



India Bulletin: Agriculture and Agri-food

Read our India bulletins for up-to-date news and opportunities from one of the world's fastest growing markets.

Food and grocery is the second-largest segment of India's retail industry and growing at a rate of 30 percent per year.

Why India?

India's large, fast growing, and young population is rapidly gaining purchasing power; these demographic factors make India a large and growing market for food products. It is the largest consumption category in India with a current market size of \$181 billion. This accounts for 31 percent of the consumer's wallet per month. The biggest success stories are seen in branded foods, convenience foods, and health foods. By 2020, the Indian food market is expected to reach \$318 billion - making India the fourth largest food retail market in the world.

India is aiming to be an agri-food powerhouse in the next ten years. It is introducing forward-looking policies to develop its food processing industry and to attract foreign investors. At present, India is able to process only 10 percent of its total food production as compared to Malaysia (83 percent), U.S. (65 percent), Thailand (30 percent) and China (23 percent).

There is significant wastage of food products (\$ 7.3 billion). At farm level, the wastage is about 15 percent of the total produce. At the transportation level, it is about 25 percent. Supply chain inefficiencies (lack of primary processing, storage and distribution facilities) lead to further wastage. India is trying to improve transportation, and acquire refrigerated vans and pre-cooling chambers to bring down the wastage by about 40 percent.

What Canadian products and expertise are in demand in India?

Pulses: Canada is the largest exporter of pulses to India. In 2010 pulses from Canada (primarily yellow peas) accounted for 34 percent of India's pulses imports.

Potash: In 2010, Canada supplied 18 percent of India's imports of 6.2 million tonnes of potash. Demand for potash is expected to grow to 9.5 million tonnes by 2020.

Canola oil: Demand for canola oil is growing as health conscious consumers seek healthier food options. There is a potential market for pre-packaged and bulk canola oil.

Processed foods: Gourmet, fine foods, and healthy snacks are in demand in the hospitality sector. Retailers are interested in a range of products such as confectionery, breakfast cereals, seafood, ready-to-eat meals, bakery products, and pasta.

Animal genetics: Market potential is estimated at \$3 million per year. Different states in India are interested in procuring bovine and swine semen. There is a demand for high quality swine semen and embryos in the north-eastern states of India.

For more information contact:
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What are the key recent trends and developments in this market?

India has been experiencing strong economic growth, higher purchasing power, greater acceptance of foreign brands and foods, and growing foreign and domestic tourism. These trends bode well for future growth of India's hotel, restaurants and institutions (HRI) sector. The share of imported food products of a typical four or five star hotel in India can vary from five to 20 percent of its total food budget. Commonly imported items include wines, seafood, items for mini bars, sauces, and ingredients for foreign cuisines such as Thai, Japanese, Chinese, and Mexican.

As importers of food items shift their focus from mere trading to professional brand management, distribution and marketing, they are increasingly looking to source the products directly from supplying countries. This presents great opportunities for Canadian food exporters.

How can I learn more?

Upcoming Event

1. AAHAR International Food Fair 2012

Dates: March 12-16, 2012

Venue: New Delhi

Organiser: India Trade Promotion Organisation (ITPO)

Website: aaharinternationalfair.com

AAHAR 2010 was the first food trade show in India in which Canada participated with good results. Canada's participation in AAHAR 2011 gave it a strong presence in northern India. At AAHAR 2012, Canada will showcase a range of niche, high quality agri-food products. The show is attended by food importers, distributors, representatives of the HRI sector, and a large number of consumers.

In the News

- "[Canada bodies keen on tapping growing demand in India's health foods market](#)," *Food and Beverage News*, December 10, 2011
- "[Farm mechanisation needs to be intensified, Pawar tells parliamentary panel](#)," *Food and Beverage News*, December 16, 2011
- "[India's pulses imports likely to touch 8 million tonnes by 2020](#)," *Commodity Online*, December 27, 2011
- "[Canada - Pig Genetics for India](#)," *Meat Trade News Daily*, January 10, 2012
- "[All's well when oil's well](#)," *The Times of India*, January 12, 2012

Useful Links

Ministry of Agriculture, Department of Agriculture & Cooperation - agricoop.nic.in

Import regulations - plantquarantineindia.org/impo.htm

Food Safety & Standards Authority of India - fssai.gov.in

Customs Tariff 2011-2012 - cbec.gov.in

Note: At the time of publication all links were active.

For more information on the Agriculture and Agri-food sector consult the [Agriculture and Agri-food Sector Profile – India](#) (see tradecommissioner.gc.ca/India)

Want to know more? Contact the Agriculture and Agri-food Sector Team in India at india.commerce@international.gc.ca