.

I am confident that the discussions and collaborations emerging from this summit will contribute meaningfully towards strengthening India's position in the global food processing landscape and creating a future of greater value for farmers, businesses, consumers and the nation.

Mr. Dhaval Raval

CMD, Abhyuday Group

Chairman – Food Processing, Gujarat Council, KCCI

FOREWORD



India's position as one of the world's largest agricultural producers gives the country a unique foundation to build a globally competitive food-processing industry. Leveraging this strength through greater value addition is essential for enhancing farmer incomes, reducing post-harvest losses and expanding India's footprint in global food markets.

The food processing sector's contribution to India's economy has grown steadily. In 2023–24, food processing accounted for 8.83% of India's manufacturing GVA, with sectoral GVA (at current prices) growing from INR 1.57 lakh crore in 2013–14 to INR 3.62 lakh crore in 2023–24 at a CAGR of about 8.73%. The industry today engages about 7.1 million workers and spans nearly 2.4 million units, demonstrating both its inclusivity and national economic relevance.

On the consumption side, domestic demand for high-value food products continues to strengthen. Household spending on food has grown at a CAGR of about 10% between 2004-05 and 2023-24, with beverages and processed foods now forming the largest share of food expenditure across both urban and rural India. This marks a clear shift away from traditional staples such as cereals, whose share in household food expenditure has declined over the same period. Driven by rising incomes, rapid urbanisation and growing preference for convenience and nutrition, this transition underscores the long-term opportunity for value-added food categories. However, India's food processing landscape remains dominated by primary processing. In 2024-25, about 52% of processed food output was through primary processing, while secondary and tertiary processing accounted for just about 21%, highlighting substantial headroom for converting India's raw-material strength into higher-value products. Expanding such value-addition is critical for competitiveness, quality enhancement and improved farmer realisation.

Collaborative efforts will also be required towards addressing critical gaps across the value chain. Towards this, the Government of India and several state governments have introduced wide-ranging initiatives aimed at strengthening infrastructure, enabling technology adoption, formalising enterprises and attracting investments. These initiatives have laid a strong foundation for sustained growth. However, deeper collaboration between government, industry and financial institutions will be essential to unlock the sector's full potential.

YES BANK is pleased to Knowledge Partner with KCCI for the 2nd edition of the Global Food Processing Annual Summit 2026. As part of this collaboration, we present this report titled - India's Food Processing Industry: Driving Growth through Value Addition. It captures an overview of the sector's structural strengths, evolving demand, processing landscape and emerging opportunities. We hope that this report serves as a valuable reference for all stakeholders committed to advancing India's food processing ecosystem.

Sincerely,
Manish Jain
Executive Director
YES BANK Ltd



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EXECUTIVE SUMMARY



The food processing industry is a strategic enabler of India's economic transformation. The sector bridges agriculture with manufacturing, creates value from farm produce and connects farmers to domestic and global markets. As India progresses towards the vision of Viksit Bharat and strengthens manufacturing under Make in India, food processing is emerging as a key driver of inclusive growth. The sector has the potential to enhance farmer incomes, reduce post-harvest losses, generate employment and build globally competitive food value chains.

Chapter 1 of this report presents the landscape of food processing sector, capturing its significance, growth in the last decade, regional distribution and sub sectoral growth trends. This chapter also captures the food consumption trends in rural and urban India and key factors driving demand for processed food. In 2023-24, India's food processing sector contributed 8.83% to manufacturing Gross Value Added (GVA). Over the past decade, this GVA has grown at a CAGR of about 8.7% (at current prices), increasing from INR 1.57 lakh crore in 2013-14 to INR 3.62 lakh crore in 2023-24. During the same period, the sector's Gross Value of Output (GVO) (encompassing both registered and unincorporated units), increased from INR 10.24 lakh crore in 2013-14 to INR 26.13 lakh crore in 2023-24 at current prices.

The growth of India's food processing industry is intrinsically linked to evolving food consumption patterns. Rising purchasing power, changing lifestyles and greater awareness of quality and convenience have steadily increased household spending on food. Food and food-related items represent the single largest component of consumer expenditure in India, accounting for approximately 39.7% of the spending basket in urban areas and 47.0% in rural regions. As consumers diversify their food baskets beyond staples, demand for processed and value-added products is accelerating, creating significant opportunities across the food processing value chain.

Chapter two of the report captures the trade dynamics of processed food in the global as well as Indian context. The value of global processed food exports increased from USD 488.5 billion in 2015 to USD 798.9 billion in 2025, registering a CAGR of 5%. The top 10 countries accounted for 55% of global processed food exports (by value), led by Germany, Netherlands, USA, France and Italy.

India's processed food exports have more than doubled over the past decade, with exports increasing from USD 4.71 billion in 2015 to USD 10.67 billion in 2025. This growth was driven by increasing value addition across agricultural commodities, expanding processing capacities, improved compliance with international standards and growing demand for Indian food products in international markets. In 2025, processed food products constituted

about 20% of India's agri food exports, with a diversified product portfolio spanning cereals, marine products, fruits and vegetables, dairy, meat products, spices, beverages and ready-to-eat foods.

Government policy support has played an important role in strengthening India's food processing ecosystem. Over the years, policy interventions and incentive structures have focused on developing integrated value-chain infrastructure, reducing post-harvest losses, promoting technology adoption, strengthening food testing infrastructure and enabling formalization of micro and small enterprises. Chapter three of the report outlines the major initiatives and policy measures introduced by the Government of India, through various departments and ministries to promote investments in Indian food processing sector. Some of the key initiatives highlighted in the chapter include- The Pradhan Mantri Kisan Sampada Yojana, the Production Linked Incentive scheme, the PM Formalization of Micro Food Processing Enterprises Scheme (PMFME), the Animal Husbandry Infrastructure Development Fund, the Pradhan Mantri Matsya Sampada Yojana (PMMSY) and the Export Development and Promotion Program by Spices Board of India among others.

Chapter four of the report highlights India's food processing advantage. At the core of this advantage is a strong and diverse production base that consistently places the country among the world's leading producers across key agricultural and allied sector commodity segments. This strong base is complemented by a rapidly evolving infrastructure ecosystem—spanning storage, logistics, cold chain network and industrial clusters—that is steadily enhancing efficiency and integration across the value chain. Reinforcing this progress is the growing adoption of advanced technologies, innovation-driven practices and sustainability-oriented solutions that are reshaping the sector's competitiveness. Together, these factors create a compelling foundation for future growth, unlocking significant opportunities across the food processing landscape.

The concluding chapter of the report identifies key opportunities for realizing India's agri-food processing potential. The food-processing opportunity in India emerges across two interconnected layers of the value chain. The first is- leveraging commodity strengths for value addition, where India can process larger volumes of diversified products like cereals, pulses, millets, horticulture produce, milk, poultry, meat and fish into higher-value products; and second is investing in building efficiencies across the food value chain.

Within each commodity chain, the opportunity is to progress from primary processing and largely fresh or bulk sales towards branded, convenient, functional, shelf-stable and export-oriented products. The opportunity is most visible where a large production base is combined with relatively low levels of value-addition. Cereals, pulses and millets have the potential to be processed beyond conventional milling into fortified, breakfast, snack and ready-to-cook formats, while horticulture produce can be converted into shelf-stable and frozen products. In the dairy segment, a greater share of milk has the potential to be processed into branded and value-added categories; while poultry, meat and fisheries can capture higher realisations through portioned, processed and convenience-led products. The second layer of opportunity focuses on reducing inefficiencies across the food supply chain. While India has a strong agricultural base, gaps in productivity, logistics, quality management, technology adoption and skilled manpower continue to limit value addition and competitiveness. Addressing these gaps presents significant opportunities. Some of the key priority areas that have the potential to drive greater efficiency across the food processing ecosystem include investments in farm technologies; cold chain & post-harvest infrastructure; and food safety, quality assurance & traceability systems. The food processing industry in India is largely dominated by small and medium enterprises (SMEs) and remains significantly unorganized, leading to the continued use of conventional technologies. This presents a strong case for dissemination of knowledge on modern technology as well as skill building among MSME stakeholders across the entire value chain.

For investors seeking long-term growth in a large and evolving market, India's food processing ecosystem presents a compelling opportunity to create lasting economic value and contribute to the country's journey towards becoming a global food processing powerhouse.

1

India's Food Processing Sector: The Landscape



1.1 Introduction

India ranks among the world's largest economies and continues to demonstrate strong growth momentum. Gross Domestic Product (GDP) is projected to grow by 6.8%-7.2% in 2026-27, making India the fastest growing economy among G20 Nations.¹ This sustained economic momentum, coupled with rising incomes, rapid urbanization, changing lifestyles and an expanding middle class, is fundamentally reshaping India's consumption pattern. In the context of food, consumers are increasingly seeking safe, convenient, nutritious and value-added food products, driving demand for processed and packaged foods across categories.

At the same time, India possesses one of the world's largest and most diversified agricultural production bases. The country is a leading producer of cereals, fruits, vegetables, milk, spices and several other agricultural commodities. However, despite this production strength, only a small proportion of agricultural output undergoes value addition compared with many advanced and emerging economies. This gap represents one of the largest untapped opportunities in India's agri-food value chain. Scaling up food processing can reduce post-harvest losses, improve farmer realization, enhance product quality and shelf life, strengthen food security and increase India's competitiveness in global markets.

Recognizing this strategic opportunity, food processing has been identified as a key pillar of India's industrial and agricultural development. The sector has received sustained policy support through initiatives led by the Ministry of Food Processing Industries (MoFPI), focusing on infrastructure creation, value chain development, technology adoption and export competitiveness. As India advances towards the vision of Viksit Bharat (developed nation) by 2047, the food processing industry is expected to play a pivotal role in generating employment, strengthening rural incomes and accelerating value addition across the agricultural ecosystem.

The sector already makes a significant contribution to the Indian economy. In 2023-24, the sector contributed 8.83% to manufacturing Gross Value Added (GVA). Over the past decade, GVA of food processing sector has grown at a Compound Annual Growth Rate (CAGR) of about 8.7% (at current prices), increasing from INR 1.57 lakh crore in 2013-14 to INR 3.62 lakh crore in 2023-24.² Beyond its economic contribution, the food processing industry is also a major source of employment, engaging nearly 7.1 million workers across approximately 2.4 million processing units including 44,036 registered units³ (refer exhibit 1).

¹ Economic Survey of India 2025-26

² Ministry of Statistics and Programme Implementation (MoSPI)

³ Annual Survey of Industries (ASI) 2023-24, Annual Survey of Unincorporated Sector Enterprises 2025 (ASUSE), MoSPI

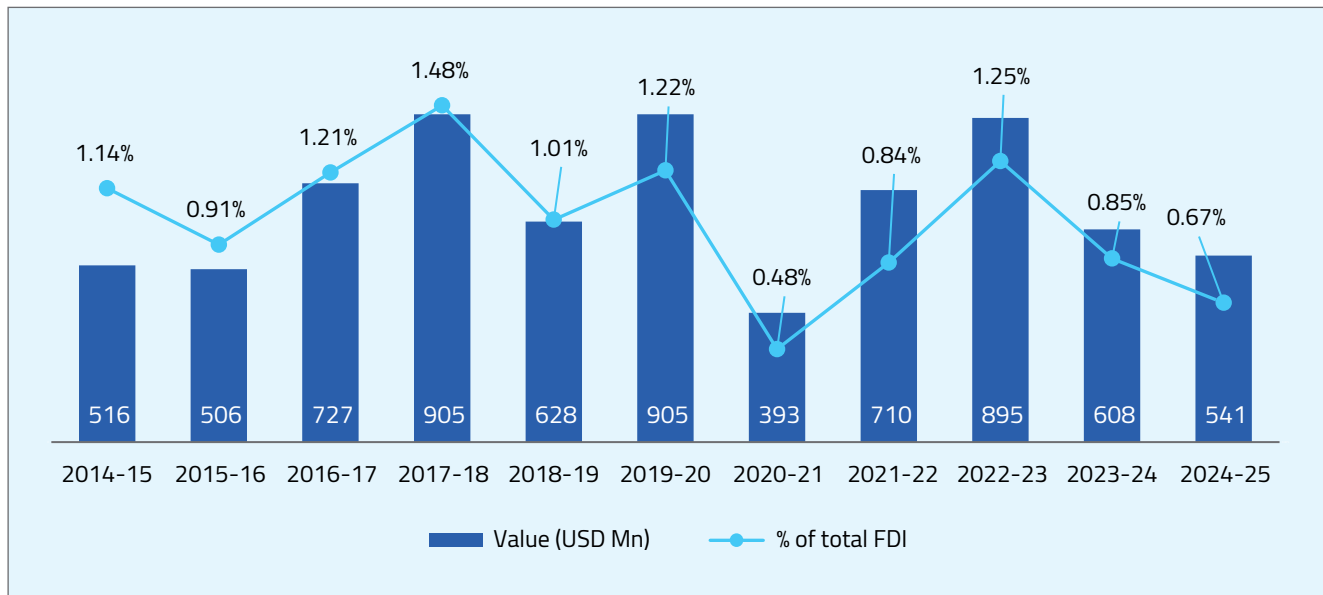
Exhibit 1: Contribution of food processing sector to India's economy

INR 3.62 Lakh Crore Gross Value Added (GVA) of the food processing sector at current prices in 2023-24.	8.73% Compounded Annual Growth Rate (CAGR) of Food Processing GVA during the last ten years ending 2023-24.	8.83% Share of Food Processing Sector in Manufacturing GVA at current prices in 2023-24.
USD 7.33 Bn Cumulative FDI attracted in food processing sector between 2013-14 to 2024-25.	7.13 Mn Population employed in food processing sector.	2.37 Mn No of units in food processing sector including registered and unincorporated.

Source: Annual Survey of Industries (ASI) 2023-24, Annual Survey of Unincorporated Sector Enterprises 2025 (ASUSE), MoSPI, Economic Survey of India 2025-26, MoFPI

FDI inflows into India's food processing sector have demonstrated sustained investor interest over the past decade. Inflows reached USD 905 million in 2017-18 and again in 2019-20, before moderating to USD 393 million in 2020-21 amid COVID-19 related disruptions. The sector subsequently witnessed a strong rebound, with FDI inflows reaching USD 895 million in 2022-23. While inflows have moderated over the last couple of years, they remain significant at USD 541 million in 2024-25 (refer exhibit 2).

Exhibit 2: FDI Inflows in food processing Sector (in USD million)



Source: Ministry of Food Processing Industries, Ministry of Commerce and Industry

1.2 India's food processing landscape

In industrial terms, food processing refers to the large scale application of various techniques to transform raw ingredients into safe, shelf stable and palatable food products. The scope of the sector spans a continuum of value addition, classified into three broad categories – primary, secondary and tertiary processing (refer exhibit 3).

Primary processing encompasses the initial transformation of raw produce into a stable or marketable intermediate form. This includes activities such as cleaning, sorting, grading, milling, de-husking, chilling and basic preservation. Primary processing typically involves limited value addition and is undertaken close to the point of production, often by farmer collectives, small millers and unorganised units. **The dominance of primary processing continues to be a defining structural feature of India's processing landscape, accounting for around 52% of total production output in 2024-25.⁴**

Secondary processing involves a deeper transformation of primary produce into packaged, branded and often ready-to-consumer products through techniques such as canning, freezing, extrusion, fermentation, dehydration and thermal or aseptic processing.

Tertiary processing extends this further into convenience formats such as ready-to-eat and ready-to-cook meals, functional foods and nutraceuticals that carry substantially higher margins and shelf value. It is this segment that anchors organized capital-intensive investment in the sector. Higher-order processing (secondary and tertiary) across commodities is estimated at only 21% in 2024-25,⁵ indicating substantial headroom for secondary and tertiary value addition across key agricultural categories.

Exhibit 3: Categorization of food processing activities

Category	Definition	Key Activities / Processes	Examples of Outputs / Products
Primary Processing	Initial processing of raw agricultural products to make them suitable for consumption or further processing.	- Cleaning - Grading - Sorting - Milling - Crushing	- Grains - Pulses - Juices - Purees - Spices
Secondary Processing	Converts primary processed products into more value added, consumable or storable products.	- Drying - Canning - Bottling - Freezing - Extraction - Refining - Pasteurization - Pulping - Refining	- Canned fruits & vegetables - Frozen meats - Seafood - Bread - Refined oils

⁴ Study on Assessment of the Level of Food Processing in India, MoFPI

⁵ Study on Assessment of the Level of Food Processing in India, MoFPI. The combined share of primary, secondary and tertiary processing levels may not add up to 100% due to retention of crops as carryover stock and the diversion of primary processed crops into secondary and tertiary products, resulting in overlaps.

Category	Definition	Key Activities / Processes	Examples of Outputs / Products
Tertiary Processing	Advanced value addition through the manufacture of ready-to-eat, convenience, packaged and ingredient-based food products targeted towards retail and food service markets.	- Formulation & blending - Texturization Flavoring & seasoning - Preparation of ready to eat products	- Chips - Namkeens - Energy bars - Instant noodles - Instant soups - Frozen meals

Source: Ministry of Food Processing Industries

India's food processing sector, encompassing both registered and unincorporated units, recorded a strong growth in Gross Value of Output (GVO), increasing from INR 10.24 lakh crore in 2013-14 to INR 26.13 lakh crore in 2023-24 at current prices⁶ (refer exhibit 4).

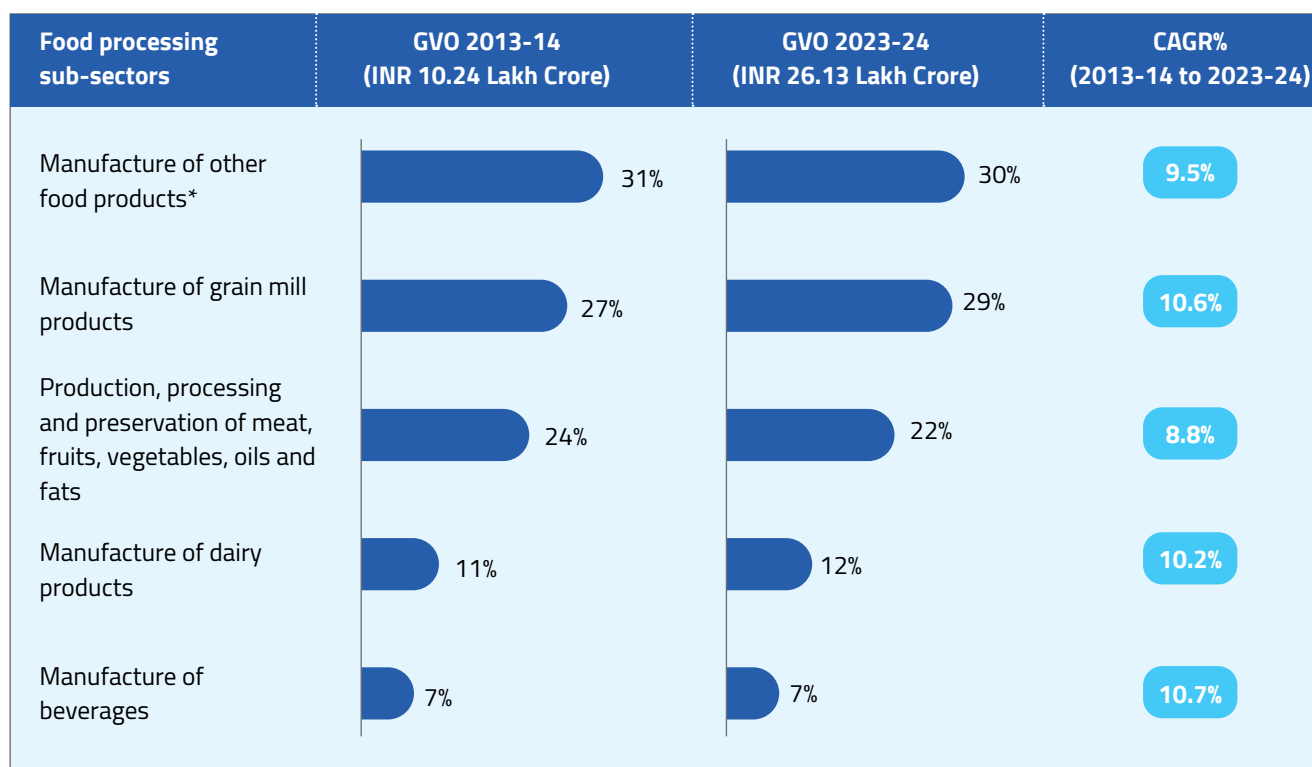
- Manufacturing of "other food products" (comprising bakery items, sugar, cocoa and chocolate products, confectionery, noodles, prepared meals and related categories) remained the largest contributor to total food processing GVO in 2023-24. The segment generated INR 7.6 lakh crore in GVO, accounting for 30% of the industry's overall output, up from INR 3.1 lakh crore in 2013-14.
- Grain mill products recorded an increase in GVO from INR 2.8 lakh crore in 2013-14 to INR 7.6 lakh crore in 2023-24, recording CAGR of 10.6%.
- GVO from meat, fruits, vegetables, oils and fats rose from INR 2.4 lakh crore to INR 5.7 lakh crore over the same period, registering CAGR of 8.8%.
- Dairy products also demonstrated strong performance with GVO increasing from INR 1.2 lakh crore in 2013-14 to INR 3.1 lakh crore in 2023-24, reflecting CAGR of 10.2%.
- Beverages emerged as the fastest-growing segment, expanding from INR 0.6 lakh crore to INR 1.9 lakh crore and recording the highest CAGR of 10.7% during the same period.⁷

Overall, the sustained double-digit growth across several sub-sectors highlights the expanding scale and increasing value addition within India's food processing industry (refer Exhibit 4).

⁶ MoSPI, YES BANK Analysis

⁷ MoSPI, YES BANK Analysis

Exhibit 4: GVO of food processing sub-sectors at current prices



Source: MoSPI, YES BANK Analysis

Note: *Other food products include bakery products, sugar, cocoa, chocolate and sugar confectionery, macaroni, noodles, couscous and similar farinaceous products, prepared meals and dishes and other foods n.e.c.

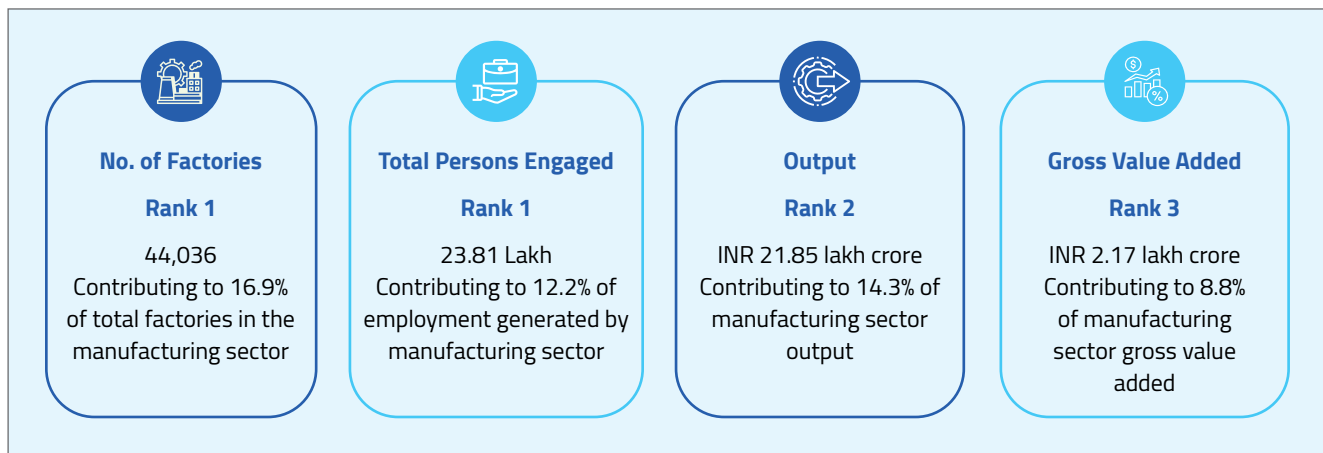
Registered food processing industry

The latest ASI 2023-24 highlights the substantial role of the registered food processing industry within India's manufacturing ecosystem. The sector ranks first in terms of both the number of factories and total persons engaged, with 44,036 registered units contributing 16.9% of all manufacturing units and providing employment to ~7.1 million individuals, accounting for 12.2% of sectoral employment.⁸ It also holds the second position in output, generating INR 21.85 lakh crore and contributing 14.3% of total manufacturing output. In terms of GVA, the industry stands third with INR 2.17 lakh crore, representing an 8.8% share of manufacturing GVA.⁹ Collectively, these indicators highlight the industry's strong scale, productivity and economic significance within the broader manufacturing landscape (refer exhibit 5).

⁸ Annual Survey of Industries (ASI) reports figures only for registered units; the earlier numbers shown in Exhibit 1 differ because they include both registered and unincorporated units.

⁹ ASI 2023-24, GVA and Output at current prices

Exhibit 5: Contribution of registered food processing industry in manufacturing sector

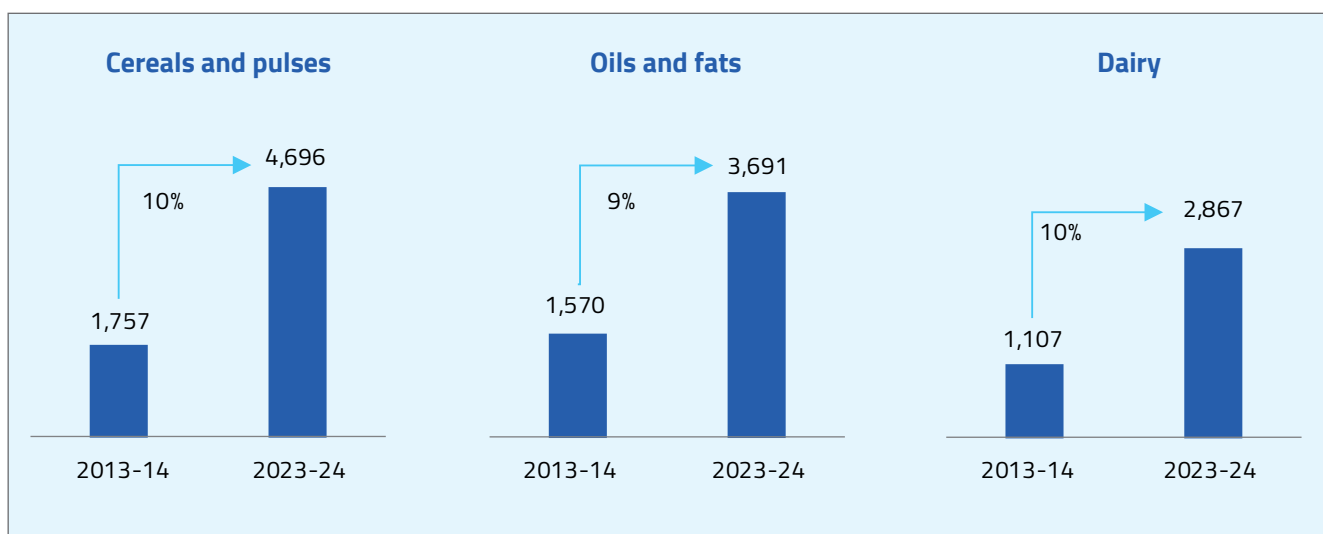


Source: ASI 2023-24, GVA and Output at current prices

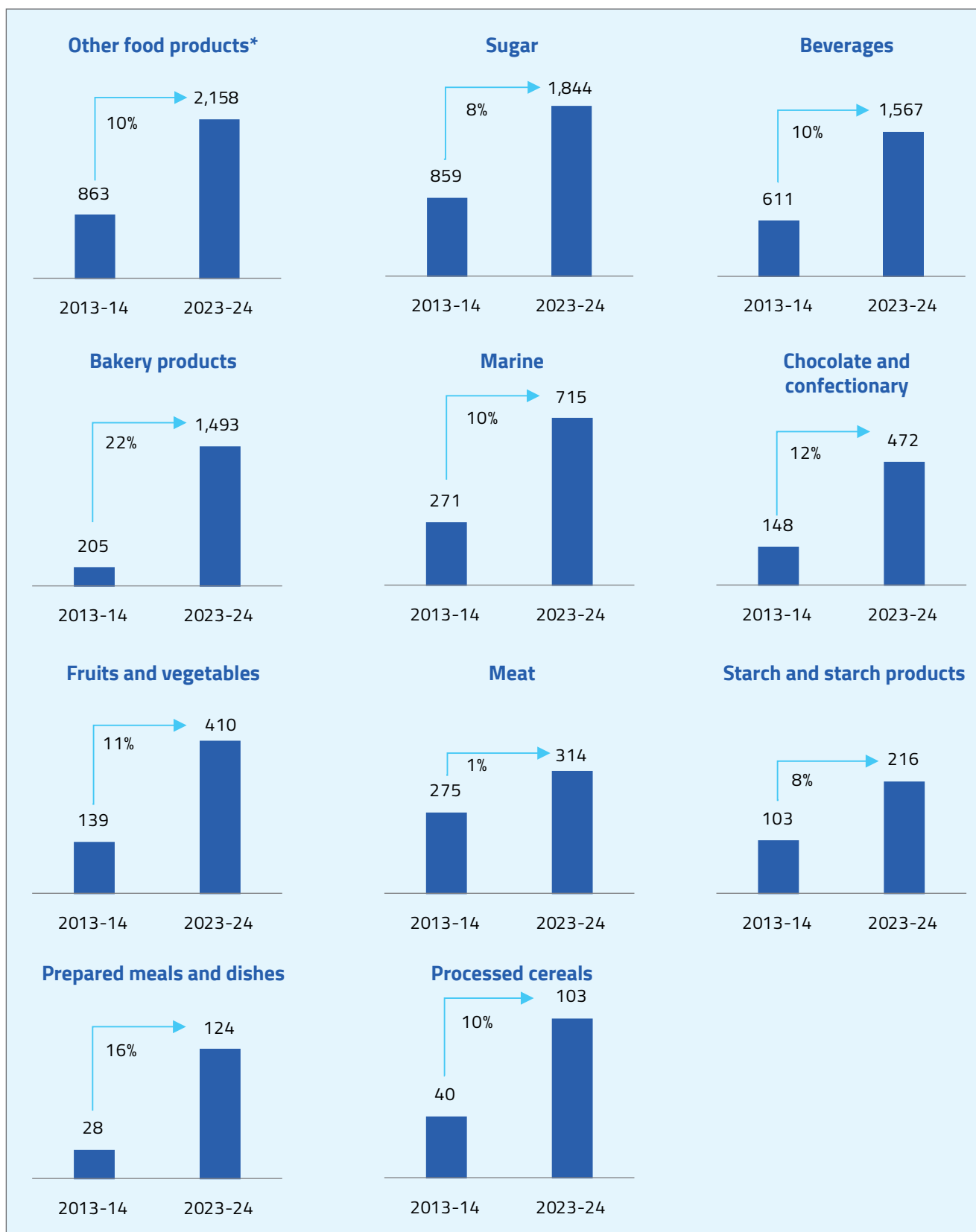
This contribution is further reflected in the performance of individual product categories, with several value-added segments recording strong growth over the decade.

- Bakery products witnessed the fastest growth, with GVO increasing from INR 205 billion in 2013-14 to INR 1,493 billion in 2023-24, representing a 22% CAGR. The prepared meals and dishes category ranked second in terms of decadal growth, growing at a CAGR of 16%.
- Chocolate & confectionery and fruits & vegetables recorded CAGRs of 12% and 11%, respectively.
- Among the larger processing categories, cereals and pulses, dairy and oils & fats also recorded sustained growth (refer exhibit 6).¹⁰

Exhibit 6: Decadal trend of the food processing sub sector's GVO (2013-14 to 2023-24)



¹⁰ ASI 2023-24 and 2013-14, MoSPI



All values are in INR '00 crore, GVO of registered units

%age figures denote the decadal CAGR of GVO during 2013-14 to 2023-24

*Other food products include food products not elsewhere classified (n.e.c)

Source: ASI 2023-24 and 2013-14, MoSPI

Regional distribution of industry

The total number of registered factories in India stood at 44,036 in 2023-24 (as reported by ASI). In addition, the number of unincorporated factories in India was 24,59,292 according to the latest national sample survey.¹¹

Exhibit 7 presents the top five states in India in terms of both registered and unregistered units. Among registered units, Andhra Pradesh, Tamil Nadu, Telangana, Punjab and Uttar Pradesh contributed 12%, 11%, 9%, 8% and 7% respectively to the national total.

For unincorporated units, Uttar Pradesh, West Bengal, Maharashtra, Tamil Nadu and Andhra Pradesh contributed 14%, 13%, 9%, 7% and 6% respectively.

Exhibit 7: Top 5 states for registered and unincorporated food processing units in India

S. No.	State	No. of registered units	S. No.	State	No. of unincorporated units
1	Andhra Pradesh	5,237	1	Uttar Pradesh	3,50,883
2	Tamil Nadu	4,911	2	West Bengal	3,22,590
3	Telangana	3,959	3	Maharashtra	2,29,272
4	Punjab	3,408	4	Tamil Nadu	1,78,527
5	Uttar Pradesh	2,935	5	Andhra Pradesh	1,54,330
India total		44,036	India total		24,59,929

Source: ASI 2023-24, National sample survey (NSS 73rd Round - July 2015-June 2016)

1.3 Food consumption trends in India

The growth of India's food processing industry is intrinsically linked to evolving food consumption patterns. Rising purchasing power, changing lifestyles and greater awareness of quality and convenience have steadily increased household spending on food. As consumers diversify their food baskets beyond staples, demand for processed and value-added products is accelerating, creating significant opportunities across the food processing value chain.

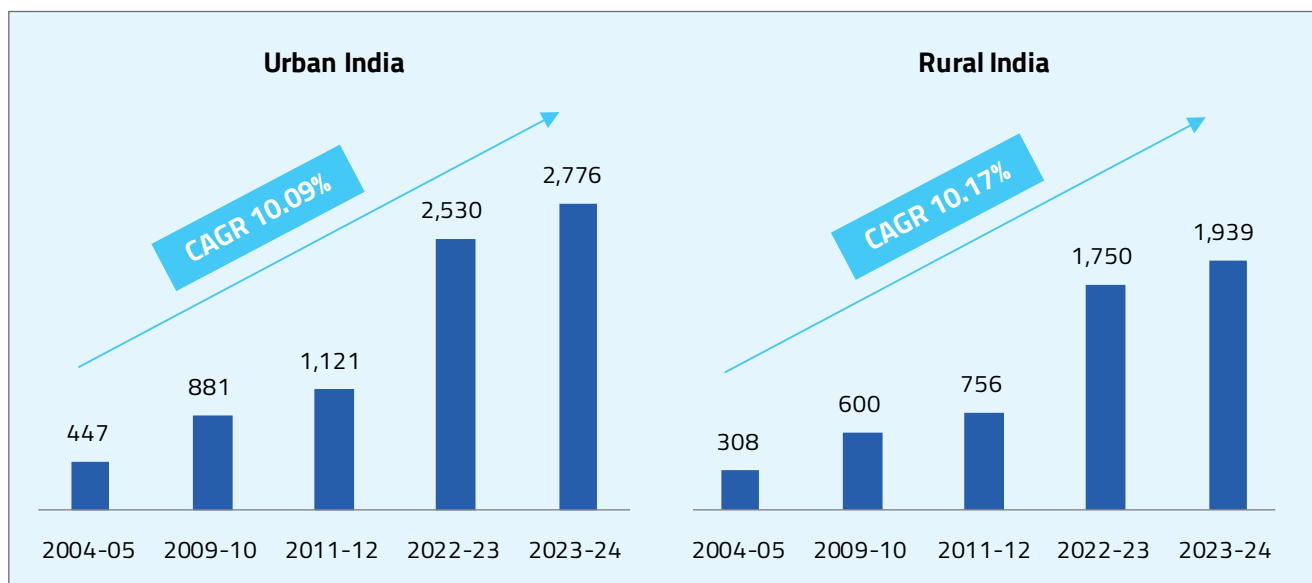
Food and food-related items represent the single largest component of consumer expenditure in India, accounting for approximately 39.7% of the spending basket in urban areas and 47.0% in rural regions.¹² The monthly per capita consumption expenditure (MPCE) on food grew at a CAGR of 10.09% for urban India and 10.17% for rural India between 2004-05 and 2023-24¹³ (refer exhibit 8).

¹¹ ASI 2023-24, NSS 73rd Round - July 2015-June 2016, These figures differ from earlier estimates as they are sourced from a separate dataset.

¹² Survey on Household Consumption Expenditure 2023-24

¹³ Survey on Household Consumption Expenditure: 2011-12 and 2023-24

Exhibit 8: Trends in monthly per-capita expenditure on food (in INR) in India



Source: Survey on Household Consumption Expenditure: 2011-12 and 2023-24, YES BANK Analysis

Notably, the “Beverages & processed food category” (including purchased cooked meals) accounted for the largest share of food expenditure in 2023-24 across both urban and rural households, followed by fruits and vegetables and milk and milk products (refer exhibit 9).

Exhibit 9: Monthly per capita consumer expenditure- share of food categories in MPCE and growth (2011-12 vs 2023-24)

	Urban			Rural		
MPCE Food (INR)	2011-12 1,121	2023-24 2,776	%Change	2011-12 756	2023-24 1,939	%Change
Beverages, processed food	21%	28%	7%	15%	21%	6%
Fruits & vegetables	19%	20%	1%	18%	21%	3%
Milk & milk Products	16%	18%	2%	15%	18%	3%
Cereals & cereal substitutes	16%	9%	-7%	20%	11%	-9%
Egg, fish & meat	9%	9%	<1%	9%	10%	1%
Sugar, salt & spices	8%	7%	-1%	10%	9%	-1%
Edible oil	6%	5%	-1%	7%	6%	-1%
Pulses & products	5%	4%	-1%	5%	4%	-1%

Source: Survey on Household Consumption Expenditure: 2011-12 & 2023-24, YES BANK Analysis

Note: Estimates of MPCE without imputation

Over the past decade, India's food consumption pattern has become increasingly diversified, with a growing share of household expenditure directed towards processed foods and other high value food categories. Between 2011-12 and 2023-24, share of household expenditure on beverages, refreshments and processed food products rose significantly, increasing from 21% to 28% in urban India and from 15% to 21% in rural India. During the same period, the share of cereals moderated from 16% to 9% in urban areas and from 20% to 11% in rural areas. The share of expenditure on fruits & vegetables and milk products also increased in rural households, rising from 18% to 21% and 15% to 18%, respectively. For urban consumers, share of expenditure on these categories increased from 19% to 20% and 16% to 18%, respectively.¹⁴

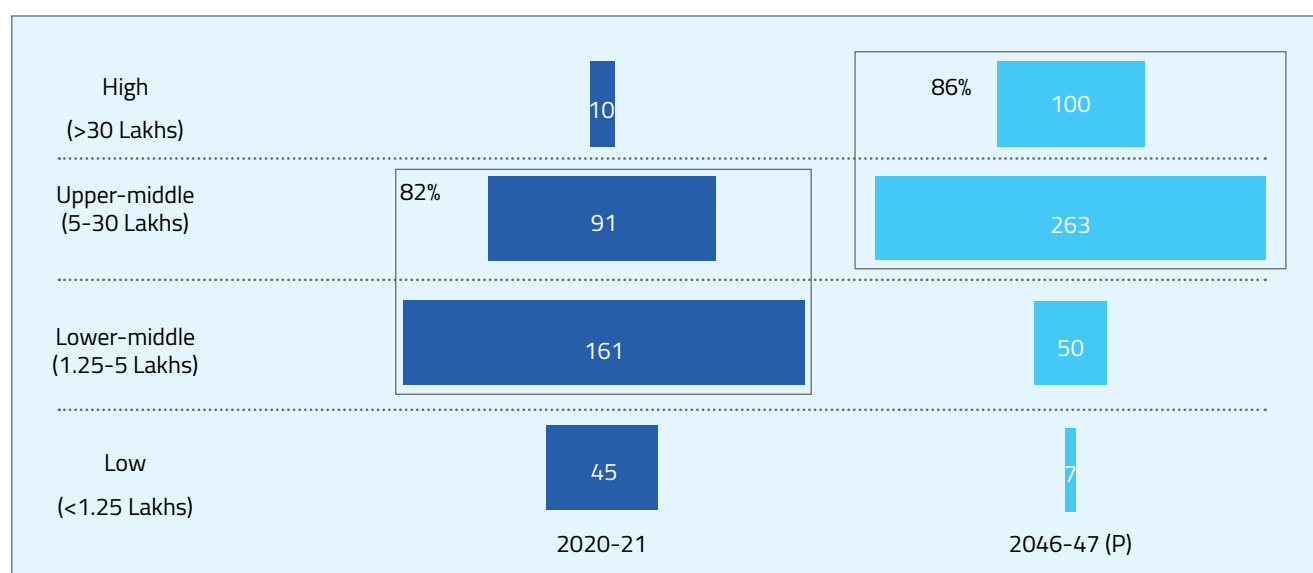
1.4 Key factors driving demand

The food processing sector in India has entered a phase of robust, demand-driven expansion. A diverse set of demand factors are collectively accelerating the growth trajectory of the food processing industry.

Large and expanding consumer base: India's large population base provides a strong demand pool for food and processed food products. India's population was estimated at around 1.42 billion in 2025,¹⁵ which is expected to cross 1.5 billion by 2030.¹⁶ The scale of domestic market provides a strong structural foundation for the continued growth of food processing industry.

Rising incomes and consumption capacity: Increasing household purchasing power is supporting a shift towards higher-value and more diversified food consumption. This trend is expected to further strengthen as India's income distribution is expected to evolve, with the number of upper middle-income households projected to increase from about 91 million in 2020-21 to 263 million by 2046-47 (refer exhibit 10). This trend is expected to create greater headroom for growth of premium, branded and value-added food products.

Exhibit 10: Projected household income class by 2047 (in Mn)



Source: People's Research on India's Consumer Economy Survey

¹⁴ Survey on Household Consumption Expenditure: 2011-12 & 2023-24, YES BANK Analysis

¹⁵ Press Information Bureau

¹⁶ World Economic Forum

Urbanization and changing lifestyles: Rapid urbanization is reshaping food consumption through busier lifestyles, greater workforce participation and increasing demand for convenience. India's urban population is projected to reach around 600 million, or 40% of the population, by 2036, up from 31% in 2011.¹⁷ The resulting concentration of consumers in urban and peri-urban markets is expected to support demand for packaged, ready-to-eat, ready-to-cook and other convenience-oriented food products.

Convenience and digital-led consumption: The combination of time-constrained lifestyles and expanding e-commerce is accelerating access to processed and packaged foods. A 2024 Nielsen IQ (NIQ) survey across 16 Indian cities found that 31% of urban consumers used quick commerce as their primary grocery channel, while 39% used it for top-up purchases.¹⁸ The growing importance of such channels is enabling food brands to reach consumers more frequently and is particularly relevant for ready-to-eat meals, snacks and other convenience categories.

Premiumization and health-conscious consumption: Consumers are increasingly seeking products that combine convenience with improved nutrition, functionality and quality, creating opportunities for premium and differentiated offerings. There is a growing shift toward rising health consciousness, functional foods, clean-label products, plant-based proteins and fortified foods.¹⁹ This trend is supporting the emergence of higher-value segments such as functional beverages, healthier snacks, fortified foods and wellness-oriented products.

¹⁷ World Bank

¹⁸ India Brand Equity Foundation

¹⁹ MoFPI

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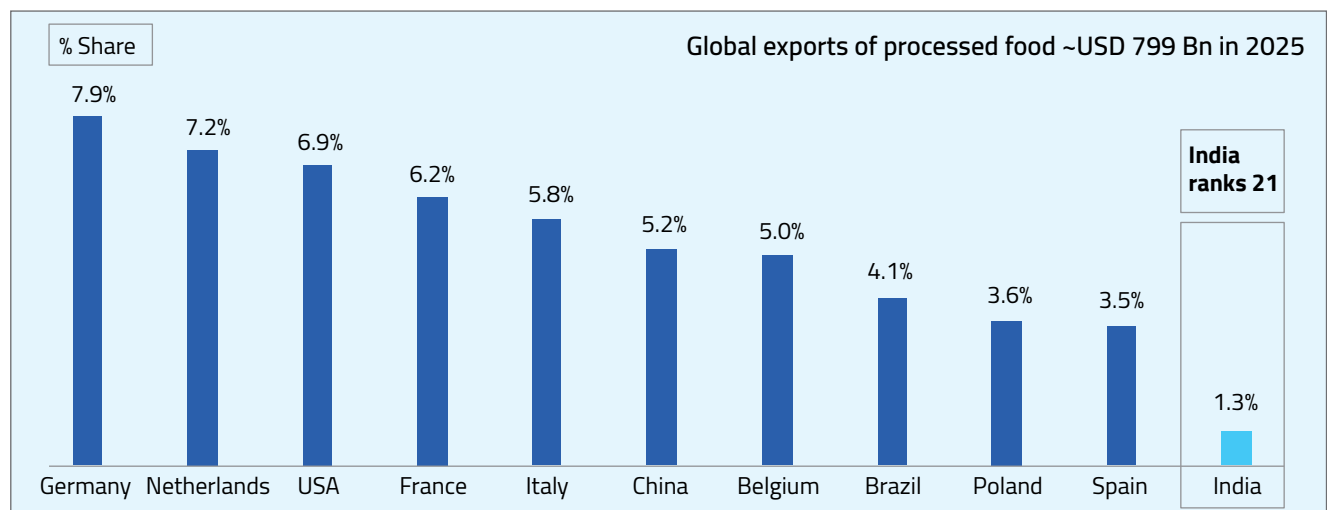
Food Processing Sector - Trade Dynamics



The global processed food²⁰ trade dynamics have evolved significantly over the past decade, driven by increasing demand for value added food products and changing consumption patterns across international markets. The value of global processed food exports increased from USD 488.5 billion in 2015 to USD 798.9 billion in 2025, registering a CAGR of 5%. The top 10 countries accounted for 55% of global processed food exports (by value), led by Germany, Netherlands, USA, France and Italy²¹. Exhibit 11 provides a snapshot of top 10 contributors to global processed food exports along with India's share in 2025.

While India contributes about 13% to global agricultural production²²; its share in global processed food exports is just about 1.3%²³. This gap between India's share in global agricultural production and its share in processed food exports highlights the potential for stronger participation in global food value chains.

Exhibit 11: Global processed food export (in value) – Top 10 contributors and India's position (2025)



Source: ITC trade map, YES BANK Analysis

²⁰ For reporting trade data, the classification of processed food products follows the methodology adopted by the MoFPI. MoFPI uses selected ITC -HS chapters from 16 to 23 for reporting processed food trade data.

Accordingly, ITC-HS chapters from 16 to 23 are considered for reporting trade data of processed food products in this report. Details of the chapters are given in Annexure 1

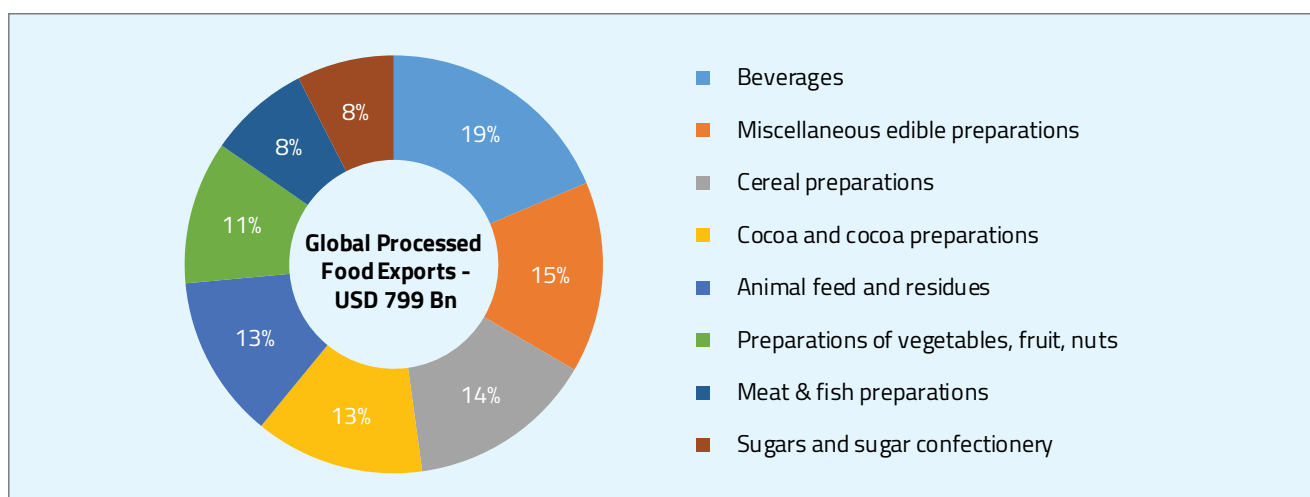
²¹ ITC trade map, YES BANK Analysis

²² FAOSTAT 2024

²³ FAOSTAT 2024, ITC trade map, YES BANK Analysis

In terms of value, the top 5 processed food categories contributed about 75% to global processed food exports, the largest being beverages, spirits & vinegar (including Wine of fresh grapes, beer made from malt, waters) followed by miscellaneous edible preparations (including food preparations, preparation of sauces and prepared sauces; mixed condiments and seasonings, extracts, essences and concentrates of coffee, ice cream and other edible ice, soups & broths), cereals preparations (including bread, pastry, cakes, biscuits and other bakers' wares, sweet biscuits, malt extract, food preparations of flour, groats, meal, starch or malt extract), cocoa and cocoa preparations (including chocolate & other preparations, cocoa beans, cocoa butter, fat and oil). The contribution of various categories to global trade is captured in Exhibit 12. Among these, cocoa and cocoa preparations recorded the fastest growth (CAGR of 8%) between 2015-2025, followed by miscellaneous edible preparations and cereal preparations which grew at a CAGR of 7% and 6% respectively during the period²⁴.

Exhibit 12: Contribution of various categories to global processed food exports (in value terms), 2025



Source: ITC Trademap, YES BANK Analysis

2.1 India's food processing exports scenario

India's processed food exports have more than doubled over the past decade. The country's processed food export value witnessed a CAGR of over 8.5% between 2015 and 2025 with exports increasing from USD 4.71 billion in 2015 to USD 10.67 billion in 2025²⁵. India's share in the global processed food exports increased from 1% to 1.3% during the same period (refer exhibit 13). This growth was driven by increasing value addition across agricultural commodities, expanding processing capacities, improved compliance with international standards and growing demand for Indian food products in international markets. In 2025, processed food products constituted about 20% of India's agri food exports,²⁶ with a diversified product portfolio spanning cereals, marine products, fruits and vegetables, dairy, meat products, spices, beverages and ready-to-eat foods.

India witnessed its peak processed food exports of USD 12.6 billion during 2022 followed by a moderation to USD 10.7 billion in 2025, largely associated with lower exports of sugar and sugar-based products. Sugar and sugar confectionery exports dropped from USD 6.3 billion in 2022 to USD 2.5 billion in 2025, registering a 60% decline.

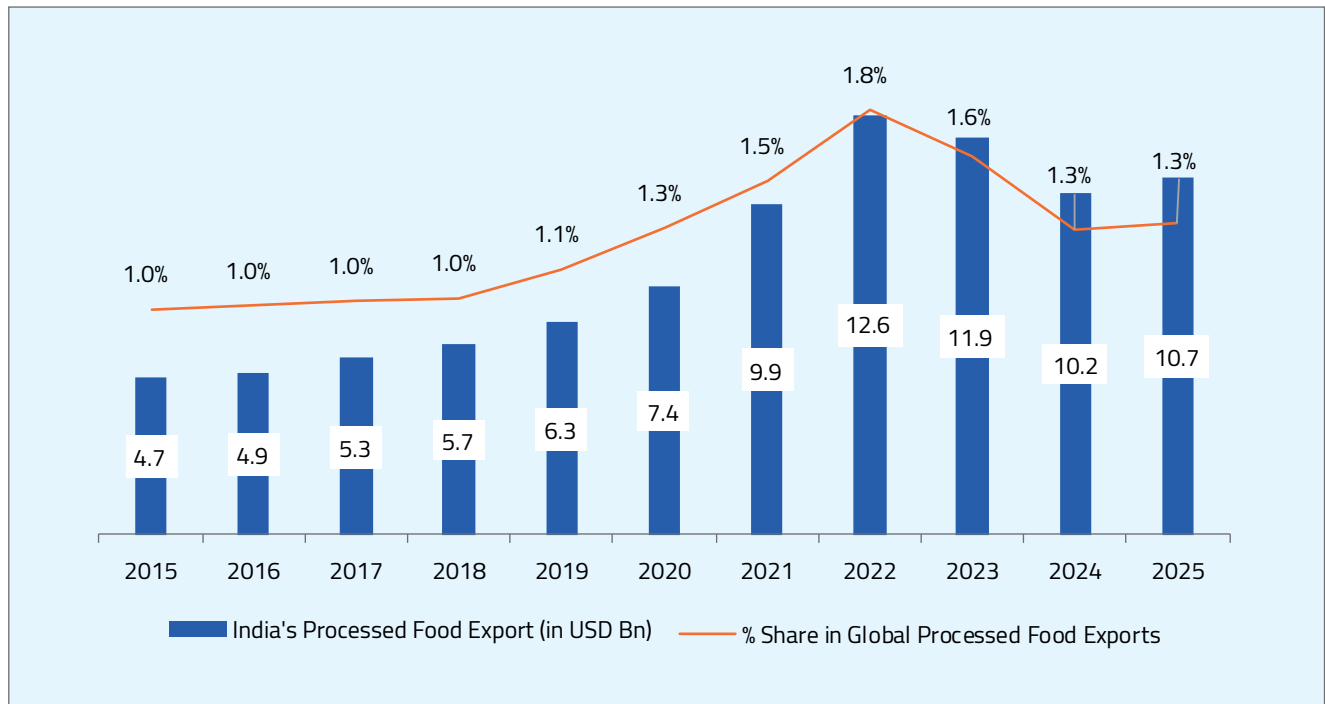
²⁴ ITC trade map, YES BANK Analysis

²⁵ ITC trade map, YES BANK Analysis

²⁶ Agri food comprises of chapters 2,3,4,7,8,9 to 13, 15 to 23, ITC trade map, YES BANK Analysis

This decline was majorly driven by government measures to regulate exports of sugar, including quantitative restrictions and export quotas aimed at ensuring adequate domestic availability and price stability, alongside lower availability of exportable surplus.

Exhibit 13: India's processed food exports and share in global processed food exports (2015-2025)

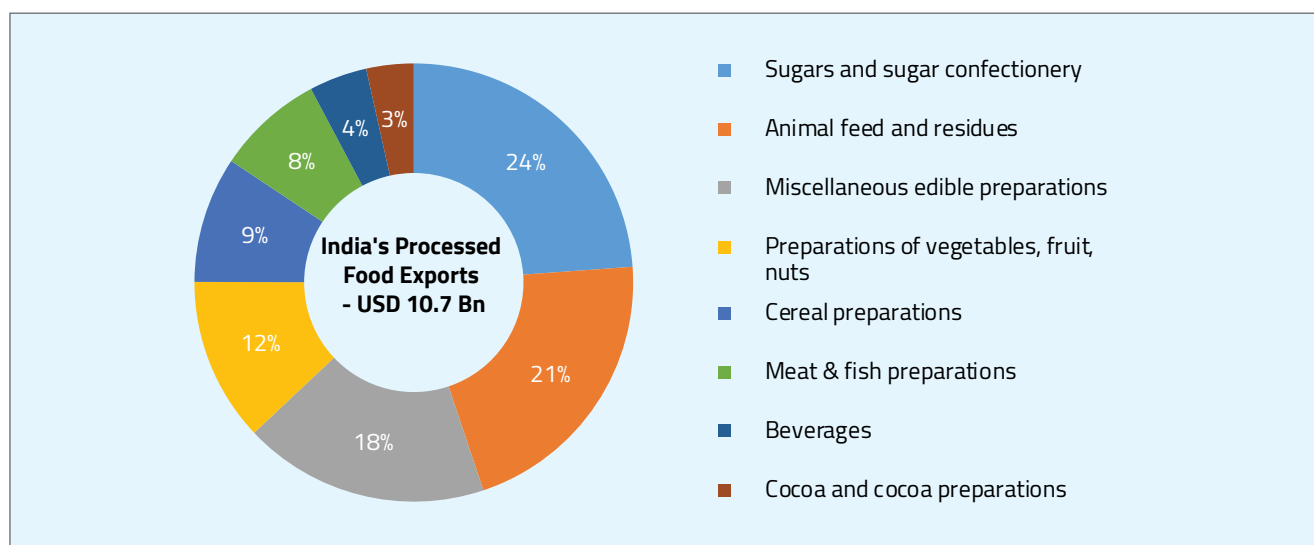


Source: ITC Trademap, YES BANK Analysis

Processed food export basket composition

India exports processed food products under more than 195 HS codes at 6-digit levels, with largest contribution coming from sugar and sugar confectionery products (24%) (mainly including cane or beet sugar and chemically pure sucrose, sugar confectionery not containing cocoa, glucose in solid form and glucose syrup), followed by animal feed and residues (21%) (mainly including oil cake and other solid residues, preparations used in animal feeding (excl dog or cat food for retail sale), Flours, meals and pellets of fish or crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption, Oilcake and other solid residues) and miscellaneous edible preparations (18%) (including food preparations, extracts, essences and concentrates of coffee, tea or mate, sauces and preparations, protein concentrates & textured protein substances, roasted chicory and other roasted coffee substitute, ice cream and other edible ice etc.). An overview of India's processed food export basket is captured in exhibit 14.

Exhibit 14: Contribution of categories to India's processed food export basket (in terms of value, 2025)



Source: ITC Trademap, YES BANK Analysis

Export destinations

India's key processed food-export destination countries include USA, UAE, Bangladesh, China, UK, Libya, Vietnam, Nepal, Sudan and Canada. These 10 countries together contributed to nearly 50% of India's processed food exports in 2025. Exhibit 15 highlights select trends in processed food export to key trade partners, capturing share in processed food exports, decadal CAGR of India's exports to the partner nations and change in value of agri-exports in the last 10 years (2015 and 2025).

Exhibit 15: Trends in processed food export to key trade partners (in terms of value, 2025)

Key Export destinations	Value in USD Mn (2025)	% share	Decadal CAGR
USA	1554.6	15%	13%
UAE	732.8	7%	11%
Bangladesh	530.0	5%	9%
China	362.7	3%	22%
UK	295.0	3%	10%
Libya	294.3	3%	54%
Viet Nam	292.2	3%	6%
Nepal	291.7	3%	8%
Sudan	287.8	3%	2%
Canada	275.5	3%	15%

Source: ITC Trademap, YES BANK Analysis

This data reflects the following:

- USA (15%) and UAE (7%) were the leading destinations for processed food exports in 2025. Processed foods export to USA was about USD 1,554.6 million, while that to UAE was USD 732.8 million.
- Exports to USA, UAE, China, UK, Libya and Canada have witnessed a double-digit growth (CAGR) over the last decade (2015 to 2025), while that to countries such as Bangladesh, Vietnam, Nepal and Sudan, the growth has been below 10%.
- Compared to 2015, value of processed food export to countries such as Libya, China, Canada, USA have increased significantly as compared to other importing countries. Sugar is a major contributor to India's export to Libya thus making its ranking amongst top 10 countries.

Factors driving growth of Indian processed food exports

Growth in processed food exports, has been driven by numerous factors including enhanced global demand, Indian government's policy-level interventions as well as diversification into new markets. Exhibit 16 indicates the key factors driving the growth of processed food products from India.

Exhibit 16: Factors driving growth of Indian processed food exports

 Supply side	 Demand side
▪ India has a large and diversified agricultural raw material base, supporting exports across processed fruits & vegetables, cereal preparations, beverages and other processed food categories. ▪ Increased value addition and product diversification are expanding India's processed food export basket beyond primary agricultural commodities. ▪ Improved processing, storage, packaging and logistics infrastructure is strengthening the ability of exporters to meet international market requirements. ▪ India's geographical proximity to major markets in the Middle East and Asia, along with connectivity to Europe and other markets provide a logistical advantage for processed food exports. ▪ Strengthening quality control, testing and compliance capabilities is improving India's preparedness to address sanitary, phytosanitary and importing country requirements.	▪ Growing international demand for Indian, ethnic and traditional food products. Large non-resident Indian (NRI) population in US, UK, Canada and the Gulf countries is creating the demand for Indian authentic foods. ▪ Growing demand for convenient ready-to-eat (RTE) and ready-to-cook (RTC). Indian cuisine provides multiple plant based/vegetarian/non-vegetarian options leading to increase demand of Indian RTC/ RTE foods. ▪ Increasing demand for healthy, nutritious and functional food products is leading to import of natural ingredients, millets, organic spices from India. For eg. Millets and millet based products are becoming popular due to their low Glycemic Index (GI) and gluten free profile. ▪ Expanding retail and e-commerce channels offering imported Indian food products. Indian ready-to-eat items, frozen foods, pickles, chutneys and organic food products have been allowed shelf space in major grocery store chains in the USA, UK and is not only restricted to ethnic grocery stores.

Government focus and support

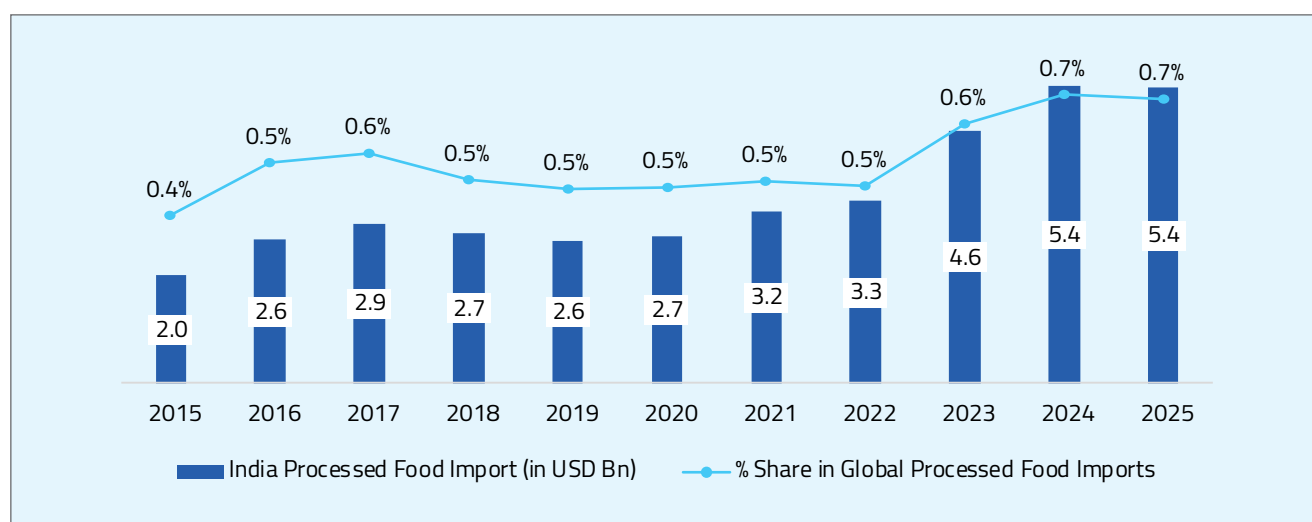
- Strengthening processing, cold chain & food safety infrastructure by providing grants under PM Kisan Sampada Yojna.
- Promoting scale, investment, innovation and branding through PLI scheme in food processing.
- Supporting MSMEs and Micro food processors through PMFME scheme.
- Expanding overseas market access and export promotion through APEDA, MPEDA, Spices Board of India and other such export promotion agencies.
- Facilitating trade and improving export competitiveness through trade policy measures, market access initiatives and export credit support including interest subvention support under the Export Promotion Mission.

2.2 India's food processing import scenario

India's processed food imports have grown significantly over the past decade, with import value increasing from USD 1.98 billion in 2015 to USD 5.43 billion in 2025, growing at a CAGR of 10.6% during the period. Processed food imports constituted about 14.7% of India's agri food imports in 2025.²⁷ The increase reflects India's growing integration with global food supply chain and rising domestic demand for a wider range of processed and value-added food products.

Despite this growth, India's share in global processed food imports remained below 1% during the period (refer exhibit 17), mainly because of significant domestic production and processing base, and the concentration of imports in select processed food categories. India's domestic food production caters to a substantial part of domestic consumption while imports remain concentrated in selected processed food categories. With rising urbanization, incomes and demand for convenience and value-added food, the gradual shift towards processed food is expected to increase India's processed food imports.

Exhibit 17: India's processed food imports and share in global processed food imports (2015-2025)



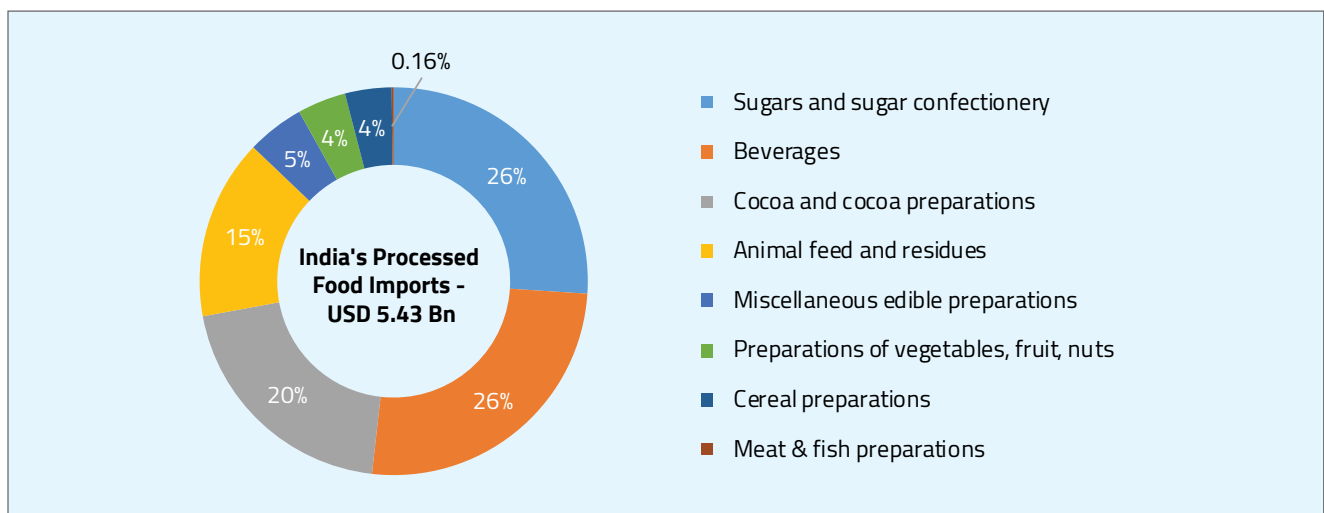
Source: ITC Trademap, YES BANK Analysis

²⁷ ITC trade map, YES BANK Analysis

Processed food import basket composition

Sugar and sugar confectionery products (including raw cane sugar, lactose and lactose syrup, sugar confectionery not containing cocoa) and beverages (including whiskies, denatured ethyl alcohol and other spirits, non-alcoholic beverages, ethyl alcohol of an alcoholic strength of <80% vol, not denatured, spirits and other spirituous beverages) were the largest contributors to India's processed food import basket with a contribution of 26% each, followed by cocoa and cocoa preparations (including cocoa butter, cocoa powder, cocoa beans, chocolate & other preparations in various forms, cocoa paste) (20%) and animal feed and residues (15%) (including dog or cat food, preparation used in animal feeding (excl dog or cat food for retail sale), oil cake and other solid residues). An overview of India's processed food import basket is captured in exhibit 18.

Exhibit 18: Contribution of categories to India's processed food import basket (in terms of value, 2025)



Source: ITC Trademap, YES BANK Analysis

Source of Imports

India imports processed food products majorly from Brazil, Indonesia, USA, United Kingdom, China, Thailand, Singapore, Sri Lanka, Germany and UAE. These ten countries together contributed to nearly 75% of India's processed food imports in 2025. Exhibit 19 highlights select trends in processed food import from key trade partners, capturing share in processed food imports, decadal CAGR of India's imports from the partner nation and change in value of agri-imports in the last 10 years (2015 and 2025).

Exhibit 19: Trends in processed food import from key trade partners (in terms of value, 2025)

Key Import destinations	Value in USD Mn (2025)	% share	Decadal CAGR
Brazil	1248.6	23%	9%
Indonesia	830.6	15%	27%
USA	580.1	11%	11%
United Kingdom	401.3	7%	6%
China	224.7	4%	11%
Thailand	187.3	3%	9%
Singapore	168.5	3%	12%
Sri Lanka	164.0	3%	8%
Germany	126.3	2%	12%
United Arab Emirates	125.1	2%	13%

Source: ITC Trademap, YES BANK Analysis

This analysis reflects the following:

- Brazil and Indonesia were the leading sources for import of processed food into India. In the year 2025, imports from Brazil were USD 1,248.6 million (23%), while that from Indonesia was USD 830.6 million (15%). About 80% of import (in value terms) from Indonesia constituted cocoa butter, fat and oil and cocoa powder (not containing added sugar or other sweetening matter) while 97% of import from Brazil consisted of raw cane sugar.
- Imports from Indonesia, USA, China, Singapore, Germany and UAE witnessed a double-digit growth (CAGR) over the last decade (2015 to 2025) with highest growth of 27% in imports from Indonesia while for other countries such as Brazil, UK, Thailand and Sri Lanka the growth was below 10%.

India's processed food trade landscape reflects a gradual strengthening of the country's participation in global markets, while also indicating significant scope for further growth in value added food trade. The relatively low share in global processed food exports, despite India's strong agricultural base, presents a big opportunity to enhance value realization through processing and product diversification. Enhanced focus on product development, quality, testing, compliance to international standards, traceability and market diversification would be critical to enhance India's global competitiveness and realize its export potential.

3

Policy Support for Food Processing Industry



Government policy support has played an important role in strengthening India's food processing ecosystem. Over the years, policy interventions and incentive structures have focused on developing integrated value-chain infrastructure, reducing post-harvest losses, promoting technology adoption, strengthening food testing infrastructure and food-safety systems and enabling formalization of micro and small enterprises.

Multiple ministries contribute to different parts of the value chain and associated activities, all working toward the common objective of strengthening the sector's growth. Four key ministries provide policy support to the food processing ecosystem: the Ministry of Food Processing Industries (MoFPI), the Ministry of Fisheries, Animal Husbandry and Dairying (MoFAHD), the Ministry of Agriculture and Farmer's Welfare (MoA&FW) and the Ministry of Commerce and Industry (MOCI).

This chapter outlines the major initiatives and policy measures introduced by the Government of India, through various departments and ministries to promote investments in Indian food processing sector.

3.1 Key Central Government Incentives to promote investments in Food Processing segment

3.1.1 Ministry of Food Processing Industries

The Ministry of Food Processing Industries serves as the nodal ministry for promoting and developing the food processing sector in India, with a specific focus on creating processing capacity, strengthening value chains and catalyzing private investment.

Pradhan Mantri Kisan Sampada Yojana (PMKSY)

PMKSY is a comprehensive package of incentives which is expected to result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet – with the objective of improving farmers returns, creating employment, reducing wastage and increasing the level of food processing. As on 30.06.2026, 1,735 projects have received formal approval under PMKSY, with 1,256 facilities reaching full operational status²⁸. This infrastructure grid provides the nation with 29.41 million tonnes of annual food processing and preservation capacity. By deploying these specialized assets, the scheme has strengthened the agro-industrial ecosystem, optimized supply chain throughput, reduced post-harvest crop spoilage and expanded the market share of

²⁸ MoFPI

processed food exports globally. As on 31.10.2025, 4.53 lakh direct/ indirect employment opportunities have been generated from the operational projects under component schemes of PMKSY.²⁹ Various schemes under PMKSY are listed in Exhibit 20.

Exhibit 20: Schemes under the Pradhan Mantri Kisan Sampada Yojana (PMKSY)

Scheme	Components Covered	Grant-in-aid/Incentives
Creation/ expansion of food processing and preservation capacities (CEFPPC)	Creation of processing and preservation capacities and modernization/ expansion of existing food processing units. Target sectors - All food processing sectors except manufacturing of packaged drinking water and farming activities.	▪ @ 35% of eligible project cost in general areas & 50% of eligible project cost in difficult areas. ▪ Max grant limit per project - INR 5 Cr.
Integrated Cold Chain and Value Addition Infrastructure	Provide integrated cold chain and preservation infrastructure facilities viz. pre-cooling, sorting, grading, waxing facilities at farm level, cold storage, Controlled Atmosphere (CA) storage, Individual Quick Freezing (IQF), blast freezing, reefer vans and irradiation units Target sectors - Dairy, Poultry, Meat, Marine (excluding Shrimp)	▪ @ 35% of eligible project cost in general areas & 50% of eligible project cost in difficult areas. ▪ Max grant limit per project - INR 10 Cr.
Infrastructure for Agro - processing Clusters (APC)	Development of modern infrastructure and common facilities to encourage groups of entrepreneurs to set up food processing units based on cluster approach.	▪ @ 35% of eligible project cost in general areas and @ 50% of eligible project cost in difficult areas. ▪ Max grant limit per project - INR 10 Cr.
Food Safety and Quality Assurance Infrastructure (FSQAI)	Supports setting up new food testing laboratories with modern equipment for chemical and microbiological analysis.	▪ @ 50% of eligible cost of the equipment in general areas and @ 70% of eligible cost of the equipment in Difficult Areas as well as for SC/ST applicants ▪ Maximum INR 5 crore per project ▪ 2% of the eligible cost of approved equipment or INR 15.00 lakh, whichever is lower, towards Technical Civil Work (TCW) and Furniture & Fixtures

²⁹ Press Information Bureau

Scheme	Components Covered	Grant-in-aid/Incentives
Operation Greens Scheme	Provides financial assistance for transportation of eligible crops from eligible production cluster; and/or hiring of appropriate storage facilities for eligible crops (for maximum period of 3 months) Target sectors - 22 Select F&V, Shrimp	▪ @ 35% of eligible project cost in general areas and @ 50% of eligible project cost in difficult areas. ▪ Maximum grants-in-aid is INR 15 crore per project for Integrated Value Chain Development Projects and INR 10 crore per project for Standalone Post-Harvest Infrastructure Projects.
Human Resources and Institutions Scheme	Research & Development, Skill Development, Promotional Activities & Strengthening of Institutions	▪ For Private Organizations /Universities/ Institutions, Grant @ 70% of equipment cost.

Source: MoFPI

Difficult areas mentioned refer to NE region and other Himalayan States/ J&K and Ladakh, states notified Integrated Tribal Development Project (ITDP) areas and Islands

Detailed scheme guidelines can be accessed at <https://sampada-mofpi.gov.in/>

Production Linked Incentive (PLI) scheme

The scheme aims to support food manufacturing entities with stipulated minimum sales and willing to make minimum stipulated investment for expansion of processing capacity and branding abroad to incentivize emergence of strong Indian brands. Incentives of 4% to 10% on increase in sales turnover from the base year for a period of 6 years (2021-22 to 2026-27) are provided under the scheme. 3.35 lakh direct/ indirect employment opportunities have been generated under PLISFPI across the country.³⁰

The application for all categories (refer exhibit 21) under this scheme was launched on 2nd May 2021 and closed on 24th June 2021. In 2022, application window was opened for millet based and organic products. Eligible shortlisted applicants continue to benefit from this scheme.

Exhibit 21: Incentives under the PLI scheme

Categories	Components Covered	Grant-in-aid/Incentives
Category 1	Incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) including millet-based foods, processed fruits & vegetables, marine products & mozzarella cheese.	▪ RTC/RTE - 8% to 10% on incremental sales ▪ Processed F&V - 8% to 10% on incremental sales ▪ Marine Products – 4 % to 6% on incremental sales ▪ Mozzarella Cheese – 4% to 10% on incremental sales

³⁰ Press Information Bureau

Categories	Components Covered	Grant-in-aid/Incentives
Category 2- Innovative / organic products	Incentivizing innovative/ organic products of SMEs across all the above four food product segments including free range eggs, poultry meat & egg products.	▪ RTC/RTE - 8% to 10% on incremental sales ▪ Processed F&V - 8% to 10% on incremental sales ▪ Marine Products – 4 % to 6% on incremental sales ▪ Mozzarella Cheese – 4% to 10% on incremental sales
Category 3- Branding & marketing	Support for branding and marketing abroad to incentivize the emergence of strong Indian brands.	50% grant on branding & marketing expenditure abroad (capped at INR 50 cr per year or 3% of sales of food products whichever is less).

Source: MoFPI

Detailed scheme guidelines can be accessed at <https://www.mofpi.gov.in/>

PM Formalization of Micro Food Processing Enterprises Scheme (PMFME)

The scheme aims to formalize and strengthen the unorganized micro-enterprises in the food processing sector. The scheme is currently operational and targets support for 2 lakh micro enterprises through credit linked subsidies, capacity building and technical training. As on 31.10.2025, 4.88 lakh direct and indirect employment opportunities have been generated under PMFME scheme.³¹ Refer exhibit 22 for the incentives provided under the scheme.

Exhibit 22: Incentives under the PM Formalization of Micro Food Processing Enterprises scheme

Components Covered	Grant-in-aid/Incentives
▪ Existing micro food processing units in operations for individual micro enterprises	Credit-linked capital subsidy 35% of eligible project cost with a maximum ceiling of INR 10 lakhs per unit.
▪ Seed capital per Self Help Group (SHG) member for working capital and purchase of small tools. ▪ Priority for SHGs involved in One District One Produce (ODOP) produce.	INR 40,000 per member of SHG to maximum of INR 4 lakhs per SHG federation.
▪ Support for common infrastructure such as premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm-gate/ processing facility for ODOP produce/ incubation center) for FPOs, SHGs, cooperatives, any Government agency or private enterprises.	Credit linked grant would be available @ 35%. Maximum limit would be INR 3 Cr
▪ Support for branding and marketing.	Up to maximum 50% of the total expenditure on branding and marketing

Source: MoFPI

Detailed scheme guidelines can be accessed at <https://www.mofpi.gov.in/>

³¹ Press Information Bureau

3.1.2 Ministry of Fisheries, Animal Husbandry and Dairying

The Ministry of Fisheries, Animal Husbandry and Dairying support the food processing ecosystem by strengthening the production, infrastructure and value-addition capabilities of the fisheries, dairy and livestock segments. Through initiatives such as the Animal Husbandry Infrastructure Development Fund (AHIDF) and the Pradhan Mantri Matsya Sampada Yojana (PMMSY), the ministry helps expand processing capacity in animal-origin food segments.

Animal Husbandry Infrastructure Development Fund (AHIDF)

The primary aim of this scheme is to incentivize investments in the animal husbandry sector by supporting the establishment and modernization of infrastructure related to dairy processing, meat processing, animal feed plants, wool segments, among others. Refer exhibit 23 for the incentives provided under the AHIDF scheme.

Exhibit 23: Incentives under the AHIDF scheme

Components Covered	Incentives
Focused on capital investments in Dairy, poultry, meat, animal feed and wool segments	3% interest subvention for a period of 8 years (including 2 years moratorium) on principal amount

Source: Ministry of Fisheries, Animal Husbandry and Dairying
Detailed scheme guidelines can be accessed at <https://ahidf.udyamimitra.in/>

Pradhan Mantri Matsya Sampada Yojana (PMMSY)

PMMSY is the flagship umbrella scheme of the Department of Fisheries, launched in 2020 with an approved outlay of INR 20,050 crore, to bring about a 'Blue Revolution' through the sustainable and responsible development of India's fisheries sector. Originally approved for 2021–25, the scheme has since been extended to 2025-26, with the Union Budget 2026-27 allocating additional INR 2,500 crore for the sector.³² The scheme covers the entire fisheries value chain – from fish seed production and aquaculture to harvesting, processing, storage and marketing – with the objectives of increasing fish production, reducing post-harvest losses from 20-25% to about 10%, doubling the income of fish farmers and generating an additional 55 lakh direct and indirect employment opportunities.³³ Various components under PMMSY are listed in exhibit 24.

Exhibit 24: Components and Incentives under the Pradhan Mantri Matsya Sampada Yojana (PMMSY)

Categories	Components Covered	Grant-in-aid/Incentives
Production & Productivity Enhancement	Fish seed/hatchery infrastructure, aquaculture ponds, cage culture, biofloc and Recirculatory Aquaculture Systems (RAS), brackish/saline area aquaculture, seaweed and ornamental fish cultivation, species diversification.	- Subsidy of 40% of unit/project cost for general category beneficiaries. - Enhanced subsidy of 60% for women, SC/ST beneficiaries and their cooperatives/FPOs.

³² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2249228®=48&lang=2>

³³ Ministry of Fisheries, Animal Husbandry and Dairying

Categories	Components Covered	Grant-in-aid/Incentives
Infrastructure & Post-Harvest Management	Fishing harbours, fish landing centers, wholesale/retail fish markets, cold chain and ice plants, feed mills, processing units and Integrated Aqua Parks.	- Subsidy of 40% of unit/project cost for general category beneficiaries. - Enhanced subsidy of 60% for women, SC/ST beneficiaries and their cooperatives/FPOs.
Fisheries Management and Regulatory Framework	Fishing vessel insurance, deployment of Sagar Mitras for extension support and Kisan Credit Card (KCC) facility for fisheries.	

Source: Ministry of Fisheries, Animal Husbandry and Dairying
Detailed scheme guidelines can be accessed at <https://pmmsy.dof.gov.in/>

Apart from the PMMSY, the department of fisheries also provides interest subvention up to 3% per annum for a repayment period of 12 years (inclusive of moratorium of 2 years) for repayment of principle amount under Fisheries and Aquaculture Infrastructure Development Fund (FIDF).

3.1.3 Ministry of Agriculture and Farmer's Welfare

The Ministry of Agriculture and Farmer's Welfare supports strengthening the upstream agricultural ecosystem and improving the availability, aggregation and marketability of raw materials.

Agriculture Infrastructure Fund (AIF)

Launched in 2020, Agriculture Infrastructure Fund (AIF), provides a medium to long-term debt financing facility through interest subvention and credit guarantee support, for building post-harvest management infrastructure and community farming assets at farm-gate and aggregation points. Since inception (July 2020) till 26.01.2026, INR 80,224.15 crore of loans have been sanctioned for 1,50,431 projects, mobilizing a total investment of INR 1,27,508 crore.³⁴ By channeling affordable, government-backed credit into farm-gate storage, cold chain and agro-processing assets, the scheme has reduced post-harvest losses, strengthened supply chain efficiency and improved farmer's market access and income realization. Various components under AIF are listed in exhibit 25.

Exhibit 25: Components and Incentives under the Agriculture Infrastructure Fund (AIF)

Eligible Projects	Incentives
Post-harvest management infrastructure - Supply chain services including e-marketing platforms, Warehouses, Silos, Cold stores & cold chain, Packaging units, Assaying units, Sorting & grading units, Logistics facilities, Ripening chambers, Primary processing activities, Integrated primary and secondary processing activities, Farm residue/waste management infrastructures	- Interest subvention @3% per annum on term loans up to INR 2 Cr; capped rate of interest (ROI) of 9% for maximum of 7 years. - Credit guarantee coverage under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for loans up to INR 2 Cr (fee borne by Government); FPOs may avail guarantee under the FPO Promotion Scheme of DA&FW.

³⁴ Ministry of Agriculture & Farmers Welfare

Eligible Projects	Incentives
Viable Farming Assets - - Organic inputs production, Compressed bio gas plant, Bio stimulant production units, Infrastructure for smart and precision agriculture, Nursery, Tissue culture, Seed processing, Custom hiring centers, farm/harvest automation, decentralized ground/stilt mounted grid connected solar based power plants, solar pumping system, sericulture processing unit, honey processing unit, Hydroponic farming, mushroom farming, polyhouse, solarization of any eligible infrastructure etc. - Projects identified for providing supply chain infrastructure for clusters of crops including exports clusters - Project promoted by Center/ State/ Local governments on their agencies under PPP	- Interest subvention @3% per annum on term loans up to INR 2 Cr; capped rate of interest (ROI) of 9% for maximum of 7 years. - Credit guarantee coverage under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for loans up to INR 2 Cr (fee borne by Government); FPOs may avail guarantee under the FPO Promotion Scheme of DA&FW.

Source: Ministry of Agriculture & Farmers Welfare

Detailed scheme guidelines can be accessed at <https://agriinfra.dac.gov.in/>

In addition to the AIF, the MoA&FW implements the Agricultural Marketing Infrastructure (AMI) scheme, offering financial assistance for constructing or renovating rural warehouses to improve agricultural storage capacity. Subsidies of 25% or 33.33% are provided based on the beneficiary category.

Cluster Development Programme (CDP) by National Horticulture Board

To promote holistic and competitive growth of India's horticulture sector, the Ministry of Agriculture is implementing the Cluster Development Programme (CDP) through National Horticulture Board (NHB). The programme aims to leverage the cluster-based approach to realize economies of scale, enhance value-chain efficiency, strengthen farmer incomes and position India's horticulture as globally competitive and export-oriented. It covers the entire value chain in an integrated manner, spanning pre-production and production, post-harvest management, value addition and branding, marketing, logistics and market-linkage interventions. Under CDP, two distinct schemes address different objectives as highlighted in exhibit 26.

Exhibit 26: Components and Incentives under the CDP scheme

Schemes under the Cluster Development Programme	Grant-in-aid/Incentives
Multi commodity High Value Horticulture cluster - Pre-production & production activities (Farm level interventions, GAP, INM/IPM, mechanization, nurseries, drones) - PHM & value-addition infrastructure (packhouse, cold rooms, pre-cooling, cold chain, processing units) - Logistics, marketing, branding & export-oriented activities	- Incentives can be obtained by dovetailing various extant schemes of other ministries such as MIDH, PDMC, APEDA, MoFPI, Spice Board cost norms. - Upper limit for financial assistance to Implementing Agency is set at 25% of the Farm Gate Value (FGV) of the focus crop. - Additional 5% (in absolute terms) of the approved financial assistance for timely completion with all components as agreed in the approved business case/DPR.
Peri urban vegetable cluster - Peri-urban production interventions (GAP, precision farming, hydroponics, aeroponics, drones) - PHM & distribution infrastructure (packhouse, ripening chambers, cold rooms, reefer vans, retail kiosks) - Digital & traceability systems, IoT, market intelligence	Additional incentive of up to 10% of the project cost for innovative components and components not covered under any extant applicable schemes, limited to 50% of the cost of intervention/activities as per actuals.

Source: Ministry of Agriculture & Farmer's Welfare

Detailed scheme guidelines can be accessed at <https://nhb.gov.in/CDPNew.aspx>

3.1.4 Ministry of Commerce and Industry

The Ministry of Commerce and Industry plays an important role in strengthening the export orientation and global competitiveness of India's food processing industry. Through institutions such as the Agricultural and Processed Food Products Export Development Authority (APEDA) and the Spices Board, the ministry assists the food processors access international markets, improve compliance with global standards and increase the value realization from processed food exports.

Export Development and Promotion Program by Spices Board of India

The SPICED (Sustainability in Spice Sector through Progressive, Innovative and Collaborative Interventions for Export Development) scheme is a Spices Board initiative under the Ministry of Commerce and Industry. The SPICED scheme aims at expanding area and improving productivity of Cardamom (small & large), generating an exportable surplus of quality spices through post-harvest improvement, export promotion of spices, increasing the share of value-added spices in the export basket, evaluating compliance of export consignments with applicable standards of quality and safety, capacity building & skill development of stakeholders. Exhibit 27 captures the incentives under sub-component for Enhancing capacities for Market Expansion.

Exhibit 27: Key Infrastructure related incentives provided under SPICED scheme

Sub scheme	Components Covered	Grant-in-aid/Incentives
Enhancing Capacities for Market Expansion	Technological & Infrastructural Interventions for Processing Spices (TIIPS) Setting up/ upgradation of in-house lab. Establishment of common processing facilities in the production / export hubs including maintenance of spices parks	- General - 33 % of the cost of machinery/equipment for high end value addition* & accessories subject to a max. of INR 2.00 crore per exporter during the plan period. - General - 33 % of the cost of machinery/equipment for new exporters, form of value addition other than high end value addition subject to a max. of INR 1.00 crore per exporter during the plan period. - SC/ST exporters, FPO exporters, exporters from NE region & other Himalayan states / Himalayan UTs and Islands – 75% of the cost of machineries / equipment for high end value addition & accessories subject to a max. of INR 1.50 crore. - General - 33% of the cost of lab related equipment & accessories subject to a max. of INR 1.00 crore per exporter. - SC/ST exporters, FPO exporters, exporters from NE region & other Himalayan states / Himalayan UTs and Islands – 75% of the cost of lab related equipment & accessories subject to a max. of INR 1.50 crore 100% of expenditure for maintenance of Spices Parks already established by the Board. 100% of the balance amount of the Board's share of the Sikkim Spice Complex Project 90% assistance to Exporters associations / Export Clusters / Trade Support Institutions and other similar organizations / institutions for establishing common processing facilities for Sterilization, processing and value addition, storage etc. in the production / export hubs subject to a maximum of Rs 2.00 crores.

Difficult areas mentioned refer to NE region and other Himalayan States/ J&K and Ladakh, states notified ITDP areas and Islands

Source: Spices Board of India, Ministry of Commerce & Industry

Detailed scheme guidelines can be accessed at https://www.indianspices.com/box5_programmes_schemes.html

Financial Assistance Scheme (FAS) by Agricultural & Processed Food Products Export Development Authority (APEDA)

The scheme facilitates agri exports through development of export infrastructure, quality development and market development. Refer exhibit 28 for the incentives provided.

Exhibit 28: Incentives under the Financial Assistance Scheme (FAS) by APEDA

Components Covered	Grant-in-aid/Incentives
Export Infrastructure Development - Integrated Pack House and food processing facilities for addressing missing gaps - Purchase of insulated, reefer transport /mobile pre-cooling units - Cable handling system for banana and other crops - Up-gradation and modernization of existing facilities - Common infrastructure facilities such as Integrated Pack houses, Processing Units, Laboratories etc. to be set up by Central and State government institutions	- The assistance will be up to 40% of the total cost subject to a ceiling of INR 2 Cr per beneficiary per location - For common infrastructure, the assistance will be up to 90% of the approved cost subject to a ceiling of INR 6 Cr. The funds shall be released against bank guarantee.

Source: APEDA, Ministry of Commerce & Industry

Detailed scheme guidelines can be accessed at <https://apeda.gov.in/FinancialAssistanceSchemes>

3.2 Policy reforms in food processing sector

With a view to promote manufacturing and to attract investment to this sector, the Government has initiated several reforms and policy measures along with schemes to promote development of post-harvest infrastructure and value addition in India. Some of the key policy reforms have been captured in this section of the report.

GST Reforms

The government's 2025 tax reforms aim to rationalize GST rates for the food processing sector by moving most items into either the 5% or exempt (NIL) categories. Additionally, this policy lowers retail prices for everyday consumers, notably by removing GST entirely from essential Indian staples.

These reforms lower food, packaging and logistics taxes to benefit all supply chain stakeholders. Dropping food taxes to 5% or NIL reduces household expenses and boosts demand. Simultaneously, cutting packaging material taxes to 5% and reducing commercial vehicle GST from 28% to 18% slashing freight and operational costs.

Other Reforms

- Foreign Direct Investment (FDI):** A foundational structural reform in India is the liberalization of Foreign Direct Investment (FDI), which permits 100% foreign equity in both food processing and food retail. This open regulatory environment enables international investors to seamlessly integrate global manufacturing networks with domestic distribution channels.
- Digital governance:** MoFPI has launched a fully online, end-to-end scheme management system to streamline everything from proposal submission to grant disbursement, maximizing the ease of doing business.

- **Food safety compliance** - The Ministry of Health and Family Welfare has notified the Food Safety and Standards Amendment Regulations, 2026, to ease compliance in the food sector while maintaining strict product safety. A key reform limits mandatory First In First Out (FIFO) and First Expiry First Out (FEFO) stock rotation tracking strictly to food manufacturers, where traceability is critical. Non-manufacturing entities like retailers are now exempt. This risk-based approach drastically cuts administrative burdens for small and medium enterprises without compromising public health oversight. Aligned with recommendations from NITI Aayog's High-Level Committee on Non-Financial Regulatory Reforms, these changes cap off a multi-year effort to streamline operations. 2026 update builds on previous business-friendly measures, including perpetual licenses, higher turnover thresholds and risk-based inspections. Finalized after deep consultations with states and industry players, the reform ensures a predictable, science-backed regulatory ecosystem that reduces unnecessary paperwork for everyday business operators.

3.3 Food processing as thrust sector in States' level policy framework

Various states have categorized food and agro processing as a priority or thrust sector. This prioritization unlocks special state-level financial investment promotion incentives that could lower the upfront setup costs while maximizing long-term operational savings. While investment promotion incentives vary from state to state, an indicative snapshot of types of financial incentives under various state investment promotion policies is captured herewith:

- **Core capital subsidies:** State governments provide direct capital funding based on eligible Fixed Capital Investment (FCI). Remote or economically backward districts receive maximum assistance to encourage decentralized rural industrialization.
- **Interest subventions:** Local enterprises receive ongoing financial relief through annual interest rate deductions on long-term project loans for a specified multi-year duration.
- **Effluent Treatment Plant (ETP) grants:** To manage the high waste output of agri-processing, states cover the majority of the installation costs for individual or shared waste treatment facilities inside processing clusters.
- **State GST (SGST) reimbursement:** Eligible food units receive reimbursement on the gross or net state tax paid from the sale of finished goods across an extended operational period.
- **Electricity duty exemptions:** Operating costs are reduced through complete relief from state power duties alongside access to discounted energy tariff tiers.
- **Stamp duty waivers:** To ease initial land acquisition, states offer full waivers or refunds on stamp duty when acquiring plots within industrial enclaves.
- **Statutory clearances:** Specialized Single Window Clearance portals legally mandate the fast-tracked issuance of necessary environmental, construction and power utility permits.
- **Mandi fee waivers:** Food processing units sourcing raw agricultural goods directly from farmers bypass standard regional market intermediary transaction taxes, lowering overall raw material costs.

4

India's Food processing Advantage



India's food processing sector is anchored by robust structural strengths that position it for sustained long-term expansion. At the core is a strong and diverse production base that consistently places the country among the world's leading producers across key agricultural and allied sector commodity segments. This strong base is complemented by a rapidly evolving infrastructure ecosystem—spanning storage, logistics, cold chain network and industrial clusters—that is steadily enhancing efficiency and integration across the value chain. Reinforcing this progress is the growing adoption of advanced technologies, innovation-driven practices and sustainability-oriented solutions that are reshaping the sector's competitiveness. Together, these factors create a compelling foundation for future growth, unlocking significant opportunities across the food processing landscape.

4.1 Supply strengths

India is one of the largest producers of agriculture commodities in the world and ranks amongst top three in various foodgrains, horticulture and animal product categories. The abundance of these commodities is attributed to the country's agroclimatic diversity, extensive arable lands and a huge population engaged in farming.

These commodities can be categorized into four major sub-segments based on the supply of raw materials which forms the base of food products. It includes Agricultural crops (Cereals, Pulses and Oilseeds), Horticulture (Fruits, Vegetables, Spices) & Plantation crops, Livestock products (Dairy and Meat) and Fisheries.

4.1.1 Agriculture crops

India's agricultural crop base comprises three major commodity groups—cereals, pulses and oilseeds—which together contribute a significant share of the raw material base for the country's food processing industry.

India is the world's largest producer of rice, millets and pulses, accounting for approximately 27%, 41% and 26% of global output respectively.³⁵ India also ranks second in the production of wheat, lentils, groundnut and sugarcane, contributing around 14%, 23%, 21% and 23% respectively to world production. In 2024, India's output reached 391 million metric tonnes of cereals, 25 million metric tonnes of pulses, 43 million metric tonnes of oilseeds and 454 million metric tonnes of sugarcane.³⁶ Exhibit 29 summarizes the output of major agricultural crops, highlighting India's global production share, worldwide ranking and the top three producing states along with their respective contributions to national production.

³⁵ FAOSTAT 2024

³⁶ FAOSTAT 2024, Ministry of Agriculture and Farmer's Welfare, YES BANK Analysis

Exhibit 29: Production profile of major agricultural crops

Crop	India Production (Mn MT)	India's share in global production (%)	India's rank in global production	Top 3 producing states and their share in national production
Rice	217	26.50%	1	Uttar Pradesh (14%) Telangana (12%) West Bengal (11%)
Wheat	113.2	14.18%	2	Uttar Pradesh (30%) Madhya Pradesh (21%) Punjab (15%)
Maize	40.2	3.30%	5	Madhya Pradesh (15%) Karnataka (14%) Bihar (13%)
Jowar	4.95	8.42%	4	Maharashtra (37%) Karnataka (16%) Rajasthan (11%)
Millets	12.62	40.90%	1	Rajasthan (30%) Maharashtra (14%) Karnataka (13%)
Pulses	25.39	26.16%	1	Madhya Pradesh (20%) Maharashtra (20%) Rajasthan (15%)
Gram	11.04	65.4%	1	Maharashtra (27%) Madhya Pradesh (19%) Rajasthan (18%)
Lentils	1.79	22.7%	2	Uttar Pradesh (38%) Madhya Pradesh (36%) West Bengal (9%)

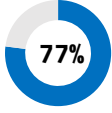
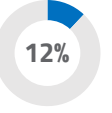
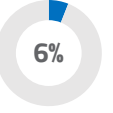
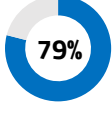
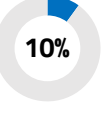
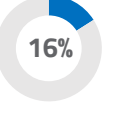
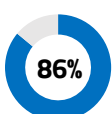
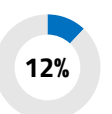
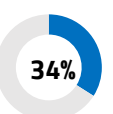
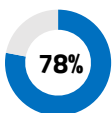
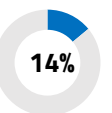
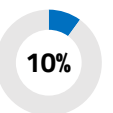
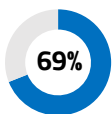
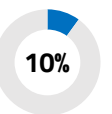
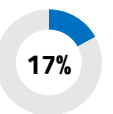
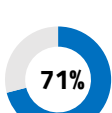
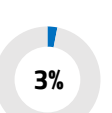
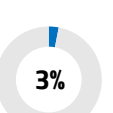
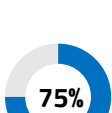
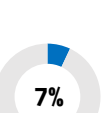
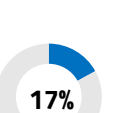
Crop	India Production (Mn MT)	India's share in global production (%)	India's rank in global production	Top 3 producing states and their share in national production
Groundnut	11.94	20.75%	2	Gujarat (44%) Rajasthan (18%) Madhya Pradesh (13%)
Soybean	15.27	3.81%	5	Maharashtra (48%) Madhya Pradesh (35%) Rajasthan (8%)
Sugarcane	453.16	23.36%	2	Uttar Pradesh (49%) Maharashtra (24%) Karnataka (11%)

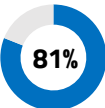
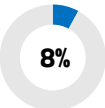
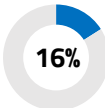
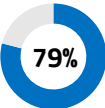
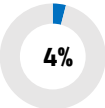
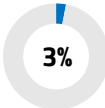
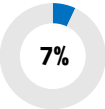
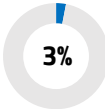
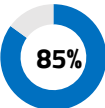
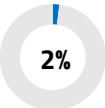
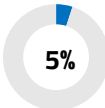
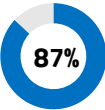
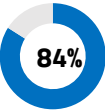
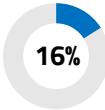
Source: FAOSTAT 2024, Ministry of Agriculture and Farmer's Welfare (MoA&FW)

Processing levels

India's strong agricultural production base creates significant opportunities for value addition through processing. However, the extent of processing varies widely across crops, with differences in processing intensity, product diversification and the participation of organized and unorganised players. Understanding these variations helps identify where value addition is currently concentrated, where gaps remain and which commodities offer the greatest potential for moving towards higher-value processed products. Exhibit 30 maps the processing levels for major crops, highlighting the key products generated at each stage of value addition and the relative depth of processing across commodity value chains.

Exhibit 30: Crop-wise processing levels and key value-added products

Sr No	Crop	Primary Processing		Secondary Processing		Tertiary Processing	
		Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products
Cereals							
1	Paddy	 77%	Milled rice, rice flour, parboiled rice	 12%	Puffed rice, flaked rice (poha), rice vermicelli, rice malt, rice starch	 6%	RTC mixes, RTE products, breakfast cereals, extruded snacks
2	Wheat	 79%	Wheat flour, refined wheat flour	 10%	Flakes, puffed wheat, malted grains, starch, gluten and vermicelli	 16%	Biscuits, bread, breakfast cereals, RTE/RTC products, alcohol and instant noodles and pasta
3	Maize	 86%	Cleaned and sorted whole grain, flour	 12%	Puffed-flaked maize, starch, frozen and other preserved products	 34%	Ethanol, RTE/ RTD/ RTC products, Biscuits, Snacks and other convenience items
4	Millets	 78%	Cleaned and sorted whole grain, flour	 14%	Puffed-flaked millets, starch, frozen and other preserved products	 10%	RTE/ RTD/ RTC products, Biscuits, Snacks and other convenience items
Pulses							
1	Bengal Gram	 69%	Whole dal, split dal, flour (besan)	 10%	Roasted (Sattu), fried dal, frozen, canned, starch	 17%	Sweets, snacks, dal premixes, precooked and RTC dosa and idli batters, protein supplements
2	Red Gram	 71%	Milled and split dal, flour	 3%	Protein, roasted and fried dal, preserved pulses, frozen, canned	 3%	Sweets, snacks, dal premixes, precooked and RTC dosa and idli batters, protein supplements
3	Other Pulses (Green Gram & Black Gram)	 75%	Milled and split dal, flour	 7%	Protein, roasted and fried dal, preserved pulses, frozen, canned	 17%	Sweets, snacks, dal premixes, precooked and RTC dosa and idli batters, protein supplements

Sr No	Crop	Primary Processing		Secondary Processing		Tertiary Processing	
		Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products
Oilseeds							
1	Groundnut		Crude oil, refined oil, flour		Roasted, salted seeds, protein meals		Peanut butter, snacks (chikki, seeds mixes), confectionery fillings, RTE/RTC/RTD products
2	Rapeseed and Mustard		Crude oil, refined oil, flour		Mustard paste, spice blends, pickles, chutneys		Salad dressings, sauces, seed-based condiments, RTE/RTC/RTD oilseed-based products
3	Soybean		Crude oil, refined oil, flour		Roasted, salted seeds, protein meals, tofu, soy milk; soya chunks/nuggets		Snacks (seeds mixes), confectionery fillings, RTE/RTC/RTD products
4	Other Oilseeds (Sunflower and Sesame)		Crude oil, refined oil, flour		Sesame seeds, Sunflower seeds, hulled sesame, flour		Confectionaries, sauces, dips, snacks, salad dressings, bakery products, RTE/RTC products
Other crops							
1	Sugarcane		Cleaned, graded and sorted cane		Refined sugar, jaggery, syrups and sugar molecules		Sweets, alcohol, beverages, candy and confectionary and snacks

Note: The combined share of primary, secondary and tertiary processing levels may not add up to 100% due to retention of crops as carryover stock and the diversion of primary processed crops into secondary and tertiary products, resulting in overlaps.

Source: Study on Assessment of the Level of Food Processing in India, MoFPI

4.1.2 Horticulture crops

The horticulture sector has emerged as a major engine of agricultural growth, now contributing nearly one-third of India's agricultural GVA.³⁷ The sector has sustained strong output expansion in recent years, with production surpassing food grains. The horticulture sector has a diverse production base, covering fruits, vegetables and a range of other crops, with output reaching 113 million tonnes of fruits, 146 million tonnes of vegetables, 13

³⁷ Press Information Bureau

million tonnes of spices and 17 million tonnes of plantations crops (refer exhibit 31). Growing domestic demand supported by rising incomes, changing dietary preferences and an increasing focus on nutrient-rich foods is further strengthening this expansion and creating steady demand for high-value horticultural produce and value-added products.

Exhibit 31: Production overview of major horticulture crops

Crop	India Production ('000 MT)	India's share in global production (%)	India's rank in global production	Top 3 producing states and their share in national production
A. Fruits	112.91	11.84%	2	Andhra Pradesh (16.5%) Maharashtra (13.4%) Uttar Pradesh (12.6%)
Banana	37.61	27%	1	Maharashtra (19%) Andhra Pradesh (17.6%) Tamil Nadu (12.5%)
Mango and Guava	27.76	45%	1	Uttar Pradesh (26.6%) Andhra Pradesh (21.5%) Bihar (6.9%)
Citrus	14.55	8.79%	3	Andhra Pradesh (21.3%) Madhya Pradesh (19.5%) Maharashtra (19%)
Papaya	5.29	36%	1	Andhra Pradesh (21.9%) Gujarat (17.5%) Madhya Pradesh (10.4%)
B. Vegetables	146.00	12.35%	2	Uttar Pradesh (17.3%) West Bengal (13.6%) Madhya Pradesh (10.6%)
Potato	57.05	14.61%	2	Uttar Pradesh (34.8%) West Bengal (23.5%) Bihar (12.6%)
Onion	24.27	22.41%	2	Maharashtra (44.1%) Madhya Pradesh (14.4%) Karnataka (8.4%)
Tomato	21.32	11.31%	2	Andhra Pradesh (15.7%) Madhya Pradesh (13.1%) Karnataka (10.8%)

Crop	India Production ('000 MT)	India's share in global production (%)	India's rank in global production	Top 3 producing states and their share in national production
C. Spices	12.99	75%	1	Madhya Pradesh (29.6%) Rajasthan (11.3%) Andhra Pradesh (10.1%)
Garlic	2.33	11%	2	Madhya Pradesh (61.6%) Rajasthan (14%) Uttar Pradesh (7.8%)
Chilies (Dried)	2.91	53.32%	1	Andhra Pradesh (42.6%) Telangana (22.3%) Madhya Pradesh (11.9%)
Ginger	2.65	48%	1	Madhya Pradesh (23.5%) Karnataka (14.3%) Odisha (10.2%)
Cumin, Coriander & Fennel	2.11	79%	1	Rajasthan (59.2%) Gujarat (40.5%) West Bengal (0.3%)
D. Plantation Crops	16.98	-	-	Karnataka (29.3%) Tamil Nadu (26.2%) Kerala (21.9%)
Coconut	13.97	22%	2	Tamil Nadu (30.8%) Karnataka (27%) Kerala (25.4%)
Arecanut	1.49	61%	1	Karnataka (73.6%) Meghalaya (5.9%) Kerala (5.8%)
Tea	6,156	19%	2	Assam (50.2%) West Bengal (30.0%) Tamil Nadu (12.5%)
Coffee	363	3%	7	Karnataka (68.8%) Kerala (21.5%) Tamil Nadu (5.4%)

Source: FAOSTAT 2024, Ministry of Agriculture and Farmer's Welfare

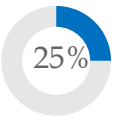
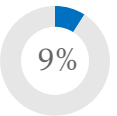
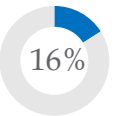
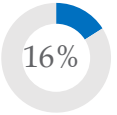
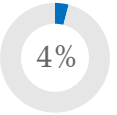
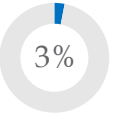
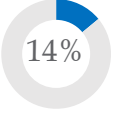
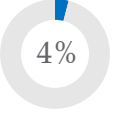
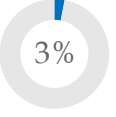
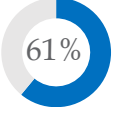
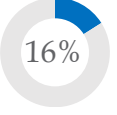
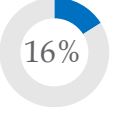
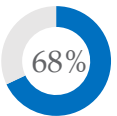
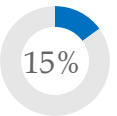
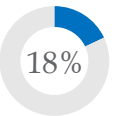
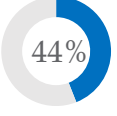
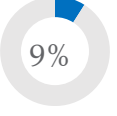
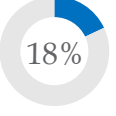
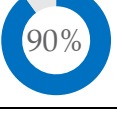
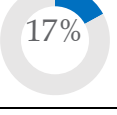
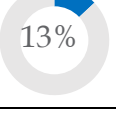
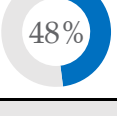
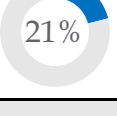
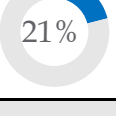
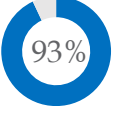
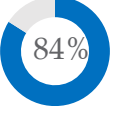
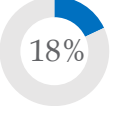
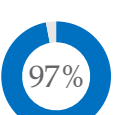
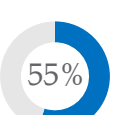
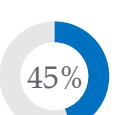
Processing levels

Horticulture crops, particularly fruits and vegetables, are predominantly consumed as fresh produce, with a comparatively small proportion entering value added processing chains. In the fruits segment, only 19% is subject to primary processing, while secondary and tertiary processing account for 8% and 4% respectively. Vegetable processing shows relatively higher processing levels, with 25% undergoing primary processing, 9% secondary and 16% tertiary processing. In contrast, spices and plantation crops exhibit significantly higher processing levels, mainly due to their commercial utilization as raw materials.

From a value chain perspective, horticulture crops serve as raw materials for a diverse range of processed food products, including beverages and ingredient based applications. Fruits support processing ecosystem across juices, pulps, purees, concentrates, frozen products, canned products and dried fruit categories, while vegetables such as potato, onion and tomatoes are used in wide range of food products and have several ingredients' applications. Potatoes are extensively processed into chips, fries, flakes, starch and frozen products, driven by rising demand from snack food manufacturers and food service channels. Onions, despite constraints related to storage and moisture content, have also developed established processing linkages spanning dehydrated flakes, powders, granules, paste and other ingredient-based applications serving both domestic and export markets. Exhibit 32 captures crop-wise processing levels across value-addition stages and the corresponding products.

Exhibit 32: Horticulture crops: processing levels and key value-added products

Sr No	Crop	Primary Processing		Secondary Processing		Tertiary Processing	
		Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key Products
Fruits							
1	Fruits - Overall	19%	Cleaned, graded, sorted, trimmed and packaged fruits	8%	Pulp, juice, cuts, dried, concentrates, frozen, pickles, fermented fruits	4%	RTD fruit beverages, jams, jellies, sauces, ketchup, chutneys, frozen fruit meals, RTE fruit dishes
2	Mango	18%	Fresh/graded mango, pulp, puree, dried mango	9%	Concentrate, frozen pulp, mango powder, dried slices	12%	Juices, jams, jellies, pickles, chutneys, candies, fruit bars
3	Banana	11%	Fresh/graded banana, chips, slices, flour	12%	Puree, banana powder, dried banana, flour	4%	Bakery products, biscuits, beverages, snacks, baby food, desserts
4	Guava	22%	Fresh/graded guava, pulp, puree, slices	14%	Concentrate, powder, frozen pulp, dried guava	5%	Juice, nectar, jams, jellies, candies, fruit bars, chutneys
Vegetables							
1	Vegetables (Overall)	17%	Fresh, cleaned, graded vegetables	4%	Frozen, dehydrated, fried products	5%	RTE/RTC products and dips, sauces, chutneys

2	Potato		Cleaned, graded, sorted and packaged vegetables		Frozen fries, starch, dehydrated potato, hash browns		RTD beverages, sauces, ketchup, chutneys, frozen vegetable meals and RTE dishes
3	Onion		Fresh/graded onion, peeled/chopped onion, slices		Dehydrated flakes, powder, paste, fried onion		Sauces, dips, soups, seasonings, spice blends, RTE/RTC products
4	Tomato		Fresh/graded tomato, pulp, puree		Paste, concentrate, powder, dried tomato		Ketchup, sauces, soups, pasta/pizza sauce, chutneys, beverages
Spices							
1	Spices (overall)		Cleaned and graded whole spices, ground spice powders and coarse spice grits		Dehydrated powders and flakes, granules, blended masalas and concentrated spices		RTC spice mixes, snack seasonings, Oleoresins, extractions marinades, curry pastes and ready to use gravy bases
2	Red Chilli		Dried whole chili, flakes, powder		Chilli powder, flakes, oleoresin, paste		Hot sauces, seasonings, spice blends, marinades, pickles
3	Garlic		Fresh/peeled garlic, dried garlic, flakes		Powder, granules, paste, garlic oil		Ginger garlic paste, Sauces, dips, seasonings, spice blends, pickles, marinades
4	Turmeric		Dried turmeric fingers, polished turmeric, powder		Turmeric powder, oleoresin, curcumin extract, paste		Beverages, functional foods, seasonings, wellness products
5	Ginger		Fresh ginger, dried ginger, slices		Powder, paste, oil, extract		Ginger garlic paste, Beverages, sauces, pickles, confectionery, bakery, spice blends
Plantation crops							
1	Tea		Green leaf, withered leaf, rolled leaf, processed teas such as CTC, orthodox, green and oolong tea		Tea blends, Tea flavors, custom packaging		Dip tea bags, herbal variants, soluble instant teas, ready-to-consume premix sachets, RTD tea beverages
2	Coffee		Fresh coffee cherries, pulped coffee, parchment coffee and green coffee beans		Roasted coffee, ground coffee and blending and decaffeination		Instant coffee, freeze-dried and agglomerated coffee, premixes, coffee capsules, cold brew concentrates and RTD beverages

Note: The combined share of primary, secondary and tertiary processing levels may not add up to 100% due to retention of crops as carryover stock and the diversion of primary crops into secondary and tertiary products, resulting in overlaps.

Source: Study on Assessment of the Level of Food Processing in India, MoFPI

4.1.3 Dairy, meat and poultry

Over the past decade, India's agriculture allied sector has witnessed remarkable expansion. Milk production in India has grown at a CAGR of 5.3% over the last decade, increasing from 156 million tonnes in 2015–16 to 248 million tonnes in 2024–25. Over the same period, per-capita milk availability rose from 337 grams per day to 485 grams per day, registering a CAGR of 4.1%.³⁸

India boasts of abundant and diverse supply of high-quality animal products. India's meat production increased from 7.02 million tonnes in 2015–16 to 10.50 million tonnes in 2024–25, growing at a CAGR of 4.6%. Per capita availability of meat also rose from 5.5 kilograms per annum to 7.5 kilograms per annum over the same period. Egg production expanded from 83 billion in 2015–16 to 149 billion in 2024–25, registering a CAGR of 6.7%, while per capita egg availability increased from 65 per annum to 106 per annum during this period.³⁹

This growth reflects the rapid scale-up in both dairy, meat and poultry production and domestic consumption. Exhibit 33 captures the production of milk, eggs and meat in India in 2024–25.

Exhibit 33: Milk and meat production in India

Commodity	Production	India's share in global production (%)	India's rank in global production	Top 3 producing states and their percentage share in country's production
Milk	248 million tonnes	25%	1	Uttar Pradesh (16%) Rajasthan (15%) Madhya Pradesh (9%)
Egg	149 billion	8%	2	Andhra Pradesh (18%) Tamil Nadu (16%) Telangana (13%)
Meat	10.5 million tonnes	4%	4	West Bengal (12%) Uttar Pradesh (12%) Maharashtra (12%)

Source: Basic Animal Husbandry Statistics-2025 – Ministry of Fisheries, Animal Husbandry and Dairying, Press Information Bureau, APEDA.

³⁸ Basic Animal Husbandry Statistics-2025 – Ministry of Fisheries, Animal Husbandry and Dairying

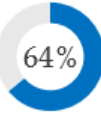
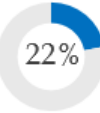
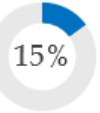
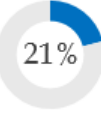
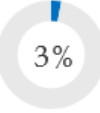
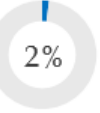
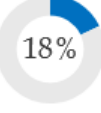
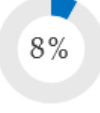
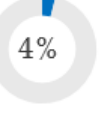
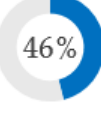
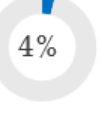
³⁹ Basic Animal Husbandry Statistics-2025 – Ministry of Fisheries, Animal Husbandry and Dairying, Press Information Bureau, APEDA

Processing Levels

Owing to its highly perishable nature and wide downstream applications, milk supports a large and diverse processing ecosystem. Processing spans pasteurized milk, ghee, butter, skimmed milk powder, cheese, yoghurt, ice cream and a range of dairy-based confectionery, contributing to both shelf-life extension and significant value addition across the dairy value chain.

Similarly, eggs and meat products are supported by a steadily expanding processing ecosystem driven by rising demand for safe, hygienic and value-added protein foods. Egg processing spans grading, packing, liquid eggs, egg yolk, egg powder and a growing range of tertiary products such as mayonnaise, bakery ingredients, pasta, custards and ready-to-cook items. Poultry and meat products follow a structured value-chain involving cleaning, grading, butchering, chilling and freezing at the primary stage, with secondary processing including curing, smoking, marination and preservation and tertiary processing comprising sausages, nuggets, kebabs, RTC/ RTE meat products and other frozen convenience formats that cater to both domestic consumption and export markets. Exhibit 34 captures commodity wise processing levels across value-addition stages and the corresponding products.

Exhibit 34: Other commodities: processing levels and key value-added products

Sr No	Crop	Primary Processing		Secondary processing		Tertiary processing	
		Processing levels (% of crop output)	Key Products	Processing levels (% of crop output)	Key products	Processing levels (% of crop output)	Key products
1	Milk	 64%	Pasteurized milk, toned milk, double toned milk, cream	 22%	Ghee, butter, SMP, khoa, condensed milk, curd, paneer	 15%	Yoghurt, <u>flavoured</u> milk, sweets, ice cream, dairy desserts, cheese spreads
2	Eggs	 21%	Graded and packed eggs	 3%	Liquid eggs, egg yolk, egg powder	 2%	Mayonnaise, sauces, bakery products, pasta, custards, desserts, RTE/RTC, cakes
3	Poultry Meat	 18%	Cleaning, grading, butchering, chilling, freezing	 8%	Drying, salting, smoking, curing, freezing, marination, preservation	 4%	RTE and RTC products, sausages, nuggets, kebabs, prepared dishes which are frozen
4	Meat	 46%	Cleaning, grading, butchering, chilling, freezing	 30%	Drying, salting, smoking, curing, freezing, marination, preservation	 4%	RTE and RTC meat-based products, sausages, nuggets, kebabs, prepared dishes which are frozen

Note: The combined share of primary, secondary and tertiary processing levels may not add up to 100% due to retention of commodities as carryover stock and the diversion of primary commodities into secondary and tertiary products, resulting in overlaps.

Source: Study on Assessment of the Level of Food Processing in India, MoFPI

4.1.4 Fisheries

Fisheries represent an important and rapidly expanding opportunity within India's food processing landscape, supported by a large and steadily growing domestic production base. India's total fish production grew at 6.8% from 9.6 million tonnes in 2013–14 to an estimated 19.77 million tonnes in 2024–25. Of this, inland fisheries contributed 15.16 million tonnes, while marine fisheries accounted for 4.61 million tonnes.⁴⁰ India is also endowed with rich aquatic biodiversity, with about 11% of the world's 22,000 recorded fish species found in its waters⁴¹ (refer exhibit 35).

Exhibit 35: Overview of fisheries production in India

Commodity	Production (in million tonnes)	India's share in global production (%)	India's rank in global production	Top 3 producing states and their percentage share in country's production
Fish	19.75	8%	2	Andhra Pradesh (28%) West Bengal (12%) Uttar Pradesh (6%)

Source: Ministry of Fisheries, Animal Husbandry & Dairying

Processing levels

The scale and diversity of production provide a strong raw-material base for processing across products such as frozen and chilled fish, fillets, ready-to-cook and ready-to-eat seafood, fishmeal and fish oil, while also creating opportunities for cold-chain, storage, packaging and logistics infrastructure. With fisheries supporting the livelihoods of around 28 million fishers⁴² and fish farmers, greater processing and value addition can help reduce post-harvest losses, improve price realization for producers and strengthen India's domestic and export-oriented seafood value chains.

Thus, the sector presents a significant opportunity to move beyond primary production towards higher-value, processed and market-ready fish products.

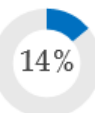
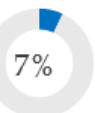
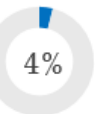
Strengthened cold-chain integration—including blast freezing, grading, sorting and packaging infrastructure—has enhanced the sector's capacity to support large-scale domestic distribution as well as export-focused processing operations. At the same time, by-products such as fish meal and fish oil continue to play an important role in downstream feed, aquaculture and nutraceutical industries, underscoring the sector's expanding value-addition potential. Exhibit 36 captures fish and shrimp processing levels across value-addition stages and the corresponding products.

⁴⁰ Ministry of Fisheries, Animal Husbandry & Dairying

⁴¹ Indian Institute of Science

⁴² Ministry of Fisheries, Animal Husbandry & Dairying

Exhibit 36: Fisheries processing levels and key value-added products

Sr No	Commodity	Primary Processing		Secondary Processing		Tertiary Processing	
		Processing Level (% of commodity output)	Key Products	Processing Level (% of commodity output)	Key Products	Processing Level (% of commodity output)	Key Products
1	Fish	 26%	Fresh and chilled fish	 14%	Frozen, dried, smoked, concentrated or other preserved seafood	 7%	RTE/RTC based dishes, oil and extracts, other convenience items based on seafood
2	Shrimp	 68%	Fresh and chilled fish	 60%	Frozen, peeled and deveined, cooked, dried, smoked shrimp	 4%	RTE/RTC shrimp products, breaded shrimp, convenience food, sauce

Note: The combined share of primary, secondary and tertiary processing levels may not add up to 100% due to retention of commodity as carryover stock and the diversion of primary commodities into secondary and tertiary products, resulting in overlaps.

Source: Study on Assessment of the Level of Food Processing in India, MoFPI

4.2 Infrastructure

A strong and integrated infrastructure ecosystem is fundamental enabler to the growth of food processing supply chain. It plays a critical role in reducing post-harvest losses and improving supply chain integration for value added products. From farm-gate connectivity and multimodal logistics to port capacity, freight corridors and cold-chain networks, each component plays a critical role in reducing post-harvest losses, improving product quality and expanding access to domestic and global markets. The logistics ecosystem and key infrastructure consist of the following components:

4.2.1 India's road network

India has world's second largest road network, spanning about 65 lakh kilometers. It transports around 64.5% of all goods and contributes 90% of passenger traffic in the country.⁴³

India's extensive road network plays a critical role in enabling the efficient movement of agricultural produce, processed food products and essential inputs across production clusters, mandis, processing units, cold chain nodes and consumption centers. National and state highways act as the backbone for long haul movement of perishables, allowing faster access to processing facilities and reducing post harvest losses for fruits, vegetables, dairy, meat and other sensitive commodities. The connectivity provided by rural roads and feeder routes further supports first mile aggregation from farms to collection centers, facilitating smoother integration of farmers into organized processing and value chain systems. Improved road infrastructure therefore directly enhances supply chain reliability, reduces logistics costs for processors and expands market access for both raw agricultural commodities and finished food products.

⁴³ Annual Reports - Ministry of Road Transport and Highways

To modernize the country's freight ecosystem through integrated, technology-enabled logistics infrastructure, the Government has launched the Multi Modal Logistics Parks (MMLPs) initiative. Under the programme, a nationwide network of 35 MMLPs is planned with a total investment of about INR 46,000 crore, designed to handle nearly 700 million metric tonnes of cargo upon completion.⁴⁴ The parks are envisioned as major regional hubs for cargo aggregation, storage and multimodal distribution, linking industrial and agricultural zones with ports and export-import gateways to improve efficiency and reduce logistics costs.

4.2.2 Port network

India's extensive coastline of 7,516.6 km and network of ports provide critical infrastructure for the movement of agricultural and processed food products to domestic and international markets.⁴⁵ These ports serve as key gateways for India's agri-food trade, connecting major production centers with international shipping routes. In addition to bulk agro-commodities, these ports handle significant volumes of processed and packaged food products. The scale of this trade is reflected in the port-wise export data presented in exhibit 37. Government initiatives such as Sagarmala are further strengthening port capacity, hinterland connectivity and logistics efficiency, helping reduce congestion and improve the competitiveness of India's food exports.

Exhibit 37: Major ports handling agro-food exports

Agro food exports (2025-26)						
S No	Namev	State	Traffic Handled (Mn MT) -2024-25	Capacity (Mn MT per annum)	Quantity in '000 tonnes	Value in INR crores
1	Deendayal Port Trust (Kandla)	Gujarat	150.16	270	3,264	17,262
2	Jawaharlal Nehru Port Trust	Maharashtra	92.12	145.87	25	190
3	New Mangalore Port	Karnataka	46	114.96	92	1,306
4	Cochin Port	Kerala	37.75	80.5	1,871	4,967
5	V.O. Chidambaranar Port (Tuticorin)	Tamil Nadu	41.7	123.46	1,218	4,268

⁴⁴ MoRTH (Ministry of Road Transport & Highways, Government of India) – Annual Report 2024-25

⁴⁵ Ministry of Ports, Shipping and Waterways, GoI – Annual report 2025-26

Agro food exports (2025-26)						
S No	Name	State	Traffic Handled (Mn MT) -2024-25	Capacity (Mn MT per annum)	Quantity in '000 tonnes	Value in INR crores
6	Chennai Port	Tamil Nadu	55	>100	1,040	5,903
7	Kamarajar Port Limited	Tamil Nadu	48.41	97	138	1,275
8	Visakhapatnam Port	Andhra Pradesh	82.62	154.71	1,771	6,733
10	Shyamaprasad Mookerjee Port	West Bengal	16.64		1,502	5,304

Source: Ministry of Ports, Shipping and Waterways, GoI – Annual report 2025-26, APEDA

4.2.3 Rail and air network

India's railway network, spanning 68,584 route km, is the fourth largest in the world. It continues to play a pivotal role in driving national connectivity and economic growth. Freight movement has also shown consistent momentum, rising from around 1,221 million tonnes in 2018-19 to approximately 1,512 million tonnes in 2023-24, reflecting a robust CAGR of 4.4%.⁴⁶ A transformative development in this ecosystem is the rollout of the Dedicated Freight Corridors (DFCs) aimed at enhancing the speed, reliability and cost-efficiency of freight transport. The Eastern and Western DFCs have significantly boosted freight capacity by providing exclusive high-speed tracks for goods trains. Collectively, these advancements signal a major leap in India's logistics efficiency, strengthening supply chains and aligning the railway sector with the nation's long-term economic and infrastructure goals.

India's air cargo sector has also witnessed significant growth and transformation over the last decade, becoming a vital component of the country's logistics and trade ecosystem and plays a crucial role in transporting high-value, perishable and time-sensitive goods. Driven by strategic reforms, infrastructure investments and digital innovations, the air cargo sector's volume grew from 3.4 million tonnes in 2019 to 3.9 million tonnes in 2025.⁴⁷ The establishment of AAI Cargo Logistics and Allied Services Company Limited (AAICLAS)- a 100 % subsidiary of Airports Authority of India has strengthened institutional capacity, with cargo operations now taking place at 74 airports across India.⁴⁸

4.2.4 Cold storage infrastructure

India's cold storage sector is a critical enabler of food supply chain, ensuring the freshness and quality of temperature-sensitive products such as fruits, vegetables, dairy and meat products. The sector comprises two core components: temperature-controlled warehousing (TCW) and temperature-controlled vehicles (TCVs).

⁴⁶ Indian Railways Yearbook 2024-25, Ministry of Railways

⁴⁷ Annual Report 2025-26, Ministry of Civil Aviation, GoI

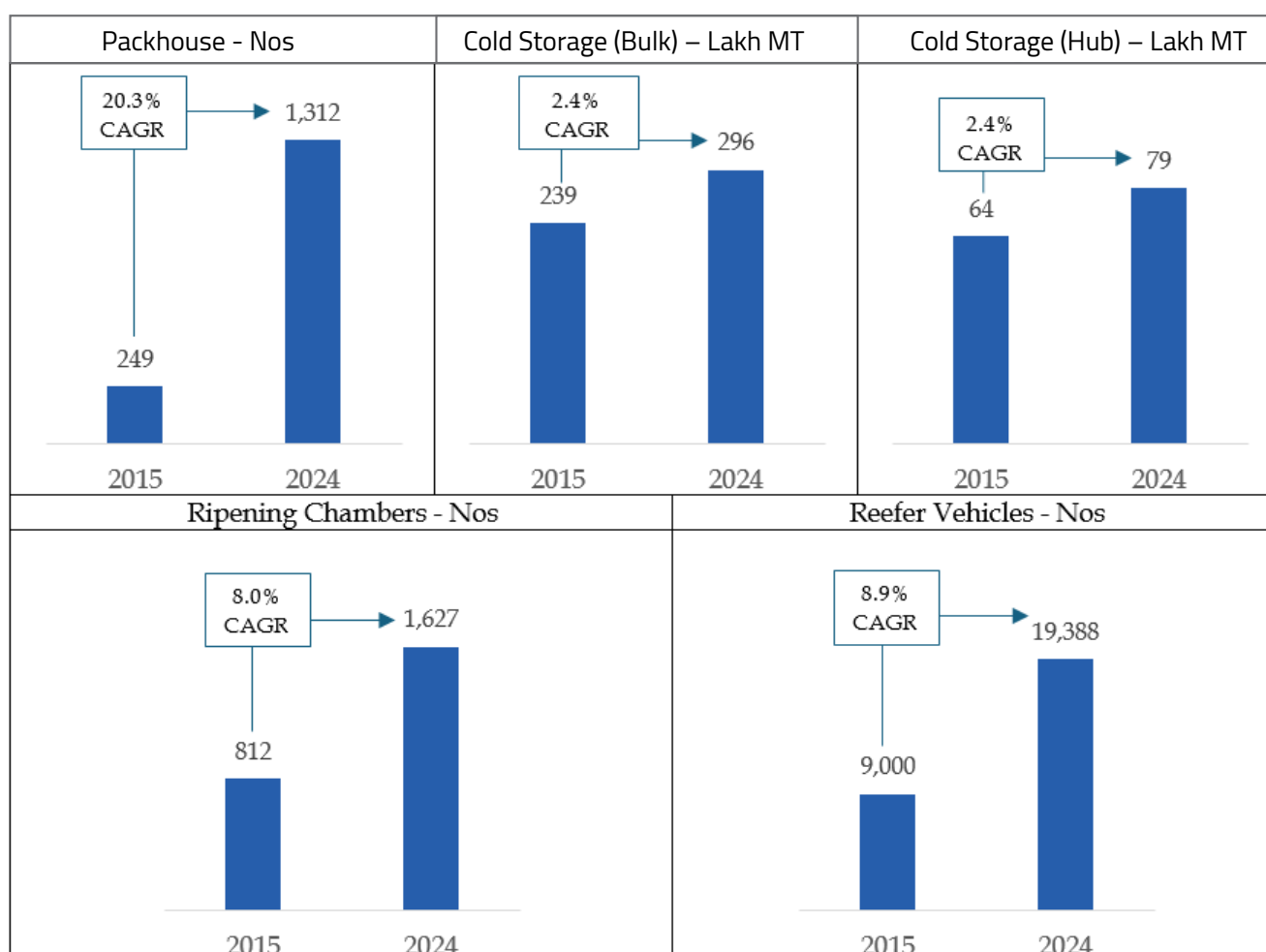
⁴⁸ Annual Report 2025-26, Ministry of Civil Aviation, GoI

TCW facilities are designed to store products at precise temperature levels to extend shelf life and reduce spoilage. These include pack houses, cold warehouses, distribution centers, ripening chambers. These warehouses use advanced refrigeration systems capable of meeting a wide range of cooling requirements—from deep-freeze storage for meat and seafood to controlled environments suitable for fruits and vegetables.

TCVs complement this by enabling safe end-to-end transportation of perishable goods from farms or processing units to retail outlets or distribution hubs. Built with insulated bodies and sophisticated cooling technologies, these vehicles maintain the required temperature throughout transit, preventing fluctuations that could compromise product quality. These include reefer trucks, refrigerated rail containers and cold containers.

Together, TCW and TCV infrastructure form the backbone of India's cold chain ecosystem, reducing post-harvest losses, promoting exports and supporting industries that depend heavily on temperature-sensitive logistics. captures the status of key cold chain infrastructure component. Exhibit 38 depicts the growth trends in key cold storage infrastructure components between 2014 and 2025.

Exhibit 38: Cold storage infrastructure in India



Source: National Centre for Cold Chain Development, 2025

Source: ITC Trademap, YES BANK Analysis

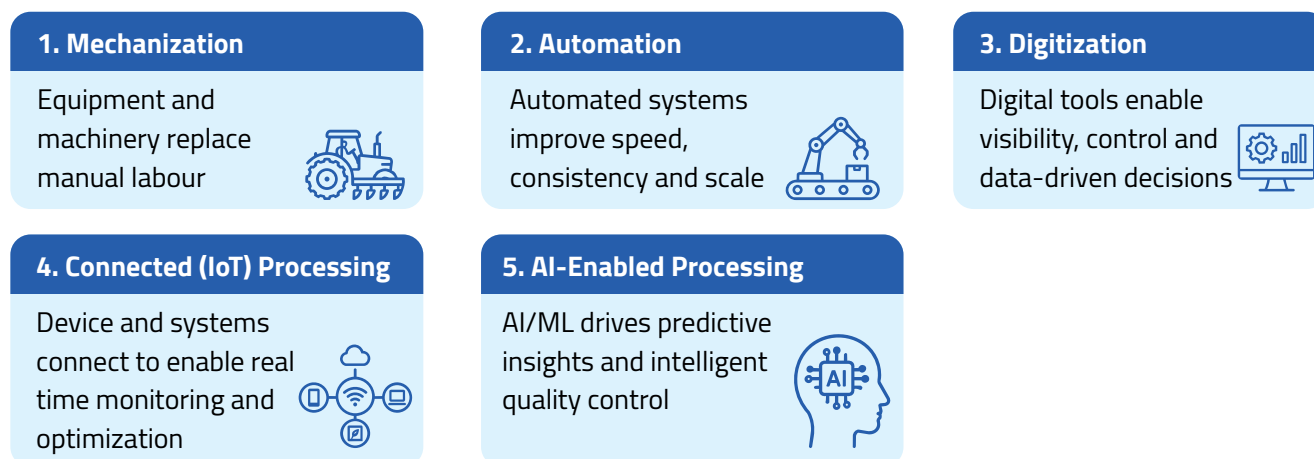
4.3 Technology, innovation and sustainability

The other major growth driver shaping India's food-processing sector is the push toward greater efficiency enabled by technology, innovation and sustainability. New products, advanced processing systems and smarter operating models are redefining not only how food is produced, but also how the broader ecosystem minimizes its impact on the planet. As highlighted in Chapter 4.1 on processing levels across commodities, the sector today remains largely tilted toward commodity-based products driven by primary processing. However, there is a clear and accelerating shift toward higher value-added products, which is expected to anchor future growth. Technology and innovation will play a critical role in enabling this transition by improving productivity, enhancing quality and creating new product categories. At the same time, sustainability and circularity will reduce resource intensity, minimize food losses and unlock value from byproducts across the value chain, strengthening the sector's long-term competitiveness. The following sections highlight the key trends and ecosystem developments in the country that are driving these themes.

4.3.1 Technology adoption across the food-processing value chain

India's food-processing technology landscape is moving from basic mechanization toward automation, digitization and AI enabled processing - driven largely by the need to improve productivity, consistency, food safety and cost competitiveness. While mechanization and automation are increasingly established across processing and packaging, technologies such as IoT, advanced sensors, computer vision, data analytics and AI/ML are emerging as the next frontier, enabling real-time monitoring, predictive maintenance, intelligent quality control and process optimization. This technology maturity journey will be critical to move towards higher-value, globally competitive food processing (refer exhibit 39).

Exhibit 39: Technology adoption is moving along a maturity curve



Source: YES BANK Analysis

Technology adoption in India's food-processing sectors spans entire value chain, with different technologies addressing specific opportunities from sourcing and processing to quality control, packaging, storage and logistics. While automation, digital procurement and basic process technologies are relatively more established, adoption of AI/ML, IoT, computer vision, blockchain-enabled traceability and smart packaging remain at an emerging stage. Exhibit 40 presents the key technologies available across various stages of the food value chain.

Exhibit 40: Technology adoption across the food-processing value chain

Value-chain stage	Technologies
Production & sourcing	Precision agriculture, remote sensing, farm digitization, traceability
Aggregation	Digital procurement, e-NAM/digital marketplaces, quality-based procurement
Primary processing	Automated sorting, grading, cleaning, milling
Secondary processing	Automation, robotics, AI-enabled process control
Quality & food safety	Computer vision, sensors, rapid testing, digital QC
Packaging	Smart packaging, MAP, active packaging, sustainable materials
Storage	IoT-enabled cold storage, temperature/humidity monitoring
Logistics	Reefer optimization, route optimization, digital traceability
Retail/consumer	Demand forecasting, personalized products, digital commerce

Overall, technology adoption is increasingly transforming the food-processing ecosystem and presents a significant opportunity for processors to develop new products, optimize processes and build innovative business models. As digital tools, automation and advanced materials become more accessible, they are enabling the sector to enhance efficiency, improve quality and respond faster to evolving consumer expectations. This growing technological readiness is set to play a pivotal role in shaping the next wave of value creation across India's food-processing landscape.

4.3.2 Innovations

Innovation is emerging as one of the key drivers for unlocking greater value from India's diverse agricultural and food-processing base. Beyond incremental improvements in processing, innovation enables the development of new products, formats, ingredients, packaging solutions and business models that respond to evolving consumer preferences, changing lifestyles and growing demand for convenience, health and quality. Opportunities span the value chain—from novel processing and preservation techniques to product formulation, functional foods, alternative proteins, advanced packaging and digital platforms—allowing businesses to move from commodity-oriented processing to differentiated, higher-value offerings.

Innovations in the sector are largely driven by key trends, including the growing demand for convenience, rising health awareness among consumers, greater focus on food safety and compliance, increasing emphasis on sustainable solutions and the need to improve self-life. Exhibit 41 highlights these trends and the innovations they are enabling.

Exhibit 41: Major drivers promoting innovation in India

Major driver	What is changing?	Innovation it is pushing
1. Evolving consumer preferences & premiumization	Urbanization, rising disposable incomes, nuclear families and changing lifestyles are increasing demand for convenience, differentiated, premium and functional food products. Consumers are also becoming more conscious of health, nutrition, ingredients and product quality.	Convenience/RTE/RTC foods, premium formulations, functional foods, alternative proteins, clean-label products, fortified foods, novel ingredients and premium packaging
2. Organized retail & digitalization	Modern retail, private labels, e-commerce and quick commerce are changing product specifications, pack sizes, assortment, shelf-life requirements and speed-to-market. Greater availability of digital technologies is also enabling more connected and responsive operations.	Smart packaging, demand forecasting, automated fulfilment, digital supply chains, IoT, AI-enabled operations, real-time monitoring and smart factories
3. Food safety, quality & global market requirements	Rising consumer awareness, tighter Food Safety and Standard Authority of India (FSSAI) requirements and international export standards are increasing the cost of quality failures. Global buyers increasingly require consistency, certification, traceability and compliance with food-safety standards.	Automated inspection, machine vision, sensors, HACCP/ISO systems, digital traceability, advanced testing and AI-enabled quality control
4. Supply-chain resilience & raw-material variability	Seasonality, geographic variation, perishability and climate variability create fluctuations in raw-material availability, quality and prices, while supply-chain disruptions increase the need for greater resilience.	Cold chains, controlled-atmosphere storage, pre-cooling, IQF/freezing, improved sorting and grading, forecasting, alternative sourcing, preservation and flexible processing
5. Productivity, automation & labour constraints	Rising labour, energy and material costs, together with shortages of skilled manpower, are increasing the need to improve throughput, yield, consistency and resource efficiency while reducing dependence on manual operations.	Automation, robotics, machine vision, AI, IoT, predictive maintenance, process optimization and digitally enabled operations

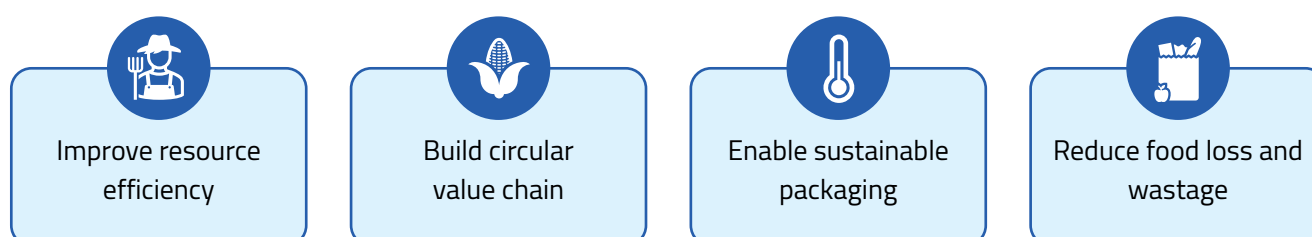
Major driver	What is changing?	Innovation it is pushing
6. Sustainability, resource efficiency & circularity	Growing pressure to reduce energy and water consumption, emissions, packaging waste and food loss is increasing the focus on resource-efficient and circular production systems.	Energy- and water-efficient equipment, renewable energy, sustainable packaging, waste-to-value solutions, bioenergy, bioplastics, by-product utilization and upcycled ingredients
7. R&D, new product development & technology ecosystem	Food-tech startups, universities, research institutions and technology providers are expanding the innovation ecosystem, enabling faster development of new products, ingredients and processing technologies.	Novel processing, precision fermentation, alternative proteins, new ingredients, advanced formulations, smart packaging and process innovation

Source: YES BANK Analysis

4.3.3 Sustainability Imperative

As demand grows for safe, nutritious and affordable food, the need for a sustainable transformation of the entire value chain becomes critical. Building a resilient, future-ready food system will require enhancing productivity, diversifying crops, adopting climate-smart practices, reducing losses across the supply chain and innovating toward sustainable products. These priorities are particularly relevant for the food-processing sector, which depends heavily on agricultural raw materials and plays a key role in ensuring nutrition and food security (refer exhibit 42).

Exhibit 42: Sustainability priority shaping the food processing in India



Improve resource efficiency

Improving resource efficiency is becoming increasingly important as India's food-processing industry scales up and moves towards advanced processing, preservation and value-added products. Food processing operations are significant users of energy, water, refrigeration and thermal systems, creating opportunities to reduce both operating costs and environmental footprint through efficient technologies.

Build circular value chain

Moving towards circular value chains can enable India's food-processing sector to convert processing residues and by-products from a cost and environmental liability into additional sources of value. Processing fruits, vegetables, cereals, oilseeds, fisheries and animal products generates significant quantities of peels, seeds, shells, bran, husks, bones and other residues that can potentially be converted into ingredients, animal feed, bioenergy, biomaterials and nutraceutical inputs. Government research institutions are increasingly demonstrating the commercial potential of such approaches. For example, Indian Council of Agricultural Research - Central Institute of Fisheries Technology (ICAR-CIFT) has developed a shrimp-shell biorefinery approach that converts shrimp waste into chitin, chitosan and shrimp protein hydrolysate for applications across agriculture, pharmaceuticals and cosmetics.⁴⁹ Such innovations illustrate how greater processing intensity can generate value not only from the primary product but also from secondary streams. Scaling these solutions can create new revenue pools, reduce disposal costs and improve material utilization.

Sustainable packaging

The rapid growth of processed, packaged and convenience foods is increasing the importance of packaging solutions that balance product protection and shelf life with environmental considerations. The policy environment is also increasingly shifting towards greater producer accountability such as Extended Producer Responsibility (EPR) framework for plastic packaging by the Central Pollution Control Board. This creates a growing need for food processors and brands to redesign packaging around recyclability, material efficiency, recycled content and improved end-of-life recovery. Beyond regulatory compliance, opportunities include lightweight packaging, recyclable mono-material formats, bio-based and compostable alternatives and packaging designs that extend shelf life and reduce product damage.

Reduce food loss and wastage

Reducing food loss and waste represents one of the most direct sustainability and value-creation opportunities for India's food-processing sector, given the large volumes of agricultural and perishable produce that move through fragmented supply chains. The latest study commissioned by MoFPI estimates that India loses 12.49 million tonnes of cereals, 7.36 million tonnes of fruits and 11.97 million tonnes of vegetables annually, with estimated monetary losses of approximately INR 26,001 crore, INR 29,545 crore and INR 27,459 crore, respectively. Losses are also significant for livestock products, including milk, meat and fish, with the study estimating 3.01 million tonnes of losses and nearly INR 29,871 crore in associated value.⁵⁰ This highlights the opportunity to expand processing, preservation and cold-chain infrastructure that can extend shelf life and convert surplus or vulnerable produce into higher-value products. Technologies such as pre-cooling, controlled-atmosphere storage, individual quick freezing, improved packaging, dehydration and processing into shelf-stable products can reduce losses while creating additional value from agricultural output.

⁴⁹ <https://www.icar.org.in/en/indias-first-shrimp-shell-biorefinery-icar-cift-sets-new-benchmark-sustainability>

⁵⁰ Study to determine post-harvest losses of agri-produce in India, 2022, MoFPI

5

Opportunities for Investment



The food-processing opportunity in India is emerging across three interconnected layers of the value chain: commodity-specific processing, where India can move larger volumes of cereals, pulses and millets, horticulture, dairy, poultry and meat and fisheries into higher-value products; build the enabling infrastructure required to preserve, process and distribute that output; and integrate quality, food safety and traceability systems into the value chain.

5.1 Value addition

Within each commodity chain, the opportunity is to progress from primary processing and largely fresh or bulk sales towards branded, convenient, functional, shelf-stable and export-oriented products. The opportunity is most visible where a large production base is combined with relatively low levels of value-addition. Cereals, pulses and millets can move beyond conventional milling into fortified, breakfast, snack and ready-to-cook formats; horticulture can convert seasonal surpluses into shelf-stable and frozen products; dairy can shift a greater share of milk towards branded and value-added categories; and poultry, meat and fisheries can capture higher realisations through portioned, processed and convenience-led products.

5.1.1 Cereals, pulses and millets processing

India's processing in cereals and pulses remains largely concentrated to primary processing, particularly milling, leaving headroom for higher-value addition opportunities. Millets present a distinct growth opportunity, with increased consumer interest and policy attention strengthened by the International Year of Millets (2023) and the Government's continuing focus on 'Shree Anna'. The opportunity therefore lies in translating the raw-material advantage into branded and nutrition-led products rather than limiting value capture to primary processing.

The opportunities span blended and fortified flours, millet-based breakfast and snacks, pulse-based protein products and convenient ready-to-cook/ready-to-eat offerings (refer exhibit 43).

Exhibit 43: Cereals, pulses and millets - value-addition opportunities

Value addition category	Value-added Opportunity
Multigrain & Fortified Flour	Blended and fortified flours including multigrain, high fibre and millet wheat blends. These are supported by the continued shift toward branded packaged atta.
Millet-based RTE Snacks & Breakfast Cereals	Millet-based breakfast and snacking formats such as flakes, puffed millet, muesli/ granola and extruded snacks, supported by low-GI and gluten-free positioning.
Pulse-based Protein & Snack Products	Roasted/flavored pulse snacks, pulse-protein flours/isolates and ready-to-cook dal mixes, leveraging pulses as India's largest indigenous plant-protein source.
Ready-to-Cook / Ready-to-Eat Formats	Indian traditional food-instant khichdi, upma, millet based baby food and meal mixes

5.1.2 Horticulture processing

Horticulture has a significant value-addition gap despite India's large fruit and vegetable production base. A substantial share is sold fresh, with limited movement of output into primary, secondary and tertiary processing. The investment opportunity in horticulture lies in extending shelf life, reducing seasonal losses and creating products that can serve both B2B manufacturers and branded consumer markets.

This spans pulp, puree and concentrates for downstream food and beverage manufacturers; juices and nectars for consumers; dehydrated and freeze-dried ingredients and snacks; IQF and frozen ready-to-cook products; and branded preserves and spice blends. Together, these products provide multiple routes to monetize produce beyond fresh-market realization (refer exhibit 44).

Exhibit 44: Horticulture processing and value-addition opportunity

Value addition category	Value-added Opportunity
Pulp, Puree, Concentrate & Juices, Nectars & Beverages	- Fruit pulp, purée and concentrate capacity as a B2B input for beverage, dairy and bakery manufacturers. - Branded juices and nectars, including cold-pressed and no-added-sugar formats to tap rising urban demand for clean-label and no-preservative beverages.
Dehydrated & Freeze-Dried Products	Dehydrated vegetables and freeze-dried fruit snacks/ingredients, converting seasonal surpluses that drive wastage into shelf-stable products that also cater to the fast-growing healthy-snacking segment.
IQF & Frozen Ready-to-Cook, Export-Ready Processed Formats	IQF vegetable mixes and frozen ready-to-cook fruit and vegetable products, as modern retail and QSR chains increasingly depend on frozen, pre-cut produce for consistency and shelf life.
Branded preserves and spice blends	Traditional categories with strong consumer acceptance- branded pickles, chutneys, jams, spice blends and preserves.

5.1.3 Dairy processing

Dairy provides an opportunity to capture value from India's large milk production base by moving beyond liquid milk into branded, value-added and functional categories. Organized processing can expand packaged, quality-assured milk in specific markets, while higher-margin categories such as ghee, paneer, curd, yoghurt and cheese can deepen value capture. Opportunities also exist in functional dairy and by-product utilization (refer exhibit 45).

Exhibit 45: Opportunities across dairy value chain

Value addition category	Value-added Opportunity
Primary Processing	Expanding organized pasteurized and standardized milk capacity as consumers are shifting to packaged, quality assured milk
Protein & Functional Dairy	- Converting whey into high-growth products such as whey protein concentrates/ isolates. This is being driven by rising health and fitness awareness. - Value-added cheese products like mozzarella, processed cheese and spreads are fuelled by QSR demand and evolving urban consumption habits.
Ultra-Shelf-Stable, Flavored, Fortified & Frozen Formats	- UHT milk and aseptic dairy beverages can be made to reach markets without reliable cold-chain access, enabling wider distribution and shelf-stable growth without requiring upstream cold-chain investment. - Flavoured and fortified milk drinks and ice cream, as value added dairy categories are growing rapidly on the back of rising demand for convenience and indulgence products.

5.1.4 Poultry and meat processing

In poultry and meat, the value-addition opportunity is centered on converting fresh, wet-market oriented volumes into hygienically processed, portioned and convenience-led products. Organized retail, Quick Service Restaurants (QSR) and Hotel, Restaurant and Catering (HORECA) demand is creating a larger market for consistent cuts, marinated and ready-to-cook products, while premium retail and export channels can support higher-value formats.

The processing opportunity also extends beyond the primary product. Rendering and ingredient-recovery capabilities can convert offal, bone and fat into pet food, gelatin and industrial ingredients, improving overall resource utilization and creating additional revenue streams from the same raw-material base (refer exhibit 46).

Exhibit 46: Poultry and meat – processing value chain and value-addition opportunities

Value addition category	Value-added Opportunity
Primary Cut-up & Portioning	Leveraging mechanized, hygienic portioning (breast, leg, wing cuts) in place of whole-bird/whole-carcass wet-market sale to cater to modern retails and QSR chains.

Value addition category	Value-added Opportunity
Ready-to-Cook, Marinated and processed meat	- Scaling marinated, breaded and pre cut poultry and meat SKUs, driven by convenience trend propelling RTE/RTC categories. - Building domestic capacity in sausages, salami, ham, bacon and other deli formats, for the HORECA and premium-retail segment that remains import-dependent.
Value-Added Export Formats	Utilizing portioned, vacuum packed or modified atmosphere packaging and boxed meat in place of primary-cut export to drive higher margin in export markets.
By-product & Rendering Value-Addition	Converting by-products (offal, bone and fat) into pet food, gelatin and industrial ingredients, turning a currently low-value or discarded waste stream into saleable products through rendering and ingredient-recovery capacity.

5.1.5 Fisheries processing

India's domestic market remains largely dependent on fresh fish, creating scope for packaged, chilled, frozen and ready-to-cook seafood, as distribution expands beyond coastal markets. For exports, moving beyond primary forms into differentiated processed products can improve realisations and reduce dependence on a narrow set of product categories (refer exhibit 47).

Exhibit 47: Fisheries – processing value chain and value-addition opportunities

Value addition category	Value-added Opportunity
Primary Processing	Expanding IQF and block-freezing capacity beyond shrimp to fin-fish and other diversified species, reducing reliance on a single export commodity.
Ready-to-Cook & Value-Added Fish Products	- Developing breaded fillets, fish fingers, marinated RTC packs and surimi-based products to tap into the growing demand for convenient, ready-to-cook seafood formats. - Expanding chilled and frozen retail packs for modern trade and e-commerce, addressing a domestic market that still relies almost entirely on fresh wet-market sales and remains an open white space for packaged seafood.
Fish Protein & Functional Extraction	Extracting fish protein concentrates and Omega-3 from trim and by-catch
Distribution to Non-Coastal Markets	Developing processing-hub-linked distribution to reach inland consumption centers, tapping into a large under-served demand base where per-capita fish consumption remains significantly lower once processed and packaged products become accessible.

5.2 Other opportunities the value chain

While India has a strong agricultural base, gaps in productivity, logistics, quality management, technology adoption and skilled manpower continue to limit value addition and competitiveness. Addressing these gaps presents significant opportunities to reduce losses, improve productivity, enhance product quality and strengthen India's position as a global food processing hub. Some of the key priority areas that can drive greater efficiency across the food processing ecosystem are captured herewith.

5.2.1 Introduction of high yielding planting material, animal breeds and farm technologies

A reliable supply of high-quality raw material is the foundation of an efficient food processing industry. Improving farm productivity and quality through superior planting material can enhance processing yields while ensuring consistency in output.

Key opportunities include:

- Development and adoption of high-yielding, disease-resistant and climate-resilient crop varieties
- Large scale cultivation of processing-specific varieties with desired characteristics such as higher dry matter, sugar content or oil content.
- Strengthen certified seed and planting material production systems.

5.2.2 Cold chain & post-harvest infrastructure

The expansion of commodity-level processing creates a common infrastructure requirement: the ability to preserve quality from procurement through processing and distribution. Cold-chain and post-harvest infrastructure is therefore an enabling investment layer across horticulture, dairy, meat and fisheries, rather than a standalone opportunity. Strengthening this layer can reduce value leakage, improve consistency of raw materials and enable processors to serve organized retail, quick commerce and export markets more reliably.

Key opportunities include:

- Expansion of integrated cold chain networks from farm gate to retail.
- Development of pack houses, grading and sorting centres near production clusters.
- Refrigerated transportation capacity.
- Establishment of modern warehouses and controlled atmosphere storage facilities.
- Promoting digital monitoring for temperature and inventory management.

5.2.3 Food safety, quality assurance and traceability

As food value chains are becoming more organized and globally integrated, food safety, quality assurance and traceability are becoming increasingly important competitive differentiators.

This has created an investment opportunity beyond physical food processing infrastructure. Stakeholders are participating in building systems and technologies that enable food products to meet increasingly stringent domestic and international standards.

Some of the key opportunities exist in:

- Developing end-to-end traceability platforms
- Deploying digital technologies for farm-to-fork tracking
- Establishing food safety and quality certification platforms
- Establishing highly advanced, large-scale, food testing and quality-assurance laboratories
- Developing technologies for contamination detection and prevention
- Developing solutions for residue, adulteration and authenticity testing
- Creating sustainable and transparent sourcing systems

5.2.4 Introduction of modern technology in food processing

The food processing industry in India is largely dominated by small and medium enterprises (SMEs) and remains significantly unorganized, leading to the continued use of conventional technologies. This presents a strong case for the adoption of modern technology across the entire value chain—from farm to fork.

The next phase of India's food-processing growth will require investment in the technology and infrastructure that underpin the sector. This creates opportunities for companies that may not themselves be food manufacturers but provide the technologies, equipment and services required to modernise the food ecosystem.

Some of the key investment opportunities exist in:

- Advanced food-processing machinery manufacturing
- Automation and robotics solutions
- AI and data analytics across food value chains
- Packaging and shelf-life extension technologies
- Smart warehousing and logistics solutions
- Water- and energy-efficient processing technologies
- Waste-to-value and by-product utilisation solutions

5.2.5 Human Resource Development

Application of modern technology is a key imperative for the growth of food processing industry. Introduction of modern technology is expected to lead to unprecedented demand for scientists, technologists and other professionals across the agri-value chain - with the right techno-commercial expertise to effectively handle the emerging challenges of the food processing industry.

The demand for high quality skilled manpower opens opportunities for investors to establish professional training institutes catering to technical and managerial skill set requirement for verticals across the agri-value chain including procurement and commodity trading, logistics and distribution, research and development, technology management and implementation engineering and marketing among others.

For investors seeking long-term growth in a large and evolving market, India's food processing ecosystem presents a compelling opportunity to create lasting economic value and contribute to the country's journey towards becoming a global food processing powerhouse.

List of Abbreviations

Abbreviation	Full Form	Abbreviation	Full Form
AAI	Airports Authority of India	DA&FW	Department of Agriculture and Farmers Welfare
AAI CLAS	AAI Cargo Logistics and Allied Services Company Ltd.	DFC	Dedicated Freight Corridor
AHIDF	Animal Husbandry Infrastructure Development Fund	DFCCIL	Dedicated Freight Corridor Corporation of India Ltd.
AI	Artificial Intelligence	DPR	Detailed Project Report
AIF	Agriculture Infrastructure Fund	E NAM	Electronic National Agriculture Market
AMI	Agricultural Marketing Infrastructure	EPR	Extended Producer Responsibility
APC	Agro Processing Cluster	ETP	Effluent Treatment Plant
APEDA	Agricultural & Processed Food Products Export Development Authority	F&V	Fruits and Vegetables
APMC	Agricultural Produce Market Committee	FAOSTAT	Food and Agriculture Organization Statistical Database
ASI	Annual Survey of Industries	FCI	Fixed Capital Investment (contextual to state incentives)
ASUSE	Annual Survey of Unincorporated Sector Enterprises	FDI	Foreign Direct Investment
B2B	Business-to-Business	FEFO	First Expiry, First Out
Bn	Billion	FGV	Farm Gate Value
CA Storage	Controlled Atmosphere Storage	FICCI	Federation of Indian Chambers of Commerce & Industry
CAGR	Compound Annual Growth Rate	FIDF	Fisheries and Aquaculture Infrastructure Development Fund
CDP	Cluster Development Programme	FIFO	First In, First Out
CEFPPC	Creation/Expansion of Food Processing and Preservation Capacities	FPF	Food Processing Fund (managed by NABARD)
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises	FPO	Farmer Producer Organization
CIFT	Central Institute of Fisheries Technology (ICAR CIFT)	FSSAI	Food Safety and Standards Authority of India
COVID	Coronavirus Disease	FSQAI	Food Safety and Quality Assurance Infrastructure
Cr	Crore	FY	Financial Year

Abbreviation	Full Form
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GI	Geographical Indication (Tag)
Gol	Government of India
GST	Goods and Services Tax
GVA	Gross Value Added
GVO	Gross Value of Output
HACCP	Hazard Analysis and Critical Control Points
HoReCa	Hotel, Restaurant, and Café/Catering
HPP	High Pressure Processing
HS	Harmonized System (Customs)
ICAR	Indian Council of Agricultural Research
INM	Integrated Nutrient Management
INR	Indian Rupee
IPM	Integrated Pest Management
IoT	Internet of Things
IQF	Individual Quick Freezing
ISO	International Organization for Standardization
ITC	International Trade Centre (Trade Map)
ITDP	Integrated Tribal Development Programme
J&K	Jammu & Kashmir
KCC	Kisan Credit Card
Km	Kilometer
MAP	Modified Atmosphere Packaging
MIDH	Mission for Integrated Development of Horticulture

Abbreviation	Full Form
ML	Machine Learning
MMLP	Multi Modal Logistics Park
Mn	Million
MoA&FW	Ministry of Agriculture & Farmers' Welfare
MoCI	Ministry of Commerce and Industry
MoFAHD	Ministry of Fisheries, Animal Husbandry & Dairying
MoFPI	Ministry of Food Processing Industries
MoRTH	Ministry of Road Transport and Highways
MoSPI	Ministry of Statistics and Programme Implementation
MPCE	Monthly Per Capita Consumption Expenditure
MPEDA	Marine Products Export Development Authority
MSME	Micro, Small & Medium Enterprises
MT	Metric Tonnes
NABARD	National Bank for Agriculture and Rural Development
NE	North East (India)
N.e.s. / n.e.s.	Not Elsewhere Specified
NIQ	NielsenIQ
NITI	National Institution for Transforming India (NITI Aayog)
NRI	Non-Resident Indian
NSSO	National Sample Survey Office
ODOP	One District One Product
PDMC	Per Drop More Crop
PHM	Post Harvest Management
PLI	Production Linked Incentive

Abbreviation	Full Form
PLISFPI	Production Linked Incentive Scheme for Food Processing Industry
PM	Prime Minister
PMFME	PM Formalization of Micro Food Processing Enterprises Scheme
PMKSY	Pradhan Mantri Kisan Sampada Yojana
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PSL	Priority Sector Lending
QC	Quality Control
QSR	Quick Service Restaurant
R&D	Research and Development
RAC	Recirculating Aquaculture System
RTE	Ready To Eat
RTC	Ready To Cook
RTD	Ready To Drink
SC/ST	Scheduled Castes / Scheduled Tribes

Abbreviation	Full Form
SGST	State Goods and Services Tax
SHGs	Self Help Groups
SKU	Stock Keeping Unit
SPICED	Sustainability in Spice Sector through Progressive, Innovative & Collaborative Interventions for Export Development
TCV	Temperature Controlled Vehicle
TCW	Temperature Controlled Warehouse
TIIPS	Technological & Infrastructural Interventions for Processing of Spices
UAE	United Arab Emirates
UHT	Ultra-High Temperature (Processing)
UK	United Kingdom
USA	United States of America
USD	United States Dollar
UTs	Union Territories

Annexure 1

Details of HS codes considered for reporting processed food products trade data

HS Code	Commodity Description
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER AQUATIC INVERTEBRATES
1601	Sausages and similar products, of meat, offal or blood; food preparations based on these products
1602	Prepared or preserved meat, meat offal, blood or insects (excl. sausages and similar products, and meat extracts and juices)
1603	Extracts and juices of meat, fish or crustaceans, molluscs and other aquatic invertebrates
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved (excl. smoked)
17	SUGARS AND SUGAR CONFECTIONERY
1701	Cane or beet sugar and chemically pure sucrose, in solid form
1702	Other sugars, incl. chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel
1703	Molasses resulting from the extraction or refining of sugar
1704	Sugar confectionery not containing cocoa, incl. white chocolate
18	COCOA AND COCOA PREPARATIONS
1801	Cocoa beans, whole or broken, raw or roasted
1802	Cocoa shells, husks, skins and other cocoa waste
1803	Cocoa paste, whether or not defatted
1804	Cocoa butter, fat and oil
1805	Cocoa powder, not containing added sugar or other sweetening matter
1806	Chocolate and other food preparations containing cocoa
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS PRODUCTS
1901	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing < 40% by weight of cocoa calculated on a totally defatted basis, n.e.s.; food preparations of milk, cream, butter milk, sour milk, sour cream, whey, yogurt, kephir, and similar goods of heading 0401 to 0404, not containing cocoa or containing < 5% by weight of cocoa calculated on a totally defatted basis, n.e.s.
1902	Pasta, whether or not cooked or stuffed with meat or other substances or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared

HS Code	Commodity Description
1903	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or similar forms
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products, e.g. corn flakes; cereals (other than maize "corn") in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked or otherwise prepared, n.e.s.
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS
2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid
2002	Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid
2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid
2004	Vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen (excl. preserved by sugar, and tomatoes, mushrooms and truffles)
2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen (excl. preserved by sugar, and tomatoes, mushrooms and truffles)
2006	Vegetables, fruit, nuts, fruit-peel and other edible parts of plants, preserved by sugar "drained, glacé or crystallised"
2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter
2008	Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excl. prepared or preserved with vinegar, preserved with sugar but not laid in syrup, and jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)
2009	Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
21	MISCELLANEOUS EDIBLE PREPARATIONS
2101	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof
2102	Yeasts, active or inactive; other dead single-cell micro-organisms, prepared baking powders (excl. single-cell micro-organisms packaged as medicaments)
2103	Sauce and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal, whether or not prepared, and mustard
2104	Soups and broths and preparations therefor; food preparations consisting of finely homogenised mixtures of two or more basic ingredients such as meat, fish, vegetables or fruit, put up for retail sale as infant food or for dietetic purposes, in containers of ≤ 250 g
2105	Ice cream and other edible ice, whether or not containing cocoa
2106	Food preparations, n.e.s.

HS Code	Commodity Description
22	BEVERAGES, SPIRITS AND VINEGAR
2201	Waters, incl. natural or artificial mineral waters and aerated waters, not containing added sugar, other sweetening matter or flavoured; ice and snow
2202	Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages (excl. fruit, nut or vegetable juices and milk)
2203	Beer made from malt
2204	Wine of fresh grapes, incl. fortified wines; grape must, partly fermented and of an actual alcoholic strength of > 0,5% vol or grape must with added alcohol of an actual alcoholic strength of > 0,5% vol
2205	Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances
2206	Cider, perry, mead and other fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, n.e.s. (excluding beer, wine or fresh grapes, grape must, vermouth and other wine of fresh grapes flavoured with plants or aromatic substances)
2207	Undenatured ethyl alcohol of an alcoholic strength of $\geq 80\%$; ethyl alcohol and other spirits, denatured, of any strength
2208	Undenatured ethyl alcohol of an alcoholic strength of $< 80\%$; spirits, liqueurs and other spirituous beverages (excl. compound alcoholic preparations of a kind used for the manufacture of beverages)
2209	Vinegar, fermented vinegar and substitutes for vinegar obtained from acetic acid
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODER
2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves
2302	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants
2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets
2304	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil
2305	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of groundnut oil
2306	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable or microbial fats or oils (excl. from soya-bean oil and groundnut oil)
2307	Wine lees; argol
2308	Acorns, horse-chestnuts, marc and other vegetable materials and vegetable waste, vegetable residues and by-products of a kind used in animal feeding, whether or not in the form of pellets, n.e.s.
2309	Preparations of a kind used in animal feeding

Source: ITC Trademap

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The Knowledge Chamber of Commerce & Industry (KCCI) is a knowledge-driven, non-government and not-for-profit business organisation committed to strengthening India's industrial and entrepreneurial ecosystem. KCCI serves as a platform **connecting industry leaders, MSMEs, startups, entrepreneurs, policymakers, institutions, researchers and international stakeholders** to facilitate knowledge exchange, business collaboration and sustainable economic growth.

With a strong focus on **knowledge creation, industry engagement and policy dialogue**, KCCI works across diverse sectors including food processing and agriculture, technology, cybersecurity, intellectual property, aerospace and drones, education, infrastructure, finance, sustainability and emerging industries. Through its specialised forums, industry initiatives and expert-led programmes, KCCI provides stakeholders with opportunities to understand emerging trends, address business challenges and explore new avenues for growth.

A key area of KCCI's work is **research and knowledge dissemination**. The Chamber develops and supports research publications, sectoral reports, knowledge papers, conferences and industry-focused studies that bring together practical insights from experts, businesses and institutions. These initiatives contribute to informed decision-making and encourage greater collaboration between industry, academia and government.

KCCI also plays an active role in **business networking and market access** by organising conferences, summits, exhibitions, B2B and B2G meetings, investment interactions, buyer-seller meets and international business engagements. These platforms enable Indian enterprises to connect with potential partners, investors, buyers, institutions and policymakers, both nationally and internationally.

Through its growing network and strategic collaborations, KCCI promotes **entrepreneurship, innovation, technology adoption, MSME development and international business opportunities**. Its initiatives are designed to empower businesses with knowledge, connections and opportunities required to remain competitive in a rapidly changing global economy.

KCCI's vision is to emerge as a **trusted knowledge and business platform for Indian industry**, facilitating meaningful dialogue, fostering innovation and creating bridges between businesses, institutions and global markets. By bringing together knowledge, policy, industry and international cooperation, KCCI continues to contribute towards building a **competitive, innovative and globally connected Indian business ecosystem**.



At a Glance - A New Generation Private Sector Bank

At YES BANK, we are driven by a deep purpose and relentless commitment to our customers.

Headquartered in Mumbai, YES BANK is the 6th largest private sector Bank in India offering full-fledged banking solutions with its comprehensive bouquet of product and services, digital solutions catering to Retail, MSME, Wholesale and Rural segments. The Bank has a pan India presence with 1,255 branches, 235 BCBOs and 1,331 ATMs (including CRMs and BNAs) in over 300 districts in India.

The Bank operates its Brokerage business through YES SECURITIES, a wholly-owned subsidiary of the Bank. The Bank has a pan-India presence including an International Banking Unit (IBU) at GIFT City in the Ahmedabad district, Gujarat and a Representative Office in Abu Dhabi. Through a growing pan-India presence, we empower our customers to achieve their full potential and serve India's future businesses.

The Bank's vision rests on three strategic pillars:

Universal Banking with Granular Focus: Maintain our role as a universal bank while concentrating on refining and expanding each business segment.

Digital Leadership and Relationship Banking: Leverage our established digital market leadership to serve the new-age economy and future value pools, ensuring we also support and capture transactional business.

Employee-centric Culture and Efficient Processes: Prioritise an employee-focussed culture, streamline processes, and develop a scalable technology infrastructure.

YES BANK has consistently fostered a strong sustainability ethos within its culture, enabling it to respond effectively to evolving ESG expectations, regulations, and opportunities. The Bank continuously monitors ESG and climate developments, collaborating with stakeholders to integrate key sustainability themes and practices into its operations.

