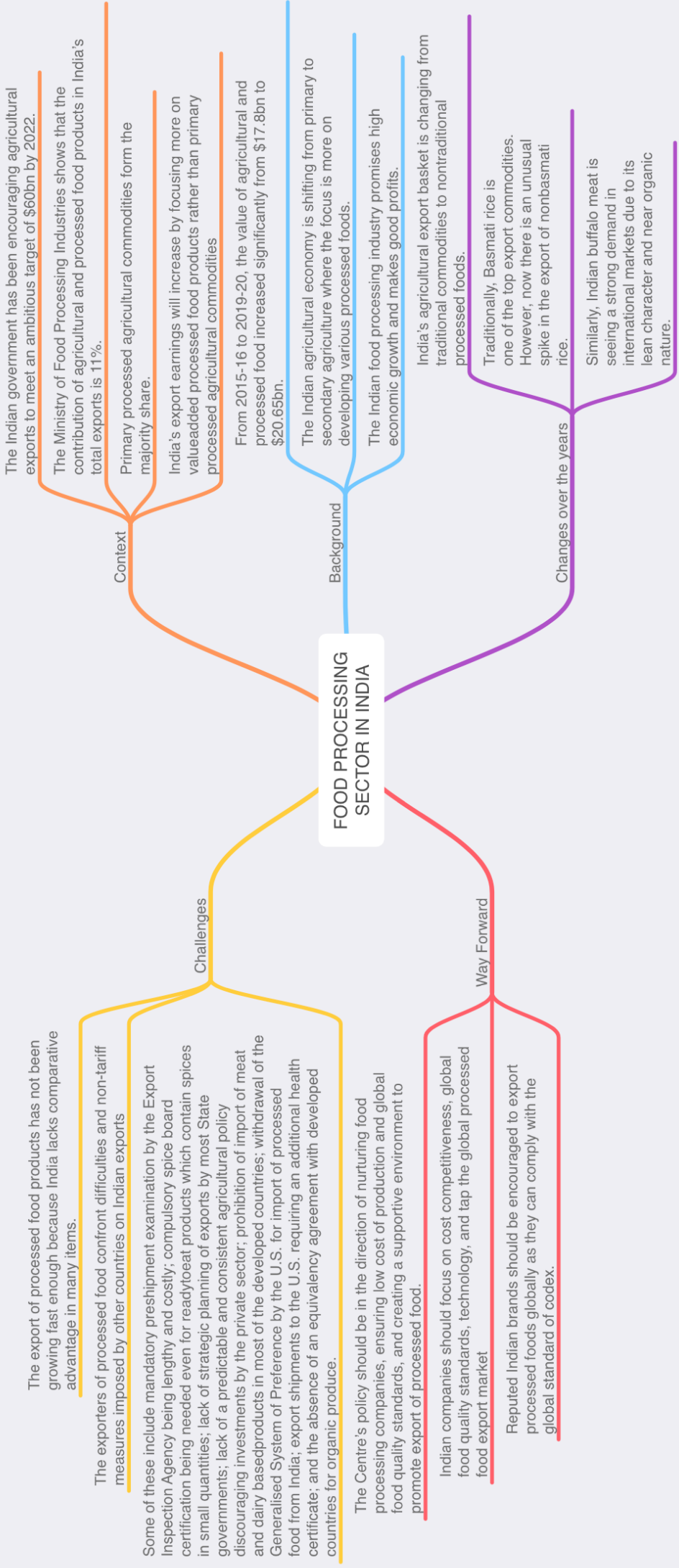


FOOD PROCESSING SECTOR IN INDIA



The Indian government has been encouraging agricultural exports to meet an ambitious target of \$60bn by 2022.

The Ministry of Food Processing Industries shows that the contribution of agricultural and processed food products in India's total exports is 11%.

Primary processed agricultural commodities form the majority share.

India's export earnings will increase by focusing more on value-added processed food products rather than primary processed agricultural commodities

From 2015-16 to 2019-20, the value of agricultural and processed food increased significantly from \$17.8bn to \$20.65bn.

The Indian agricultural economy is shifting from primary to secondary agriculture where the focus is more on developing various processed foods.

The Indian food processing industry promises high economic growth and makes good profits.

India's agricultural export basket is changing from traditional commodities to non-traditional processed foods.

Traditionally, Basmati rice is one of the top export commodities. However, now there is an unusual spike in the export of non-basmati rice.

Similarly, Indian buffalo meat is seeing a strong demand in international markets due to its lean character and near-organic nature.

The export of processed food products has not been growing fast enough because India lacks comparative advantage in many items.

The exporters of processed food confront difficulties and non-tariff measures imposed by other countries on Indian exports

Some of these include mandatory pre-shipment examination by the Export Inspection Agency being lengthy and costly; compulsory spice board certification being needed even for ready-to-eat products which contain spices in small quantities; lack of strategic planning of exports by most State governments; lack of a predictable and consistent agricultural policy discouraging investments by the private sector; prohibition of import of meat and dairy based products in most of the developed countries; withdrawal of the Generalised System of Preference by the U.S. for import of processed food from India; export shipments to the U.S. requiring an additional health certificate; and the absence of an equivalency agreement with developed countries for organic produce.

The Centre's policy should be in the direction of nurturing food processing companies, ensuring low cost of production and global food quality standards, and creating a supportive environment to promote export of processed food.

Indian companies should focus on cost competitiveness, global food quality standards, technology, and tap the global processed food export market

Reputed Indian brands should be encouraged to export processed foods globally as they can comply with the global standard of Codex.