



FOOD PROCESSING

Towards Sustainable Growth Opportunities



SECTOR PROFILE

BAKERY

National Event Partner



Investment Facilitation Partner



Knowledge Partner





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ABSTRACT

The Indian food processing sector has witnessed remarkable growth, surpassing a 9% average annual growth rate since 2014-15. The Gross Value Addition (GVA) in the food processing sector has shown a Compound Annual Growth Rate (CAGR) of 7.27% in the past five years. The sector contributes approximately 20% to the overall GVA at basic prices, highlighting its competitiveness and ability to cater to international markets. India's processed food exports have experienced a significant surge, reaching US\$13.07 billion in 2022-23. The Ministry of Food Processing Industries has provided support and incentives to the sector through its flagship schemes, such as the Pradhan Mantri - Kisan Sampada Yojana, and the Pradhan Mantri Formalisation Micro Food Processing Enterprises.

The bread and bakery sector in India offers significant opportunities for growth, innovation, and employment generation. This sector encompasses a wide range of products, including breakfast cereals, breads, cookies, chocolates, gums, and sugar confectionery. The demand for biscuits and cookies is driving the growth of the Indian bakery market. The sector is also witnessing a shift towards healthier alternatives, driven by the growing health awareness worldwide. Key products with high potential in the Indian bakery sector include biscuits, breads, cakes, pastries, cookies, pizzas, puffs, samosas, donuts, muffins, croissants, bagels, buns, and rolls. These products reflect the diverse and evolving bakery market in India, influenced by both traditional and international cuisines. The growth of the sector in India is supported by a strong regulatory framework, research and development initiatives, and government schemes focused on the sector's development.

Globally, the bakery product market is projected to grow at a CAGR of 3.7% by 2026. The global consumption of bakery products is driven by population growth, changing lifestyles, rising disposable incomes, and the increasing demand for healthy and natural products. The market is characterized by a rising preference for "free-from" food products, including gluten-free, sugar-free, and additive-free options. However, there is also a growing awareness against highly processed baked goods, prompting a shift in consumer preferences.

Overall, the bakery and confectionery sector in India presents substantial growth prospects for both domestic and global markets. The sector can leverage India's resources, cater to changing consumer preferences, and capitalize on the rising demand for healthy alternatives by focusing on innovative products, advanced technologies and sustainable packaging.

01. INTRODUCTION

Bread & Bakery is one of the key segments in the food processing sector of India offering huge opportunities for growth, innovation & employment generation. Key products of bakery and confectionery sector in India include breakfast cereals, breads, cookies, chocolates, gums, sugar confectionery etc. However, Indian bakery market is being driven by the growing demand for biscuits and cookies across the country.

As per industry reports,
the Indian bakery sector grew by 11.5% in 2021 to reach a value of \$9,155.3 million¹.

The growth of -the organised bakery sector is set to increase by 70% in 2030 as the companies are spending a lot in research and development, skill development, launching of innovative products.

Due to growing population and urbanization, Indian bread and bakery industry is likely to experience healthy growth in the coming years. Increasing health awareness among urban population has spurred innovation and healthy alternatives like gluten free, sugar free and fortified bakery consumables

¹ Market line report on bakery and cereals in India

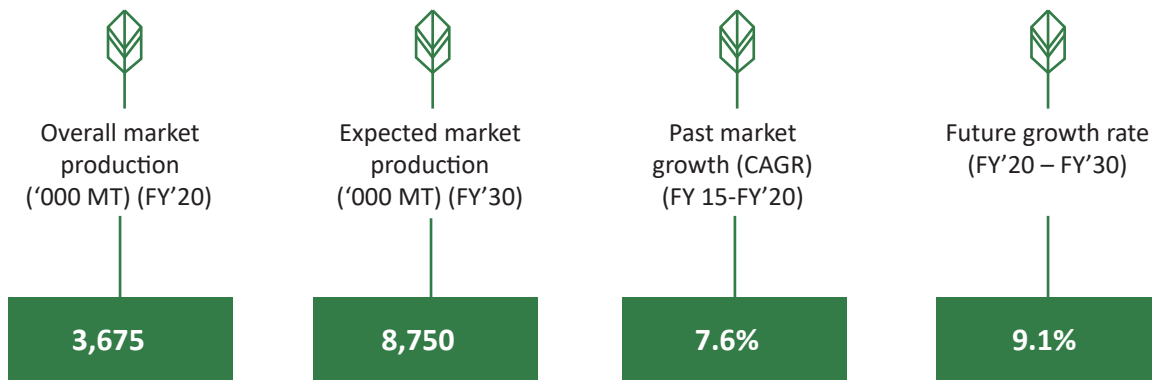


TABLE 1 - ANNUAL MILK PRODUCTION, INDIA AND GLOBAL ²

Globally, the demand for bakery products is expected to increase with general rise in population, increase in income levels, and preference for convenience food. Many countries in Asia and Africa, where baked goods are not part of staple diet, have started adopting more baked goods, especially breads and buns as a source of quick nutrition. Cultural influences can also be attributed to such adoption of dietary choices. Collectively, countries in Europe is a power house of baked goods with Germany being the largest exporter of baked goods. USA is the largest importer of processed goods globally, importing to the value of USD 7.47 bn in 2021.

This sector profile analyses global trends in baked goods, India’s strength in the sector, supporting regulatory and R&D ecosystem supporting the sector, various government initiatives etc.

² https://www.mofpi.gov.in/sites/default/files/detailed_skill_study_report_-final.pdf

2. GLOBAL TRENDS IN BAKERY & CONFECTIONERY PRODUCTS

Bakery Product Market size was estimated at \$242 billion in 2020, projected to grow at a CAGR of 3.7% during the forecast period 2021-2026³. In terms of production value and exports, bakery sector is dominated by the EU driven by Germany, Canada, Italy, Belgium and France. In Asia, China has caught up extensively in bakery production owing to growing western influence in the country. Other emerging economies in Asia also have increased output of baked goods, owing to dietary preferences, conveniences etc. The figure 1 shows the country wise production in terms of value for bakery and confectionary products

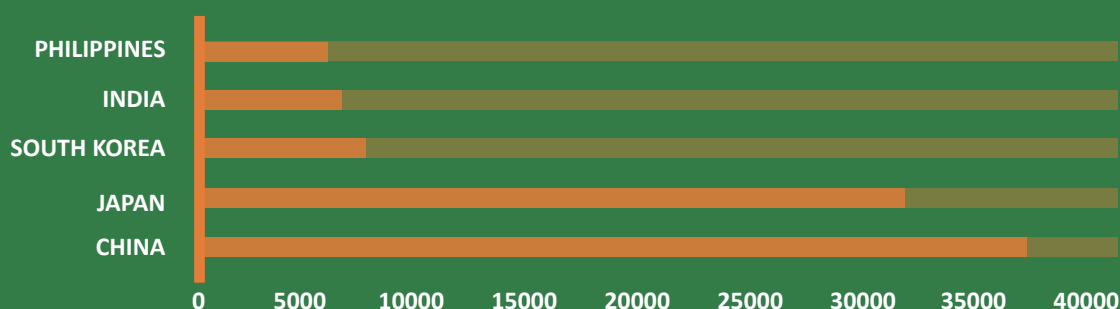


FIGURE 1:
REGIONAL PRODUCTION DATA OF BAKED GOODS IN ASIA, 2021

Source: Euromonitor 2022⁴

2.1 GLOBAL CONSUMPTION

The global consumption of bakery products has been steadily increasing in recent years and is expected to continue growing in the future. The demand for bakery products is driven by factors such as population growth, changing lifestyles, rising disposable incomes and the increasing popularity of convenience foods. Another key driver of growth in the bakery industry is the increasing demand for healthy and natural products. Increasing awareness about healthy consumption among consumers has driven the demand for bakery products made with whole grains, organic, natural sweeteners, and gluten-free products. This trend is expected to continue in the future across geographies, with an increasing focus on sustainability and environmental responsibility. Surge on online marketing and mobile app-based delivery services globally in the wake of COVID induced lockdowns have also improved the distribution channels to consumers. The global bakery products market reached a value of USD 480.95 billion in the year 2022⁵. The industry is further expected to grow at a CAGR of 6.7% between 2023 and 2028⁶.

³ Industry ARC, Bakery Product Market Forecast 2023-2028

⁴ Euromonitor Passport – Bakery Products in India 2022

⁵ Expert Market Research Report – Bakery Products

⁶ ibid



According to market research firm Mordor Intelligence, the global bakery market is projected to reach \$602.6 billion by 2026.

Among product types in the sector, biscuits/cookies formed the major share of commodities traded or consumed globally in 2021, followed by regional variations of breads as well as rolls.

2.2 GLOBAL TRADE SCENARIO⁷

Trade in baked goods form a minimal, contributing to less than 1% of the total world trade. Further, between 2020 and 2021 the exports of Baked Goods grew by 16%, from USD 37.5 bn to USD 43.5 bn . As mentioned in earlier section, EU formed the largest exporter of baked goods, with Germany being the largest exporter in 2021. In terms of import, USA imported baked goods at highest value of USD 7.47 bn. Table 1 highlights top 5 exporters and importers of baked goods in 2021.

⁷ OEC World Data – Baked Goods Sector (at 4 digit HS Code)

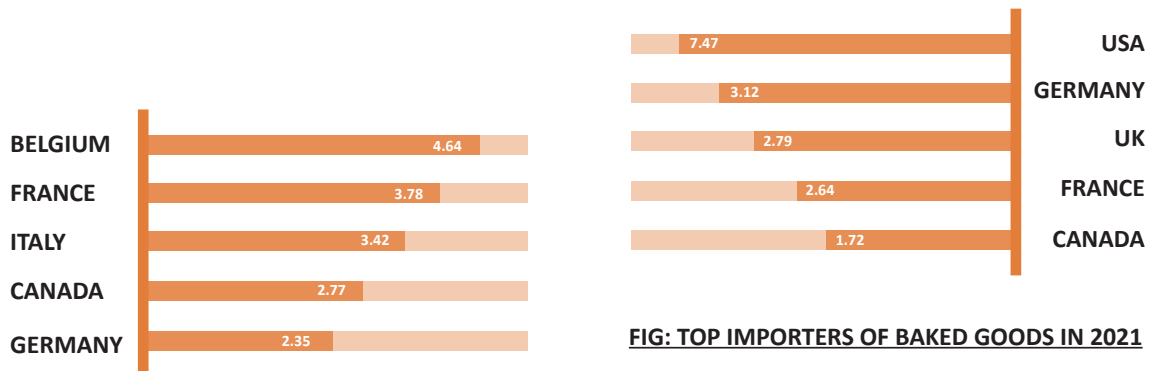


FIG: TOP EXPORTERS OF BAKED GOODS IN 2021

As far as geographical segmentation of Asia-pacific is concerned, India accounts for 6.1% of the Asia-Pacific bakery and cereals market value. China accounts for a further 52.9% of the Asia-Pacific market. Rising demand in China where baked goods is not part of the staple dietary preference is

2.3 GLOBAL TRENDS⁸

Globally, there is surge in demand for ‘Free-from’ food products across the globe. Free-from food products, (particularly gluten-free products) are not only consumed by people with celiac disease but also by the general health-conscious population. The demand for gluten-free products arises from the belief that gluten-free and sugar-free edibles help people overcome problems related to bloating, indigestion, obesity, diabetes, etc. Thus, bakery products, which claim to be fat-free, sugar-free, gluten-free, whole wheat, and salt-free, are gaining popularity among the health-conscious consumer category.

Furthermore, consumers prefer to consume natural, vegan, and free from artificial additives products, which has led to the launch of various free-from products globally. There has also been innovative product diversification in the sector like plant-based biscuits. The plant-based biscuits are wheat free and contain half the sugar of a standard biscuit. It also contains prebiotic fiber, zero palm oil, and no refined sugars which has led to rise in demand for such products. Fortified biscuits are expected to witness demand in countries where governments try to meet food and nutritional security.

However, in a global fight against obesity and overweight epidemic, there is an increasing awareness against highly processed baked goods. This can have lasting impact on traditional bakery goods and will have a disrupting effect on the nature of products offered in the sector.

⁸ Mordor Intelligence Industry Report - Bakery Products (2022)

03. OVERVIEW OF BAKERY AND CONFECTIONERY MARKET IN INDIA

In 2021, India's bakery products industry grew by 13.3% and was the fourth largest regionally in terms of production value. The industry's turnover is forecasted to grow at a CAGR of 4.2% over 2021-2026. Further in 2022, the Indian bakery market size reached USD 11.3 Billion, which is expected to reach USD 321.2 Billion by 2028 exhibiting a growth rate (CAGR) of 10.8% during 2023-2028.⁹

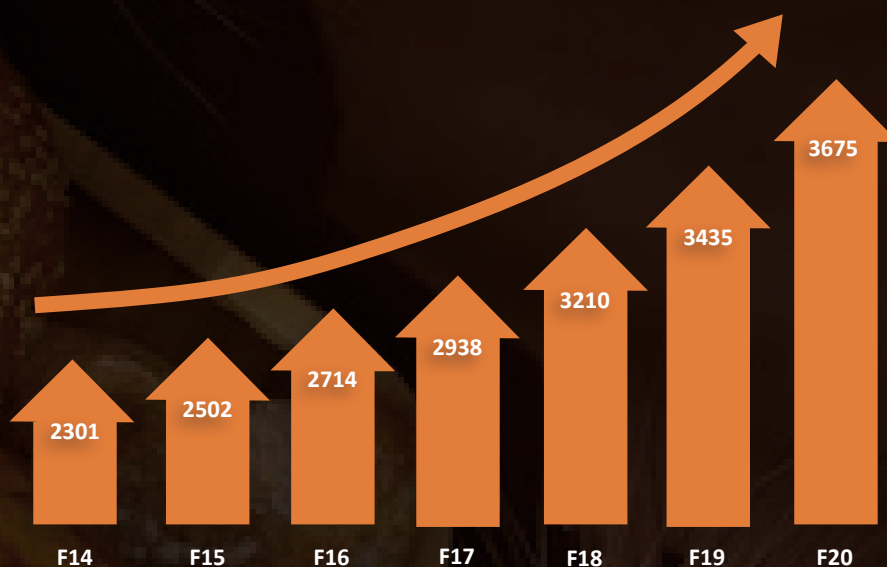


IMAGE: MARKET TREND FOR BREAD AND BAKERY PRODUCTS IN INDIA TILL 2020

Source: MoFPI¹⁰

⁹ Euromonitor Report – Baked Goods in India (2022)

¹³ MoFPI, Study to Assess Human Resource and Skill Requirement in Food Processing Sector

3.1 MARKET OVERVIEW

In terms of specific product category in the baked goods sector, India the second largest producer of biscuits after USA. Apart from biscuits, breads are also a product category witnessing high growth, with adoption of breads in the diet of rural regions in the country. As breads and biscuits are fast-moving consumer goods (FMCG), they are consumed on a daily basis by the consumers which increases the sales of these products in India. In addition to this, growth in the fast-food chains further stimulates the demand for breads as they are used in sandwiches, burgers, soups, snacks, etc. Apart from this, busy lifestyles, changing eating habits and western influence has reflected in a strong demand for bakery products in India.

The Indian bakery and cereals market had total revenues of \$9,155.3m in 2021, representing a compound annual growth rate (CAGR) of 10.7% between 2016 and 2021¹¹. In terms of consumption volume of baked goods in India (kgs), market consumption volume increased with a CAGR of 6.8% between 2016 and 2021, to reach a total of 6.8 billion kilograms in 2021. The market's volume is expected to rise to 8.2 billion kilograms by the end of 2026, representing a CAGR of 3.8% for the 2021-2026 period.¹²

In terms of key players in the market, Britannia is the leading company in the market and was holding the largest market share in terms of bakery production in 2019. Other major players in which are having strong market presence are Parle Products Pvt Ltd and ITC Limited which also has the second and third largest market share. Artisanal producers - i.e., small/independent bakeries that produce their own products for sale (usually onsite) also hold a significant position in the market.¹³

Southern India dominates the market for biscuits and cookies segment while the bakeries segment is spread across all the regions. Top 10 states account to 84% of total employment in the bread and bakery industry

¹¹ Market line report on bakery on cereals in India

¹² MoFPI

¹³ Euromonitor 2022

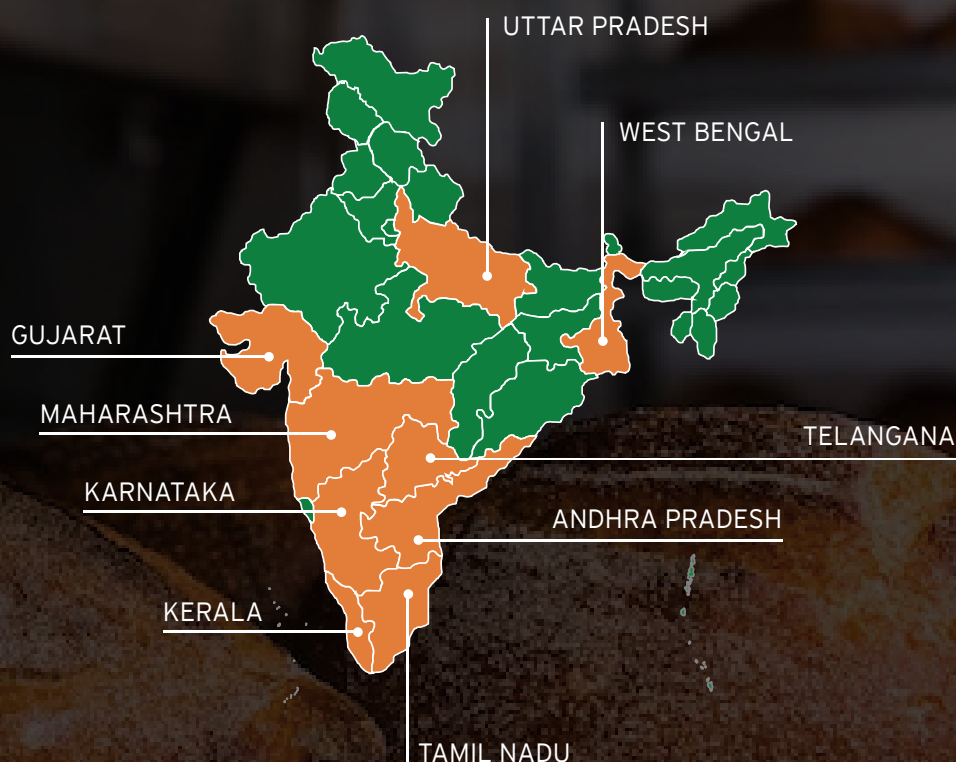


ILLUSTRATION- MANUFACTURING CLUSTERS OF BAKERY PRODUCTS IN INDIA ¹⁴

3.2 KEY GROWTH DRIVERS

The following factors can be attributed as major growth drivers for the baked goods sector in the country.

Demographics:

India has the largest population in the world. With rising preference for baked goods in dietary intake, the demand is expected to increase over the years. Many companies are trying to reach out to rural and semi-urban demographic by innovatively offering products in smaller and affordable packages to deepen brand's penetration and increase the volume in the country.

¹⁴ MoFPI, Study to Assess Human Resource and Skill Requirement in Food Processing Sector

Structural changes in consumption pattern:

Convenience is the primary driver for the bakery market. The fast-paced lifestyle increases the need to adopt convenient solutions in all aspects of life. Long working hours make it difficult for consumers to spend more time in cooking. Thus, a hectic lifestyle boosts the consumption of ready-to-eat food products such as bread, cookies, cakes, tortillas, frozen pizza, and biscuits. Furthermore, high spending capacity and growing urbanization that result in a fast-paced lifestyle also plays an essential role in surging the demand for convenient food.

Rising Disposable Incomes:

The household level disposable incomes have risen in India over the years, aided by dual income households and rapid urbanisation. This has led to increase in preference for bakery products.

Growing Consumer Preference Towards Healthy Snacks

As Indian consumers increasingly turn to healthier snacking options like whole wheat and multi-grain bakery products, healthy snacking is gradually spreading throughout the country. Baked goods are therefore, launching healthy bakery products to gain market share in response to this growing demand.

3.3 EXPORTS FROM INDIA

The growing population is resulting in the increasing demand for bakery food products in India. This represents one of the key factors positively influencing the market. In addition, the rising consumption of bread, biscuits, and fast-moving consumer goods (FMCG) are also contributing to market growth. Apart from this, the increasing influence of western food trends is catalysing the demand for bakery products all over the world.

In 2021, India's bakery products industry grew by 13.3%¹⁵ and was the fourth largest regionally (Asia) in terms of production value. The exports accounted for 3.7% of total production output in 2021 and industry's turnover is forecast to grow at a CAGR of 4.2% over 2021-2026. India ranks 11th in the Asia Pacific region in terms of exports share. Exports mark year on year is also increasing constantly which is visible in following line chart

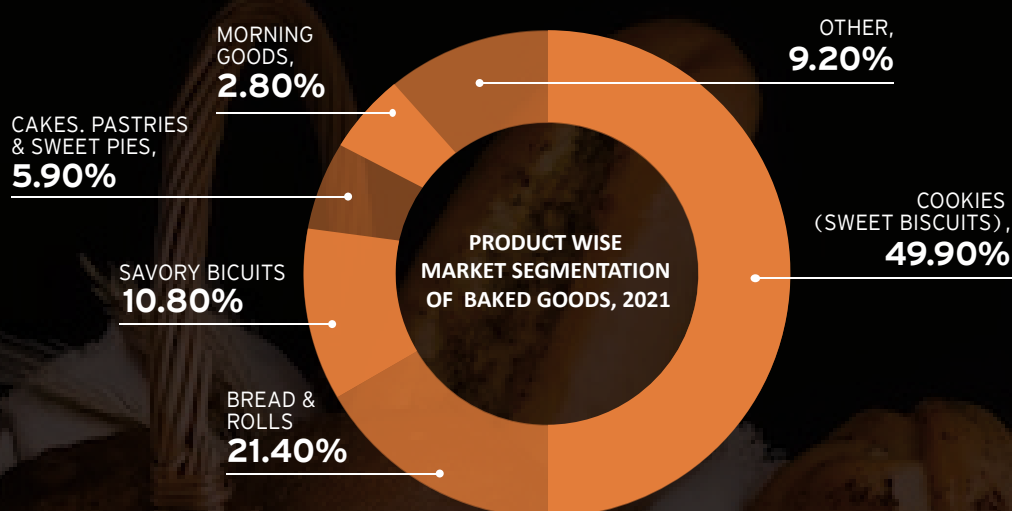
Major Export Destinations in 2021-22 were:

- Indonesia
- Tanzania
- Nigeria
- United Arab Emirates
- Nepal
- U.S.A

¹⁵ Euromonitor report on bakery products in India

3.2 MARKET SEGMENTATION

The Indian market is segmented by the nature or category of products in the baking industry. Cookies/ biscuits form the highest share contributing approximately half of the total baked goods products. This is followed by breads and rolls, savouries, cakes and pastries etc. The figure 2 indicates product wise market segmentation for baked goods sector in India.



Source: Marketline Industry Report 2022¹⁶

3.5 KEY INDUSTRY PLAYERS

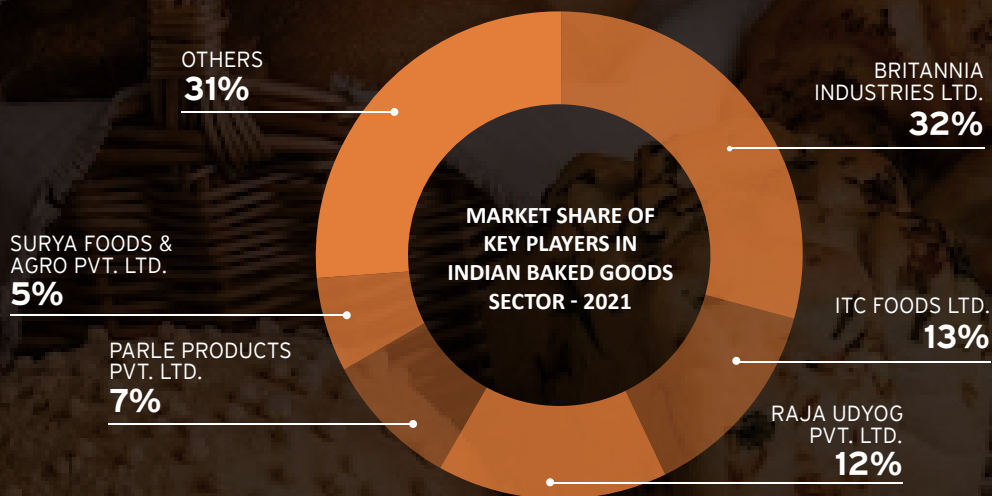
While the market is fragmented with several industry participants, it is still dominated by a few major players, such as Parle, Britannia, etc. The market players are focussing on offering a wide range of products to cater to various tastes and health needs. Furthermore, the adoption of competitive strategies like mergers, acquisitions and partnerships, etc., are also very prominent among the industry players.

¹⁶ Marketline Industry Profile – Bakery and Cereals in India, 2022

The Indian bakery and cereals market have experienced strong value growth and volume growth in recent years. Britannia is the leading player in the sector in value terms, while Parle Products Pvt Ltd and ITC Limited accounted for second and third largest value shares respectively, in 2021. Moreover, Bagrrys India Limited gained maximum value share during 2016-2021

MAJOR KEY PLAYERS -

- PARLE PRODUCTS PRIVATE LIMITED
- NESTLE
- BRITANNIA INDUSTRIES LIMITED
- SURYA FOOD, AND AGRO LIMITED
- ELITE FOODS PRIVATE LIMITED
- SAJ FOOD PRODUCTS PRIVATE LIMITED
- ITC LIMITED
- MONGINIS FOODS PRIVATE LIMITED
- BONN NUTRIENTS PRIVATE LIMITED
- ANMOL INDUSTRIES LIMITED
- DREAM BAKE PRIVATE LIMITED



Source: Marketline Industry Report – Bakery Sector¹⁷

¹⁷ Market line report on bakery and cereals in India

04.

GOVERNMENT INITIATIVES

Government of India has taken up various initiatives to boost the bakery and confectionary sector

4.1 GOVERNMENT POLICIES

Government's economic policies and measures are vital steps by which a government attempts to influence the economy and incentivises various food processing industries in the Country. Several policy initiatives have been taken from time to time by the Government to promote growth of the food processing sector in the country. Some of the prominent policies are listed below:

POLICIES	DETAILS
License Exemption	<ul style="list-style-type: none"> The government has taken an initiative to exempt all the processed food items from the purview of licensing under the Industries (Development and Regulation) Act in order to promote ease of doing business
Easing FDI norms	100% Foreign Direct Investment (FDI) permitted through automatic route for food processing sector subject to sectoral regulations
Income Tax exemptions	<p>The government supports the sector through 100% exemption of Income Tax on profits and gains for new Food Processing Units for initial 5 assessment years.;</p> <p>Corporate tax has been substantially reduced in the budget announcement of 2019, making India among the countries with lowest corporate tax. where new companies</p> <p>Corporate tax slab</p> <ul style="list-style-type: none"> New companies: 15% Existing companies: 22% + cess
Reduced customs duty	All goods related to Food Processing, imported as part of the Project Import are entitled to customs duty at a very concessional rate. .
Enabling environment	The government classified food processing sector including dairy processing under 'agricultural activity' and is considered under Priority Sector Lending for ensuring credit availability in the sector.
Special funds	Government of India has Set up a Special Fund of ₹2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for designated Food Parks and agro-processing units

4.2 GOVERNMENT SCHEMES

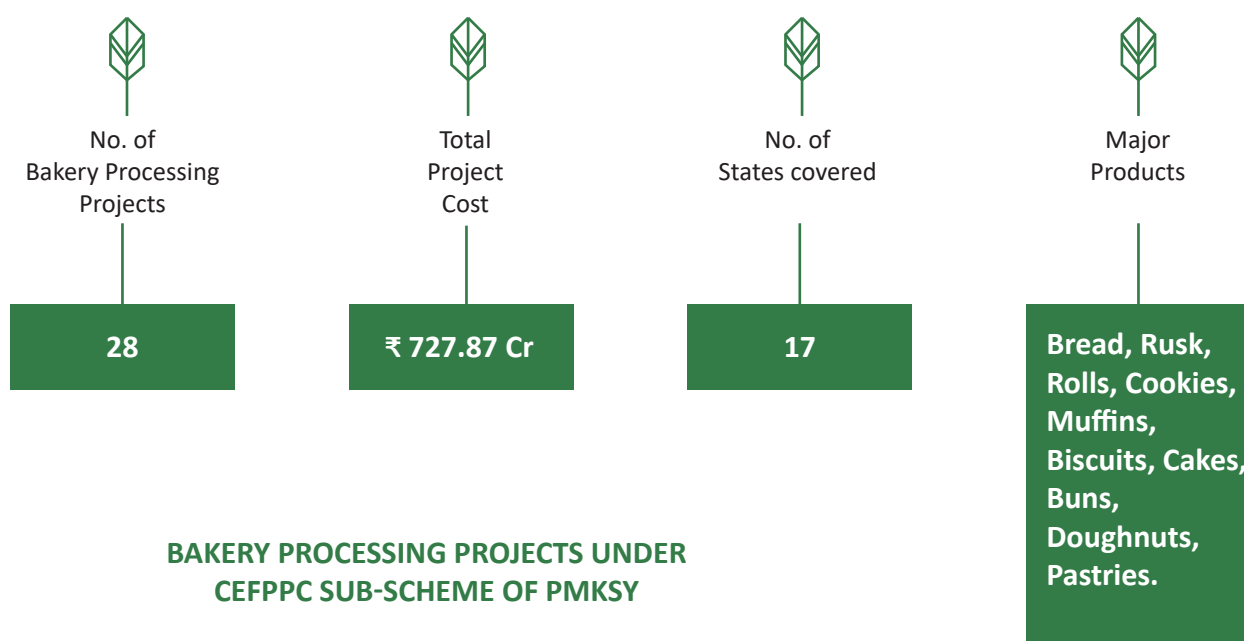
Government has launched the following schemes that can be leveraged for developing food processing sector in the country.

A. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY): PMKSY is a comprehensive scheme implemented by MoFPI which aims to create modern infrastructure with efficient supply chain management from farm gate to retail outlet. The key objectives of PMKSY are

The key objectives of PMKSY are

- Creation of modern infrastructure for food processing mega food parks/ clusters and individual units
- To create effective backward and forward linkages - linking farmers, processors and markets
- To create robust supply chain infrastructure for perishables

Under PMKSY, the sub-scheme titled Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) is being implemented. The progress of CEFPPC scheme in bakery processing sector is listed below.



B.

PM FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PMFME):

The PMFME is a centrally sponsored scheme with an outlay of ₹ 10,000 Cr to be implemented over a period of five years from 2020-21 to 2024-25. The scheme provides financial, technical and business support for existing micro food processing enterprises. As of 2023, a total of 2017 bakery units got support from the scheme to the tune of ₹ 186 Cr across the country¹⁸.

¹⁸ PMFME Scheme Division, MoFPI

05. GOVERNANCE AND REGULATORY LANDSCAPE

The regulatory landscape for Bakery and confectionary sector in India comprises of guidelines and regulations mandated by MoFPI, FSSAI. The details of the regulatory bodies are given below:

5.1 FOOD SAFETY AND STANDARDS AUTHORITY OF INDIA (FSSAI)

Established under the Food Safety and Standards Act 2006 ("FSS Act, 2006"), Food Safety and Standards Authority of India (FSSAI) is an autonomous body established under the Ministry of Health and Family Welfare, Government of India. FSSAI has mandated the food processing industries to take the license under the FSS Act, 2006 for better regulation and monitoring of the said industries. FSSAI has been incorporated by the FSS Act, 2006 for performing the following functions:

- **STANDARDS AND COMPLIANCES:**
Framing of regulations to lay down standards and guidelines with respect to articles of food and specifying an appropriate system of enforcing various standards thus notified.
- **FSMS:**
Adoption of Good Manufacturing Practices, Good Hygienic Practices, Hazard Analysis and Critical Control Point and other such practices that are to be followed by Food Business Operators (FBOs) to ensure food safety.
- **LABORATORIES:**
Laying down procedures and guidelines for accreditation of laboratories and notification of accredited laboratories.
- **POLICY AND ADVISORY FUNCTIONS**
To provide scientific advice and technical support to Central and State Governments in the matters of policy framework and rules in areas that have a direct or indirect bearing on food safety and nutrition.
- **RISK MANAGEMENT:**
Collect and collate data regarding food consumption, incidence and prevalence of biological risks, contaminants in food, residues of various contaminants in foods products, identification of emerging risks and introduction of a rapid alert system.

To further enable it to meet its objectives, FSSAI enacted the Food Safety and Standards Rules, along with several other regulations as listed below

FOOD SAFETY AND STANDARDS REGULATIONS IN INDIA

PROCEDURAL REGULATIONS

Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011

Food Safety and Standards (Prohibition and Restriction on Sales) Regulation, 2011

Food Safety and Standards (Laboratory and Sampling Analysis) Regulation, 2011

Food Safety and Standards (Food Recall Procedure) Regulation, 2017

Food Safety and Standards (Import) Regulation, 2017

FOOD STANDARDS

Food Safety and Standards (Food Product Standards and Food Additives) Regulation, 2011

Food Safety and Standards (Packaging and Labelling) Regulation, 2011

Food Safety and Standards (Contaminants, Toxins and Residues) Regulation, 2011

Food Safety and Standards (Food or Health Supplements, Nutraceuticals, Foods for Special Dietary Uses, Foods for Special Medical Purpose, Functional Foods and Novel Food) Regulation, 2016

Food Safety and Standards (Fortification of Food) Regulation, 2016

Food Safety and Standards (Organic Foods) Regulation, 2017

5.3 BUREAU OF INDIAN STANDARDS

The Bureau of Indian Standards, empowered by the Bureau of Indian Standards Act, 1986, operates a product certification scheme by which it grants licenses to manufacturers covering practically every industrial discipline from agriculture and textiles to electronics.

The certification allows the licensees to use the popular ISI mark, which has become synonymous with quality products for the Indian and neighbouring markets for over 55 years. While the scheme itself is voluntary in nature, the Indian Government has, in public interest, enforced mandatory certification on various products through various quality control orders issued from time to time, under various acts. In this regard, BIS has come out with standards IS 12711 : 1989 for Bakery products.

5.4 STANDARDS OF WEIGHTS AND MEASURES IN INDIA

The Standard of Weights and Measures Act, 1976 was enacted primarily to establish standards of weights and measures, to regulate trade or commerce in weights, measures and other goods that are sold or distributed by weight, measure or number.

Further, the Legal Metrology Act, 2009 was passed by the Indian Parliament to replace the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The aim of Legal Metrology Act is protecting consumer interests while simultaneously keeping the industry free from external interference. Consequently, The Legal Metrology (Packaged Commodities) Rules, 2011 were prescribed in order to regulate pre-packaged commodities. Under the said rules, pre-packaged commodities are required to comply with certain mandatory labelling requirements.

5.5 EXPORT INSPECTION COUNCIL

The Export Inspection Council (EIC) was set up by the Government of India under Section 3 of The Export (Quality Control and Inspection) Act, 1963 (22 of 1963). The EIC is the official export –certification body of India which ensures quality and safety of products exported from India. Some of the key functions of EIC include:

- Notify commodities which will be subjected to quality control and / or inspection prior to export
- Establish standards of quality for such notified commodities
- Specify the type of quality control and / or inspection to be applied to such commodities

However, the regulatory checks through EIC are voluntary and are not covered in the EIC Act 1963.

06. R&D AND SKILL DEVELOPMENT ECOSYSTEM FOR BAKED GOODS

The R&D and skill development ecosystem for baked goods sector in India is led by institutions like NIFTEM, CSIR-CFTRI, Indian Institute of Skill Development Training along with inhouse training by industries. Some of the key institutions forming the backbone of R&D ecosystem in India are listed in table 5.



INSTITUTIONS	HIGHLIGHTS
National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) -Kundli	<ul style="list-style-type: none"> • MoFPI established the NIFTEM at Kundli, Haryana in 2012. • NIFTEM currently offers several courses and undertakes R&D projects in the area of dairy processing and food technology • Ranked 127 in NIRF India Rankings 2022, under the engineering category
National Institute of Food Technology, Entrepreneurship and Management -Tanjavur	<ul style="list-style-type: none"> • Previous known as Indian Institute of Food Processing Technology (IIFPT), NIFTEM – T is an Institute of National Importance (INI) • NIFTEM-T currently offers courses and undertakes R&D projects in the area of dairy and food processing • The institute is designated as Centre of Excellence for non-thermal processing
Central Food Technological Research Institute (CSIR – CFTRI) - Mysore	<ul style="list-style-type: none"> • Established in 1950, CFTRI is headquartered in Mysore with resource centres in Lucknow • Houses a dedicated R&D department for Flour milling, Baking and Confectionery Technologies • CFTRI focuses on the following key areas <ul style="list-style-type: none"> - Food engineering sciences - Technology development - Translational research - Food protection and safety
Others	<ul style="list-style-type: none"> • Indian Institute of Skill Development Training • Inhouse R&D training centres and skill development led by industry (Britannia, Parle etc)

07. UNLOCKING POTENTIAL OF BAKERY SECTOR IN INDIA

Some of the key high potential opportunities in Bakery Sector are listed below.

7.1 HIGHER OPPORTUNITIES FOR BAKERY PRODUCTS :

- **DIVERSIFICATION OF PRODUCT RANGE:**
While biscuits and breads are currently the major product categories in the Indian bakery market, there is an opportunity to diversify the product range to cater to changing consumer preferences. Introducing innovative and healthier options, such as gluten-free or organic bakery products, can attract a growing segment of health-conscious consumers.



- **EXPANSION IN FAST-FOOD CHAINS:**
The growth of fast-food chains in India presents an opportunity for bakery product suppliers. Collaborating with fast-food chains to supply products like buns, rolls, and bread for sandwiches and burgers can lead to increased demand for bakery products.
- **CONVENIENCE AND SNACKING SEGMENT:**
Busy lifestyles and changing eating habits have led to a rise in demand for convenient and snackable bakery products. Developing ready-to-eat or on-the-go bakery snacks, such as cookies, muffins, or energy bars, can cater to the convenience-seeking consumer segment.
- **PREMIUM AND ARTISANAL PRODUCTS:**
While mass-produced bakery products dominate the market, there is a growing demand for premium and artisanal bakery products. Capitalizing on this trend by offering high-quality, handcrafted bakery items can attract discerning customers who are willing to pay a premium for unique and gourmet products.
- **ONLINE AND DIRECT-TO-CONSUMER SALES:**
E-commerce platforms have gained significant popularity in India, providing an opportunity for bakery product manufacturers to sell directly to consumers. Establishing an online presence and offering home delivery options can tap into the growing online market and reach a wider customer base.
- **HEALTH AND WELLNESS FOCUS:**
With the increasing awareness of health and wellness, there is a growing demand for bakery products that are made from natural and healthier ingredients. Developing products with reduced sugar, whole grains, and functional ingredients like nuts, seeds, fruits, and superfoods into their products. These ingredients provide added health benefits such as antioxidants, omega-3 fatty acids, and vitamins. These can cater to health-conscious consumers and differentiate from competitors.



KEY PRODUCTS WITH HIGH POTENTIAL IN THE BAKERY SECTOR:

BISCUITS

A major product category with a wide range of flavours and varieties.



BREAD

Growing consumption, particularly in rural regions, used in sandwiches, burgers, and as an accompaniment to meals.



CAKES

Popular for celebrations and occasions, including sponge cakes, fruit cakes, and cupcakes.



PASTRIES

Both sweet and savoury options, such as puff pastries and cream-filled pastries.



COOKIES

A favourite snack item available in various flavours and textures.



PIZZAS

Increased demand for pizza bases and crusts due to the growing popularity of pizzas.



PUFFS & SAMASOS

Savoury snacks made with flaky pastry and filled with vegetables, meat, or cheese.



DONUTS

Gaining popularity, with a variety of flavours, toppings, and fillings.



MUFFINS

Sweet and savoury options, suitable for breakfast and snacking.



CROISSANTS

Classic French pastries enjoyed for breakfast or with tea/coffee.



BAGELS

Increasingly available, used for breakfast or as a base for sandwiches



BUNS & ROLLS

Used in fast-food preparations and snacks like pav buns, burger buns, and hot dog rolls.



08. CONCLUSION

The bakery and confectionery industry in India has a lot of room to grow and flourish. India has developed into a thriving market for bakery and confectionery goods thanks to a sizable consumer base and shifting consumer preferences. The government's initiatives and assistance have been crucial in fostering the industry's expansion.

The Government of India has proactively encouraged investment, given regulatory strong regulatory support and facilitated R&D for bakery and confectionery products. These measures have emphasized promoting food safety, upholding quality standards, and encouraging industry innovation.



Continued government support, investments in technology and infrastructure, and an emphasis on product diversity are all necessary to realise the future potential of the Indian bakery and confectionery business. For fulfilling changing consumer needs and extending market reach, it is crucial to strengthen food supply logistics, enhance processing capabilities, and promote product innovation.

The future prosperity of the sector can also be bolstered by encouraging skill development, aiding artisanal and small-scale producers, and encouraging partnerships amongst industry participants. The market penetration and consumer involvement can also be improved by embracing digital technology, e-commerce platforms, and successful marketing methods.

In conclusion, the government's backing, regulatory oversight, and industry initiatives are positioned to stimulate expansion in the Indian bakery and confectionery sector. India can fully realise its potential through consistent efforts and collaborations between the government, industry players, and consumers.



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