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The rise of India's food processing sector: A review of government support and entrepreneurial success stories

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Abstract
The food processing industry in India is one of the fastest-growing sectors that connects farming, manufacturing and trade. It helps farmers to get better prices by turning raw produce into value-added products, creates employment and reduces food waste. According to the Ministry of Food Processing Industries (MoFPI, 2024-25), the sector contributes about 7.93 per cent GVA to manufacturing and 8.45 per cent GVA to agriculture, showing its growing importance in India's economy. This review article explains how the industry has developed, supported by government schemes like the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), PM Formalisation of Micro Food Processing Enterprises (PMFME) and the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and also highlights the success stories of Indian brands which have modernized traditional food systems through innovation and technology. Therefore, the sector is playing a key role in India's growth by creating jobs, supporting farmers and promoting Indian food worldwide, in line with the goals of Atmanirbhar Bharat and Make in India.

Keywords: Food processing industry, MoFPI, PMKSY, PMFME, PLISFPI, value addition, Agri-preneurship, Atmanirbhar Bharat, Indian food enterprises, processed food exports

Introduction
The food processing industry in India stands as one of the country's most dynamic and rapidly evolving sectors link between agriculture, manufacturing and trade. It not only adds value to raw agricultural produce but also generates employment, minimizes post-harvest losses, enhances nutritional security and increases the India's global competitiveness through innovation and value addition across the agri-food supply chain. According to the Ministry of Food Processing Industries (MoFPI) Annual Report 2024-25, the sector contributed 7.93 per cent to the Gross Value Added (GVA) in manufacturing and 8.45 per cent to the GVA in agriculture during 2022-23, highlighting its growing economic importance. This steady growth is attributed to robust agricultural output, increasing consumer demand for processed foods and progressive government reforms.

India's vast agro-climatic diversity supports the production of cereals, pulses, fruits, vegetables, milk, meat, poultry and fish creating a strong base for food processing activities. Changing lifestyles, urbanization and higher disposable incomes have significantly increased demand for ready-to-eat (RTE) and ready-to-cook (RTC) products. Government initiatives such as the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), PM Formalisation of Micro Food Processing Enterprises (PMFME) and the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) have strengthened the sector's infrastructure through mega food parks, cold chain facilities, agro-processing clusters and preservation units. These initiatives promote entrepreneurship, attract private investments and integrate small and medium enterprises into the national value chain (MoFPI, 2025).

The India's food processing industry represents more than just a production system, it is a strategic engine for inclusive economic growth, connecting farmers, industries and consumers at both domestic and global levels. The sector reflects India's transformation from a food-surplus nation to a global supplier of value-added food products, in line with the visions of Atmanirbhar Bharat and Make in India. This review article examines the evolution, growth and performance of India's processed food sector.

It analyses the sector's contributions to production, trade and employment while highlighting successful Indian food enterprises that demonstrate the nation's potential for innovation, sustainability and global competitiveness.

Methodology

This study is based on the secondary data collected from published official sources and published articles, which provides detailed insights about the food processing sector of India.

Result and Discussions

A. Growth of Indian Food Processing Sector

The food processing sector in India has demonstrated steady and resilient growth, emerging as one of the most vital components of the country's manufacturing base. It serves as a crucial link between agriculture and industry, adding value to farm produce, generating employment and promoting export-oriented production. In terms of employment generation, the sector continues to be a major source of livelihood, contributing significantly to both rural and urban economies. According to the Ministry of Food Processing Industries (MoFPI, 2024-25), the sector provides direct and indirect employment to millions of people across activities such as procurement, processing, packaging, logistics and retail distribution. The registered food processing industries employ around 21.24 lakh persons, accounting for approximately 12.38 per cent of total employment in India's registered manufacturing sector. The unregistered and informal food processing units also play a crucial role in supporting livelihoods, particularly in rural and semi-urban areas this makes the food processing industry one of the largest employment-generating sectors within India's manufacturing ecosystem.

According to the Ministry of Food Processing Industries reported that the share of the food processing 7.93 per cent to the Gross Value Added (GVA) of the manufacturing sector and 8.45 per cent to the GVA of agriculture in 2022-23. The GVA of food processing industries at constant prices increased from ₹1,34,296 crore in 2014 - 15 to ₹1,92,601 crore in 2022 - 23, reflecting the sector's strong contribution to the national economy (MoFPI, 2024). The sub-sectors such as dairy, fruits and vegetables, meat, fisheries, beverages and grain-based products have expanded significantly due to improved processing infrastructure and increased domestic consumption. The India's food processing export is the value of agri-food exports including processed food exports during 2023- 24 was of the order of US $ 46.43 billion accounting for about 11.7 per cent of India's total exports (total exports US $ 395.39 billion). The export status of India is shown in the table 1.

Table 1: India's Food Export Status for Last Five Years

S. No.	Descriptions	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Agri Food Exports	32,731.98	38,654.67	46,113.94	51,061.22	46435.53
2.	Processed Food Exports	6,264.02	8,565.60	10,412.82	13,078.36	10,881.81
3.	% share of Processed Food in Agri-Food Exports	19.1%	22.1%	22.5%	25.6%	23.4%
4.	India's Total Export	3,13,361.0	2,91808.5	4,22,004.4	4,51,070.0	3,95,394.98
5.	% share of Agri Food Exports in overall Exports	10.4%	13.2%	10.9%	11.3%	11.7%

Source: (Ministry of Food Processing Industry, 2024-25)

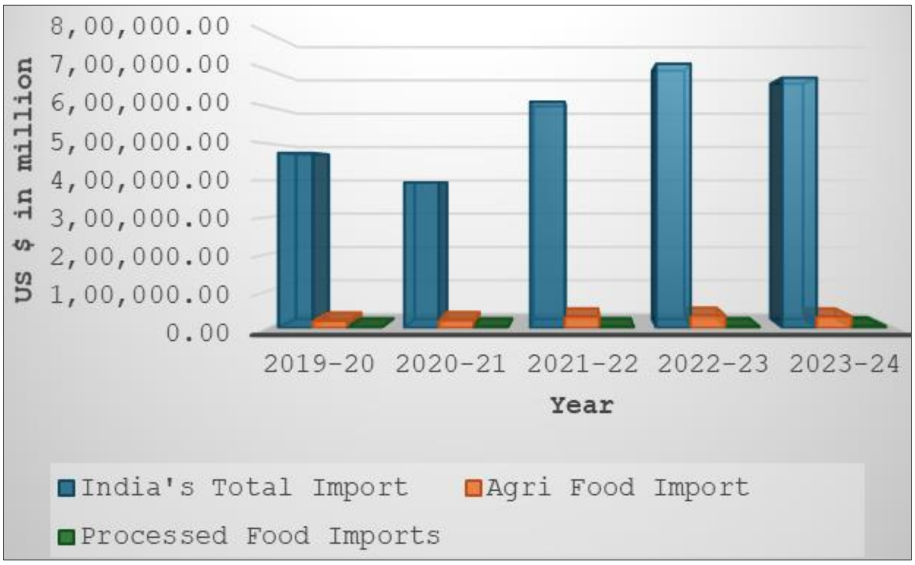
The share of India's agri-food exports in the world was 2.55% in 2022 and the share of India's Agri- food imports in the world was 1.66% in 2022. India's food trade and its share in the world for the India's food trade and its share in the world for the last five years is given in table 2.

Table 2: India's Food Import Status for Last Five Years

S. No.	Descriptions	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Agri Food Imports	19,698.2	21,048.5	31,290.0	33,596.4	31,660.7
2.	Processed Food Imports	2,701.1	2,795.2	3,404.0	3,322.9	5,344.45
3.	% share of Processed Food in Agri-Food Imports	13.7%	13.3%	10.9%	9.9%	16.9%
4.	India's Total Import	4,74,709.3	3,94,435.9	6,13,052.1	7,15,968.9	6,78,214.77
5.	% share of Agri Food Exports in overall Imports	4.1%	5.3%	5.1%	4.7%	4.7%

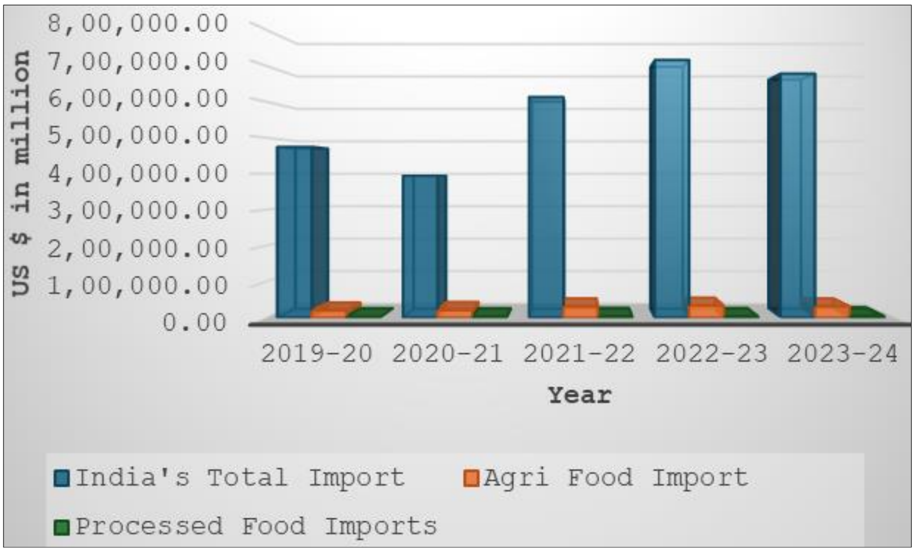
Source: (Ministry of Food Processing Industry, 2024-25)

India's agri-food exports have shown a steady upward trend over the last five years. The total value of agri-food exports increased from US $32,731.98 million in 2019-20 to US $46,435.53 million in 2023-24. Within this, processed food exports rose sharply from US $6,264.02 million in 2019-20 to US $10,881.81 million in 2023-24, demonstrating a clear rise in India's capacity for value addition and product diversification. On the import side, India's agri-food imports reached US $31,660.7 million in 2022-23, compared to US $19,698.2 million in 2018-19. The processed food imports component rose to US $5,344.45 million in 2022-23, forming 16.9 per cent of total agri-food imports, up from 13.7 per cent in 2018-19. India has maintained a strong and positive presence in global agri-food trade over the last five years. The value of India's food exports increased from US $ 34.07 billion in 2018 to US $ 43.92 billion in 2023, while food imports increase from US $ 19.60 billion to US $ 31.42 billion during the same accounting year. Therefore, agri-food imports were only 4.7 per cent of India's total imports, indicating that the country remains largely self-sufficient in food production despite a gradual rise in demand for certain processed ingredients. The India's total export and import in food processing value is shown in figure 1 & 2.



Source: (Ministry of Food Processing Industry, 2024-25)

Fig 1: India's Export Status for Last Five Years



Source: (Ministry of Food Processing Industry, 2024-25)

Fig 2: India's Export Status for Last Five Years

India has maintained a strong and positive presence in global agri-food trade over the last five years. The value of India's food exports increased from US $ 34.07 billion in 2018 to US $ 43.92 billion in 2023, while food imports increase from US $ 19.60 billion to US $ 31.42 billion during the same accounting year.

B. Schemes Promoting Food Processing Sector

The Government of India, through the Ministry of Food Processing Industries (MoFPI), has implemented several schemes to strengthen India's food processing ecosystem, promote investment and create employment. These programmes are designed to enhance value addition, minimize post-harvest losses, improve farmer incomes and make Indian food products globally competitive.

(i) Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)

The Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) launched in 2017-18 serves as an umbrella scheme that integrates various sub-programmes aimed at developing modern infrastructure for food processing industries. The main objective of PMKSY is to create efficient supply chains from farm gate to retail, thereby reducing wastage and improving processing capacity. The scheme functions through key components such as mega food parks, integrated cold chain and value addition infrastructure, agro-processing clusters, creation/expansion of food processing units and operation greens. These initiatives focus on building modern processing infrastructure and promoting cluster-based industrialization. A total of 1,601 projects has been sanctioned under the Pradhan Mantri Kisan Sampada Yojana (PMKSY) across India, which includes 41 Mega Food Parks, 399 Cold Chain Projects, 76 Agro-Processing Clusters and 588 Food Processing Units. The scheme's goal is to boost the food processing sector by creating infrastructure and reducing post-harvest losses (Press Information Bureau, 2024). The scheme plays a vital role in linking farmers with markets and reducing post-harvest losses through integrated value-chain infrastructure.

(ii) Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME)

The PM Formalisation of Micro Food Processing Enterprises (PMFME) scheme was launched in 29th June, 2020 aims to support two lakh micro food processing units over five years. Its main objectives are to enhance the competitiveness of existing micro-enterprises, promote formalisation of the unorganised sector and create opportunities for Self-Help Groups (SHGs), Farmer Producer Organisations (FPOs) and Cooperatives.

The scheme provides credit-linked capital subsidy up to 35% of the project cost, along with training, technical assistance and branding/marketing support. The PMFME scheme follows a "One District One Product (ODOP)" approach to promote region-specific processed food products, thereby supporting local entrepreneurship and employment generation. The scheme has benefitted thousands of micro-enterprises across India, particularly empowering women-led units and rural entrepreneurs, significantly contributing to the formalisation of India's micro food industry (Press Information Bureau, 2025).

(iii) Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)

The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was approved by the Union Cabinet on 31st March 2021 with a budget of ₹10,900 crore, to be implemented from 2021-22 to 2026-27. 171 applicants have been enrolled under the scheme. The beneficiary selection process under PLISFPI was conducted as a one-time exercise, preceded by active stakeholder engagement and extensive publicity to ensure broad participation (Press Information Bureau, 2024). Its primary goal is to stimulate domestic manufacturing, promote Indian food brands globally and create employment opportunities through financial incentives. The scheme covers four main product segments like Ready-to-cook and ready-to-eat foods, processed fruits and vegetables, marine products and mozzarella cheese and innovative food products. As of October 2024, PLISFPI attracted investment proposals worth ₹8,910 crore, generated over 2.89 lakh jobs and approved 182 applications for financial incentives (Economic Times, 2024). The total financial outlay of ₹10,900 crore, the scheme aims to make India a global hub for processed foods by encouraging value addition, innovation and export-led manufacturing.

These government initiatives represent a comprehensive framework for transforming India's food processing sector, they form a multi-tier ecosystem that promotes innovation, enhances exports, strengthens farmer incomes and positions India as a global leader in food processing and agri-business.

C. Success Stories of Indian Food Enterprises

The selection of successful food processing enterprises in this study is based on their representation of sectoral diversity, innovation and entrepreneurial growth. These enterprises collectively reflect the transformation of India's food ecosystem from small-scale operations to organised, technology-driven industries. Each represents a unique business model that contributes to employment generation, value addition and export development.

Success Story 1: iD Fresh Foods

iD Fresh Foods was founded in 2005 by Musthafa P.C. and his cousins in Bengaluru, Karnataka, began with the idea of offering fresh, preservative-free idly and dosa batter. Recognizing a market gap, they aimed to modernize traditional South Indian foods through hygienic, automated production while preserving homemade taste and freshness. From a small 100-packet-a-day unit, iD Fresh has expanded into an international brand operating across India, the UAE, USA and UK, processing over 1,000 tons of batter daily. Its growth is driven by innovations like the patented "spout packaging" and a fully automated production system ensuring quality and consistency.

Their marketing strategy is instead of doing conventional advertising, iD Fresh focuses on trust-based marketing that highlights transparency, purity and freshness. The company's brand message is "pure, fresh and 100% natural" builds strong emotional connections with consumers. The economic value at over ₹2,000 crore (2023) and employing more than 1,500 people, iD Fresh Foods supports local farmers by sourcing ingredients like rice, urad dal and spices directly from them. The company stands as a successful example of startup-led innovation in India's traditional food sector, aligning with the PMFME and Atmanirbhar Bharat missions to promote indigenous entrepreneurship (iD Fresh Foods, 2025).

Success Story 2: Haldiram Foods Pvt. Ltd.

Haldiram was founded in 1937 by Ganga Bishan Agarwal (Haldiram Ji) in Bikaner, Rajasthan, began as a small shop selling traditional snacks like bhujia and namkeen. Later, it transformed from a modest family business into one of India's largest FMCG food companies, symbolizing the successful modernization of traditional Indian snack-making. Their vision is to standardize and globalize authentic Indian snacks, Haldiram's combined traditional recipes with modern packaging and large-scale manufacturing to maintain taste, quality and longer shelf life. The establishment of its first major factory in Nagpur in 1970 marked a turning point, followed by expansion into Delhi and Kolkata.

Today, Haldiram's offers a diverse range of products including namkeen, sweets, frozen foods, ready-to-eat meals and beverages and exports to over 80 countries. The company's operations focus to high food safety and automation standards, holding FSSAI and ISO 22000 certifications to ensure consistent quality. Its growth is powered by a strong multi-channel marketing strategy that blends heritage-based branding with modern digital outreach, reinforcing customer trust, traditional flavours and product consistency (Haldiram's, 2025).

Success story 3: Bagrry's India

Bagrry's India Ltd was founded in 1969 by Shyam Bagrry in Delhi, began as a small enterprise producing wheat bran and health food ingredients. It has since evolved into one of India's leading breakfast cereal and health food brands, introducing consumers to muesli, oats, bran and granola. The company represents a pioneering force in nutrition-driven food processing, with a strong presence across Indian and international markets. Their vision is to promote healthy, nutrient-rich and high-fibre diets, Bagrry's aimed to provide nutritious alternatives to traditional, carbohydrate-heavy Indian foods. Recognizing the shift toward urban, health-conscious lifestyles, the company positioned itself as a bridge between Indian taste preferences and global nutrition standards. Bagrry's operates advanced, automated manufacturing units in Himachal Pradesh and Delhi, certified by FSSAI and ISO 9001:2015. Through continuous

R&D, it has been a trendsetter in India's breakfast cereal industry, credited for popularizing whole-grain muesli and fortified oats. The market their products with the tagline "Let's put health first", Bagrry's emphasizes nutrition, purity and wellness. Today, it holds a strong position in India's ₹2,500 crore health and wellness market, exporting to over 30 countries. By sourcing local grains such as oats and barley, the company supports Indian farmers while driving innovation and growth in the food processing sector (Bagrry's, 2025).

Success Story 4: Milky Mist Dairy

Milky Mist Dairy Food Pvt. Ltd., was founded in 1992 by T. Sathish Kumar in Perundurai, Erode district, Tamil Nadu, began as a small family-run dairy unit collecting milk from nearby villages for local cooperatives. Later, it has grown into one of the India's leading integrated dairy processing companies, specializing in value-added products such as paneer, curd, cheese, ghee, butter and yogurt. Their vision is to add value to raw milk and ensure better income for dairy farmers, Milky Mist focused on producing high-quality, affordable dairy products that embody purity and freshness. Recognizing the untapped potential in India's value-added dairy segment, the company positioned itself as a trusted farm-to-shelf brand (Milky Mist, 2025).

The significant investments in automation, cold-chain infrastructure and R&D, Milky Mist operates an advanced, fully integrated processing facility in Erode that handles over 1 million litres of milk daily and produces more than 20 product variants. The company has pioneered continuous cheese processing, automated packaging and real-time cold storage logistics, ensuring minimal wastage and superior quality. Milky Mist's marketing strategy blends regional branding with digital outreach through platforms like Blinkit, Zepto and BigBasket, strengthening in South India while expanding nationwide. Recently, the company secured SEBI approval for an Initial Public Offering (IPO) valued at ₹2,000 crore, with plans to raise ₹750 crore to expand and modernize its manufacturing facilities and support working capital needs (Business Standard, 2025).

Success Story 5: Kitchens of India

Kitchens of India was launched in 2001 by ITC Limited under its Foods Division, is a premium ready-to-eat brand created to deliver authentic Indian cuisine to both domestic and global consumers. It represents one of the fastest-growing segments in India's food processing industry, showcasing ITC's innovation in bringing traditional meals to modern, convenient formats. The vision is to recreate restaurant-quality Indian dishes that retain traditional flavours and authenticity without using preservatives. By combining culinary heritage with cutting-edge technology, ITC aimed to make India's diverse cuisine accessible worldwide (ITC Limited, 2024).

Kitchens of India utilizes retort pouch technology, which sterilizes food in laminated packaging without chemical preservatives, ensuring a shelf life of up to one year while preserving taste and freshness. ITC's manufacturing facilities in Haridwar, Pune and Bengaluru are ISO 22000 and HACCP certified, ensuring international food safety and consistency. The company's Life Sciences and technology centre in Bengaluru further supports continuous R&D and quality innovation. Leveraging ITC's strong supply chain and packaging expertise, Kitchens of India has expanded globally while maintaining premium quality standards. The brand has played a pioneering role in popularizing retort-packed Indian meals, creating export opportunities for Indian food manufacturers. Additionally, it promotes sustainable sourcing by procuring spices, grains and vegetables directly from Indian farmers, reinforcing ITC's commitment to responsible and inclusive food processing (ITC Limited, 2024).

Conclusion

India's food processing industry has become one of the fastest-growing sectors of the Indian economy, linking farmers with markets and industries. It helps to reduce food waste, increases the employment opportunities and adds value to farm produce. From dairy and snacks to cereals, spices and ready-to-eat foods, many businesses have changed traditional methods into modern, organised systems using new technology. Their success shows how innovation, quality and understanding consumer needs can build strong and sustainable food brands in India.

Government initiatives such as the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), PM Formalisation of Micro Food Processing Enterprises (PMFME) and the PLI Scheme for Food Processing Industry (PLISFPI) have played an important role by giving financial support, infrastructure and training support to entrepreneurs. The success stories show that anyone with a clear idea, hard work and innovation can succeed in this field. As India aims to become a global food hub, the teamwork between government support, private enterprise and changing consumer lifestyles will help create more jobs, support farmers and spread Indian food to the world.

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