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## India has immense scope in fruit processing

Chetan Kothari

India is the second-largest producer of fruit and vegetables in the world, contributing a total of 150 million tonnes of the produce to the global production annually. Ironically, however, only 2.2% of the fruit and vegetable production is processed here as compared to countries like USA (65%), Philippines (78%) and China (23%). Hence, this presents immense opportunity for companies looking at investing in this sector in the country.

### Key sector

The food processing sector is critical to India's development. It establishes vital linkages and synergy between industry & 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.

Interestingly, 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 have thrown up new opportunities for diversification in the food processing sector and opened up new vistas for growth.

### Horti success

India has made good progress on the horticultural map of the world with a total annual production of horticultural crops touching over 149 million tonnes. As said earlier, India is the second-largest producer of fruits (45.5 million tonnes) and vegetables (90.8 million tonnes) 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.

### Decentralised

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 upto 250 tonnes / annum though big Indian and multinational companies have capacities in the range of 30 to 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%.

### Exports

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.

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.

Data source: Ministry of Food Processing Industries Annual Report 2010-2011

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