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Report Highlights:

India's food processing sector presents strong opportunities for U.S. exporters, driven by rapid growth from \$355 billion in 2024 to an expected \$535 billion by fiscal year 2026, and rising demand for packaged and value-added foods. Expanding urban consumption, modern retail, and e-commerce are increasing the need for high-quality, specialized, and functional ingredients, particularly for health, convenience, and premium products. Supported by government incentives and supply chain modernization, the sector—accounting for approximately 32 percent of the food market—offers a favorable environment for U.S. suppliers of processed ingredients and consumer-oriented food products.

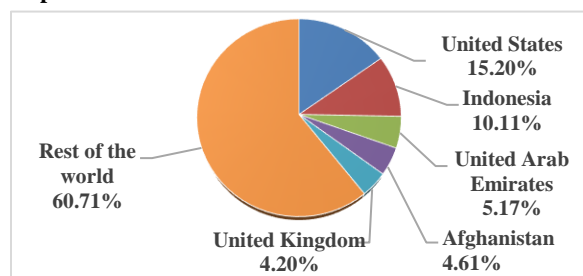
Executive Summary:

India is a lower middle-income country, and in 2025 its GDP reached \$4.13 trillion, making it the world’s 5th largest economy. With a population of over 1.4 billion and per capita income projected to rise from approximately \$2,820 in 2025 to \$4,350 by 2030, India offers a rapidly expanding consumer base and strong growth prospects for the food processing sector, including rising demand for value-added, convenient, and premium food products.

India is a leading global producer of agricultural commodities – such as dairy, fruits, grains, pulses, spices, and vegetables – but supply-side constraints, including climate variability, water scarcity, and land fragmentation, are expected to limit domestic production growth and sustain demand for imported food ingredients.

These conditions create meaningful opportunities for U.S. suppliers of food processing ingredients. In 2025, the United States remained the top supplier of consumer-oriented agricultural products to India, with a 15 percent market share and a 22 percent year-on-year increase in exports. U.S. products benefit from strong brand recognition, perceived quality, and reliability among Indian importers and processors, but new-to-export companies must navigate India’s diverse consumer preferences, evolving regulations, and complex distribution landscape.

Chart 1: India’ Consumer-Oriented Agricultural Imports



Food Retail Industry:

India’s food and grocery retail sales reached an estimated [\\$778 billion](#) in 2025 and are projected to grow at an average annual rate of about 4 percent through 2030, broadly in line with overall food industry growth. Modern trade formats – such as supermarkets and organized convenience stores – continue to expand in major urban centers, while e-commerce and quick-commerce platforms are rapidly

gaining market share, improving consumer access to imported and premium products.

Food Processing Industry:

India’s food processing sector is large and expanding, with sales projected to grow from [\\$355 billion in 2024](#) to approximately \$535 billion by end of FY 2026. The industry includes a wide range of processors, from small and medium enterprises serving regional markets to large domestic and multinational firms supplying national retail chains and foodservice operators.

Food Service Industry:

India’s food service sector expanded rapidly in 2025, with estimates ranging from [\\$85 to \\$114 billion](#). The sector contributes approximately 2 percent to GDP and serves as a critical channel for introducing new food formats, cuisines, and imported ingredients.

<i>Quick Facts CY 2025</i>	
India’s Imports of Consumer-Oriented Products: \$ 9.96 billion	
Top 10 Growth Products in India	
Tree nuts	Fresh fruits
Soyabean oil	Processed and dried fruits
Pulses	Essential oils
Sugar and Sweeteners	Dairy Products (milk albumin, lactose, whey)
Condiment and sauces	Chocolate and cocoa products
Food Industry by Channels (U.S. billion)	
Retail Food Industry	\$778
Food Service-HRI	\$139
Food Processing	\$535
Food and Agriculture Exports	\$57
Top 10 Retailers in India (based on sales)	
<u>Reliance fresh</u>	<u>CSD</u>
<u>D-mart</u>	<u>Star Bazaar</u>
<u>Smart bazaar</u>	<u>Patanjali</u>
<u>More supermarket</u>	<u>Nilgiris</u>
<u>Spencer retail</u>	<u>Vishal Mega mart</u>
GDP/Population	
Population: 1.4 billion	
GDP: \$4.13 trillion (nominal) GDP per capita: \$2,820 (nominal)	
Sources: Trade Data Monitor, IMF, Census India, Fortune business	

Strengths	Weaknesses
Expanding middle class with rising purchasing power. Strong demand for safe, high-quality food products	High tariffs and complex regulatory environment.
Established perception of U.S. products as premium and reliable.	Limited cold chain and logistics infrastructure in some regions.
Opportunities	Threats
Rising demand for convenience, health, and functional foods. Growth in urban areas. Gradual tariff rationalization for select imported products.	Intense competition from domestic and regional suppliers. Price sensitivity across consumer segments. Evolving and uncertainty and regulatory environment.

Section I: Market Summary

India’s food processing industry is one of the country’s fastest-growing manufacturing segments, projected to expand from approximately \$355 billion in 2024 to \$535 billion by the end of fiscal year (FY) 2026. Often described as a “sunrise sector,” it contributes an estimated 8–9 percent to both the manufacturing and agricultural economy and provides substantial employment in both organized and unorganized segments. Market growth reflects rising disposable incomes, rapid urbanization, and a young, convenience-oriented population that increasingly favors branded, packaged, and value-added foods.

Demand for packaged foods reached an estimated \$116 billion in 2025 and is expected to rise to \$175 billion by 2030, while the food ingredients segment is growing at roughly 7–8 percent annually. Although domestic production still supplies most ingredient needs, processors increasingly require high-quality, specialized, and functional ingredients—particularly for health foods, convenience products, bakery items, and both traditional and premium sweets. Expansion of modern retail, e-commerce, and quick-commerce platforms, coupled with supply chain modernization and government support (including [India’s Production Linked Incentive schemes](#)), will continue to drive demand for reliable imported ingredients and create targeted opportunities for U.S. exporters.

Table 1: Advantages and Challenges for U.S. Exporters in India’s Food Processing Sector

ADVANTAGES	CHALLENGES
Positive perception of U.S. food safety and quality.	High tariffs and stringent sanitary and phytosanitary requirements.
Expanding modern retail, e-commerce, and food service channels that support imported products.	Regulatory complexity, particularly for ingredients, additives, and label approvals.
Growing demand for convenience, health, and functional foods that require specialized ingredients.	Longer shipping times and higher logistics costs compared to regional competitors.
Increasing penetration of packaged foods in non-metro and smaller cities.	Strong price competition and high sensitivity to final consumer prices.
Interest in innovative ingredients for bakery, snacks, beverages, and traditional sweets.	Limited consumer awareness and familiarity with some U.S. ingredient categories.

Section II: Roadmap for Market Entry

Entry Strategy: Before entering India, U.S. exporters should confirm that their products have market access and comply with local laws by conducting due diligence, reviewing [FAS GAIN](#) policy and market reports, and checking relevant customs duties and sanitary requirements; working with State and Regional Trade Groups can help identify opportunities, refine market

entry and development strategies, and clarify regulatory challenges. Identifying a reliable importer or distributor in the retail, foodservice, or food processing sector is critical, and participation in multiple Indian trade shows can facilitate connections with key partners; exporters may also consider collaborating with U.S. Cooperators on promotional activities such as cooking demonstrations, health-focused talks, and culinary seminars to build market awareness and penetration. U.S. suppliers should secure appropriate payment terms—such as irrevocable letters of credit, advance payment, or payment at sight—and should note that FAS India offices cannot mediate contractual disputes or act as collection agents in commercial disagreements.

Import Procedure: Laws regulating imports of food and agricultural products fall under the jurisdiction of multiple government authorities (see, GAIN-INDIA | IN2025-0068 | [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report Annual– 2025](#), and the Food Safety Standards Authority of India (FSSAI) [Food Import Clearance Manual](#)).

Distribution Channels: India’s food processing distribution system combines large processors with global supply chains and intermediaries such as clearing and forwarding agents, wholesalers, distributors, and importers that supply domestic manufacturers. A few key players dominate both production and distribution in branded food categories (see Table 6).

Market Structure: India’s food market uses a multi-tiered structure that includes importers, consolidators, distributors, food processors, wholesalers, retailers, and foodservice establishments. Large importers typically buy in bulk and move products through their networks to major retail chains and smaller outlets. They may also supply imported products directly to national food processors or through agents and distributors. Products ultimately reach consumers through modern and traditional retail channels or food service outlets, providing broad coverage across urban and semi-urban markets.

Share of Major Segments in the Food Processing Industry:

Table 2: Top food processing products/segments in terms of sales in India include:

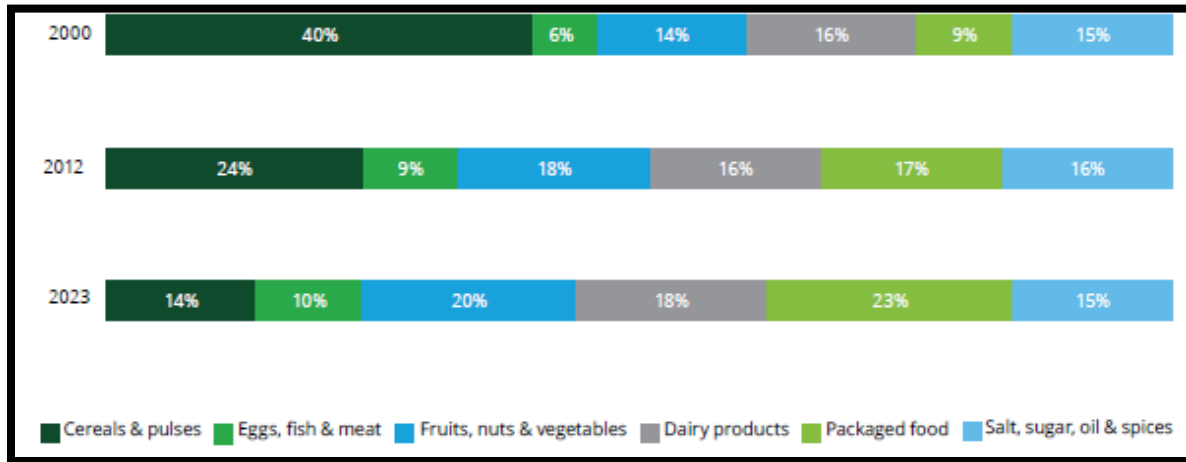
S.no	Product	Description
1.	Dairy Products	Milk, yoghurt, ghee, butter, and cheese
2.	Edible Oils/Refined Oils	Soybean, palm, and mustard oil
3.	Savory Snacks	Packaged snacks, chips, and namkeen
4.	Sweet Biscuits/Cookies	Premium cookies, digestive products, and healthier snacking options
5.	Processed Fruits & Vegetables	Jams, juices, canned products, and frozen items
6.	Ready-to-Cook (RTC) & Ready-to-Eat (RTE) Meals	Noodles, rice, and other local dishes.
7.	Confectionery	Chocolates and sugar confectionery
8.	Packaged Grain Mill Products	Atta/flour, pulses, and rice
9.	Beverages	Carbonated drinks, fruit beverages, tea/coffee
10.	Processed Meat/Marine Products	Frozen shrimp, fish products, canned fish, chicken sausages, nuggets, and kebabs

Table 3: Company Profiles & Company Products

S.no	Company name	Description
1.	<u>GCMMF (Amul)</u>	India's largest dairy cooperative processing milk, butter, cheese, and chocolate.
2.	<u>Nestlé India Limited</u>	Key player in instant food, coffee (Nescafe), and dairy products.
3.	<u>Britannia Industries Limited</u>	A leader in biscuits, dairy products (cheese, yoghurt), and bakery items.
4.	<u>Parle Products Private Limited</u>	One of India's largest manufacturers of biscuits, confectionery, and snacks.
5.	<u>Tata Consumer Products Limited</u>	Prominent in tea, coffee, and processed water/food items
6.	<u>Hindustan Unilever Limited (HUL)</u>	Major manufacturer of tea coffee, ice cream, and packaged foods.
7.	<u>ITC Limited</u>	Significant player in snacks instant noodles and staples
8.	<u>Mother Dairy Fruit & Vegetable Pvt. Ltd.</u>	Major producer of milk, dairy products, and processed fruits/vegetables.
9.	<u>Mondelez India Foods Pvt Ltd</u>	Leader in chocolate confectionery (Cadbury) and beverage mixes.
10.	<u>Haldiram's</u>	A global leader in traditional Indian sweets and snacks.
11.	<u>MTR Foods</u>	A specialist in ready-to-eat meals, spices, and instant mixes, now part of the Orkla Group.
12.	<u>Adani Wilmar</u>	A major producer of essential kitchen commodities like Fortune edible oil and rice.

Sector Trends: As India moves toward a \$5 trillion GDP by FY 2028 and aims for developed-nation status by 2047, its food processing sector is transforming rapidly. A growing, more affluent consumer base is driving demand for premium, safe, and convenient food solutions, shifting consumption from staple-focused diets to processed, branded, and convenience-oriented products. Industry reports from 2023 indicate that urban and rural households allocate the largest share of their monthly food budgets to packaged foods (23 percent), followed by fruits, nuts, and vegetables (20 percent); milk and dairy (18 percent); salt, sugar, oil, and spices (15 percent); cereals and pulses (14 percent); and eggs, fish, and meat (10 percent). This clear move from loose, non-branded items to packaged and branded products highlights the maturation of consumer preferences (see Figure 1).

Figure 1: Percentage share of household spending on different food categories over time (2000-2023)



Source: Deloitte report¹

Section III: Competition

The United States remains India’s largest supplier of consumer-oriented agricultural products, with exports valued at approximately \$1.5 billion in 2025. U.S. products enjoy a strong reputation for quality, consistency, and food safety, which makes them attractive to Indian processors and higher-end consumers. However, domestic producers supply most of India’s ingredient needs, and non-transparent or unpredictable regulatory and tariff policies continue to challenge U.S. exporters. U.S. suppliers also compete with lower-cost and closer-origin products from Southeast Asia, the Middle East, Latin America, and Europe, which benefit from shorter transit times and, in some cases, preferential trade arrangements.

In specific high-growth categories, key competitors include Iran and Afghanistan for pistachios; Chile for walnuts; Argentina, Nepal, and Brazil for soybean oil; and Myanmar, Canada, Australia, and several African countries for pulses. Many multinational food processing companies operate across India but still source the majority of their inputs domestically, limiting immediate import penetration. U.S. exporters can use trade data sources such as Trade Data Monitor and India’s official trade statistics to track sales and import trends and benchmark U.S. performance against these competitors. Despite the competitive pressures, U.S. suppliers’ premium positioning, diversified product range, and advanced functional ingredients present opportunities to expand market share in value-added, health-oriented, and specialty product segments.

¹ SPURring growth: Driving Innovation and unlocking opportunities in the Indian food processing sector. <https://www.deloitte.com/in/en/Industries/consumer/perspectives/driving-innovation-and-unlocking-opportunities-in-the-indian-food-processing-sector.html>

Section IV: Best Product Prospects

Table 4: Products Present in the India Market with Good Sales Potential

Product Category	Imports from U.S. (Value USD) CY 2025	Total imports of India (Value USD) CY 2025	Market Insights	Key competitor	U.S. Export Potential
Tree Nuts (almonds, pistachios, pecans)	\$1.3 billion	\$4.2 billion	India's imports value of tree nuts grew by 27 percent (YOY) with U.S holding 30 percent of market share and YOY growth of 21 percent. Heavily used in snacks, sweets, bakery.	Iran, Afghanistan (pistachios), Chile (walnuts)	U.S. already top supplier with room to expand in Tier-II/III cities and local manufacturers and processors.
Fresh Fruits (apples, pears, cherries)	\$40 million	\$770 million	India imported \$770 million worth of fresh fruits with import value growing by 2.2 percent; Currently the U.S. has five percent market share. There is high demand amongst health focused consumers and food processors.	South Africa, Iran Chile, New Zealand	U.S. fruits are highly preferred and regarded for their quality and safety; opportunities exist to expand in value-added segments.
Processed (dried cranberries, blueberries, prunes)	\$20 million	\$739 million	The U.S. currently has only two percent market share with plenty of room to grow as there is high demand amongst domestic manufacturers and food processors for bakeries, traditional sweets, energy bars, festive gifting; the domestic supply is insufficient.	Afghanistan, UAE, Iran	High export potential is driven by reduced tariffs, and growing demand for healthy, imported functional foods.
Dairy Products (milk albumin, lactose, whey)	\$86 million	\$517 million	Imports are growing rapidly (Milk albumin 57 percent YOY; Whey 42 percent YOY; Lactose 8 percent YOY); used in health supplements.	Germany, Poland, Netherlands	U.S. is a key supplier (16.7 percent market share), with Germany, Poland, Netherlands close behind; there is further growth potential in health-focused segment.
Soybean Oil	\$257 million	\$6.4 billion	India's soybean oil imports in the calendar year 2025 reached \$6.4 billion import value. Imports value grew	Argentina, Nepal, Brazil	High potential for U.S. refined and specialty soy oils.

			by 54 percent from 2024 to 2025. Currently U.S. has four percent market share.		
Essential Oils	\$61 million	\$516 million	India's imports value went up by 12 percent with U.S. having 12 percent market share. Used in food processing industries.	China, Indonesia, Ireland	Niche ingredient market with emerging demand.
Sugars & Sweeteners	\$5 million	\$1.2 billion	Sharp decline of 31 percent in imports in 2025 due to massive domestic production.	Brazil, UAE, France.	
Pulses (lentils, chickpeas)	\$42 million	\$4.2 billion	Domestic production insufficient; U.S. currently has one percent market share. High tariff and changing policies each year make it difficult for U.S. exporters to make a strong hold.	Australia, Myanmar, Canada,	Growing plant-protein market; room for expansion in retail and processed foods.
Condiments & Sauces	\$5 million	\$45 million	Import value went up 20 percent in 2025. Metro cities driving convenience food demand.	Thailand, China, Malaysia	Strong potential for U.S. brands targeting dual-income households.
Chocolate & Cocoa Products	\$2.3 million	\$900 million	India's imports value grew by 31 percent. Premium chocolate demand is increasing; local players are expanding, but international brands dominate. U.S. currently has only 0.26 percent market share.	Indonesia, Singapore, Italy, Malaysia, Belgium	U.S. premium chocolate brands can leverage gifting and luxury segments.

Table 5: Products Not Present in Market With Good Sales Potential

Product Category	Imports from U.S. (Value USD) CY 2025	Total imports of India (Value USD) CY 2025	Market Insights	Key competitor	Opportunity
Bakery Goods, Cereals, & Pasta	\$10 million	\$178 million	U.S. only has 0.5 percent market share in India	Indonesia, Bangladesh, Malaysia, South Korea	Busy lifestyle requires quick breakfast solution. Growing food retail market.
Frozen and Exotic Fruits			Berries and avocados are seeing increasing demand in the household and café/restaurant as the	Sri Lanka, Egypt, Belgium, and	Although it is a niche, high-value food product in the market, demand remains high

			consumer moves towards more healthy eating options.	Thailand, Tanzania, New Zealand, and Peru.	due to consumers moving towards healthier lifestyle.
Jams, fruits jellies, marmalades cooked purees and pastes	\$0.033 million	\$10 million	U.S. only has 0.2 percent market share while India's imports are growing 4 percent (YOY).	Malaysia, Turkey, UAE	High demand in food processing and retail sectors.
Figs fresh and dried	NA	\$207 million	India imported \$207 million worth of Figs in 2025, primarily from Afghanistan and UAE with import value growing by 29 percent (YOY).	Afghanistan and UAE	Familiar products are used in both health support and in bakery/confectionary business. With this growing demand, there is an opportunity for U.S. figs exporters for high-value positioning in processed and premium snacks and sweets products.

Table 6: Products Not Present Due to Significant Barriers

Product Category	Total imports of India (Value USD) CY 2025	Barrier	Key competitor	Market Implication
Hazelnuts	\$3.1 million	Phytosanitary restrictions	Turkey, Georgia	Despite bakery potential, imports restricted.
Cheese & Other Dairy	\$15 million	Import bans to protect local producers	Germany, France, Denmark	U.S. cannot currently access retail/HRI market.

Note: India restrict imports of certain food products due to market access regulatory and phytosanitary issues.

Links to Top Food Processing Companies

1. [GCMMF \(Amul\)](#)
2. [Nestlé India Ltd.](#)
3. [Britannia Industries Ltd.](#)
4. [Parle Products Pvt. Ltd.](#)
5. [Tata Consumer Products Limited](#)

Source: [Kompas.in](#)

Section V: Key Contacts and Further Information

Government Data Sources

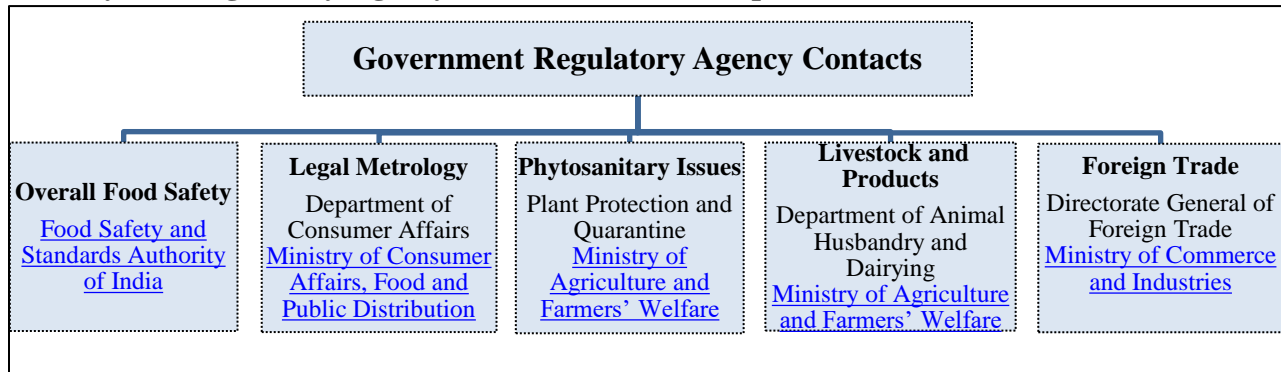
[Ministry of Food Processing Industries](#)

[Legal Metrology \(Weights and Measures\)](#)

[The Food Safety and Standards Authority of India \(Food Regulations\)](#)

[Ministry of Commerce and Industry \(Trade\)](#)

Ministry and Regulatory Agency Contacts for Food Import Policies



Trade Associations

[Federation of Indian Chambers of Commerce and Industry](#)

[Confederation of Indian Industry](#)

U.S. exporters who desire information about consultants conducting market research and handling inquiries into Indian agriculture, agribusiness, food retail, food/agricultural economics, and rural affairs may contact FAS New Delhi.

Foreign Agricultural Service

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For additional information please visit:

- [FAS Homepage](#)
- [FAS India - Exporter Guide](#)
- [FAS India - Retail Foods](#)
- [FAS India -Food Service-Hotel Restaurant Institutional](#)

Attachments:

No Attachments