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Food Processing Guest Column

Opportunity of fruit processing industry in India - Chetan Kothari, Tricom Fruit Products Ltd

Being one of the largest producers of fruits and vegetables in the world, India presents great opportunities in the fruit and vegetable processing sector

Opportunity of fru



India is the second largest producer of fruit and vegetables in the world with 150 million tones (mt) of fruits and vegetables produced annually. But, only around 2.2% of fruit and vegetable production is processed as compared to countries like the US (65%), Philippines (78%) and China (23%), so this

presents immense opportunity to companies looking at investing in this sector. The food processing sector is critical to India's development. It establishes vital linkages and synergy between industry and agriculture, the two pillars of India's economy. The growth of food processing will bring immense benefits to the economy, raising agricultural yields, enhancing productivity, creating employment and raising standard of life of people across the country, especially in rural areas. This industry ranks fifth in the country and employs around 13 million people directly and 35 million people indirectly. It accounts for 14% of total industrial output of the GDP. Its turnover is estimated at Rs 1,44,000 crore, of which Rs 1,11,200 crore is in the unorganised sector. The liberalisation of the Indian economy and world trade and rising consumer prosperity has thrown up new opportunities for diversification in the food processing sector and opened new vistas for growth.

Progress so far

India has made a good progress on the horticultural map of the world with a total annual production of horticultural crops touching over 149 mt. India is the second largest producer of fruits (45.5 mt) and vegetables (90.8 mt) in the world, contributing 10.23% and 14.45% of the total world production of fruits and vegetables, respectively. It is also a well known fact that since centuries it has been the largest producer, consumer and exporter of spices.

Fruit and vegetable processing scenario

The fruit and vegetable processing industry in India is highly decentralised. A large number of units are in the cottage/home scale and small-scale sector, having small capacities up to 250 tonnes per annum, though big Indian and multinational companies have capacities in the range of 30-50 tonnes per hour or so. The prominent processed items are fruit pulps and juices, fruit based ready-to-serve beverages, canned fruits and vegetables, jams, squashes, pickles, chutneys and dehydrated vegetables. More recently, products like frozen pulps and vegetables, frozen dried fruits and vegetables, fruit juice



concentrates and vegetable curries in restorable pouches, canned mushroom and mushroom products have been taken up for manufacture by the industry. The processing level in India is estimated to be around 2%. This means that there is a massive market yet to be tapped by the fruit processing companies in the country.

India's major exports are in fruit pulp, pickles, chutneys, canned fruits and vegetables, concentrated pulps and juices, dehydrated vegetables and frozen fruits and vegetables. This sector too has huge potential.

For a better tomorrow

Supply chain efficiencies together with a focussed approach to enhance exports are the key to ensure that India is able to successfully tap new product/market opportunities. India has the potential to achieve a 3% share in the world trade of agricultural and food products by 2015.

Chetan Kothari is the chairman of Tricom Fruit Products Ltd

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