



Confederation of Indian Industry

# FoodprO<sup>®</sup>

Over the Years  
- a Report

Towards Two Decades of Service



"Triumphant strides to the 10<sup>th</sup> grand edition"



Confederation of Indian Industry

# FoodprO<sup>®</sup>

## OVER THE YEARS



2013

### Triumphant Strides to the 10th Grand Edition

FoodPro is the pioneering biennial event for the Food Processing industry organised by Confederation of Indian Industry. FoodPro is the largest conglomeration of stakeholders of Food Processing Industry in South India. **Over the Years** showcases the many achievements of FoodPro and CII in two decades of service to members and will set the stage to showcase everything that is planned for its 10<sup>th</sup> Edition.

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## Preface

India has been actively hosting trade exhibitions for several hundred years dating to the times when the land served as the trade route between the West, Middle East and Far East. India being part of the global trade map had an active market environment where traders had to showcase their supplies to the world. Some of the age old practices continue to exist even today.

An example of the traditional exhibition is the Pushkar Fair in Rajasthan. While one may tend to pass it off only as a wonderful tourist attraction, the scale of business amounts to the tune of thousands of camels every year.

Modernization and brand awareness together with the possibility to travel and visit trade fairs has enabled visitors and exhibitors alike to plan an exhibition calendar and for several businesses in the country, trade fairs and exhibitions have evolved to become distinct sales channels. Infrastructure for exhibitions and exhibition organization have also evolved over time and today operate professionally with several of them having international linkages.

Organized trade fairs under the impetus of the government in the country date back to the early 1950s when the government set up the Directorate of Exhibitions under the Ministry of Commerce.

In 1952, an exhibition ground was developed in New Delhi to host an exhibition to mark the centenary celebration of Indian Railways in India. The fairground was later christened “Pragati Maidan”.

In 1970, the Trade Development Authority (TDA) was set up under the Ministry of Commerce followed by the formation of Trade Fair Authority of India (TFAI) as formulated in 1977 by an Act of parliament with the aim of organizing the trade shows. Later in 1992, India Trade Promotion Organization (ITPO) was formed by merging TDA and TFAI.

The Confederation of Indian Industry (CII) started with its first trade fair in 1975, covering the sectors of engineering and technology. The fair had only domestic participation. Today the Trade Fairs Division organizes focused fairs in specific sectors like automotive, construction, commercial vehicles, hospitality, internal security, maintenance, mining, railways, rubber, space technology, etc., with industry associations and various government bodies including ministries as partners and having substantial overseas participation. Additionally, the Trade Fairs Division of CII also organises India Pavilions in international shows wherein we provide a cost effective promotion opportunity for the Indian Industry. The Government of India has its own initiative - “The India Shows” which are organized in different countries to showcase India’s technological prowess & what India can offer as Exports. CII plays an active role as a partner in some of The India Shows held abroad.

Today CII organizes trade fairs and exhibitions which are not only the largest in India but some which are the largest in South Asia as well.

This report Over the Years showcases FoodPro, the pioneering biennial event for the Food Processing Industry organized by Confederation of Indian Industry.



## ABOUT CONFEDERATION OF INDIAN INDUSTRY

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government, and Civil Society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded over 118 years ago, India's premier business association has over 7100 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of

over 90,000 enterprises from around 257 national and regional sectorial industry bodies.

CII charts change by working closely with the Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

*The CII Theme for 2013-14 is Accelerating Economic Growth through Innovation, Transformation, Inclusion and Governance.*

Extending its agenda beyond business, CII assists Industry to identify and execute corporate citizenship

programmes. Partnerships with Civil Society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including Affirmative Action, Healthcare, Education, Livelihood, Diversity Management, Skill Development, Empowerment of Women, and Water, to name a few.

The CII Theme for 2013-14 is Accelerating Economic Growth through Innovation, Transformation, Inclusion and Governance. Towards this, CII advocacy will accord top priority to stepping up the growth trajectory of the nation, while retaining a strong focus on accountability, transparency and measurement in the corporate and social eco-system, building a knowledge economy, and broad-

basing development to help deliver the fruits of progress to all.

With 63 offices, including 10 Centres of Excellence, in India, and 7 overseas offices in Australia, China, Egypt, France, Singapore,

UK, and USA, as well as institutional partnerships with 224 counterpart organizations in 90 countries, CII serves as a reference point for Indian industry and the international business community.

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## ABOUT CII FOOD AND AGRICULTURE CENTRE OF EXCELLENCE

CII's National Council on Agriculture has a vision to 'Create a thriving and sustainable Agribusiness in India for rejuvenating

India's agriculture growth and raising farm incomes.' Several initiatives were undertaken by the various National level Task Forces under the Council. A high point of the year was efforts at setting up

of a Food and Agriculture Centre of Excellence (CII-FACE), to work towards building efficiencies across the agricultural value chain, from farm to fork, and improving food security. CII- FACE was announced during US President Barack Obama's visit to India in November, CII -

FACE will work with farmers, companies, institutions and NGOs to bring about a quantum jump in agricultural production and productivity, enhance economic value addition, act as an information hub for sharing of global best practices, and

undertake research across key segments in the Agriculture sector.

Barak Obama, President of USA at the Food and Agriculture Centre of Excellence stall in Mumbai.

The initiative was set up as CII – Jubilant Bhartia

Food and Agriculture Centre of

Excellence (CII-FACE). The Centre will endeavor to build capacity while leveraging technology and innovation to improve productivity and the environmental footprint of agriculture. It will focus on introducing efficiencies across



[Barak Obama, President of USA at the Food and Agriculture Centre of Excellence stall in Mumbai.](#)

the supply chain, right from the farm gate to the end consumer.

FACE has a 34 member Expert Group on Food Safety & Quality represented by business heads of major food processing companies, champions of the food processing industry and quality control consultants.

*The CII-FACE would focus on introducing efficiencies across the supply chain, right from the farm gate to the end consumer.*

Services Offered

- **Sharing of Best Practices** in agriculture and the food sector through publications, learning events and electronic media
- **Technology Transfer** services will include technology fairs, conferences, training events, facilitation of technology adaptation and institutionalizing public-private partnership models for reference & scalability

- **Capacity Building** by providing training and consultancy services in the area of food safety (including GAP, GMP, GHP, HACCP, GFSI approved schemes) and working closely with all stakeholders (i.e. FSSAI, Government, Farmers, Industry and Consumers) on producer , grower and supplier development initiatives
- **Skill Development Training** programmes across the value chain. (Post-harvest technologies, packaging solutions etc.)
- **Conducting Sectorial Research** across the different segments of the food industry (Cereals, Food grains, Fruits & Vegetables, Meat, Milk) to identify opportunities for enhancing productivity and quality







## ABOUT TAMILNADU TECHNOLOGY DEVELOPMENT AND PROMOTION CENTRE

Tamil Nadu Technology Development & Promotion Center (TNTDPC) is a joint initiative of the Government of Tamil Nadu and Confederation of Indian Industry (CII). TNTDPC is incorporated as a Society. It is governed by an apex Governing Council chaired by the Secretary to the Government of India, the Department of Science & Technology and consisting of members from Government of India, Government of Tamil Nadu, Industry and CII.

TNTDPC was conceived as a one-stop shop for Technology Development & Promotion, Technology Upgradation and Induction of New Technologies in Tamil Nadu as a unique model in the country. The major task of the Center is focused towards providing a helping hand to the Small & Medium enterprises and entrepreneurs in Tamil Nadu to reach and compete in the global market place through technology innovation and meeting international

standards. The center provides maintains a client friendly association, linking support and guidance from global experts in upgrading the industrial growth of the state. The Center uses networks of institutions/agencies globally, in order to stimulate and successfully accomplish SMEs technology projects and help them in problem solving.

TNTDPC has its initiatives catering to the major industries in Tamil Nadu. The Food Processing and Automotive Industry initiatives are the largest with several

*TNTDPC, the joint initiative of CII and Govt. of Tamil Nadu leads the technology based events and interventions in the state.*

conferences, workshops, missions, technology transfer, IPR Services.

CII-TNTDPC has been actively involved in the agro/food sector at state government level. A very active Task Force on food processing has been instrumental in synergizing the focus of the government to develop the capacity of this industry. The initiative is to foster and encourage the growth of all agriculture related businesses. This initiative is to create awareness among industry and for forging collaborative

partnerships from other countries with a view to disseminate information on the new business opportunities. The centre actively supports prospective entrepreneurs in making the right linkages with the technology providers.

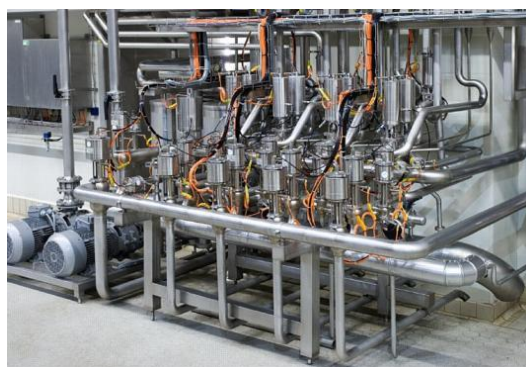
#### TNTDPC Services for the Food Processing Industry

- **Bankable Project Reports:** TNTDPC assists entrepreneurs to prepare technically sound business plans for horticultural farms, fruit & vegetable processing plants, dehydration plants for fruits & vegetables and cold storages.
- **Technology Transfer:** TNTDPC is in touch with other leading institutes in the country for facilitating technology transfers in areas of high opportunities for domestic as well as global markets. Through the various missions and projects undertaken, TNTDPC has a network of Scientists and Research and Development Centres through which it assists businesses to identify appropriate technology and also does the handholding in the implementation of the same.
- **Resource and Finance Mobilization:** TNTDPC help clients

raise resources and funds for setting up their dream projects by identification of appropriate financial institutions and other government stakeholders for support.

- **Strategic Alliances:** With global linkages, TNTDPC facilitates strategic alliances for businesses including but not limited to Joint Ventures,
- **Export Competitiveness:** TNTDPC also provides customized advisory services in International Trade requirements and trade flow analysis in specific areas of products and services. A special emphasis is given on Market Access and Market Entry Strategies.

TNTDPC runs a series of Conferences, Workshops, Training Programs, Seminars and Special Projects. The initiative is to foster and encourage the growth of all agriculture related businesses. This initiative is to create awareness among industry and for forging collaborative partnerships from other countries and with a view to disseminate information on the new business opportunities and also to support the prospective entrepreneurs in making the right linkages with the technology providers.





## LAUNCHED IN 1995

1st ever Business  
Forum & Event on  
Food Processing  
Industry

1st FAIDA Report  
launched and  
published in FoodPro  
1997

Support from All Related Government  
and Quasi Government Departments

## STANDS AS THE LARGEST FOOD PROCESSING SHOW IN SOUTH INDIA WITH 155 EXHIBITORS AND MORE THAN 25000 VISITORS

FoodPro is CII's commitment to further strengthen its pioneering role in developing the Food Processing industry in India. When it was launched in 1995, it was the first ever exhibition in the food industry in India. The food processing industry in India was not given the required attention during the very initial days of the liberalization of the Indian economy. The first five years post the liberalization, food processing and agri business sectors did not get much

attention as all the efforts of the government were spent on other industries. FoodPro was then an eye opener to the Indian industry to invest in advanced technologies, branding and utilization of hygienic, easy to use processed foods. The theme 'The Sunrise Industry' constituted for the FoodPro 1995 still lingers in our mind and every entrepreneur in the food processing industry would remember how it has played a vital role in setting the tone for investment and boosting investor confidence.

## Food Processing Industry in India

The total value of Indian food processing industry is expected to touch USD 194 billion by 2015 from a value of USD 121 billion in 2012.

India's agri and processed foods exports shot up 63 per cent to set a record at INR 101,504 crore in the first 10 months of 2012-13, as compared to Rs 62,244 crore in the corresponding period of last year.

The packaged food segment is expected to grow 9 per cent annually to become an

INR 6 lakh crore industry by 2030, dominated by milk, sweet and savory snacks and processed poultry, among other products.

Food processing businesses in India attracted foreign direct investments (FDI) worth USD 1,811.06 million during April 2000 to March 2013, according to the latest data published by Department of Industrial Policy and Promotion (DIPP). Though today India is 3rd largest producer of agriculture and food producer, in terms of processed food we are way behind the developed nations. The fruit processing in India is around 2-4% against 70-80% in developed nations and even developing nations like Thailand have reached the level of 30%. In the case of value addition, India stands at around 20% against 45% of some developing nations.

Govt. of India, through its Ministry of Food Processing (MoFP) has been promoting food processing industry and as a

*With a huge agriculture sector, abundant livestock, and cost competitiveness, India is fast emerging as a sourcing hub for processed food.*

government initiative, substantial funds are allocated in 12th Five Year Plan (2012 - 2017). The total outlay for 5 years is INR 15304 crores and out of this INR 10300 Crore are allotted for Infrastructure and Food processing sector, which is about 2/3rd of total outlay. This is expected to generate an investment opportunity to the tune of INR 35 lakh crores. Compared to 10th and 11th Plan, where total outlay

was INR 65 thousand crore and INR 4031 Crore respectively, the increase in outlay has substantially increased.

The Indian food industry has witnessed strong growth over

the past few years. India is the world's second largest producer of food next to China, and has the potential of becoming the biggest producer in the years to come. The total food production in India is likely to double in the next ten years.

With a huge agriculture sector, abundant livestock, and cost competitiveness, India is fast emerging as a sourcing hub for processed food. Moreover, India's market for organic food consumption has also been recognised as one with the largest potential worldwide, as per RNCOS research report titled, 'Indian Organic Food Market Analysis'.



## The Scenario

While the Indian Agri and Food Processing Industry has grown in leaps and bounds over the past 10 years, they are yet to realize their full potential. Considering the climatic and geographical conditions of our country, India has achieved 50 to 60% of its potential. Food processing continues to be minimal at less than 10% of all produce even while there is a strong affinity towards branded and hygienic foods that have developed over the years in the similar lines of consumer goods and other sectors.

*Considering the climatic and geographical conditions of our country, India has achieved 50 to 60% of its potential.*

The Food Processing Industry in India is typically divided on the basis of the levels of processing into two distinct Primary and Secondary Processing sectors.

Primary process is where the raw agricultural produce like Milk, Meat and Fish is converted to commodities fit for human consumption by simply cleaning, grading, sorting and packing, without changing the physical properties of produce.

Secondary processing (and sometimes tertiary processing) usually deals with higher level of processing where new or modified products are manufactured and necessarily involve change in physical properties of produce. Normally, primary processing is carried out at farm level and secondary at factory level on large scale.

In India, due to non-segregation of primary and secondary processing of food and lack of farm level processing resulted in to high cost of finished goods due to multiple handling chains, low production volume and wastages in process. The wastage of farm produce at farm level is almost 7% in case of Fruits & Vegetables and on an average 4-6% in pulses, cereals, oil seeds and poultry produce.

There has been a significant drop in the share of GDP of agriculture and allied sectors from 30 % in 1990-91 to 13.9 % in 2011-12. This while the employment in the agricultural sector has not dropped significantly. The situation creates opportunities considering that other sectors are growing faster and hence a higher demand for high value foods. Changing lifestyles increase the demand for processed and semi-processed foods. But the income levels of businesses, technology levels and levels of processing continue to be low. This calls for a drastic improvement in the food processing, food supply chain, food production and allied industries.



## Evolution of Food Processing Industry in India over the Years

At the wake of the new economic liberalisation, the agriculture sector was left to perform as usual and the government concentrated on manufacturing, services and allied industries. It took over 5 years to consider agriculture seriously though the country's inherent strengths lie in these sectors. The first five years of liberalisation had an

government to realize that the Indian Food Processing Industry could grow to one of global prominence and can earn the reputation of a high quality high value food products supplier.

The government followed it up with focused efforts. 100% FDI was allowed automatically in food processing sector. No

*The government's declaration of Food Processing as the Sunrise Sector and the various interventions have not exploited the full potential of the Indian Food Processing Opportunity*

industrial licenses were required to start the industry except for a few items like alcohol, beer etc.

Industry-first approach where agriculture was outside the purview and food processing was no major force as was, focusing on removal of industrial licensing, removal of import licensing from all manufactured and capital goods, tariff reductions and relaxation of rules for foreign investment.

Export Promotion: Food parks and export zones were promoted which provides benefits like duty free imports, profits from export sales are exempt from corporate taxes etc. These marked the growth phase of the food processing industry.

Past 1995, the food processing industry was identified as a natural extension of the strengths of the country and the potential to create an impact on a larger proportion of Indian society were identified. It would take several foreign interventions and the year 2000 for the

However, investment in this sector has been very low in India. The government's declaration of Food Processing as the Sunrise Sector and the various interventions have not exploited the full potential of the Indian Food Processing Opportunity.

## Global Position of India in Agriculture

With the inherent strengths of the Indian Food Processing Industry and the current market requirements can make India one of the most competitive food processing countries in the world.

- With 161 million hectares, India has the 2nd largest arable land in the world

- At 55 million hectares, India has the largest irrigated land area
- India is the largest producer of wheat accounting for nearly 15% of global wheat production
- India accounts for nearly 21% of global pulses production and is the largest
- Largest producer of milk accounting for nearly 17% of global milk production
- Largest producer and exporter of spices
- 2nd largest producer of tea, accounting for nearly 28% of the global tea production
- 2nd largest producer of rice accounting for nearly 22% of global Rice production
- 2nd largest producer of sugarcane accounting for nearly 21% of the global sugarcane production

Though India has these strengths, poor technology and supply chain infrastructure are the key concerns.

## Nature and Structure of the Food Processing Industry in India

The industry is mainly unorganized with 75% of the processing units belonging to the unorganized sector. The organized category though small, is growing fast in terms of numbers and sizes.

Unorganized players are not registered and they are household/cottage industries having local presence. They primarily cater to the needs of local foods that are

Indian companies have very low levels of collaboration with the customers in key areas like production planning and transportation planning which in turn has an effect on their operational efficiency of inventory turns and on-time delivery.

Indian companies score low on the on-time delivery of finished products. There is still a long way to go to inculcate professionalism

and to overcome the larger infrastructural difficulties.

*SSI constitutes around 33% of the total number of companies and are companies with investment less than INR 1 Cr in fixed assets.*

consumed without much preservation.

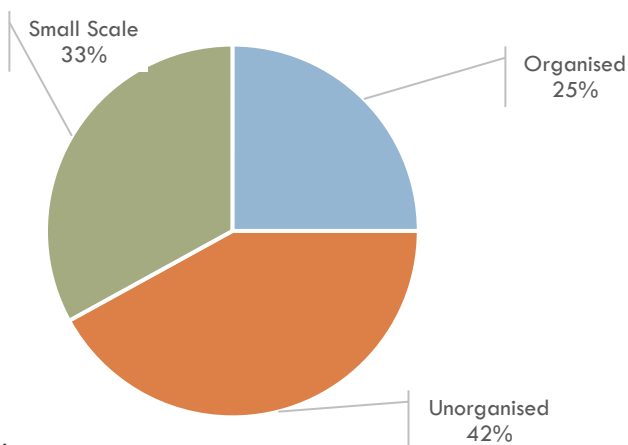
Small Scale Industries (SSI) constitute around 33% of the total number of companies and are companies with investment less than INR 1 Cr in fixed assets.

Existence of cooperatives in Dairy sector is high due to which the processing level of milk is higher (35%) compared to other products (average – 7%)

Collaboration with the suppliers is also low compared to the global and high performing companies.

The low levels of customer and supplier collaboration results in the organizations being forced to stock high levels of finished goods and raw materials impacting inventory turns and therefore profitability.

### Structure of Indian Food Processing Industry



Source: NMCC Deloitte Study

### Need for Exhibition on Food Processing

CII being India's largest industry association has been organizing several trade fairs, conferences, missions, and consultative projects to enhance the business environment in India. A combined trade fair together with a conference and a planned facilitation of B2B meeting can go a long way in networking, identifying new opportunities and interventions to

enhance the policy environment. Such efforts have known to address issues in the industry that include training, business opportunities and technologies. It is also the endeavor of an event like FoodPro to identify new modes of engaging with members, government and the public at large.

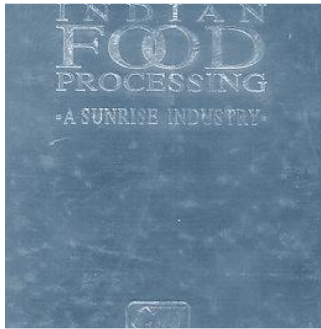




## Thought leadership at FoodPro and the Role of FAIDA

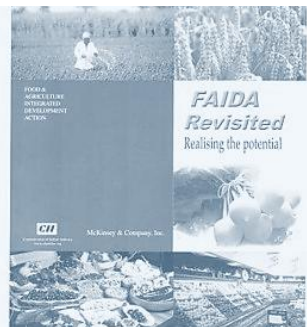
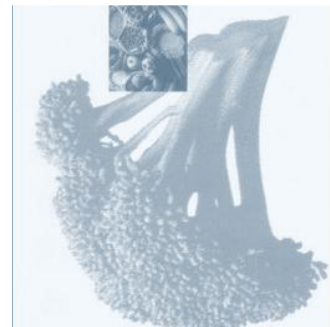
Over the years, FoodPro has published several industry reports through the expertise and inputs of the key stakeholders in the country. FAIDA is an

initiative of CII where McKinsey, has partnered since its constitution to identify new opportunity and to provide the necessary vision and strategy for the Agri and Food Processing Industries in India. Governmental organizations and businesses alike have participated and provided their inputs.



Indian Food Processing - A sunrise industry

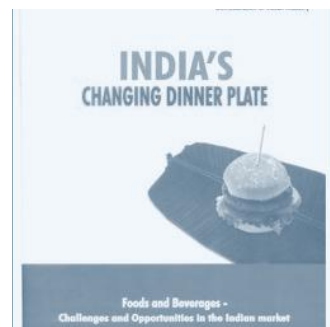
CII-McKinsey 'FAIDA' Report  
FoodPro 1997



FAIDA revisited – Update of the FAIDA report.  
The Theme was on Realizing the Potential -  
FoodPro 2003

The report recommended market driven linkages, innovation and development of low cost business systems.

CII-A C Nielsen Report ORG MARG report of  
“INDIA’S Changing Dinner Plate” – FoodPro  
2007



The latest and 3<sup>rd</sup> Version of the FAIDA report was published at Delhi on the 12<sup>th</sup> of April 2013. The report titled “India as an Agriculture and High Value Food Powerhouse: A New Vision for 2030” builds on the previous two versions published in 1997 and 2003. Based on research conducted for the research, 12 interventions across five themes have been recommended to meet the true potential of the Indian Agri and Food Processing Sectors.

1. Institute a National Agricultural Technology Mission
2. Institute a National Agricultural Sustainability Mission
3. Encourage Scalable Farmer – Industry Partnerships
4. Consider a Favourable Policy Regime, which Improves Agricultural Marketing Mechanisms
5. Stimulate Food Processing Through Emphasis on Branding
6. Launch a National Agriculture and Food Export Mission in select categories
7. Attract Private Capital and World Class Expertise
8. Create a National Farm Gate to Market Infrastructure Authority (NFMIA)
9. Create Mega Demand Servicing and Export Hubs
10. Scale up Agricultural Extension Services Through Private Participation and New Infrastructure Creation
11. Create a Network of Four to Five New World Class Food and Agricultural Universities and

Research Laboratories to Stimulate Agricultural Research

12. Set up Agri Business Focused Angel and Venture Capital Funds as a PPP Initiative between Central and State Governments and Private Capital Providers.

The constitution of FAIDA and its integration with FoodPro have provided the necessary impetus for



new thought and a unified vision for the Food Processing Industry in the country. The policy recommendations and the vision for CII have been referred to on several occasions and have created significant impact on several policy decisions. FAIDA therefore will be a long lasting institution and will continue to work towards the Vision for 2030 for the Food Processing Sector in India.

## An Incredible Journey

2011

Emerging Technologies in Food Processing Sector

Chairman: Mr. Sanjaya Mariwala, Kancor

2009

Growing with Food, The Evergreen Business

Chairman: Mr. Sivakumar S, ITC Ltd

2007

Driving the Next Agri Revolution

Chairman: Mr. Sumant Sinha, Aditya Birla Retail Ltd

2005

From the Farm Gate to the Dinner Plate - "The way forward to India's Food Business"

Chairman: Mr. Pradipta K Mohapatra, RPG Enterprises

2003

India as a Food Factory to the World

Chairman: Mr. Pradipta K Mohapatra, RPG Enterprises

2001

Everything from the Farm Gate to the Dinner Plate

Chairman: Ms. Mallika Srinivasan, TAFE Ltd

1999

Spanning the Entire Food Chain

Chairman: Mr. Utpal Sen Gupta, ITC Ltd

1997

Liberated, Competitive and Global Food Industry

Chairman: Mr. R Gopalakrishnan, ITC Ltd

1995

The Sunrise Industry

Chairman: Mr. R Gopalakrishnan, ITC Ltd



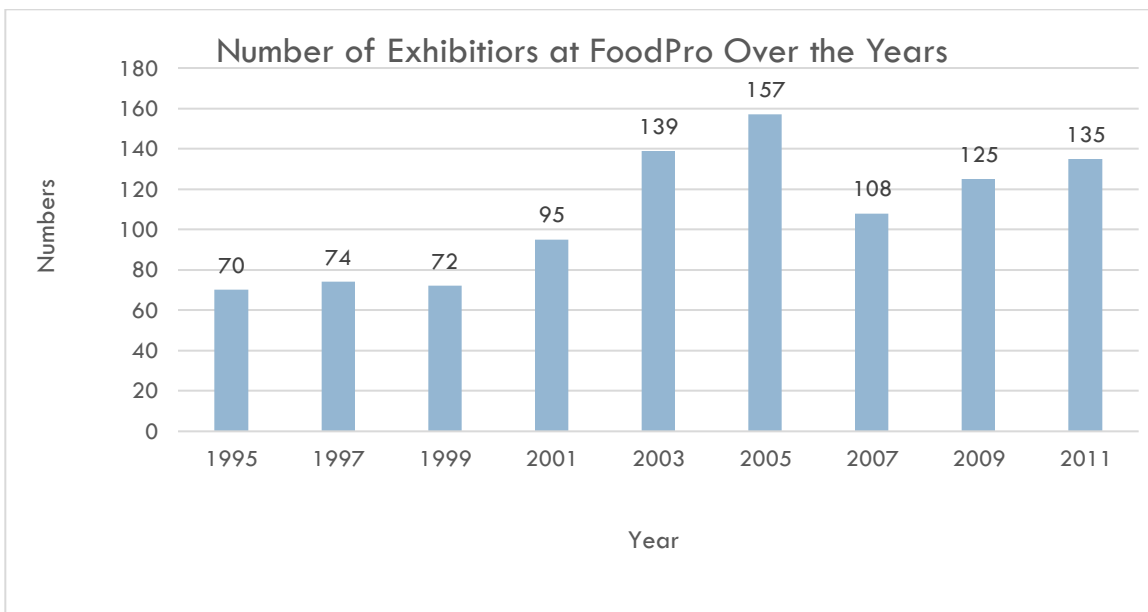
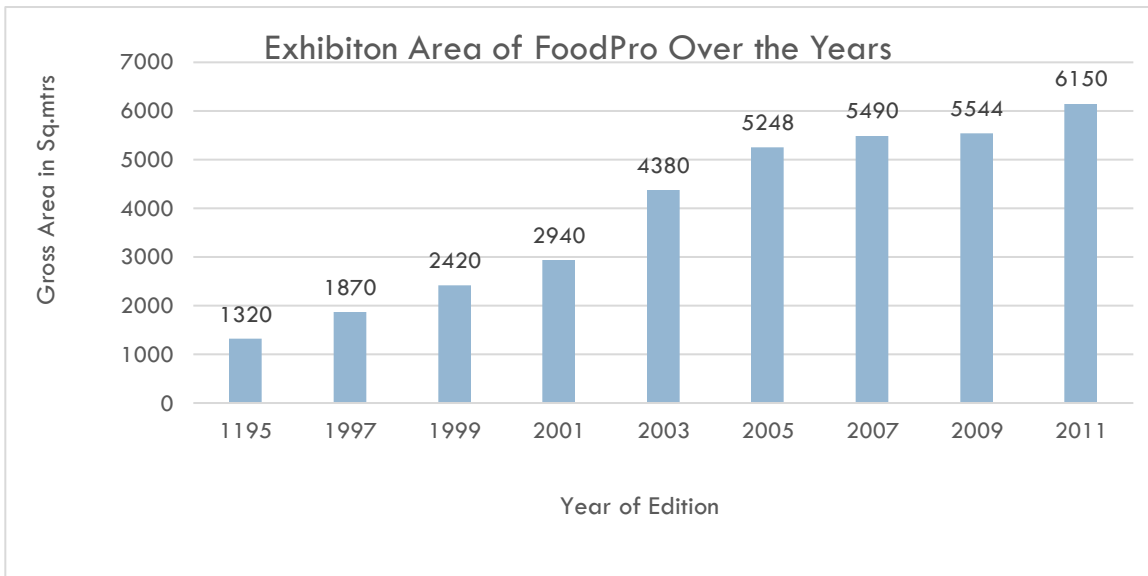
Governor of Tamilnadu, Surjit Singh Barnala at the FoodPro 2005. Courtesy: The Hindu



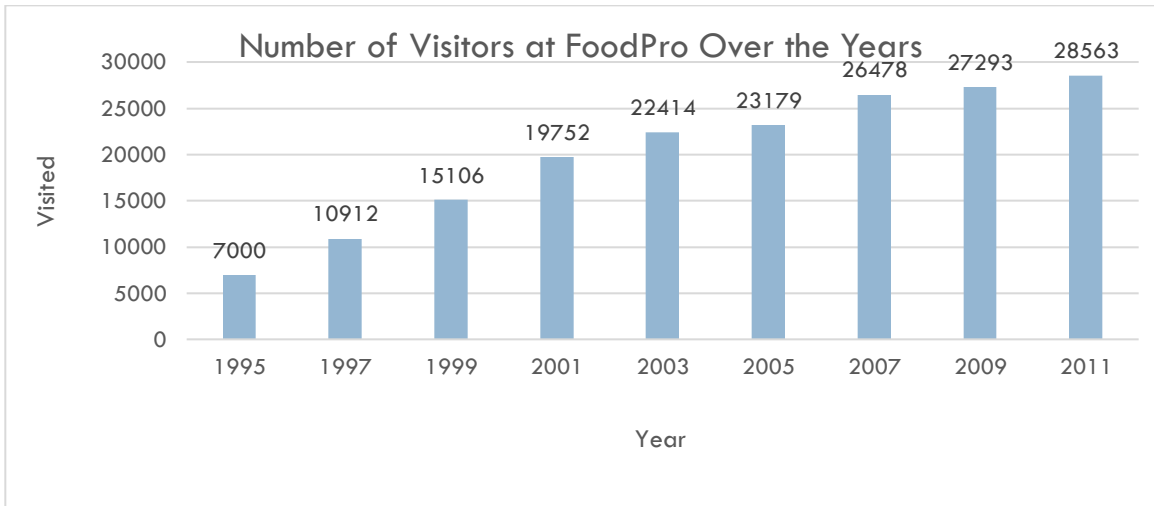
FoodPro is conducted at premises of international acclaim and Chennai Trade Centre at Chennai has been the primary exhibition venue. The venue is by and far the best connected and strategically located to attract both exhibitor and visitor participation.

The exhibition, conferences, B2B meetings and all other activities carried out in cognizance with the event have been growing in leaps and bounds over the years.

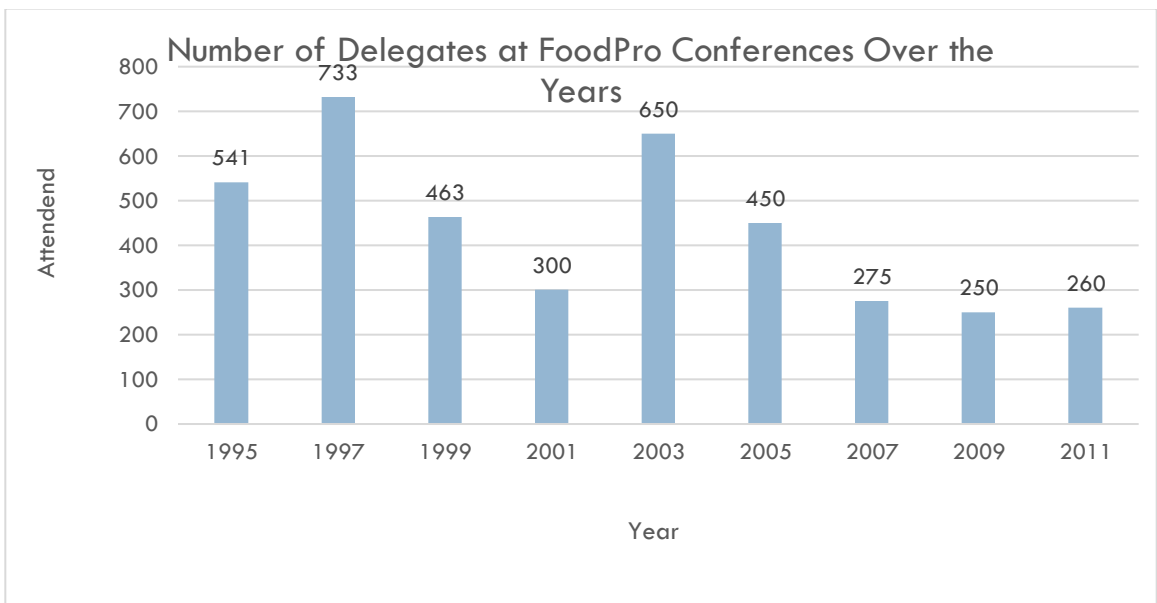




The increasing number of exhibitors and the profile of the participants have added to the richness of the event and the benefits that visitors and participants derive. FoodPro continues to be the largest fair of its kind in South India and is the most sought after by the key proponents of food business.



FoodPro not only attracts visitors and participants from India but also from several developing and developed nations. Several machinery manufacturers and buyers visit the exhibition which have been an opportunity for several Indian companies to identify international selling/ technology transfer opportunities.



Conferences at FoodPro not only attract the participation of the industry but from some of the most important Food Processing Research Centres in the country.



# Food processing key to viability of agriculture sector, says Governor

Special Correspondent

**CHENNAI:** A novel food technology is the need of the hour and it is important to examine, identify and segregate industries that can absorb research and development inputs to bring about a 10-15 per cent increase in value addition in agri produce, Governor K. Rosaiah said here on Saturday.

Inaugurating a conference on "Emerging technologies in food processing sector" and the 9<sup>th</sup> edition of the three-day Foodpro 2011 exhibition at the Chennai Trade Centre, Nandambakkam, he said that the development of technology was vital for improving productivity and



**EVINCING INTEREST:** Governor K. Rosaiah at 'Foodpro-2011 exhibition' at Chennai Trade Centre on Saturday. - PHOTO: S. S. MURUGAN

It should be extended priority-sector lending, totally excluded from General Sales

**Food processing industry needs \$30-bn funding**  
Our Bureau

## Put agri reforms back on track: CII

... Agricultural Produce Marketing Act and ... trading

Foodpro 2009

## US ready to help India in agri sector, says Milligan

ENS Economic Bureau  
Chennai, October 30

AGRICULTURE has been and will be the...

which would facilitate further investments in the agriculture sector. He also said that the US companies would

ally bench marked farm practices, including post harvest techniques in order to improve value addition to agricultural produce. The Agricultural Produce Marketing Act should be implemented in the country, so that farmers get fair prices for their produce.

Business, JTC Limited.

He said the CII Foodpro 2009 acted as a platform for interface between the food technology sector and the food industry, especially in matters relating to the current trends in food processing and innovation through modern technology.

The market demand for processed food stood at Rs 1.50 lakh crore, he said and added that the profile of food consumption in India of late. K Nanda Kishore, Secretary to Tamil Nadu Government, Agriculture Department, said, "Agriculture is shifting from resource-based to technology-based with the use of innovative farm techniques for achieving more crop yield."

## Food processing sector seeks govt support

THE BUSINESS REPORTER  
Chennai, 23 October

THE food-processing industry in India is looking at government support in various forms including tax incentives and measures to strengthen brand India in overseas countries. The \$14 billion food processing industry, growing at 12 to 13 per cent at present, could grow at higher rates if effective measures are taken, says the industry body.



**INDUSTRY PLAYERS ALSO DEMAND SUPPORT FROM THE GOVERNMENT IN PROMOTING THE INDIAN BRAND IN FOREIGN MARKETS**

Speaking to reporters on the sidelines Foodpro-2011, the ninth Indian food processing and food technology fair organised by the Confederation of Indian Industry (CII) in Chennai, Piruz Khambatta, chairman, CII National Committee on Food Processing and chairman and managing director, Rasna (P) Ltd, said, "The government should come out with tax incentives for R&D, value-added products, quality control and education to support the industry. We are also recommending a corporate farming structure. In

regime along with lower value-added tax (VAT) regime. It should also consider tax incentives for R&D and education programmes in the industry.

The industry has also demanded setting up of a venture fund for the industry. The CII is in discussion with the Na-

tion to leverage that, if the government helps to create brands abroad. You can see examples of other countries...

moting their world," he said. The government could do this by setting up vegetable food parks or processing centers for companies with such advantages.

One of the major challenges faced by the industry in agricultural sector is the fragmented lands owned by individuals which could hamper the industry. Instead of setting up processing centers for food model which the industry is pushing, Piruz Khambatta, CII chairman, said, "The government should encourage research centers in the industry. Earlier, inaugurating the food processing

\$30 bn in food industry

to invest \$30 billion in the industry in the next three years in manufacturing and processing, storage and packaging, said S Sivakumar, chairman, CII National Committee on Agriculture.

NEWS TODAY - 29.10.09

## 'Food security, climate change are twin issues'

NT Bureau

Chennai, Oct 29: Climate change and food security are the two major challenges faced by the global food industry, said S Sivakumar, chairman of Foodpro 2009, a food fair.

Sivakumar was speaking at the 8th Indian Food Processing and Food Technology Fair, organised by CII, Southern region, in Chennai today.

He further said there was a need to enhance the income of the marginalised farmer. He also said the price of food consumption in the country was changing with more and more people experimenting with their eating habits.

Tamil Nadu Agriculture Secretary K Nanda Kishore said the food processing



Tamil Nadu Agricultural Minister Veerapandi S Arumugam viewing the products of the Gujarat contingent at a food processing fair in Chennai today.

entrepreneurs, were welcome to set shop in the country and added that subsidies in micro-irrigation should be made available to the marginalised farmer.

When asked about the in-

livelihood for the masses.

There would be a conference on "Growing with food, the Evergreen business" on 30 October and also a live banking demo and contest along with an educational workshop.

A total of 150 exhibitors are participating in the event. The organisers hope to attract over 30,000 business and trade visitors.

The exhibition was inaugurated by the Tamil Nadu Agricultural Minister Veerapandi S Arumugam. The exhibition would showcase state-of-the-art technology and food processing equipment and machinery, besides refrigeration and cold chain systems, packaged food, dairy equipment and a host of hotel and kitchen equipment.

production of GM crops, he said there was a huge debate on the issue.

He said that around \$ 30 million should be pumped into the Indian food processing sector for it to become a vibrant source of

FoodPro in News

Fair focusses on trends in food processing, technology

Special Correspondent

CHENNAI: The eighth Indian Food Processing and Food Technology Fair hosted by the Confederation of Indian Industry got going at the Chennai Trade Centre here on Thursday.

Agriculture Minister Veerapandi S.Arumugam opened the event, which will conclude on November 1.

More than 150 participants, including 73 from the State, are showcasing state-of-the-art technology and products in the food processing sector.

The exhibits include food processing equipment, kitchen equipment, bakery technology and machinery.

Addressing a press meet, S. Sivakumar, Chairman, Foodpro 2009 and Chief Executive - Agri Business, ITC Ltd., said the four-day event provided an interface between the food technology sector and the food industry.

The focus was on current trends in food processing and innovation through modern technology. It was estimated that India's processed food sector, valued at Rs.1.50 lakh crore, would require investment to the tune of \$30 billion to meet the rapidly changing consumption profile of the population.

Five marketing complexes

K. Nanda Kishore, Agriculture Secretary, said Tamil Nadu had done fairly well on the agriculture front and was expected to raise food grains



EVERGREEN MARKET: Veerapandi S. Arumugam, Minister for Agriculture, visiting a stall at Foodpro 2009, fair hosted by CII at Chennai Trade Centre in Chennai on Thursday. - PHOTO: R.SHIVAJI RAO

output from 110 lakh tonne grain processing facilities within the state.

He called for formalising the Indo-US Bilateral Investment Treaty at the earliest. He also called for replicating the successful model of telecons in the food sector to improve farm

The CII expects the event to clock 25 per cent more than the Rs.100-crore business turnover netted during the previous edition.

One of the highlights of the event is the visit of a 20-member high level business delegation from the US-India Business Council led by Bob Milligan, Chairman, U.S. Chamber of Commerce.

The delegation is exploring opportunities for transfer of technologies in agricultural production and application of international best practices.

THE ECONOMIC TIMES CHENNAI FRIDAY 30 OCTOBER 2009

Food processing industry needs \$30-bn funding

THE changing food consumption patterns is giving a big fillip to the domestic Rs. 1.50 lakh crore processed foods industry, a fifth of which is in the organised sector. But the sector requires an investment of \$30 billion in the medium term to align itself to the changing consumption patterns, ITC Agri Business Chief Executive S.Sivakumar said. It was in the city for the launch of the CII-sponsored annual event.

DINAKARAN - 30
நந்தம்பாக்கம் வர்த்தக மையத்தில் உணவு பதப்படுத்து கண்காட்சி தொடக்கம். 3 நாட்கள் நடக்கிறது.

DINAMALAR - 30
உணவு உற்பத்தி துறையில் முதல் தர தொழில்முனைவோருக்கு அறையு

உணவு உற்பத்தி துறை வரும்படி தொழில் முனைவோர் மன்றம் உள்நிபந்தனைகளை வரவேற்கிறது. உணவு உற்பத்தி துறை வர்த்தக மையம், சென்னை தொடங்கியது. கண்காட்சியை பொருளியல் அமைச்சர் தலைமையில் திறப்பு விழா நடைபெற்றது.

Foodpro 2009

AGRICULTURE has been and will be the anchor for India's economic prosperity and the United States is keen to strengthen the Indo-US cooperation in the field of agriculture, said Bob Milligan, Chairman, US Chamber of Commerce, and Chairman, M I Industries Inc. Speaking at the conference on 'Growing with Food: The Evergreen Business' organised by the Confederation of Indian Industry (CII) as

சென்னையில் 'புட்ப்ரோ-2009' வர்த்தக கண்காட்சி



The New Indian Express, Chennai, October 31, 2009

Call to expedite agricultural reforms

He called for formalising the Indo-US Bilateral Investment Treaty at the earliest. He also called for replicating the successful model of telecons in the food sector to improve farm

MURASU - 29.10.09
அமைச்சர் வீரபாண்டி அருமுகம் தொடங்கி வைத்தார். இந்திய உணவு பதப்படுத்தும் தொழில்முனைவோர் கண்காட்சி சென்னை நந்தம்பாக்கம் வர்த்தக மையத்தில் தொடங்கியது. கண்காட்சியை பொருளியல் அமைச்சர் தலைமையில் திறப்பு விழா நடைபெற்றது.

US ready to help India in agri sector, says Milligan

AGRICULTURE has been and will be the anchor for India's economic prosperity and the United States is keen to strengthen the Indo-US cooperation in the field of agriculture, said Bob Milligan, Chairman, US Chamber of Commerce, and Chairman, M I Industries Inc. Speaking at the conference on 'Growing with Food: The Evergreen Business' organised by the Confederation of Indian Industry (CII) as

Food processing to lift rural India

DC CORRESPONDENT CHENNAI, OCT. 22

Food processing sector is the next sunrise industry after infotech and integrat-

industry experts at a conference on the Indian food processing industry and food technology. "Food processing can do to rural India what IT did to

Confederation of Indian Industry (CII) national committee on food processing, at the ninth edition of Foodpro 2011, which was organised by CII.

lease farmland from farmers where the owners could produce agri products according to the requirement of the company," he said. The \$14-billion food processing industry has

Business, ITC Limited. He said the CII Foodpro 2009 acted as a platform for stakeholders between the food technology sector and the food industry, especially in matters relating to the current trends in food processing and innovation through modern technology. The market demand for processed food stood at Rs 1.50 lakh crore, he said and added that the country had been witnessing changes in the profile of food consumption in India of late.

## Testimonials



“A well-organized Exhibition & Conference which can be ‘Showcase of India’. Congratulations for their success”

- Shri Subodh Kant Sahai, The Union Minister of State for food processing Industries (Independent Charge), Govt. of India

## Testimonials

This is one of the best organised Exhibition we will participate in the next edition definitely"

- Mr. Prasad Tendulkar, Product Manager, Food & Beverage News

A Very Impressive Exhibition that enable us to showcase our Company & our products to Potential buyers in the Food & Beverage Industry

- Mr. S R Sridhar, Director, Oror Flavours & Chemicals Pvt. Ltd.

One of the finest exhibits of Food & Food Processing Industry under one roof

- Mr. Harindran Ajay Khanna, Assistant Director - PR, Bureau of Indian Standards

No doubt the best show in the entire South India

- Mr. Nadeem Akber, Business Manager, Processed Food Industry

I was very happy by professional handing of the event by CII staff. I would definitely like to participate again

- Mr. Devang Mehta, Chief Executive Officer, ETA Engineering Services

"FoodPro® keeps us active" Excellent Platform for Business Promotion

- Mr. Jagadish Pal, Executive Director, Proteins Foods and Nutrition Development Association of India

A FoodPro is well Planned and Organised I am very impressed with the exhibitor and their showcasing of products. I got some good idea for improvement

- Mr. N S Krishna Moorthe, General Manager, Ruchi Soya Industries Ltd

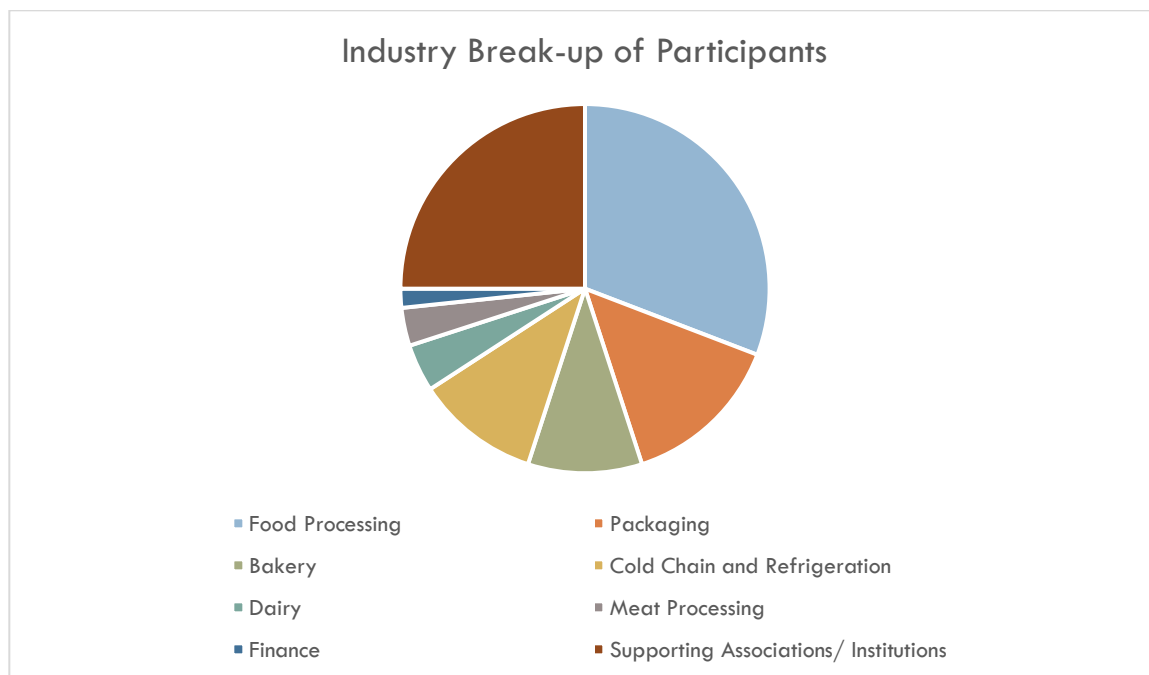
Good Platform for Product Launch "Very Impressive"

- Mr. V Vikram, Chief Executive Officer, Vikaash Packaging

## FOODPRO 2013

The tenth edition of FoodPro is to be held between 30th August and 1st September 2013 at Chennai Trade Centre, Chennai, Tamilnadu, India.

At FoodPro 2013, the latest technologies in food processing, cold storage and warehousing, logistics and related products will be exhibited by large number of Indian and International companies. It is an exhibition spread across 60000 sqft area and expected to be visited by 10000+ business visitors. 500+ structured B2B meeting are expected to take place during the course of exhibition.



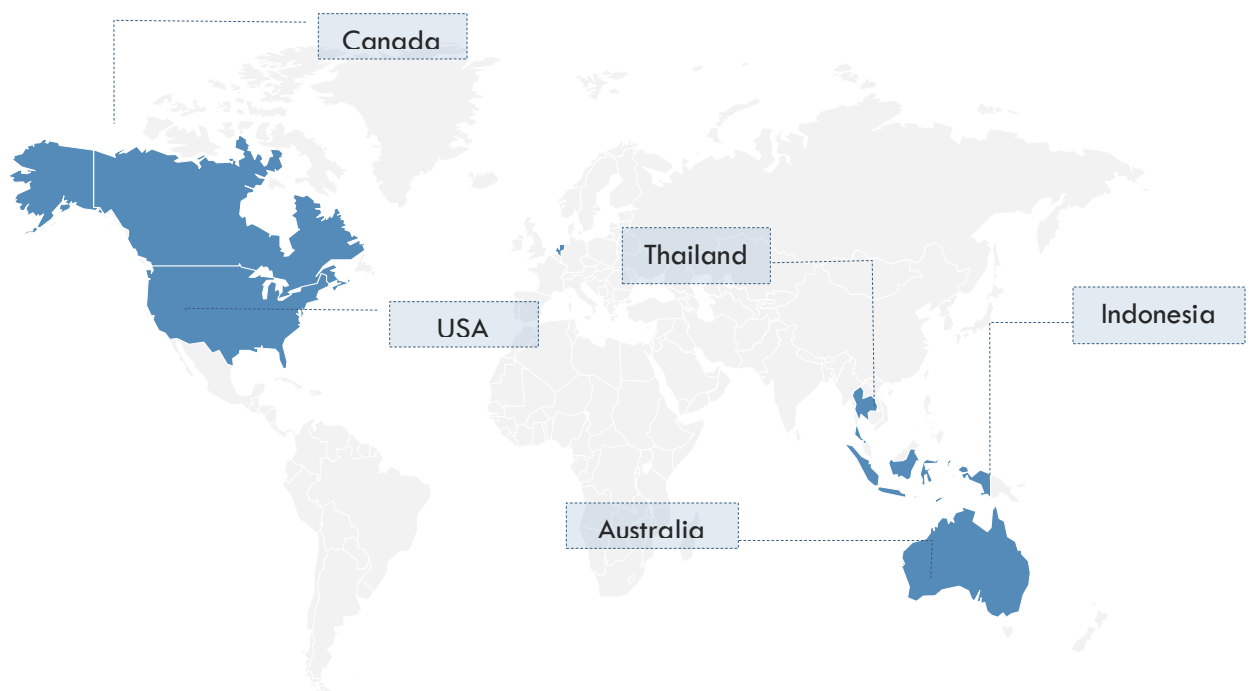
## Conference on Technologies for Value Added Food Product Development at FoodPro 2013

FoodPro 2013 would also have a conference on Technologies for Value Added Food Product Development.

The sessions would be on the following broad lines

- CEO Session on Future of Food Processing Industry: In the light of Recommendations made in FAIDA III
- Innovative Food Process and Products
- Innovation in Processing and Packaging Materials
- Alignment with Global Supply Chains

## International Participants at FoodPro 2013



## INVITING YOUR PARTICIPATION IN FOODPRO 2015

### FoodPro 2015

- Scheduled for 28<sup>th</sup> to 30<sup>th</sup> August 2015
- Large international participation
- Area to be increased to 10000 sqm from 6000 sqm
- Proposed efforts to attract participation from all major countries like Germany, Italy, Australia, Netherlands, China, Taiwan, US

Separate pavilions planned for Bakery, Food Processing Tech / Equip, Processed Food, Meat & Poultry, Dairy Technology



## SUPPORT FROM GOVERNMENT TO FOOD PROCESSING INDUSTRY

The Indian government is providing various incentive to promote the food processing industry in the country

A few of the measures are:

- Foreign Direct Investment (FDI) up to 100% is permitted under the automatic route in the food infrastructure (food park, cold chain/warehousing)
- Automatic approval to FDI up to 100% equity in FPI sector excluding alcoholic beverages and a few reserved items
- No industrial license is required for almost all of the food & agro processing industries except for some items like: beer, potable alcohol & wines, cane sugar, hydrogenated.
- Animal fats & oils etc. and items reserved for exclusive manufacture in the small-scale sector.
- Up to a maximum of 24% foreign equity is allowed in SSI sector
- Income tax rebate for new Food Processing Units. 100% of profits for five years and 25% of profits for the next five years for setting up of new agro-processing industries to process and package fruits & vegetables
- Fruits & vegetables, and dairy machineries are completely exempt from excise duty. Central excise duty on preparation of meat, poultry and fish, pectin, pasta and yeast is also completely exempt.
- Customs duty on refrigerated goods transport vehicles has been reduced from 20% to 10%.
- Excise Duty of 16% on dairy machinery has been fully waived and excise duty on meat, poultry and fish products has been reduced from 16% to 8%.
- The government has supported 966 food processing units with financial assistance of INR 14574 lakh during 2012-13 (till February 15, 2013) under the scheme for technology upgradation, establishment and modernisation of food processing industries.
- The plan allocation for funding the various schemes for the Food Processing industry is INR 5990 crore for the Twelfth Plan.



- A scheme named National Mission on Food Processing (NMFP) which aims at increasing the level of food processing from 10 per cent in 2010 to 25 per cent by 2025 has also been launched.
- The government has also, passed the National Food Security Bill for which an outlay of INR 10000 Crore was allocated in the Union Budget of 2013-14.

## Export Promotion

- Free Trade Zones (FTZ) and Export Processing Zones (EPZ) had been set up with all infrastructures. Also, setting up of 100% Export Oriented Units (EOU) is encouraged in other areas. They may import free of duty all types of goods, including capital goods.
- Capital goods, including spares up to 20% of the Cost Insurance Freight (CIF) value of the capital goods may be imported at a concessional rate of customs duty subject to certain export obligations under the Export Promotion Capital Goods Scheme (EPCG) scheme. Export linked duty free imports are also allowed.
- Units in EPZ/FTZ and 100% EOUs can retain 50% of foreign exchange receipts in foreign currency accounts
- 50% of the production of Export Processing Zone (EPZ)/ Free Trade Zone (FTZ) and 100% EOU units is saleable in domestic tariff area.
- All profits from export sales are completely free from corporate taxes. Profits from such exports are also exempt from Minimum Alternate Tax (MAT).
- Setting up of 60 agricultural zones for end-to-end development for export of specific product from same geographies
- 53 food parks approved to enable small and medium food and beverage units to set up and to use capital intensive common facilities such as cold storage, warehouse, quality control labs, effluent treatment plant, etc.

## Special Initiatives of the Government

### Tamil Nadu Southern Districts Industrial Corridor of Excellence

Government of Tamil Nadu is in the process of preparing a comprehensive corridor development plan for an industrial corridor of excellence with world class infrastructure which will house special economic zones, industrial and Information Technology (IT) parks, Research and Development (R&D) institutions, universities, social infrastructure such as housing, healthcare, recreation, primary & secondary educational facilities, etc., in the southern districts of the state. Food Processing will be the primary stress

of the southern districts of Tamil Nadu. The investment outlay planned for infrastructure development of the corridor is INR 40105 crores. This development shall be spearheaded through PPP initiatives.

Thrust areas requiring priority attention would include improving production and productivity, reducing production cost, wastage reduction, increasing value addition, price stabilization, use of high-tech agriculture technologies, genetically

modified varieties, micro propagation, micro irrigation/fertigation, integrated nutrient management, organic farming, integrated pest management, protected cultivation / greenhouse technology, post-harvest management, conservation and development of native livestock, hygiene and modern fish handling facilities, modernization of slaughter houses, adoption of state of the art food processing technologies, focusing on high unit value realization in export markets etc.

Agribusiness Investment Region of a large size of about 5000 hectares covering food parks, Agri Special Economic Zones (SEZs),

common processing hubs etc., are planned. These would have state of the art infrastructure including general infrastructure such as site grading, roads, power, water, communications, drainage, sewerage, sewage treatment plant, effluent treatment plant, storm water drains, rain water harvesting, firefighting etc., and specialized infrastructure such as auction halls, cold storages, quarantine facilities, quality control labs, quality certification centers, raw material storage, controlled and modified atmospheric storage, primary processing centers, central processing centers etc.

### Banana Regulated Market in Tamil Nadu

According to agricultural statistics, out of Tamil Nadu's annual production of 8.5 million tonnes of banana, accounting for about one-third of the country's production, only a fraction is processed and exported. Banana is a crop of importance in Tamilnadu especially for the districts of Theni, Dindigul, and the Southern districts of Tirunelveli and Kanyakumari.

CII started organising the Banana Festival last year as a platform for farmers, industry representatives, cold chain infrastructure providers, and traders to come together to identify business opportunities and infrastructure gaps, and the ways to address the needs of the stakeholders. CII proposes to organize three more such fests in the towns of Trichy, Gobichettipalayam and Tuticorin in the days to come.

One of the outcomes of the banana festival is the sensed need for a regulated market for banana which was recommended to the Government of Tamil Nadu.

The State Government of Tamil Nadu in the month of May announced the establishment of a special regulated market for selling banana covering the Tirunelveli District.

According to statistics available with the Department of Agriculture, banana is cultivated in 9,000 hectares (ha) in Tirunelveli district, including 3400 ha in Nanguneri taluk, 2000 ha in Ambasamudram taluk and 1000 ha in Radhapuram taluk. This will only further strengthen the farmers and such success stories can be replicated to other banana cultivation areas as well.

### Tamil Nadu Technology Development and Promotion Centre

The Tamil Nadu Technology Development and Promotion Centre (TNTDPC) is a special example of a quasi-governmental

organization instituted by the government of Tamil Nadu for responsive services to the industry. A society jointly formed with

the Confederation of Indian Industry, TNTDPC facilitates the technology requirements of industries of importance in the state.

An apex Governing Council chaired by the Secretary to the Government of India, the Department of Science & Technology and consisting of members from Government of India, Government of TN, Industry and CII guide, monitor and control the operations of the centre . TNTDPC assists in planning programs and methods to create awareness among the MSMEs regarding new technology and innovations and insists on implementing of right technologies for business and for social benefit. TNTDPC also contributes in developing new technologies and upgrading of those technologies among the SMEs. TNTDPC

promotes research in first-hand product innovation in the industry and technology transfer and sourcing through tie up with institutions and experts.

TNTDPC has organized many events for this sector and helps to improve the productivity level and technology in this key area. TNTDPC helps to create unique facilitations that improve B2B necessities and much valued knowledge distribution from champions of industry and thought leaders from the government, industry and research institutions.

Based on the success of TNTDPC a Technology Development and Promotion Centre have also been set up in the state of Gujarat.

## CII NATIONAL COMMITTEE ON FOOD PROCESSING 2013-14

The CII National Committee on Food Processing for the year 2013 has come together and identified the following as the agenda points for action.

### Government Interface

- Facilitate effective voicing of industry's view on issues faced by the industry in all Government / Semi-Government / Consumer bodies and International forums.
- Develop a National Model Food Policy for the sector.

### International Outreach

- Provide a common platform for major players from across the world and Indian processed foods businesses and regulators to interact for sensitizing each other of concerns and requirements as well as understanding the demand and India's readiness & potential.
- Exhibition for Indian companies to showcase their products and capabilities.
- One to one buyer seller meetings to conduct business.

### Skill Development

- The most important factor, the food processing industry is facing is the dearth of skilled manpower at various stages of operations across the value chain. CII strives to promote skill development initiatives for the food processing sector with a target of equipping people both unskilled and semi-skilled workers across the sector. To take this forward, tie-ups with institutes like NIFTEM, IIT Kharagpur, CFTRI, IRMA ANAND and other organisations would be developed with the view of running skill development programme.

### Engagement at State level Food Processing Mission

- Responding to state Govt. requests that enable Public Private Partnership like Developing Vision Document for the state missions, creating a policy dialogue between the private players & the government.
- Promoting Project investment in developing Cold Chain infrastructure across states through the Cold Chain Taskforce.
- Develop a State level action plan for boosting food processing.

### Industry Academia linkage

- Building linkages between industry and academia to enable demand driven research as there is an urgent need for building a bridge between agricultural universities, premiere technological and industrial research institute and the private sector to actively undertake collaborative strategic research in this important sector.

### Foreign Technology Mission

- A Minister led industry mission to countries of importance in terms of exports, technology and innovation for B2B dialogues and study of best practices and operations across the food value chain.

### FAIDA Implementation

- In 1998, FAIDA had brought together the public and private sector to co-create an integrated plan towards unlocking India's potential to become the food factory to the world. In 2013, CII has re-launched FAIDA. Improving farmer incomes through sustainable agricultural practices and making food more accessible and affordable for consumers are two guiding principles for this report. Engaging with the states is a crucial imperative to drawing up a detailed roadmap based on suggestion made in the report.

### Budget Interventions in Food Processing Sector

- CII represents the Indian Industry to both central and state governments with Pre-budget memorandums to address need based issues observed in the industry and/or represented by members.

### Goods and Service Tax (GST)

- To encourage Nil GST on food processing: This is required to control unnecessary food inflation.

### Land Issues

- Common problem of Food Processing industry is Land/Revenue related matters
- To act as spring board to discuss this matter and suggest changes to State and Central Government on these issues

## The Vision for the Food Processing Industry as Envisioned by FAIDA 3

The Food and Agriculture Integrated Development Action 3 (FAIDA) report, '*India as an agriculture and high value food powerhouse: A new vision for 2030*' brought out by the Confederation of Indian Industry and McKinsey emphasises that India has the potential to emerge as a leading player in the global agri-markets, and at the same time ensure food security at home by rendering the growth process more

inclusive. The report was published at New Delhi on the 12<sup>th</sup> of April 2013.

FAIDA 3 envisions the scaling up of food and agri businesses by a factor of 3 to 5 by year 2025. A tangible roadmap including policy, investment and key interventions have been worked out. The report advocates that a piecemeal approach be replaced by a mission mode in order to attract private investment, critical for stepping up the growth engine to the target of 4 per cent.

The country's progress in the last decade has proved that, despite structural barriers, the Indian farmer matched domestic demand growth with commensurate yield increases. India overcame a structural nutrition-deficit situation early in the last decade and produced enough to feed its people, thanks to the perseverance and resilience of its farmers.

### Key Findings of FAIDA

Major demographic and socio-economic changes between 2000 and 2010, such as increasing population, increasing incomes, rural to urban migrations, and an increase in rural per capita productivity has resulted in major shifts in food consumption trends and production patterns. Consumption demand is increasing, as India's per capita GDP is expected to increase by 320% in the next 20 years, with a parallel increase in overall food consumption by 4% per annum from INR 11 lakh crore in 2010 to INR 22.5 lakh crore in 2030. Given the expected rise in consumption, agricultural output (at farm-gate prices) could grow from INR 12.69 lakh crore

in 2011 to INR 29.28 lakh crore by 2030. At the same time, processing could grow from INR 1.1 lakh crore in 2011 to INR 5.65 lakh crore by 2030, while India's food exports could grow from INR 1.4 lakh crore in 2011 to INR 7.72 lakh crore by 2030.

### New Growth Drivers

The FAIDA report, based on field visits and broad-based consultations, has a holistic long-term perspective on raising farmer

incomes, boosting productivity, scaling up food and agri-business, and developing capacity and infrastructure.

It goes beyond the current approach of programmes and schemes to attract necessary private investment in line with the Twelfth Plan.

By 2030, India's per capita income is expected to increase by 320 per cent, with food consumption going up to Rs 22.5 lakh crore from Rs 11 lakh crore in 2010. High-value foods such as vegetables and complex proteins will be increasingly consumed.

Between 2000 and 2010, for example,

The FAIDA report, focusing on five key crops — mango, banana, potato, soya bean and poultry — could unlock new growth drivers.

### Priority Areas

A manifold intervention is suggested to transform the sector. The first priority is to fast-track productivity and boost yields, beginning with wheat — output per hectare is only a fourth of global best yield, and rice at less than half.

#### **Case Studies on the Impact of Recommendations**

*The Agricultural Produce Marketing Committee (APMC) Act required that farm produce be sold only at designated government markets through registered intermediaries.*

*Under the Act, the private sector / processing industry was not allowed to buy directly from farmers. The farmers were also restricted from entering into direct contract with any buyer because the produce was required to be channeled through regulated markets.*

*These restrictions acted as a disincentive to farmers, trade and industries. The priority, therefore, was to amend the restrictive APMC Act. The central government drafted a model APMC Act (since agriculture falls under the jurisdiction of state governments) in 2002, which allowed private players to set up markets not regulated by the market committee.*

*Under the new Act, it was not required to bring agricultural produce covered under contract farming to the APMC market / private market; it may be sold directly from farmers' fields to contract farming sponsors.*

consumption of cereals and pulses dropped from 40 per cent of the per capita food outlay to just 28 per cent, with the share of fruits, vegetables and other items going up.

There is much unmet potential to boost agriculture output to almost Rs 30 lakh crore from Rs 12.7 lakh crore in 2011 and increase food processing and exports by more than five times.

Thus, farmer incomes would multiply four times, while consumers too would benefit from stable food prices and access to better nutrition. Steps are also needed to ensure sustainability.

A National Agricultural Technology Mission and a National Agricultural Sustainability Mission can infuse scientific farming with right inputs (including critical nutrient interventions) at the right time as also focus on farm mechanisation.

The second priority pertains to farmer-industry interaction. The FAIDA report offers key examples of successful win-win partnerships between farmers and corporate sector.

Farmer producer organisations and farmer producer companies are rightly positioned to enable aggregation of small farms,

thereby instilling competitiveness, and hence should be promoted and scaled up.

Allowing farmers to select buyers and markets would considerably help such partnerships.

The proposed amendments to the Agriculture Produce Marketing Committee (APMC) Act should be implemented by the States.

To begin with, at least perishables must be delisted from the Act to ensure timely availability and also contain wastage.

The third priority area is food processing and exports. Branded food with quality and safety benchmarks would create huge demand for high-value added foods which,

in turn, would promote manufacturing and create off-farm employment in rural areas.

A National Agriculture and Food Export Mission is urgently required for India to meet its huge export potential. Specific crops need to be identified and promoted relentlessly for overseas markets. Cold chain infrastructure and connectivity to ports will have to be strengthened by attracting private and overseas investors.

Fourth, infrastructure is an imperative to accelerate yield. A National Farm Gate to Market Infrastructure Authority could consolidate initiatives by different players such as the Ministry of Food Processing and various National Boards promoting different aspects. More food parks must be established across the country.

### Research and Development Initiatives

Agri entrepreneurs need to be encouraged, converging technocrats with agri-business ventures.

This would require strengthening extension services in public-private partnership mode.

Additionally, Indian Institutes of Agriculture and Technology are needed for R&D. Further, venture capital funds can be encouraged in agri-business.

Finally, to usher in the necessary changes, the report proposes five ideas — (i) enabler organisations in technology, sustainability, export promotion and agricultural universities, (ii) requisite governance structures with clear deliverables and timelines, (iii) a national agriculture and food forum to be overseen by empowered stakeholders, (iv) an empowered industrial food and agricultural council with the help of industry bodies such as CII to monitor progress, and (v) food and agriculture action committees in States.

Agriculture is still awaiting the much needed big-bang reforms that will accelerate the unfolding agricultural transformation, which strives to be inclusive and sustainable. The recommendations to the government for a favourable policy regime are as follows.



### Policy Recommendations for a Favourable Policy Regime

1. Revisit APMC Act – farmers should have the freedom to sell his produce for perishables to the right party and move to a unified marketing regime across India.
2. Review caps on subsidies for essential investments in micro irrigation and technology
3. Promote land aggregation through long tenure leases protecting ownership rights
4. Review land ceiling act to encourage corporate farming for high value produce, particularly for exports
5. Consider unified regulatory regime for organised input retail across India
6. Review taxation for the processed food sector
7. Encourage scaling up of technology solutions for price transparency



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## Our Special Thanks

- Ministry of Food Processing Industry (MOFPI)
- APEDA
- Bureau of Indian Standards (BIS)
- Coconut Development Board
- Coffee Board
- Defence Food Research Laboratory (DFRL)
- Export Inspection council of India
- Government of Andhra Pradesh
- Government of Gujarat
- Government of Pondicherry
- Government of Tamil Nadu
- Govt. of Karnataka
- Indian Institute of Crop Processing Technology (IICPT)
- Indian Institute of Packaging
- MPEDA
- Spices Board
- Tamil Nadu State Agricultural Marketing Board
- The Punjab State Co-operative Supply & Marketing Federation Ltd (Markfed)
- The Tamil Nadu Co-operative Milk Producers' Federation Ltd
- Industry Associations
- Business Houses
- Other Stakeholders

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