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**Report Highlights:**

India's retail food sector is experiencing significant growth, driven by increased household purchasing power, rising awareness of gourmet products, and a growing economy. Modern retail stores and the online and quick commerce segments are growing rapidly. An increasing demand for healthy, high quality, and multifunctional foods reflects a broader shift towards wellness and value conscious buying. While the United States maintained its position as the top supplier of consumer-oriented agricultural products to India in 2023, competition, India's stringent food regulations, and high tariffs may hinder significant growth for U.S. food products.

## Executive Summary

India is the world's fifth-largest economy with a GDP of \$3.5 trillion in 2023<sup>1</sup>, with projected 6.8 percent growth forecast for 2024/25. The food and grocery segment accounts for the vast majority of India's retail sector, of which accounts for approximately 10 percent of its GDP.

## Consumer-Oriented Agricultural Imports

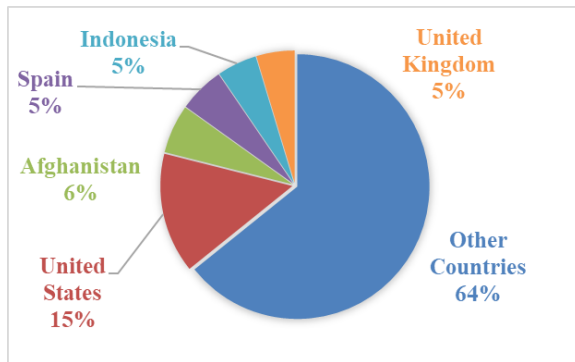


Chart 1: Top Exporting Countries to India.

## Food Retail Industry

The food and grocery segment dominates India's retail sector with 65 percent<sup>2</sup> market share and is projected to grow at a compound annual growth rate (CAGR) of 10 percent.

## Food Processing Industry

India's food processing industry, valued at \$334 billion<sup>3</sup> in 2023, is projected to grow to \$547.3 billion by 2028, with a CAGR of nine percent.

## Food Service Industry

India's food service sector is expecting 8 percent CAGR growth to reach \$65.5 billion by 2028, and nearly doubling to \$107 billion by 2030.

<sup>1</sup> Source: [GDP \(current US\\$\) - India | Data \(worldbank.org\)](#)

<sup>2</sup> Source: [Culinary Commerce: Innovations in Food Retail \(investindia.gov.in\)](#)

<sup>3</sup> Source: [India Food Processing Market Size & Share | Growth 2032 \(imarcgroup.com\)](#)

## Quick Facts CY 2023

### Imports of Consumer-Oriented Products

U.S. \$7.7 billion

### List of Top 10 Growth Products in India

1. Animal or vegetable, oils, & fat products
2. Pulses
3. Tree nuts
4. Forest products
5. Sugar and confectionery
6. Fresh fruits
7. Cotton
8. Processed fruits
9. Distilled spirits
10. Wine and related products

### Food Industry by Channel

Retail Food Industry -\$719 billion

Food Service-HRI -\$324 billion

Food Processing -\$400 billion

Food and Agriculture Exports -\$56 billion

### Top India Retailers

1. Reliance Fresh
2. D-Mart
3. Big Bazaar
4. Reliance Smart
5. More Supermarket

### GDP/Population

Population: 1.4 billion

GDP: \$3.5 trillion

GDP per capita: \$2,484

Strengths	Weaknesses
A large, young consumer base eager to try new products.	Inadequate cold storage and transportation infrastructure limiting the reach.
Opportunities	Threats
Growth of digital marketing platforms to reach younger consumers.	India's free trade agreements with other countries provide a competitive advantage on tariffs.

## Section 1: Market Summary

### India's Overall Economic Environment

India's economic outlook remains positive, with strong growth prospects supported by demographic advantages, a large consumer market, and some improvements to payment access, and improved infrastructure for transportation and supply chain, particularly in large cities, however, many challenges remain. More than 500 million<sup>4</sup> Indians live in urban areas with easy access to modern retailers in tier-1, tier-2, and tier-3 cities<sup>5</sup>. India's rapid urbanization, its large youth demographic and dual income households are key drivers of increased consumer spending. India's disposable income is currently estimated at \$2,770 per capita, with an expected increase to \$4,390 expected by 2029<sup>6</sup>. Overall, household spending is projected to reach \$4 trillion by end of 2024 and estimated to reach \$6.6 trillion by 2029.

### India's Retail Food Market

India's food and grocery retail sector was valued at \$719 billion<sup>7</sup> in 2023, out of which 93 percent<sup>8</sup> is largely unorganized traditional formats, including small, family-owned convenience stores and mobile pushcarts. However, modern physical stores and online retailers are gradually increasing market share to reflect evolving consumer preferences and demand. Reliance Fresh is the largest food retailer in India, followed by D-Mart, Big Bazaar, More Supermarket, and Spencer's, which offer imported nuts, condiments, sauces, cereals, confectionery, and fresh fruits. Additionally, gourmet stores such as [Natures Basket](#), [Freshpik](#), and [Modern Bazaar](#), provide a diverse selection of high-quality imported products at a higher price point.

### Market Dynamics, Trends and Driving Factors

**Online and Quick Commerce:** The online grocery sector, valued at \$9 billion in 2023, is experiencing significant growth, highlighting a significant shift in consumer behavior that is driven by demand for speed and convenience. Top e-commerce retailers include, [Flipkart](#) (owned by Walmart), [Amazon Fresh](#), [Big Basket](#), [Jio Mart](#), [Spencer](#), [Nature Basket](#), [Spar](#) and [More Retail](#). Other quick commerce companies like [Blinkit](#), [Swiggy Instamart](#) and [Zepto](#) offer product delivery within 10 to 20 minutes.

**Private Label:** Increasing consumer acceptance of private label brands reflects a broader trend toward value-for-money products, and India's retailers are expanding private label portfolios to offer cost-effective staple and specialty items. Indian retailers are keen to partner with international suppliers to

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<sup>4</sup> Source: [Statista- Degree of Urbanization in India](#)

<sup>5</sup> Source: [List of Tier-1, Tier 2 and tier 3 cities](#)

<sup>6</sup> Source: [Consumption indicators-India](#)

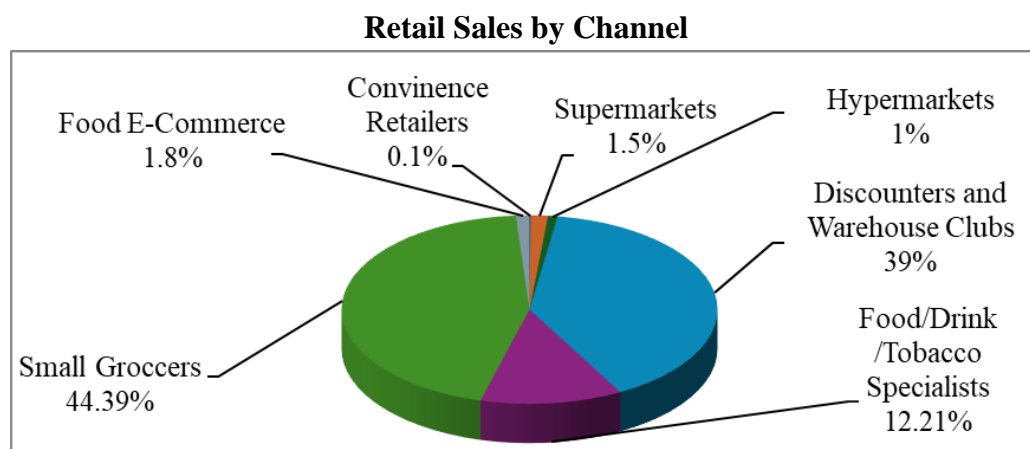
<sup>7</sup> Source: [Food & Grocery Retail Market Size & Trends](#)

<sup>8</sup> Source: [TechCrunch article-Can quick commerce leapfrog e-commerce in India](#)

develop and expand their private label offerings, and U.S. exporters could leverage this interest by providing private label products that meet local tastes, preferences, and packaging requirements.

**Gifting Segment:** India’s gifting market, which was valued at \$30 billion<sup>9</sup> in 2023, and could be a prime opportunity for U.S. exporters. Traditionally, gifts of sweets, dry fruits, and nuts are common, while shifts to premium, exotic, and health-conscious food options are observed.

Advantages	Challenges
Opportunities in rapidly growing modern and e-retail market as retailers look to add new and innovative products to their portfolios	India’s high tariffs and inconsistent food safety and labelling requirement poses challenges for market entry and compliance.
U.S. suppliers are considered a reliable source of high-quality imported food products.	Easily available good quality and low cost local and other origin imported food products.
India’s growing urban population, dual income households, and preference for high quality innovate and healthy products are an opportunity for U.S. food products.	Supply chain and cold storage facilities in many areas remain inadequate for imported products, and long transportation time negatively impacts the quality and shelf life of U.S. products.



## Section 2: Road Map for Market Entry

1. **Can your product enter India and comply with local laws?**
  - Conduct due diligence and determine if your product has market access in India by studying India’s varied regulations, particularly those pertaining to foods and beverages.
  - Review FAS policy and market reports; specific custom duties, sanitary requirements.
  - Consider engaging a market research firm to assist with market entry, better understand the trade challenges and opportunities, and navigate the regulatory environment.

<sup>9</sup> Source : [Gifting Industry Market Size in India Booms to \\$30 Billion \(indianretailer.com\)](http://indianretailer.com)

## 2. Find the Right Partner

- Find a reliable importer/distributor for retail, food service, or food processing sector.
- Consider whether participating in a domestic trade show would be an effective means to identify key importers/distributors/partners.
- Consider collaborating/participating in a USDA/FAS promotional activity to create and/or increase market awareness and penetration.

## 3. Secure Payment Terms

- U.S. suppliers or exporters may wish to consider vehicles such as an irrevocable letter of credit, advance payment, and/or payment at sight.
- FAS India does not have the authority to mediate contractual disputes or serve as a collection agent when differences over payment or other commercial issues arise. For information about local legal services, refer to [GAIN Report IN6155](#).

## Market Structure

India's food retail sector is diverse, encompassing both modern and traditional formats, and is supported by a complex network of stakeholders involved in the supply chain. Hypermarkets and supermarkets offer a wide range of products, including groceries, fresh produce, and household items. These formats often feature both local and international brands. The retailers often work with multiple importers for different food products, while in some instances large scale retailers (Reliance, Smart Bazaar, [Haldiram](#), D-Mart) directly import as well. Retailers such as [Metro Cash & Carry](#) cater primarily to businesses and bulk buyers providing wholesale pricing and a variety of products in larger quantities.

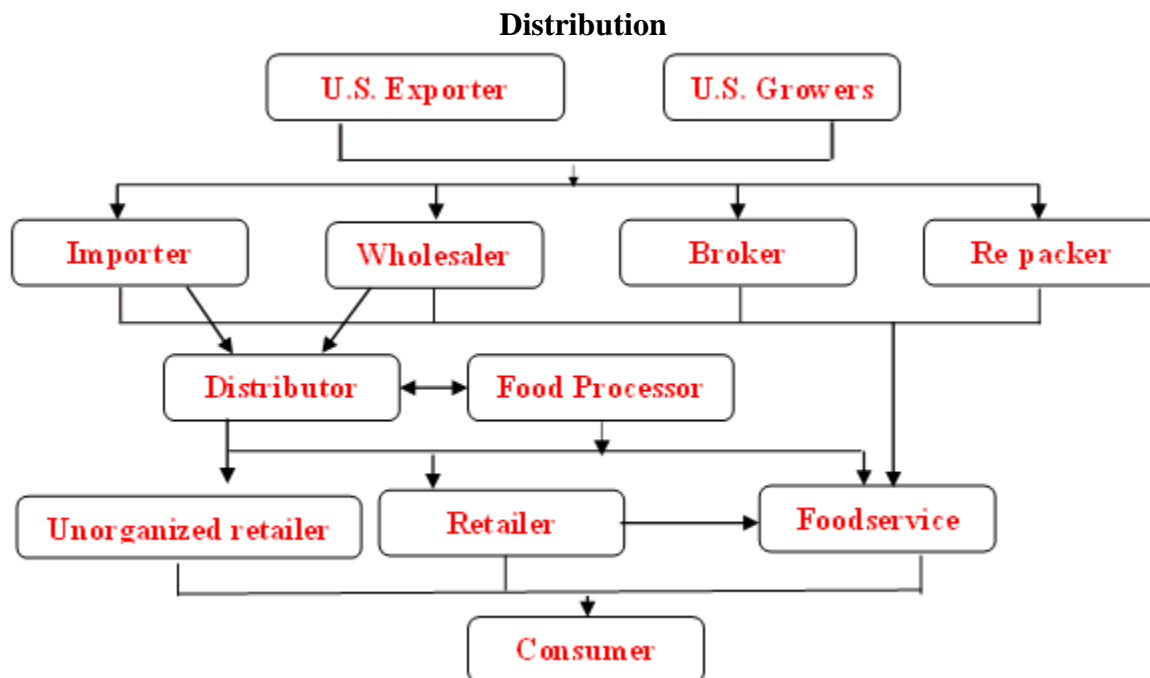
India's traditional retail Kirana stores are prevalent in urban and rural areas, and typically offer a limited range of products and cater to the immediate needs of local communities. Other vendors, common in busy markets and residential areas, sell goods from mobile carts and often focus on fresh produce, snacks, and other essentials. Key players in the supply chain are food processors, importers, clearing and forwarding agents, wholesalers and distributors.

Retailers and importers typically attend domestic (Aahar New Delhi, Anuga Select India, Annapoorna Inter food, Sial India)<sup>10</sup> and international trade shows (National Restaurant Association Chicago, Sweets and Snacks Expo Indianapolis, Private Label Manufacturing Association Chicago, Anuga Germany, Sial Paris, Asia Fruit Logistica Hong Kong)<sup>11</sup> to connect with existing and new suppliers to learn about the latest offerings from across the world.

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<sup>10</sup> Source: [India food and beverage trade show](#)

<sup>11</sup> Source: [USDA Trade show list](#)



**Table 1: Top Retailers**

Retailer brand	No of stores	Owned By:
<a href="#">Reliance Fresh</a>	18,836	Reliance Industries.
<a href="#">More Supermarket</a>	920	Amazon and Samara Capital.
<a href="#">D-Mart</a>	365	Avenue Super marts limited.
<a href="#">Smart Bazaar</a>	300	Reliance Industries.
<a href="#">Nilgiris</a>	160	Future Group.
<a href="#">Nature's Basket</a> and <a href="#">Spencer's Retail</a>	151	RP-Sanjiv Goenka Group.
<a href="#">Ratnadeep Supermarket</a>	150	Ratnadeep Retail private limited.
<a href="#">24 Seven</a>	145	Modi Enterprises.
<a href="#">Modern Bazaar</a>	21	New Modern Bazaar departmental store private limited.
<a href="#">Lulu Hypermarket</a>	10	Lulu Group International.

### Import Procedures

India's regulations governing imports of food and agricultural products fall under the jurisdiction of multiple Indian government authorities. For more information, exporters should refer to the [2023 Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#) and the Food Safety Standards Authority of India (FSSAI) Food Import Clearance Manual.

## Sector Trends

**Health and Wellness:** There is a growing focus on health and wellness among Indian consumers. This trend is driving demand for high quality, natural, low-fat, high protein, and health-oriented products. Retailers are increasingly stocking products like organic fruits and vegetables, gluten-free items, and fortified foods.

**Rising Demand for Functional Foods:** The increasing consumer demand for healthy and multifunctional foods reflects a broader shift towards holistic wellness and proactive health management. Consumers are increasingly interested in foods that support overall wellness, including mental, gut, and immune health.

**Convenience Foods:** Busy lifestyles are fueling the demand for ready-to-eat and easy meal solutions like packaged snacks, instant meals, and frozen foods. While buying convenience foods consumers are looking at healthy, no preservatives, ready to eat and ready to cook foods, suitable for the regional taste.

**Exotic and Specialty Foods:** Consumers are increasingly interested in exotic fruits and specialty foods from different parts of the world. Offering innovative food products that cater to evolving consumer tastes, such as plant-based foods, can capture interest in a rapidly changing market.

**Sustainability, Traceability and Eco-Friendly Practices:** Environmental concerns are influencing consumer choices, leading to a greater demand for sustainable and eco-friendly products. Retailers are adopting practices such as reducing plastic usage, promoting recyclable packaging, and sourcing products sustainably. Brands offering transparency in product sourcing and manufacturing processes can appeal to Indian consumers who are becoming more aware of food safety and traceability.

**Experiential Retail:** Retailers are focusing on creating engaging shopping experiences like cooking demonstrations, product tastings, and interactive displays to attract and retain customers through unique and memorable experiences.

## Section 3: Competition

India's retail food market is highly competitive, with traditional grocery stores dominating, and organized retail and e-commerce segments steadily growing. U.S. suppliers face challenges such as regulatory complexity, tariff disadvantages, and diverse consumer preferences. Recent FTAs with countries like Australia and Chile, and potential deals with the U.K., may negatively impact U.S. exporters, as reduced tariffs favor competitors. U.S. suppliers must stay updated on India's shifting regulatory and trade landscape to remain competitive. For more details on the market structure refer to the [Export Guide 2024 report](#).

U.S. exports face competition from countries with logistical advantages and lower production costs. For instance, U.S. apples are priced competitively compared to New Zealand and Japan, but India benefits from lower domestic production costs. U.S. cranberries and blueberries are dominating the market due to their high-quality wherein Peru offers a cheaper alternative in blueberries. Almonds and pistachios from the U.S. face competition from Afghanistan and Iran, but the U.S. remains a preferred source due to better quality and consistency, despite competitors' geographical proximity. Meanwhile, Brazil and Thailand offer cheaper options for whole turkey and duck, respectively, due to lower transportation costs and proximity. While U.S. products continue to dominate in many premium and niche categories, competitors benefit from trade agreements and cost efficiencies, making the market increasingly challenging for U.S. exporters.

**Table 2. Competition in Major Product Categories – Calendar Year 2023**

<b>Product Category</b>	<b>Import percent share</b>	<b>Supplier Market Share</b>	<b>Foreign Suppliers Situation</b>	<b>Local Suppliers Situation</b>
Tree nuts (cashew, almonds, pistachios, etc.): \$3 billion	38%	United States-35% Ghana-9% Cote d'Ivoire-8% Togo-7%	U.S. products are high-quality and dominates the tree nuts market with competitive price.	India's processing industry is growing but there is limited domestic production.
Fresh Fruits (apples, oranges, kiwi, etc.): \$664 million	9%	Turkey-15% South Africa-10% Iran-9% Egypt-8%	Regular availability of the products at competitive price because lower logistical costs.	Strong domestic production of diverse variety is growing in India but there are seasonal limitations for certain fruits.
Processed Fruits (dates, figs, grapes, apricots, etc.): \$576 million	7%	Afghanistan-43% UAE-23% Iraq-13% Iran-6%	Middle Eastern countries are trade hub and have an established supply chain.	Established processing units are establishing but they must rely on imports for specific varieties.
Distilled Spirits (whiskey, vodka, etc.): \$572 million	7%	United Kingdom-59% Singapore-12% UAE-9% United States-4%	Renowned quality and competitive prices.	The domestic market is witnessing growth but still there is high import duties and regulatory restrictions which is different in every state.
Wine & Related Products:	5%	Spain-93% Australia-2%	Spain is a key exporter of cheap	There is an increase in consumer preference for



\$433 million		France-1% Italy-1%	bulk wine while Australia has a trade agreement.	domestic wines due to lower prices and local availability.
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Source: Trade Data Monitor.

#### Section 4: Best Product Prospects

India presents significant opportunities for U.S. exporters, especially after reduced tariff rates on pecans, and the removal of retaliatory tariffs on almonds, apples, chickpeas, lentils, and walnuts. Reductions to India’s most-favored-nation rates for blueberries, cranberries, frozen turkey, and frozen duck were also reduced/removed in 2024.

Consumers are increasingly opting for high-quality proteins, a variety of fresh fruits and vegetables, and superfoods such as berries and nuts. Additionally, processed products like low-sugar cereals, specialized flours, unique soft beverages, and indulgent items like chocolates and marshmallows are gaining popularity. Condiments and sauces also see rising demand as consumers look for flavor enhancements and convenience in their meals. This shift reflects a broader interest in health, variety, and premium products in the Indian market. Please see FAS report [Opportunities for U.S. Agricultural Products in India](#).

**Table 3. Top Consumer-Oriented Products from the World 2023**

Description	Import Value (\$ Million)
Cashew Nuts, Fresh or Dried, In Shell	1,337
Almonds, Fresh or Dried, In Shell	937
Distilled Spirits-whiskies	391
Apples fresh	363
Dates fresh or dried	266

**Table 4. Top Consumer-Oriented Products from the United States 2023**

Description	Import Value (\$ Million)
Almonds, Fresh or Dried, In Shell	855
Milk Albumin, Including Concentrates of Two Or More Whey Proteins	27
Distilled spirits -Whiskies	16
Food Preparations Nesoi	13
Processed Fruit	12
Fresh fruits (Apples, pears, cherries and others)	8

**Table 5. U.S. Products Present in the Market with Good Sales Potential 2023**

Product Types	Import Value (\$ Million)	U.S. Market Share (percent)
Almonds (in shell and shelled)	1,075	91
Fresh Fruits	664	1
Processed fruits	575	2
Distilled spirits	571	4
Wine and related products	433	0.2

**Table 6. U.S. Products Not Present in Significant Quantities but Good Sales Potential 2023**

Product Types	Import Value (\$ Million)	U.S. Market Share (percent)
Pulses	3,082	0.04
Tree nuts	2,892	34
Sugars and sugar confectionery	1,545	1
Fresh Fruits	664	1
Processed Fruits	575	2

**Table 7. U.S. Products Not Present Due to Significant Barriers 2023**

Product Category	Total Imports (\$ Million)	Major Suppliers
Animal or Vegetable Oils, Fats, and their products	16,567	Indonesia, Malaysia, Argentina, Brazil.
Edible Fruits and Nuts	4,039	U.S.A., Afghanistan, Ghana, UAE.
Sugars and sugar confectionery	1,545	Brazil, Netherlands, Germany, U.S.A.
Leguminous Vegetables, Dried Shelled/Pulses	1,191	Thailand, Morocco, Bhutan.
Dairy produce: bird eggs; natural honey; edible products of animal origin	60	France, Poland, Germany, Turkey.

Source: Trade Data Monitor.

## Section 5: Key Contacts and Further Information

### Government Regulatory Agency Contacts and Data Sources

<b>Agency</b>
<a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Food Safety and Standards Authority of India</a>
<a href="#">Department of Consumer Affairs</a> <a href="#">Ministry of Consumer Affairs, Food and Public Distribution</a>
<a href="#">Plant Protection and Quarantine</a> <a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Department of Animal Husbandry and Dairying</a> <a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Directorate General of Foreign Trade</a> <a href="#">Ministry of Commerce and Industries</a>

### Trade Associations

<a href="#">Federation of Indian Chambers of Commerce and Industry</a> E-mail: <a href="mailto:ficci@ficci.com">ficci@ficci.com</a>	<a href="#">Confederation of Indian Industry</a> Email: <a href="mailto:info@cii.in">info@cii.in</a>
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### Foreign Agricultural Service

<b>Embassy of the United States of America</b> Chanakyapuri, New Delhi - 110 021 Phone: +91-11 - 2419 8000 Email: <a href="mailto:agnewdelhi@usda.gov">agnewdelhi@usda.gov</a> Web: <a href="#">U.S. Embassy, New Delhi</a> Twitter: <a href="#">@USDAIndia</a> Instagram: <a href="#">@tasteofamericain</a>	<b>U.S. Consulate General Mumbai</b> C-49, G-Block, Bandra Kurla Complex Bandra E, Mumbai - 400 051 Phone: +91-22 - 2672 4000 Email: <a href="mailto:Agmumbai@usda.gov">Agmumbai@usda.gov</a> Web: <a href="#">U.S. Consulate General Mumbai</a>
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### Attachments:

No Attachments