

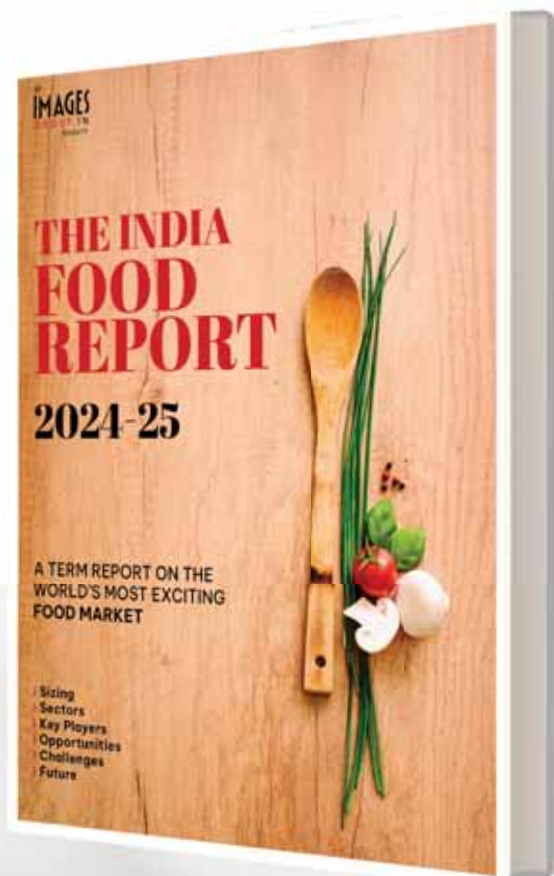
THE INDIA FOOD REPORT

2024-25

A TERM REPORT ON THE
WORLD'S MOST EXCITING
FOOD MARKET

- › Sizing
- › Sectors
- › Key Players
- › Opportunities
- › Challenges
- › Future





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Damodar Mall

**Chairman, India Food Forum;
CEO - Grocery, Reliance Retail**



India's retail story shows how our market is always changing, and how businesses need to adapt to stay strong. We believe in appreciating our differences, understanding the details, and staying tuned to what Indian shoppers want.

That's where *The India Food Report* comes in. It shares the newest trends in the industry from experts. This report brings together different perspectives and smart ideas. It helps us see what's going on in the food and beverage world, giving useful information for businesses working in Indian food and grocery retail.

Insights into India's Consumer Market: India's shopper market is set to be the third biggest globally by 2027, after the U.S. and China. This is thanks to more families having middle to high incomes. Even though India is a big player in the market, we're not just copying others. We're creating our own way of doing things.

Our retail story is about finding a way that matches the country's evolving values, where the market knows its customers. It's not about pushing our own ideas; it's about listening to the market and letting its unique story unfold.

Businesses have carved their own success by recognizing the importance of market flexibility and adaptability. Successful businesses know it's important to be flexible and adaptable, adjusting strategies to connect with local preferences.

To be successful in the world of Indian retail, it's important to welcome differences, grasp the details, and stay in tune with what Indian shoppers want. These are the things that help shape the evolving story of Indian retail.

Supermarket India – Strategies for Success: Supermarket India (including e-Commerce India) merits being studied as different from the overall Indian consumption market. People shopping in these modern channels have relatively higher per capita income. At Purchasing Power Parity (PPP), their per capita income is around \$15,000. Businesses can tailor make strategies, create products for this cohort of consumers.

For our supermarketwalas to be successful, it's necessary to understand how to work and align with the preferences of the diverse customer base that is willing to spend more on higher-quality products. By understanding what products they value, how they prefer to shop, and what factors influence their purchasing decisions, we enhance our chances of success in the competitive landscape. In absolute market size, Supermarket+SuperApp India is large enough to justify a distinct approach.

As the nation transitions into a middle-income market, two main positions will become prominent in food retailing. One focuses on fresh produce, including fruits, vegetables, and dairy products, offering long-term viability. The other revolves around dry goods and discounts, establishing a substantial market presence. One will concentrate on proximity to the customer, emphasizing fresh produce, while the other



Anurag Katriar

**Chairman, India Food Forum —
HoReCa;
Founder & MD, Indigo Hospitality**



The place where the art of foodservice becomes a sacred ritual is the restaurant. It's not a mere physical space adorned with tables and chairs, but transcends its utilitarian purpose.

Step inside a restaurant, and you're not just entering an establishment; you're crossing the threshold into a realm where flavors dance and aromas weave tales. As you peruse the menu, it's not merely a list of dishes but a script that tells a story of passion, creativity, and the chef's culinary journey.

In a restaurant, conversations aren't just idle chatter. Each table is a congregation, where friends, families, and strangers alike partake in the ritual of breaking bread, forming connections over shared plates and shared experiences.

And then, there's the chef—an alchemist, transforming raw ingredients into culinary gold, orchestrating a culinary symphony that resonates with every diner.

Transformative Shift in the Indian Restaurant Industry: The era of the pre-Covid and post-Covid restaurant industry has ushered in a transformative shift. The pre-Covid period witnessed a surge of non-serious players, causing a high failure rate. However, the pandemic acted as a cleansing force, making room for dedicated individuals, sparking positive vibes in the post-pandemic era.

The India Food Report delves into these changes, showcasing the evolving trends in the industry. It highlights the evolving Indian palate that welcomes adaptations to local tastes, a theme explored in-depth in *The India Food Report*.

The focus, post-Covid, has shifted from unnecessary gimmicks to substance over style, emphasizing better food options, a great atmosphere, and positive experiences. Consumer behavior has evolved, with a more informed audience seeking diverse global cuisines. India's culinary scene is poised for a thrilling future, leveraging its rich heritage as a global culinary powerhouse.

Navigating Authenticity and Adaptation in Cuisine: In the world of food, figuring out what's truly authentic can be tricky because everyone has their own opinion. Authenticity is not about rigid labels but about meeting customer expectations. Success lies in taste and consistency. The evolving Indian palate welcomes adaptations to local tastes, illustrated by global giants like McDonald's introducing the McAloo Tikki.

Venturing into new culinary territories requires dedication. A restaurant must balance global trends with local preferences, ensuring a nuanced approach. The success of a dish is simple—whether customers like it, want to return for it, and are willing to pay for it. The authenticity of a dish depends on personal opinions, and it's usual and okay to adjust the flavors to match local tastes.



Amitabh Taneja

Editor-in-Chief,
IMAGES Group



The India Food Report 2024-25, created by IMAGES Group in collaboration with consultancies, think tanks, and food industry experts, is a result of thorough research and hard work. Just like in the earlier editions of the Report, we've gathered loads of data, conducted research, and analyzed everything.

Our goal is simple: We want this Report to give you a comprehensive picture of India's food retail sector. This Report talks about the possibilities in both Food & Grocery and Foodservice sectors, suggesting things that are needed for steady growth. It talks about business chances, possible investments, and points out challenges that need attention.

Understanding and figuring out any industry is all about having the right information that's easy to get. I'm happy because the info and research packed into *The India Food Report 2024-25* will help everyone really get what's going on in India's food retail world. Huge thanks to the leading consultants, think tanks, and experts in India's diverse food industry who pitched in to bring together this Report. Your help has been priceless, and I'm truly grateful for it.

So, as you dive into this Report, remember, it's not just about facts and figures. It's about getting a closer look at the heartbeat of India's food retail scene, understanding the trends, and exploring the opportunities that lie ahead.

What we found in the IMAGES Research for *The India Food Report 2024-25* is that Covid 19 really shook things up big time. But, after a bit of a slow-down in 2020-21, guess what? In 2022, things bounced back strong, with a growth rate of 10.9 percent compared to the year before. The market size hit a whopping INR 57,21,593 crore (USD 689.35 billion).

With things going well and a cheerful festival season just behind us, we're hopeful of 2023 being on track to see a big 12.3 percent expansion. That could shoot up the whole food and grocery market in India to a whopping INR 64,25,349 crore (USD 774.14 billion). Looking ahead, we're picturing a steady growth path with a projected Compound Annual Growth Rate (CAGR) of 10.9 percent from 2020 to 2023. If things keep rolling like this, we could be looking at a massive size of INR 132.84 billion (USD 1.6 trillion) by the year 2030.

In this edition of *The India Food Report*, here's another bit of good news from IMAGES Research: People's spending on household stuff, or just regular shopping, hit a whopping INR 1,43,44,336 crore (USD 1,728.23 billion) in 2022. It grew at a cool 11.3 percent from 2012 to 2022. But the years 2020 to 2022 had a bit of a slowdown, with a CAGR of 8.2 percent. That's because of the pandemic throwing a curveball into how much everyone was buying.

Even with the pandemic slowing things down, the fact that people kept spending more on household stuff shows that we've got a strong base of shoppers. It means, even when times get tough, there's a real and lasting need for things like food and other stuff.



The India Food Report 2024-25 meticulously outlines the evolution of India's Food & Grocery and Foodservice market spanning the years 2020 to 2023. The Report highlights the market size, growth rates, prevailing and emerging trends, and future forecasts.

Diving into detailed insights, it aims to provide a comprehensive understanding of market dynamics, emerging trends, and key factors influencing various food segments.

Findings from IMAGES Research for the India Food Report 2024-25 cover in-depth analyses and perspectives on the Food Retail market in India from industry experts and think tanks. The report draws wisdom from comprehensive research, delving into profound analyses and perspectives on the Food Retail market in India, providing in-depth insights.

The India Food Report 2024-25 examines the currents,

undercurrents, and trends in the country's Food & Grocery (F&G) and Foodservice (FS) markets to map out their future trajectory and implications for stakeholders. These sectors are in a dynamic phase of evolution, presenting abundant prospects for business expansion and sustained growth.

Understanding the driving forces behind their growth and exploring potential investment opportunities is crucial. Subsequent chapters in the book provide a comprehensive analysis of various facets of the food industry, encompassing food retail, processing, logistics, services, supply chain, and technology, exploring key issues and trends shaping the industry's landscape.

This Report serves as a valuable resource for stakeholders, businesses, and policymakers, aiding informed decision-making in the dynamic and evolving Indian food market. Navigating through the labyrinth of the country's Food &

Grocery (F&G) and Foodservice (FS) markets, the India Food Report 2024-25 illuminates industry currents and undercurrents, providing a roadmap for their future trajectory and implications for all stakeholders involved.

➤ Decoding India's Food & Grocery Market

Size of India's Food & Grocery Market

Amid the repercussions of the Covid-19 pandemic, the India Food Report 2024-25 initiates a comprehensive reassessment, recognizing the profound transformations in the Food & Grocery (F&G) market. The pandemic led to a significant deviation of 3.4 percent from the earlier growth projections outlined in The India Food Report 2018-19 for India's Food & Grocery market.

This shift culminated in a market size of INR 47,07,332 crore (USD



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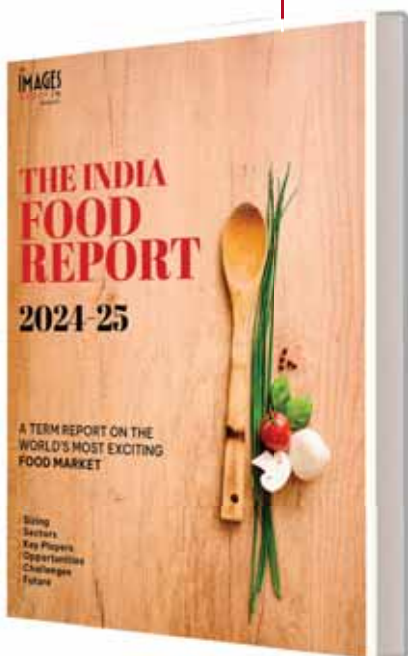
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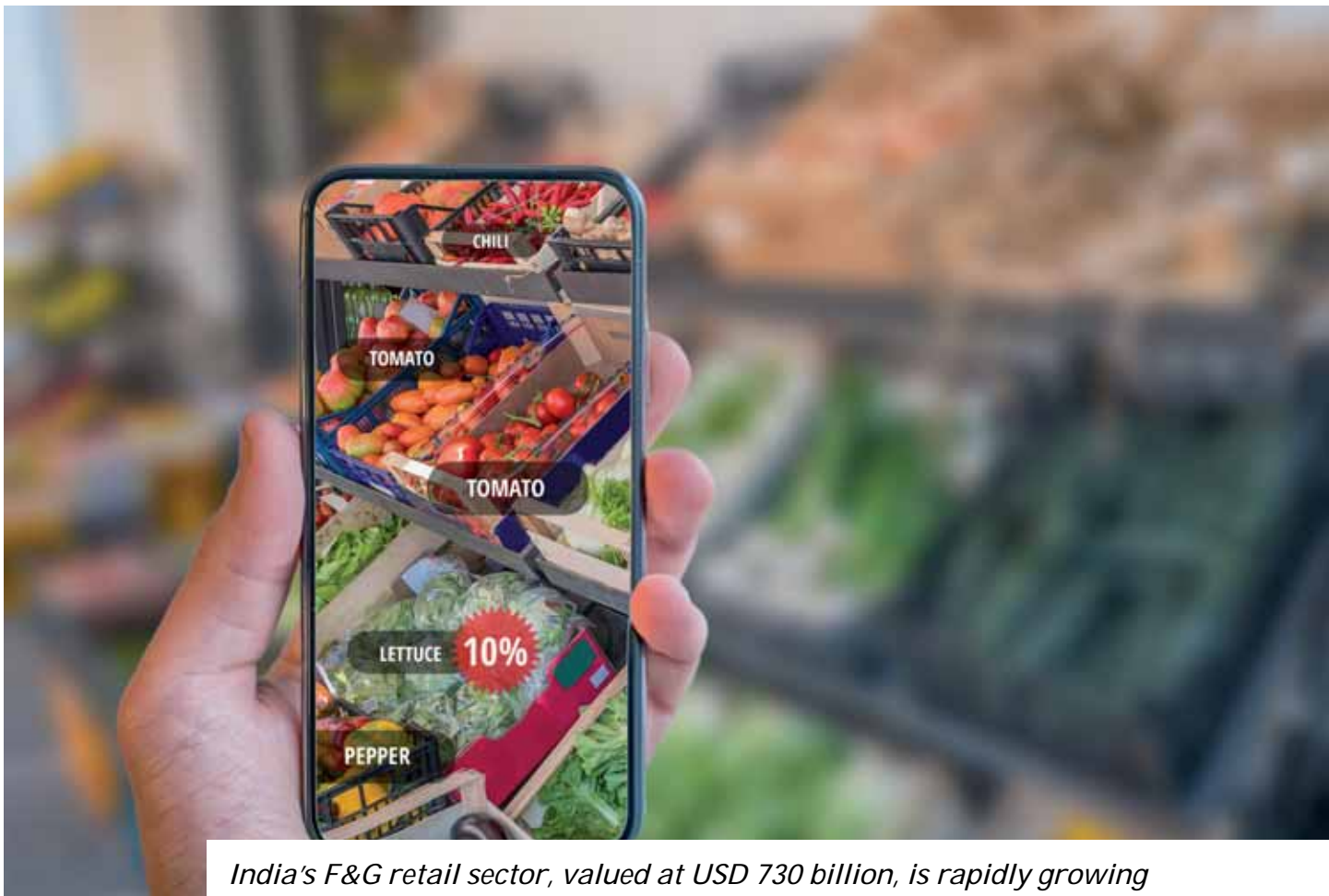
Market Projections and Trends for India's Food & Grocery Industry

This chapter offers a detailed examination of the evolving landscape of the Indian food and grocery market. It focuses on the impacts of the Covid-19 pandemic and emerging market trends, covering key aspects such as market size, growth projections, price inflation, online grocery shopping, "quick commerce," omnichannel shopping, fulfillment centers, rural markets, dynamics between regional and national brands, national brands expanding internationally, growth potential in the organic foods segment, and the role of regulatory authorities in promoting Indian organic food standards globally.

By IMAGES Research



The Online F&G Retail Revolution: Navigating Challenges and Growth



India's F&G retail sector, valued at USD 730 billion, is rapidly growing through online retail's convenience and tech advances. Key platforms like Blinkit, Zepto, Bigbasket, and JioMart aim to expand efficiently and exponentially leveraging tech trends. Opportunities lie in diversification, new market targeting, and robust supply chains, positioning the sector for sustained growth, ensuring convenience, variety, and post-pandemic reliability.

By Baqar Iftikhar Naqvi

Behind India's Packaged Food Boom: Industry 4.0 and Beyond



The Indian food processing industry is a growing sector expected to reach \$535 billion by 2025-26. It faces challenges like food waste and inefficiencies. Adoption of advanced technologies, like Industry 4.0 and digital twins, can improve productivity and food safety. Industry 4.0 technologies, including IoT and robotics, enhance traceability and sustainability. Barriers to adoption include cost and resistance to change. Overcoming these challenges is crucial for addressing food security and reducing waste in the agri-food sector.

**By United Nations Industrial Development Organization (UNIDO)
& Department of Science & Technology, Government of India**

Agri-tech and retail innovations transforming the future of food



India is experiencing a food industry transformation, powered by agri-tech and retail-tech integration. Agri-food tech startups secured \$2.4 billion in 2022. Notable advances in pre-harvest agriculture, receiving 55% of agri-tech funding, enhance efficiency. Agri-tech solutions address post-harvest challenges, receiving 22% of funding, while market linkage agri-tech and grocery retail tech drive e-commerce growth.

By Anand Ramanathan, Avinash Chandani, Hardik Shah, Harsheen Anand & Shivam Pandey – Deloitte India

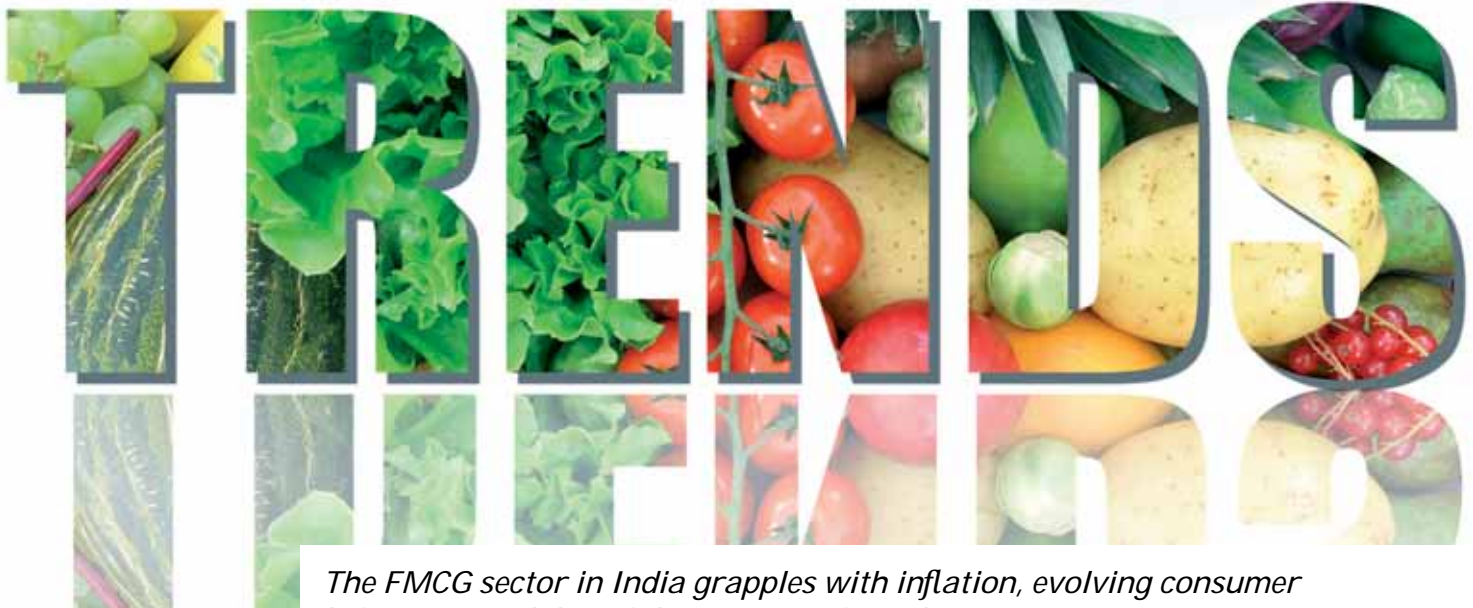
Winning strategies and future trendspotting in Foods



India's FMCG sector is showing urban-rural growth shifts due to price-volume dynamics. Consumers favor local brands amid inflation, emphasizing value and health. Private labels rise with a focus on healthier products, reshaping strategies.

By Kanaka Bhagwat, Namrata Gupta, and Shishira Hegde, with additional contributions from Jaishree Agrawal and Abinav Tiwari - NielsenIQ

Eight trends shaping India's FMCG industry



The FMCG sector in India grapples with inflation, evolving consumer behaviors, and digital disruptions. The industry's transformation is propelled by D2C brands, generative AI, and sustainability efforts, influencing consumer choices and advertising. E-commerce beckons both new and established players seeking acquisitions. Generative AI enhances efficiency and personalization, while demographic shifts underscore the importance of sustainability, convenience, and a focus on premium goods for an aging consumer base. Emphasizing sustainability is key to reinforcing brand reputation and readiness for the competitive challenges in the FMCG landscape.

By Shiv Sharma & Olivier Prexl, Kanvic Consulting

Insights into the Indian Foodservice Industry



The Indian foodservice market was valued at US\$54.3 bn in 2020. In the face of unprecedented challenges including pandemic-induced lockdowns, dine-in restrictions, and consumer reluctance to eat out amid health and safety concerns, the market experienced a significant 38.2% contraction in 2021. However, with the easing of restrictions and resumption of normalcy in consumer behavior, the market swiftly rebounded in 2022 and reached US\$57.2 bn in 2023. The foodservice market in India is on a trajectory to reach US\$78.8 bn by 2026, registering a projected CAGR of 11.3% during 2023-26.

By Pakhi Saxena, Wazir Advisors

CONTRIBUTORS



Abhijit Dutta, MD and Lead – Consumer Goods & Service at Accenture's ATCI in India, brings 27+ years of global experience in IT-led Transformation Management. A Mechanical engineer from NIT Bhopal and Postgraduate from IIM Mumbai, he excels in Automotive, FMCG, and IT services. Currently, as Consumer Goods and Service Industry Lead for Accenture Technology Services in India, Abhijit is also part of the global Technology Leadership for the Consumer Goods Industry and Enterprise Transformation. Passionate about industry trends, he guides clients through technology-enabled transformations, reshaping business models. Beyond, he contributes to academia, helping shape the minds of the future generations while balancing the needs of the organizations of today.



Abhinav Tiwari is **Director, Customer Success Analytics at Nielsen IQ**. He specializes in harnessing analytical skills and market research knowledge to solving critical client needs.



Dr. Anamika Banerji is a **Research Analyst at Mintel**. She previously worked as a Technical Consultant at General Mills India. Her Ph.D. project focused on enhancing Indian flatbreads, addressing dough rheology, enzymatic browning, and nutritional value through bio-fortification. With a diverse professional background, she has also worked as a Food Production Coordinator at Talwalkars Better Value Fitness and led a finalist team in the DuPont NutriScholars Awards 2017. Banerji is a published researcher in Food Processing and Nutrition, and is also a reviewer for scientific journals. She actively engages in fieldwork projects to enhance nutrition for various demographics and contributed to creating a novel snack during an internship with OmniActive Health Technologies.



Anand Ramanathan is a **Partner and Consumer Industry Leader at Deloitte India's** consulting practice, and brings over 16 years of industry and consulting experience. Holding degrees from BITS Pilani, IIM Indore (MBA), and IIM Bangalore (PhD), Anand specializes in retail, supply chain, and logistics. As a Fellow at IIMB, he has contributed internationally to research and teaching on retail and supply chain management. An expert in consumer markets, he excels in technology-driven business transformations, advising global and domestic clients on growth strategies, operational efficiency, and public sector policies.



Ashish Dhir, Executive Vice President at 1Lattice, leads the Consumer and Retail vertical, bringing over 25 years of experience in management consulting, strategy, and business development in consumer, retail, and textile sectors. He's a frequent speaker at international and Indian conferences for over 15 years and has published various industry reports. With a background at Technopak, Gherzi, Cheil, RIL, and Invista, he founded the consulting firm Wisedge during a 3-year entrepreneurial stint. Ashish holds an MBA from Lancaster University, UK, and a B.Tech in Textiles. Apart from his professional pursuits, he is an avid cricket enthusiast and practices Buddhist philosophy, engaging in regular chanting.



Avinash Chandani is a **Partner for Deloitte India** with an overall 15+ years of professional experience. He is a part of Deloitte India's Customer Strategy & Applied Design practice. He has worked with both multinational clients, large domestic corporates. His focus solution areas include Value Chain Assessment, Growth and Diversification strategy, Sales and Distribution strategy, Project Feasibility, Market Assessment and Business plans. He has worked on multiple implementation projects for client in this sector as well and has a diversified experience of having worked across multiple categories in the agriculture and consumer sector. Avinash is a Chartered Accountant and holds an Executive MBA degree from IIM Bangalore.

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