



Outlook of Food Industry in North India

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The food processing industry in India is poised for development of country, mainly due to the linkages and synergies between - industry and agriculture. After China, India rank second in the production of food and agricultural commodities. As taking account production of milk India ranks first with production of milk around 155.5 million tonnes during the Financial Year (FY) 2015-16. The country is also leading in the production of varieties of fruits such as mangoes, papayas, bananas, guavas as well as meat products including buffalo meat. Apart from the production of the food commodities, generation of waste during farming is also of major concern in the country. The food and grocery market that is contributing 70% of the retail sales may shows positive results in terms of growth of this sector. The major players in Indian food industry are Nestle, PepsiCo, Cadbury India, Dabur India, Haldiram's, MTR Foods, Parle Agro, HUL, Britannia Industries, ITC, Gits and Godrej Industries. During the period of April 2000-March 2017, India has received approximately US\$ 7.54 billion worth of FDI as mentioned by Department of industrial policies and promotion. As food is primary need of every human being, it is estimated that processing sector of the country has ability to attract investment of around US\$ 33 billion over coming 10 years and that will also provide employment to number of people as stated by Confederation of Indian industry. The Government of India aims to boost growth in the food processing sector by leveraging reforms such as 100% FDI in marketing of food products and various incentives at central and state government level.

As India is one of the leading countries in terms of its population, this factor results into very good establishment of local market for food processing industries. India has always been a food-loving country with each region having its own special food preferences, culture, geography, and demography ranging from North to South or the East to West. The demand of variety of food having good

nutritional value is also increasing day by day as consumers are becoming more health conscious that ultimately leads to production of new food commodities. In addition, in today's busy world consumers has more choice for instant or ready to eat foods as well as frozen products that are easy to cook in very short time. Thus, all these factors related to consumer's choice create number of employment and investment opportunities in food sector that includes its infrastructure, cold storage units and quality analysis and control etc. The country provides diverse climatic zones for the production of variety of agricultural crops. The availability of storage units and capability of continuous supply of raw materials will show positive affects on number of sub-segments of animal husbandry, dairy, fisheries etc. The country has large potential for growth in the food processing sector in the North Indian states like Jammu and Kashmir, Haryana, Punjab, Himachal Pradesh, Uttar Pradesh, and Uttarakhand. These include various segments such as meat and poultry, dairy, fruit and vegetables, consumer foods and the ready-to-eat segment.

Jammu and Kashmir

The cold climatic zone of Jammu and Kashmir is desirable mainly for cultivation of horticultural crops, involving sub-tropical and temperate fruits such as guava, berry, litchi, mango and pear, peach, apricot, cherry, plum, apple, almond, and walnut respectively. The Cultivation of major fruits is possible in the state as the state provides vast natural resource base and three different desirable agri-climatic zones. It is ranked first in the production of apple, walnut and cherry. There are 3 food parks, 10 industrial estate/complex and 2 agro-export zones in the state taking the food processing to new horizons of success. Under MoFPI the state has 6 cold chain units, in addition to this installed cold storage capacity in Jammu and Kashmir is 1.1 mn tonnes.

Himachal Pradesh

The state of apples - Himachal Pradesh is a predominantly agrarian state, consisting of four favorable agro-climatic zones. The state is a leading producer of off-season vegetables (capsicum, tomato, peas, cabbage, cucumber) and exotic fruits (persimmon, kiwi). Its rank is second in the production of apples and almonds in the country. Major food grains produced in the state include Rice and Maize. It is also known for its spices such as Ginger, Ajwain seeds, Cardamom, Clove and Garlic. There is a huge availability of food processing infrastructure in state including: 12 cold chain projects, testing laboratory and immense land bank for industry. Presence of leading food processors including Minchy's, Britannia, TATA, Cremica, ITC, PepsiCo, IFB Agro, Keventer, Bisk Farm, and Nestle can be seen in the industrial area of Baddi, Nalagarh, Parwanu, and Una of Himachal Pradesh. A number of industrial areas and food parks are available for investors keen on setting up food processing units in the state. The key food park in Himachal Pradesh includes Cremica Food Park spread over 50 acres at Una district.

Punjab

Punjab - the food bowl of India contributes more than 40% of the central pool of wheat and 26% of rice. The state enjoys high yield for various agriculture produce including wheat, cotton, paddy, citrus, etc, proving high fertility and quality of soil in the state. It has the highest productivity (1.5 million tonnes per year) for litchi, guava and mandarin orange in India. In addition to this, the state produces around 3.8 million tonnes of vegetables mainly potato followed by tomato. Punjab has a robust infrastructure in place for Agro and food processing sector by having 40% share of the total warehousing and storage capacity in India. In Punjab approximate amount of production is as follows i.e. 9.8 million tonnes of milk, 3603 million eggs, 0.1 million tonnes of fish and 0.2 million tonnes of meat. As mentioned earlier, large amount of livestock products are produced in the state but processing of these products is limited, only accounts small percentage of the produced which is negligible in case of fish and egg sector. Considering about processing of milk, 80% of milk quantity is processed by unorganized sectors, whereas only 20% of it is processed by the organized sector. Punjab Agro Industries will be going to set up a multiproduct mega food park at as a proposed Rs 140 Crore on 100 acres of land which includes five primary processing or collection centres and pack houses. In

World Food India 2017, the government of Punjab had signed 36 MoUs with entrepreneurs worth Rs 3,000 crore, which may result in generating around 11,000 jobs in the state. In addition to this presence of 16 cold chain units under MoFPI offers rapid growth of food processing in the state.

Haryana

Since 1970s the state is known for its sustainable growth in the sector of agricultural and manufacturing units and also recognized as one of the most economically developed regions in South Asia. The north western part of state is suitable for rice, wheat, vegetable and temperate fruits while the south western part is suitable for high quality agricultural produce, tropical fruits, exotic vegetables and herbal and medicinal plants. Haryana is the 8th largest producer of milk with production of 7.06 million tonnes (5% of National production). It ranks 1st in egg production and the country in Inland Fish Productivity per hectare-per year. Haryana is the second largest producer of green peas and third largest for mushrooms in India. Around 2600 food processing units get registered as those are involved in processing of cereal grains, vegetables and fruits also. About 75% of total processing industries is contributed by those units which are involved in millings of various cereals like rice and wheat, mustard and rapeseed etc. The state has approximately 240-250 cold storages with a total capacity of approximately 4 Lakh MT, 100 registered rice producing mills and three labs recognized by APEDA for food processing.

Uttarakhand

Uttarakhand is the home to 510 food processing units and sees investment of over Rs 1,000 crore annually. It is the leading fruit producer of India and ranks first in production of pear, peach and plum; second in production of walnut, and third in apple production. Facilitating infrastructure, stable political environment and adequate labor pool makes it an attractive investment destination in the country. The state has robust infrastructure for food processing including- 2 mega food parks; 4 industrial clusters, 4 agri-export zones. Presence of leading food processors including Britannia Industries Limited, Nestle India Limited, Pepsi and KLA India Public Limited in the state favours the processing of food round the year. The state has 512 registered food processing units in the state with 147 Central licenses and 365 State licences. Further, out of these, 403 units are horticulture based and 109 are non-horticulture based.

Uttar Pradesh

Uttar Pradesh is at the forefront in the production of the total food grains (20%), sugar cane (36%), potato (34%), livestock excluding cow (11%) and milk (17%), wheat (33%), lentil (45%), vegetables (30%) in the country. Uttar Pradesh contributes 60% of the meat export from the country and is the largest producer of fruits and vegetables in India. The state provides desirable agricultural climatic conditions with number of agro-climatic zones which favours cultivation of agricultural crops, vegetables and fruits throughout the year. The major food processors including Parle Agro, Godrej Agrovet, PepsiCo, Cargill, Coca Cola, Dabur, Heinz, JVL, Merino Industries Ltd., ITC, Paras, Amul, build up the food processing sector in UP. Uttar Pradesh has largest cold storage capacity at around 13.8 mn tonnes. Under MoFPI/NMFP state has 29 cold chain units. The highest production of sugarcane accounting for 35% of total production maintains second rank in the production of sugar. Uttar Pradesh plays a pivot role in development of agri-business and agro-processing sector in country. With a population of 200 million, U.P. offers the largest market for consumption of food products and offer relatively low cost skilled work force, therefore a huge opportunity exists in the sector as currently only 2% of total produce.

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