



## The Changing Face of the Food Industry in India | Fmt Magazine...

# Food Processing in INDIA



[The food industry in India](#) is a vast and diverse sector, with a wide range of products and sub-segments. It is one of the most important contributors to the Indian economy, with a market size of over US\$ 391 billion in 2020. The industry is expected to grow at a CAGR of 6.8% from 2020 to 2025.

The food industry in India can be broadly classified into three segments: organized, unorganized, and exports. The organized segment, which includes modern retail, food processing, and food service, accounts for around 15% of the market. The unorganized segment, which includes street vendors, small retail stores, and traditional food processing, accounts for the remaining 85%. The export segment, which includes a wide range of products such as agricultural products, processed foods, and seafood, is also a significant contributor to the Indian economy.

[The food processing industry in India](#) is a rapidly growing segment, with a market size of over US\$ 33 billion in 2020. The government of India has been taking several initiatives to promote the growth of this sector, such as the National Food Processing Development Policy, which aims to increase the share of processed foods in the domestic market from 10% to 20% by 2020. The government has also set up several food parks and mega food parks across the country to provide infrastructure and other support to the food processing industry.

The Indian agriculture sector is the backbone of the Indian food industry, with more than 50% of the population dependent on agriculture for their livelihood. The sector is characterized by small and marginal farmers, with around 86% of the farms being less than 2 hectares in size. The government of India has been taking several initiatives to promote the growth of the agriculture sector, such as the Pradhan Mantri Fasal Bima Yojana, which aims to provide insurance coverage to farmers against crop loss due to natural calamities.

The food retail industry in India is also a rapidly growing segment, with a market size of over US\$ 42 billion in 2020. The organized retail segment, which includes supermarkets and hypermarkets, is growing at a CAGR of around 20%, while the unorganized retail segment, which includes small retail stores and street vendors, is growing at a CAGR of around 10%. The government of India has been taking several initiatives to promote the growth of the organized retail segment, such as the Foreign Direct Investment policy, which allows 100% FDI in the retail sector.

The food service industry in India is also a rapidly growing segment, with a market size of over US\$ 48 billion in 2020. The organized food service segment, which includes restaurants, fast food outlets, and cafes, is growing at a CAGR of around 10%, while the unorganized food service segment, which includes street vendors and small food outlets, is growing at a CAGR of around 5%. The government of India has been taking several initiatives to promote the growth of the organized food service segment, such as the Food Safety and Standards Authority of India (FSSAI), which aims to ensure the safety and quality of food served in the country.

In conclusion, the food industry in India is a vast and diverse sector, with a wide range of products and sub-segments. The industry is a significant contributor to the Indian economy, with a market size of over US\$ 391 billion in 2020. The government of India has been taking several initiatives to promote the growth of the various segments of the food industry, such as the National Food Processing Development Policy, Pradhan Mantri Fasal Bima Yojana, and Foreign Direct Investment policy. The food processing, agriculture, retail and food service industry are all rapidly growing segments. The sector is expected to grow at a CAG

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