

FOOD PROCESSING



JANUARY 2016

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FOOD PROCESSING



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EXECUTIVE SUMMARY

2nd largest arable land
in the world

- India has the tenth-largest arable land resources in the world with 161 million tonnes. With 20 agri-climatic regions, all 15 major climates in the world exist in India. The country also possesses 46 of the 60 soil types in the world

Largest producer of milk

- India is the largest producer of milk and second – largest producer of fruits and vegetables

Largest livestock
population

- India has the largest livestock population across the globe which is equal to 512 million, including 119 million milch (in-milk and dry) animals, 80.06 million goats and 44.56 million sheep in FY15. The segment contributes about 25 per cent to the country's farm GDP

Rising consumption
expenditure

- Consumer spending in 2015 was USD1 trillion; it is likely to reach USD3.6 trillion by 2020

Favourable location for
exports

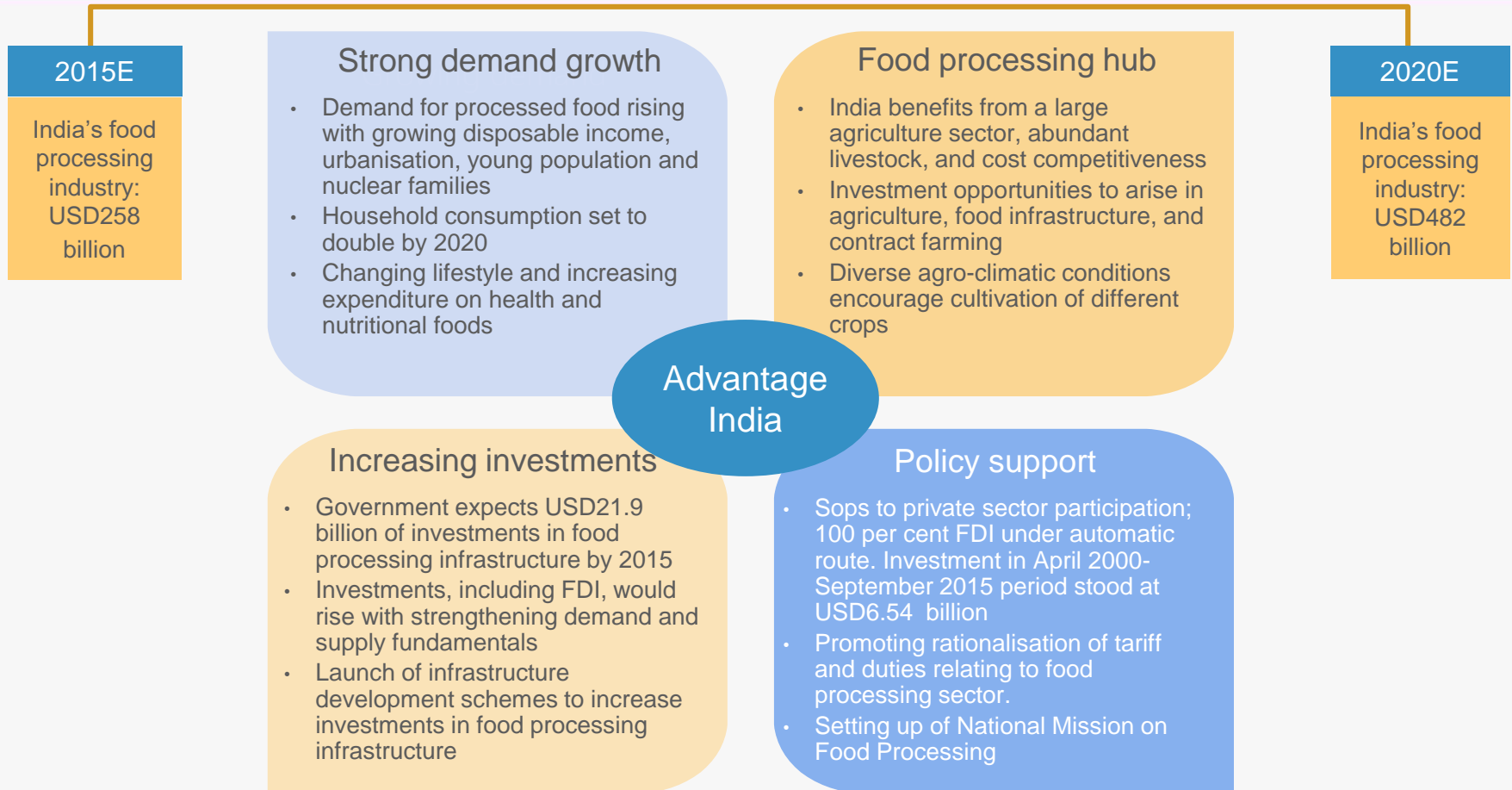
- Strategic geographic location and proximity to food importing nations favour India in terms of exporting processed foods

Source: World Travel and Tourism Council,
Directorate of Statistics, TechSci Research
Note: GDP - Gross Domestic Product

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ADVANTAGE INDIA



Source: DIPP, Ministry of External Affairs, ASA and Associates, TechSci Research
Notes: 2015E – Estimate for 2015; Estimates are from UBM India Pvt Ltd press release, FDI – Foreign Direct Investment

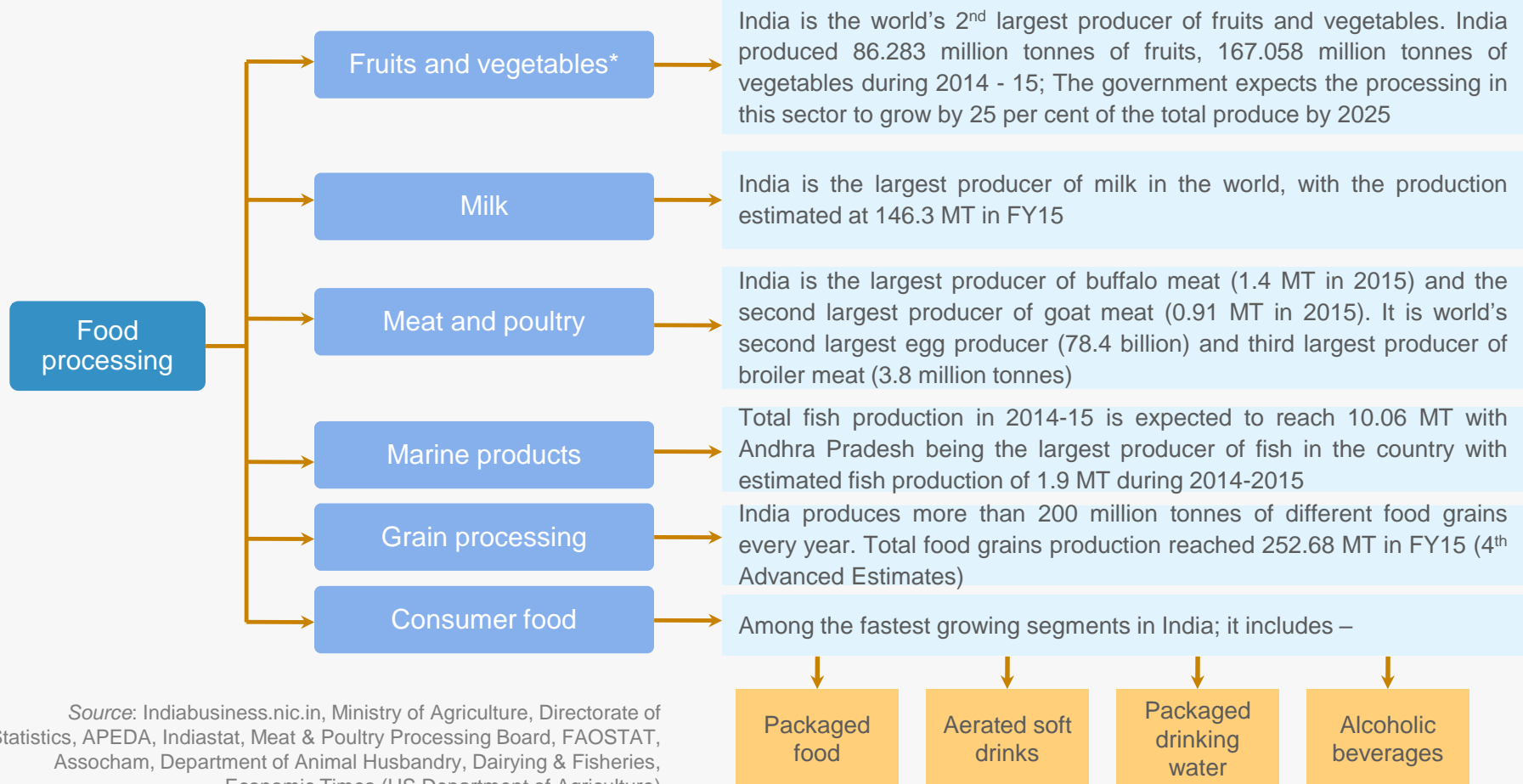
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MARKET OVERVIEW AND TRENDS

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THE FOOD PROCESSING SECTOR COMPRISES SIX MAJOR SEGMENTS



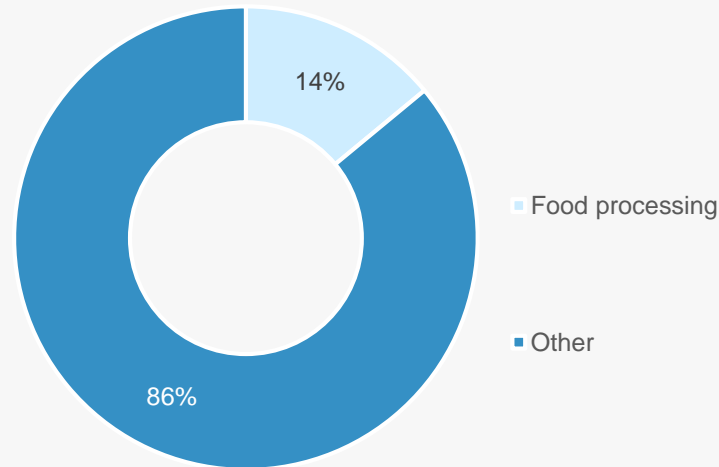
Source: Indiabusiness.nic.in, Ministry of Agriculture, Directorate of Statistics, APEDA, Indiatat, Meat & Poultry Processing Board, FAOSTAT, Assocham, Department of Animal Husbandry, Dairying & Fisheries, Economic Times (US Department of Agriculture)

Notes: FY – Indian Financial Year (April – March), E- Estimate, *- 3rd Estimate, **- Provisional, MT - Million Tonnes

FOOD PROCESSING SECTOR AND ITS SEGMENTS

- * The food processing industry is one of the largest industries in India and ranks fifth in terms of production, consumption and exports. As per the latest data available, food processing sector is expected to reach USD258 billion in FY15.
- * In FY15, food processing industry constituted 14 percent to India's GDP through manufacturing

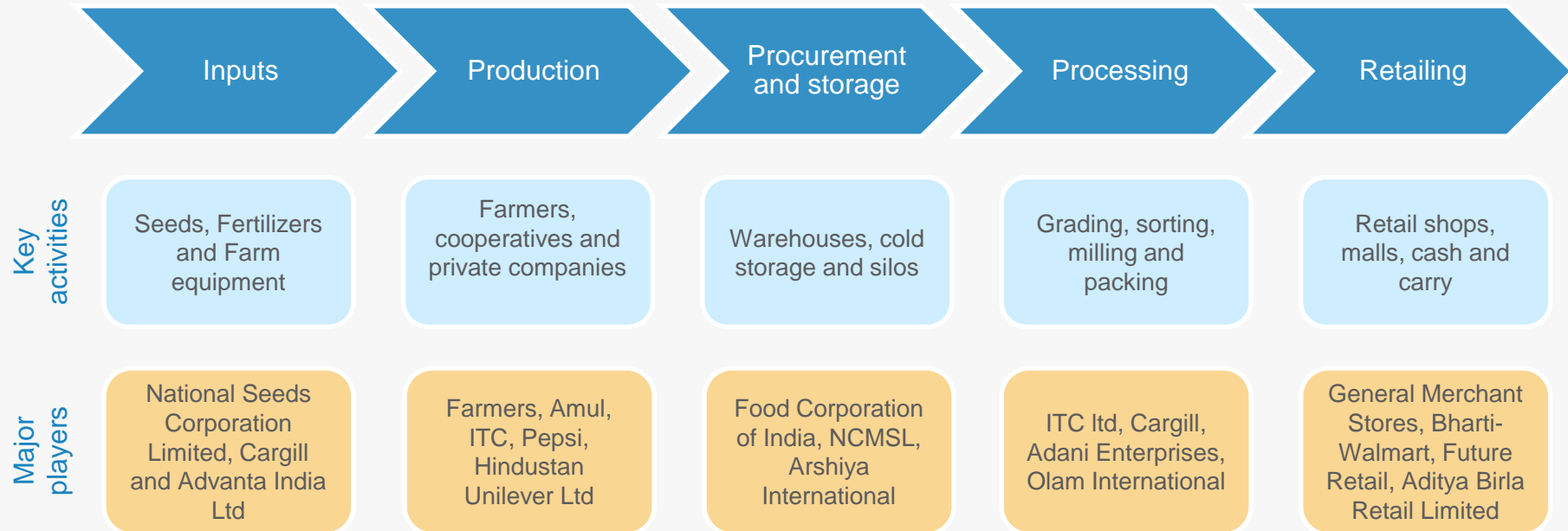
Contribution of food processing industry to India's GDP through manufacturing (FY15*)



Source: Ministry of Food Processing Industries (MOFPI),
TechSci Research

Note: * - As per latest data available

VALUE CHAIN IN FOOD PROCESSING SECTOR AND KEY PLAYERS

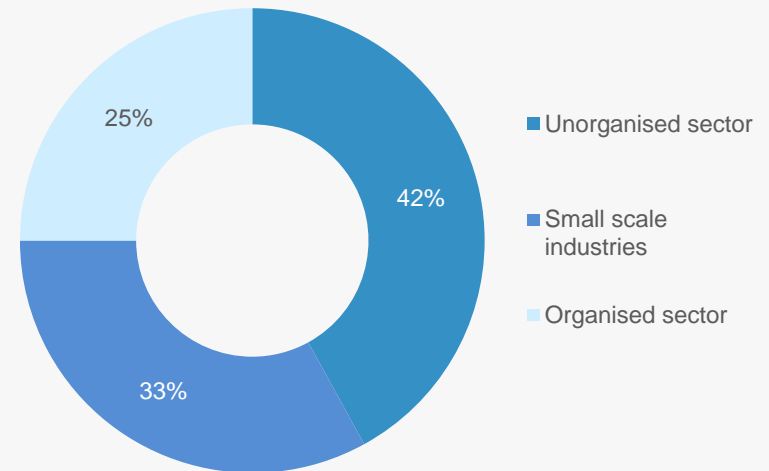


Source: MOFPI, TechSci Research.
Note: NCMSL - National Collateral Management Services Limited

LARGE PRESENCE OF THE UNORGANISED SECTOR

- * The unorganised sector accounts for 42 per cent of India's food processing industry
- * The sizeable presence of small-scale industries points to the sector's role in employment generation
- * Though the market falls under the unorganised sector in the country, the organised sector has a larger share in the secondary processing segment than the primary one
- * Rice mills account for the largest share of processing units in the organised sector

Unorganised sector has the largest share in the sector* (FY14)

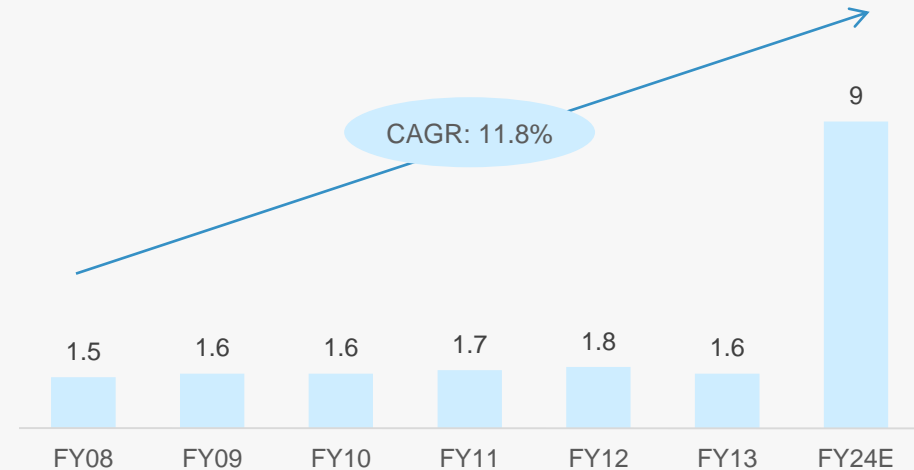


Source: Ministry of Food Processing Industries (MOFPI), Annual Report MOFPI (2013 - 14), TechSci Research
Note: *- As per latest data available

FOOD PROCESSING IS A KEY CONTRIBUTOR TO EMPLOYMENT GENERATION IN INDIA*

- * Policymakers have identified food processing as a key sector in encouraging labour movement from agriculture to manufacturing
- * As per Annual Survey of Industries for 2012–13, there were 1.6 million persons engaged in registered food processing sector
- * During FY08–13, employment in the registered food processing sector rose at a CAGR of 1.3 per cent
- * Food products generated the highest employment in the country in 2011-12 (12.1 per cent)
- * By 2024, food processing sector is expected to employ 9 million people in India

Healthy contribution to employment generation



Source: Ministry of Food Processing Industries
Annual Report 2013-14, TechSci Research
Notes: FY – Indian Financial Year (April – March)
E: Estimated
*- As per latest data available

NOTABLE TRENDS IN THE INDIAN FOOD PROCESSING SECTOR

Changing consumer tastes

- Wide array of products, coupled with increasing global connectivity, has led to a change in the tastes and preference of domestic consumers
- This trend has been bolstered by rising incomes, increasing urbanisation, a young population, and the emergence of nuclear families. Consumer preference is moving towards healthier snacks

Entry of international companies

- Liberalisation and growth of organised retail have made the Indian market more attractive for global players
- With a large agriculture sector, abundant livestock, and cost competitiveness, India is fast emerging as a sourcing hub of processed food. Danone, Nestle, Kraft Foods, Mondelez International, Heinz are the international players in food processing market in India

Rising demand on Indian products in international market

- Strategic geographic location and continuous increase in raw material production help India to supply cheaper products to other countries
- India's exports of processed food and related items rose at a CAGR of 23.3 per cent during FY11–15
- Companies like Haldiram's and Bikarnervalva have a presence in over 70 countries, whereby they provide Indian snacks.

Note: FY – Indian Financial Year (April – March)

NOTABLE TRENDS IN THE INDIAN FOOD PROCESSING SECTOR

Higher consumption of Horticulture Crops

- There is a surge in demand for fruits & vegetables as a result of a shift in consumption.
- Accordingly, Indian farmers are also shifting production towards horticulture crops to cash in on the growing demand.

Emphasis on Healthier Ingredients

- Food processing companies are serving health and wellness as a new ingredient in processed food, given that health conscious consumers prefer food products with lower carbohydrate content and with low cholesterol edible oils. e.g. zero-per cent transfat snacks and biscuits, slim milk, whole wheat products, etc. ITC is planning to launch multigrain Bingo to increase its share in healthy snacks market

Packaging as a Purchase Influencer and Communicator

- Food packaging has enabled today's consumers to look for various options, and compare the value offerings thereof, before making a purchase.
- Packaging has also helped enhance 'carry ability' of products and increase their shelf life.

A Shift from Usefulness in Processing to Usefulness to Consumers

- Product innovation is always needed as consumers not only prefer safe ingredients and additives but also useful ones
- This creates opportunities mainly in product innovation, specialised products, and product extensions for the various existing food processors as well as new entrants
- Consumers have become aggressive in demanding better, safer, and convenient food products and are willing to pay a higher price for health and convenience.

Note: FY – Indian Financial Year (April – March)

NOTABLE TRENDS IN THE INDIAN FOOD PROCESSING SECTOR

Frozen and Processed Goodness

- Frozen processed foods offer both convenience and nutrition
- The increase in spending capacities and the concurrent time-paucity has led to the continuous development of such frozen processed food products as frozen vegetables (e.g. peas, potato, corn, etc.) and such non-vegetarian products as chicken, fish, and meat products. Food processing market accounts for 32 per cent of the total food market in India

Sensible Snacking

- Domestic consumers are now tuned in to the greater variety of foods available, thanks to both wider variety in offerings as well as their own international exposure. ITC and Pepsico are shifting their focus on healthier snacks as the market for healthy snacks is growing with double speed

Product Innovation as the Key to Expansion

- It is now the norm for food processing companies to offer value-addition; those who hitherto offered solely milk have now added other dairy products to their repertoire.
- This helps the processors to not only reduce wastage, but also expand uses and realise higher returns. In 2015, Bonhomia has announced to launch 'Boho' coffee machines, the company is the first one to manufacture coffee and tea capsule in India

Strengthening Procurement via Direct Farmer-Firm Linkages

- Contract farming has been operational in India for a long time now; however, the experience of the private sector players involved therein has been a mixed bag of successes and failures
- Largely, it has helped both the processing companies, via increasing sales and therefore augmenting their incomes, as well as providing access to better technology and fetching better prices by securing an assured market for Indian farmers. examples include Nestlé, PepsiCo, Venky's, Milkfed, and Mahagrapes, among others.

Note: FY – Indian Financial Year (April – March)

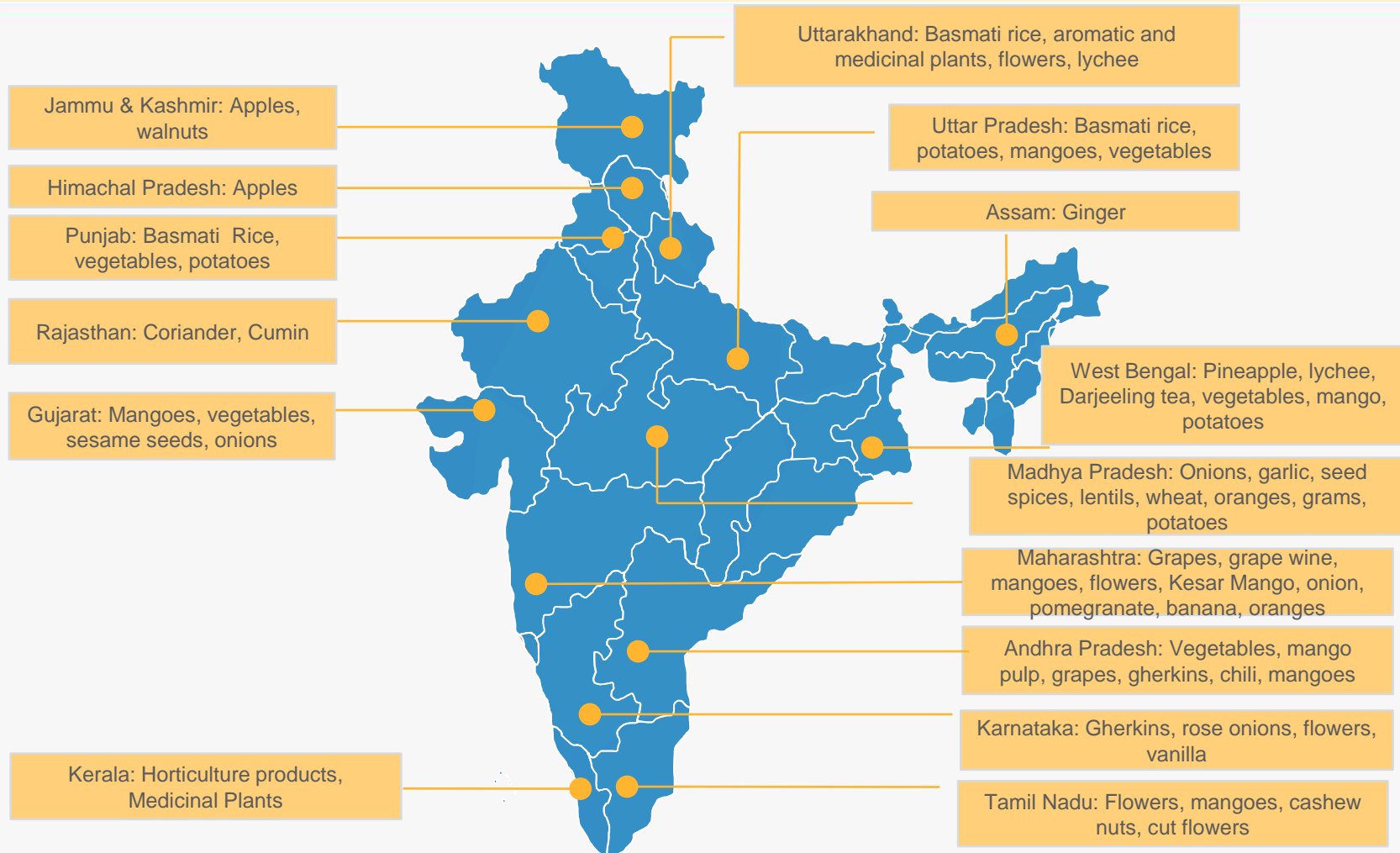
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COOPERATIVES DOMINATE DAIRY SECTOR; PRIVATE PLAYERS LEAD OTHERS



Source: Company website, TechSci Research

AGRI EXPORT ZONES IN INDIA



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PORTERS FIVE FORCES ANALYSIS

JANUARY 2016

PORTER FIVE FORCES ANALYSIS

Competitive Rivalry

- Due to a large influence of unorganised sector in the industry, the competition is intense
- Existence of brand loyalty in certain products towards existing firms such as Amul in case of butter limits competition in these products

Threat of New Entrants

- Capital Intensive - High investments are required to set up processing units; this acts as an entry barrier for new players

Substitute Products

- No close substitutes of products such as milk, fresh fruits and vegetables are available in the market

Bargaining Power of Suppliers

- Low bargaining power of suppliers as the population largely relies on unorganised sector for products such as milk and vegetables

Bargaining Power of Customers

- Tastes and preferences of consumers in certain products change and hence brand loyalty is low in these products
- Low switching cost makes consumers switch from one supplier to another



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STRATEGIES ADOPTED

STRATEGIES ADOPTED

Rising business and product innovation

- Companies have been moving up the value chain; for example, cooperatives are transitioning from being pure producers of milk to offering a wide range of dairy products. In 2015, Amul announced to launch first branded lactose free milk in India.
- Both domestic and global firms have been focusing on product innovation to cater to domestic tastes, while also introducing international flavours; for example Ruchi Soya is innovating by entering into the ready-to-cook segment to meet the needs of people with significant time constraint to provide a rich source of protein in the breakfast category

Low - cost price strategy

- Low-cost price strategy is adopted so as to make the product affordable to the consumers by guaranteeing them value for money. The main aim is to provide quality products to the consumers at minimum cost, e.g., Amul Milk
- Parle and Sunfeast works on their pricing and costs so as to make the products available at economical prices

Joint Ventures and Tie ups

- In 2015, Zespri International New Zealand based company tied up with Mumbai Dabbawalas to sell new variants of fruits in India
- Many global and Indian companies are getting into joint ventures to make global products available in India. Starbucks and TATA Alliance is one of the largest joint ventures
- Bharti Enterprises and Delmonte Pacific Ltd is the largest fresh baby corn exporter in India

Source: TechSci Research

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GROWTH DRIVERS

STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH



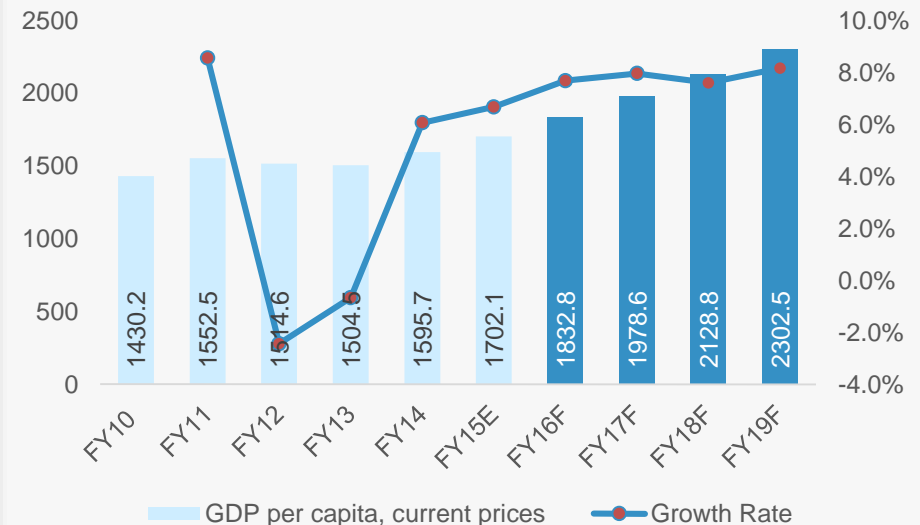
Source: Ministry of Agriculture, TechSci Research

RISING INCOME AND GROWING MIDDLE CLASS TO DRIVE DEMAND FOR PROCESSED FOOD

Rising disposable incomes

- Strong growth in per-capita income has resulted in greater demand for food items
- Incomes have increased at a brisk pace in India and would continue rising considering the country's strong economic growth prospects. Nominal per capita income is estimated (IMF) to have recorded a CAGR of 9.2 per cent over 2001–19E
- There has also been a shift in demand:
 - From carbohydrates to meat products (in line with the various phases of economic growth); and
 - To convenience foods, and organic and diet foods
- Strong economic growth since the 1990s has led to:
 - Rapid urbanisation and a growing middle class; and
 - Nuclear families and dual income households
- Coupled with a young population and increasing media penetration, this has led to a surge in demand for packaged food, alcoholic and non-alcoholic beverages, snacks, savouries, etc.

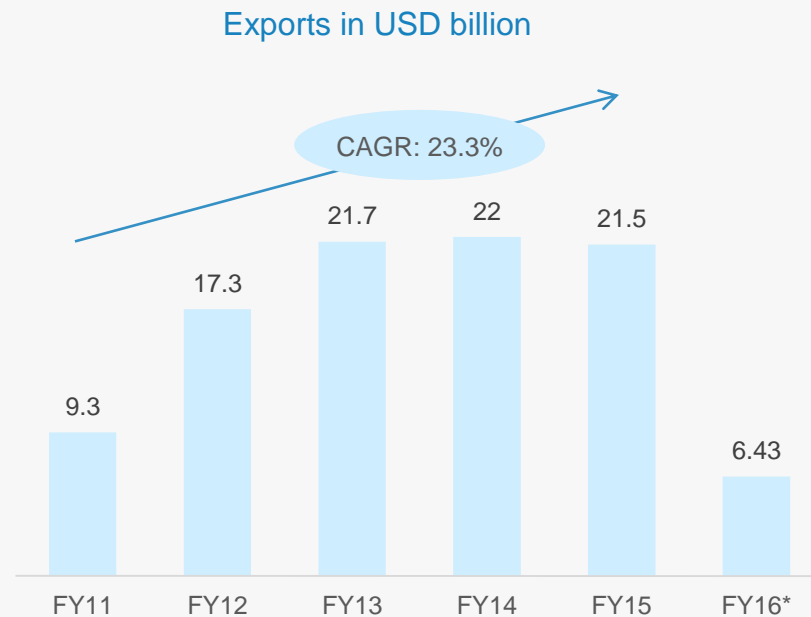
Rising per-capita income in India



Source: IMF, World Bank, TechSci Research
Notes: E - Estimate, F - Forecast

INDIA'S EXPORTS OF PROCESSED FOOD AND RELATED PRODUCTS

- * During FY11–15, India's exports of processed food and related products (inclusive of animal products) increased at a CAGR of 23.3 per cent to USD21.5 billion
- * Main export destinations for food products have been the Middle East and Southeast Asia
- * In FY16*, India's exports stood at USD6.43 billion



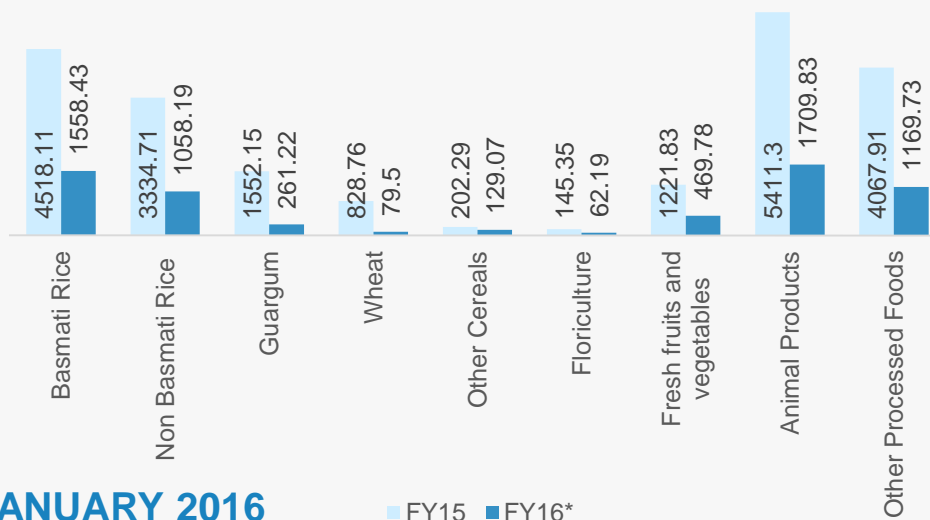
Source: Agricultural & Processed Food Products Export Development Authority (APEDA), DGCIS, TechSci Research
Note: FY – Indian Financial Year (April –March),
FY16* - Data is for April –August 2015

SHARES IN EXPORTS OF PROCESSED FOOD AND RELATED PRODUCTS

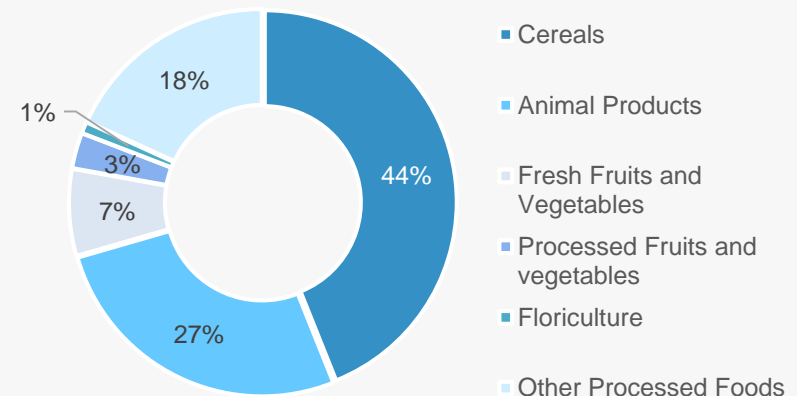
Rising demand from rest of the world

- In FY16*, highest export value has been generated by animal and related products, it accounted for 26.4 per cent of the total export value of key processed products
- In FY16*, the share of cereals was 44.4 per cent and that of animal products was 27 per cent
- Growth has primarily resulted from
 - Greater exports to advanced economies; and
 - More demand from emerging/developing economies as they experience strong growth

Exports of key processed products (USD millions, FY15 and FY16*)



Shares in APEDA exports (FY16*)



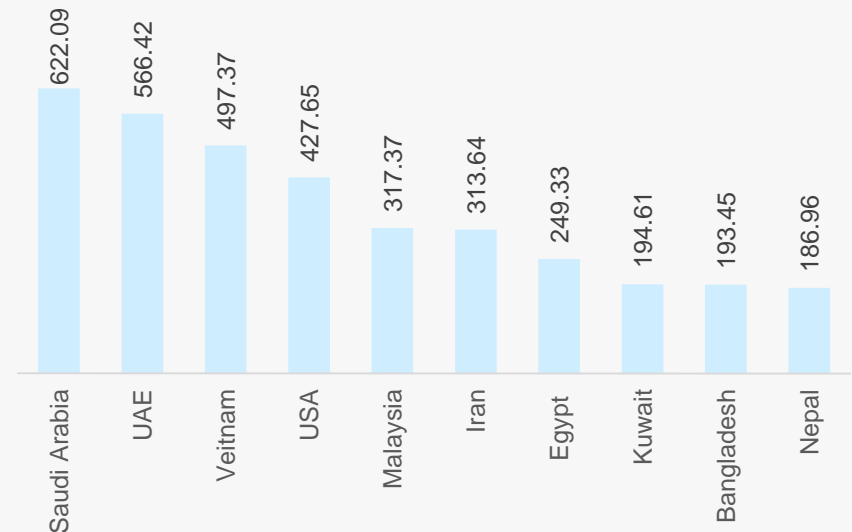
Source: APEDA Agri Exchange, TechSci Research
Note: FY16* - Data is for April-August 2015

EXPORTERS GAINING FROM RISING GLOBAL DEMAND AND LOCATION ADVANTAGES

Supply-side advantages

- Growth in food product exports has been aided by:
 - Significant improvements in product and packaging quality; and
 - Greater private sector participation
- India has a location advantage – it is geographically close to key export destinations (Middle East, South East Asia)
- USA is the top destination for processed products from India
- Vietnam, Saudi Arabia, Iran, and UAE are the other major destinations for Indian exports

Major destinations of processed food and agricultural related product exports in FY16* (USD million)



Source: Ministry of Food Processing Industries, APEDA, Ministry of Commerce & Industry, TechSci Research FY16* - Data is for April-August 2015

INDIA HAS A DISTINCT COMPETITIVE ADVANTAGE OVER PEERS

- * India's comparative advantage lies in its favourable climate, large agriculture sector and livestock base, long coastline, and inland water resources
- * India also has an edge in cost of production compared to its competitors in Asia and the developed world
- * In June 2015, milk production is estimated around 141.1 million tonnes
- * In August 2015, rice production is estimated around 104.8 million tonnes

	Units	Global rank*
Arable land (million hectares)	161	2
Area under irrigation (million hectares)	55	1
Coast line ('000 kilometers)	7.5	7
Cattle (million)	3.1	1

	Production (million tonnes) FY15	Global Share* (%)	Global rank*
Milk (Cow & Buffalo)	141.1	17%	1
Pulses*	17.2	21%	1
Buffalo meat	1.4	42.8%	1
Bananas	28.1	27.8%	1
Mangoes and Guavas	22.7	39.0%	1
Tea	1.1	28%	2
Rice (Paddy)*	104.8	22%	2
Sugarcane*	359.3	21%	2
Wheat*	88.94	15%	1

Source: World Bank, FAOSTAT, CIA World Fact book, Ministry of Agriculture, Tea Board, APEDA, Directorate of Statistics, Indian Council of Agricultural Research (ICAR), TechSci Research
Note: * represents 4th advance estimates

STRONG POLICY SUPPORT GIVES FOOD PROCESSING SECTOR A BOOST ... (1/2)

Encouragement to private sector

- 100 per cent export-oriented units allowed to sell up to 50 per cent of their produce in the domestic market
- Export earnings exempt from corporate taxes

Tax incentives and other sops

- Services like pre conditioning, ripening, waxing, retail packing, precooling, labelling of fruits and vegetables have been exempted from service tax
- Excise duty of 2 per cent without CENVAT credit or 6 per cent excise duty with CENVAT credit is imposed on peanut butter condensed milk
- Import duty scrapped on capital goods and raw materials for 100 per cent export-oriented units
- Full excise duty exemption for goods that are used in installation of cold storage facilities

Relaxed FDI norms

- 100 per cent FDI permitted under automatic route (except for alcohol, beer, and sectors reserved for small scale industries)
- Repatriation of capital and profits permitted

Mega Food Parks

- The scheme based on “Cluster” approach, which creates a well-defined agri/horticultural processing zone with better support of infrastructure and well-established supply chain
- Aims at providing mechanisms to link agricultural production to the market by bringing farmers, processors and retailers together
- Under Union Budget 2015-16, USD19.65 million has been allotted for Mega Foodpark Scheme
- Final approval has been received for 21 mega food parks, out of which, only 4 food parks are operational

Source: Ministry of Food Processing Industries, APEDA, TechSci Research
Note: FDI – Foreign Direct Investment

STRONG POLICY SUPPORT GIVES FOOD PROCESSING SECTOR A BOOST ... (2/2)

Focus on infrastructure

- The sector has been assigned priority status for bank credit.
- 60 Agri Export Zones (AEZ) have been set up across the country
- In Union Budget 2015-16, government has announced to make a provision of USD53.8 million to develop infrastructure

Incentives for development of storage facilities

- Investment-linked tax incentive of 100 per cent deduction of capital expenditure for setting up and operating cold chain facilities (for specified products), and for setting up and operating warehousing facilities (for storage of agricultural produce). Till 2015, 112 storage infrastructure projects have been approved, out of which 50 have been completed and 62 are in progress towards completion

Focus on R&D and modernisation

- The government launched initiatives such as for the Setting Up/Upgradation of Quality Control/Food Testing Laboratory, R&D and Promotional Activity scheme and the Technology Upgradation/Setting Up/Modernisation/Expansion of Food Processing Industries Scheme. During 2014-15, 8 food testing laboratories were set up, 20 R&D projects were completed and government allocated USD4.9 million for mentioned initiatives.

National Mission on Food Processing

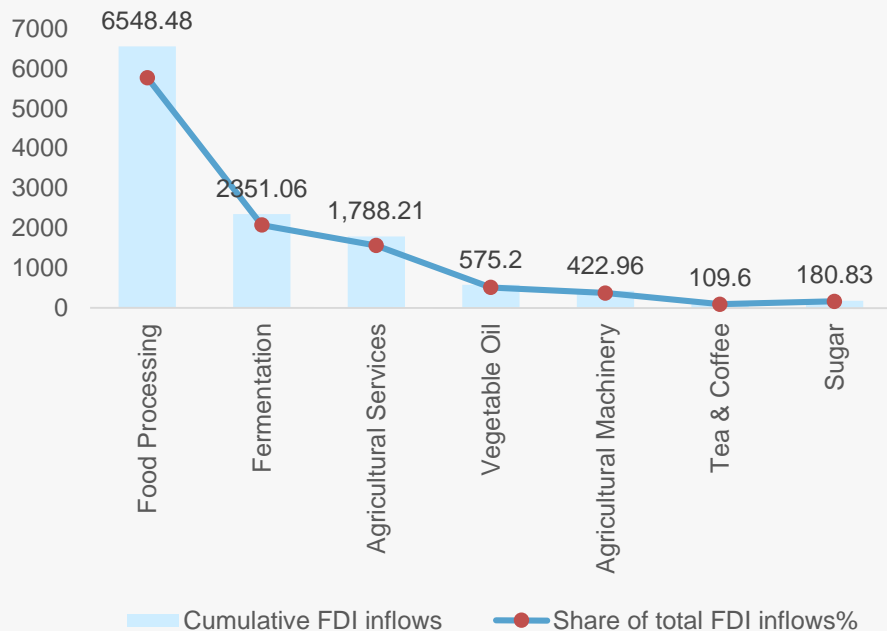
- MOFPI launched a new Centrally Sponsored Scheme (CSS) National Mission on Food Processing to promote facilities for post-harvest operations, including setting up of food processing industries in India. In 2015-16 Union Budget, government has announced to spend USD1.1 million in Union territories only

Source: Ministry of Food Processing Industries (MOFPI), APEDA, TechSci Research

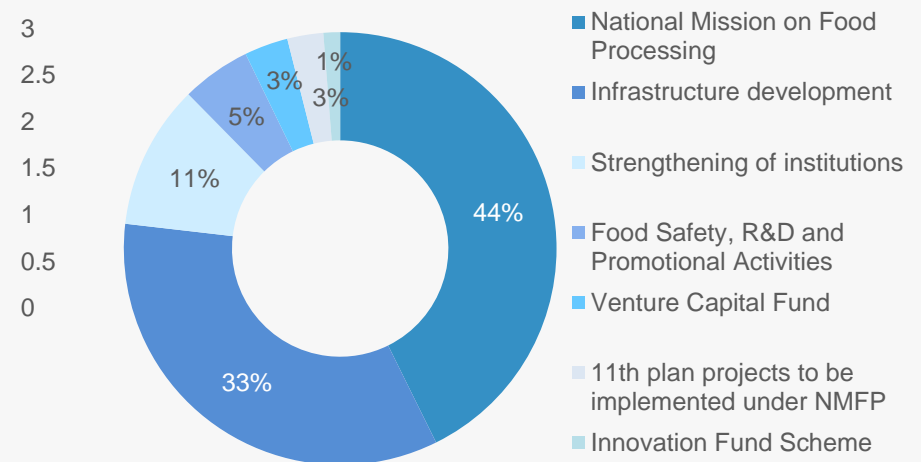
FOREIGN INVESTMENTS FLOWING IN; RISE IN PLAN EXPENDITURE

- * Between April 2000 and September 2015, FDI in agriculture and food processing in India stood at USD11.98 billion
- * Demand growth, supply advantages, and policy support have been instrumental in attracting FDI
- * The government's main focus is on supply-chain related infrastructure, such as cold storage, abattoirs and food parks

Cumulative FDI inflows (April 2000 to September 2015) in food and agriculture sector (USD million)



12th Five Year Plan (2012-17) outlay shares: Food Processing



Plan allocation to the Food Processing sector: USD2.9 billion

Source: Department of Industrial Policy & Promotion, TechSci Research
Note: FDI – Foreign Direct Investment

RISING PRIVATE EQUITY (PE) FUNDING; M&A ACTIVITY STABLE ... (1/3)

Major PE investments in food and agriculture

Date	Company	Investor	Type of business	Deal value (USD million)
August, 2015	Cremica	CX-Partners	Manufacturer of Snacks	24.56
April, 2014	Bikaji Foods International Ltd	Lighthouse Funds LLC	Manufacturer and wholesale snacks	14.9
July, 2013	VKL Seasonings	India Value Fund	Seasonings	44.19
July, 2013	Kohinoor Foods	Al Dahra Hordings	Rice	21.17
June, 2013	Milltec Group	Multiples Private Equity	Technology and machinery developer for agro mills and plants	43.2
April, 2013	Bush Foods Overseas	Hassad Food	Rice	147.3

Source: Thompson ONE Banker, Assorted news articles, TechSci Research

RISING PRIVATE EQUITY (PE) FUNDING; M&A ACTIVITY STABLE ... (2/3)

Major M&A activity				
Date	Target company	Acquiring company/Investor	Type of business	Deal value (USD million)
October, 2015	Diageo	Hieken	Liquor	781
July, 2015	Kraft Foods Group Inc	H.J. Heinz Co	Food	46000
November, 2014	Parry Sugar Industries Ltd	Grandhi Enterprises Pvt Ltd	Sugar	1.5
November, 2014	Westernland Dairy Pvt Ltd	Milk Mantra Dairy Pvt Ltd	Dairy	1.6
July, 2014	Siddhi Vinayak Agro Inds Pvt	Anil Life Sciences Ltd	Food	7.7
July, 2014	United Spirits Ltd	Relay BV	Liquor	1,900.9
May, 2014	Nashik Vintners Pvt Ltd	Investor Group	Wines and brandy	39.27
March, 2014	Maroosh	Unilazer Ventures Pvt Ltd	Owns and operates restaurants	2.94
March, 2014	Shanghvi Brands Promoter Pvt Ltd	Tano Capital LLC	Floor and grain Mill products	9.86

Source: Thompson One Banker, Assorted news articles, TechSci Research
Note: M&A – Mergers and Acquisitions

SECTOR HAS BEEN ATTRACTING FOREIGN JV PARTNERS FOR A LONG TIME

- * Players such as McCormick had identified India as a strategic market way back in the 1990s
- * Global players such as Hershey are now keen on entering the increasingly attractive Indian market
- * Established players such as Nestle and Coke are extending their global JVs to India

Foreign players	Indian partner	Type of business	Stake ratio	Year
Pepsi-Cola Products Philippines Inc. (PCPPI)	PepsiCo, Inc.	Snacks and beverages	NA	2015
American Pistachio Growers	VKC nuts	Dry Fruits	NA	2015
Select Ready Foods	OSI Group LLC	Animal Products	NA	2014
Kagome and Mitsui	Ruchi Soya Industries	Tomato products	60:40	2013
Starbucks Corporation	Tata Global Beverages	Beverage	50:50	2012
Molson Coors	Cobra India	Brewing	NA	2011
Dan Cake	Phadnis Group	Cake and biscuits	66:34	2011
McCormick	Kohinoor Foods Ltd	Basmati and food products	85:15	2011
McCormick	Eastern Condiments	Seasonings	26:74	2010
Hershey	Godrej	Chocolates	51:49	2007

Source: Thompson ONE Banker, TechSci Research
Note: JV – Joint Venture

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OPPORTUNITIES

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OPPORTUNITIES

Untapped market with strong growth potential

- Fragmented market leads to lower processing levels and value addition
- The government plans to raise value addition to 35 per cent by 2015 from 20 per cent in 2005
- PPP modules ideal for the private sector
- Strong demand growth; household consumption set to double by 2020

Potential global outsourcing hub

- Global supermarket majors looking at India as a major outsourcing hub
- India enjoys favourable supply-side fundamentals (abundant raw materials supply, cost advantages)
- The government has helped by investing in AEZs, mega food parks, easier credit
- The establishment of food parks – a unique opportunity for entrepreneurs, including foreign investors to enter in the Indian food processing sector.

Supply chain infrastructure and contract farming

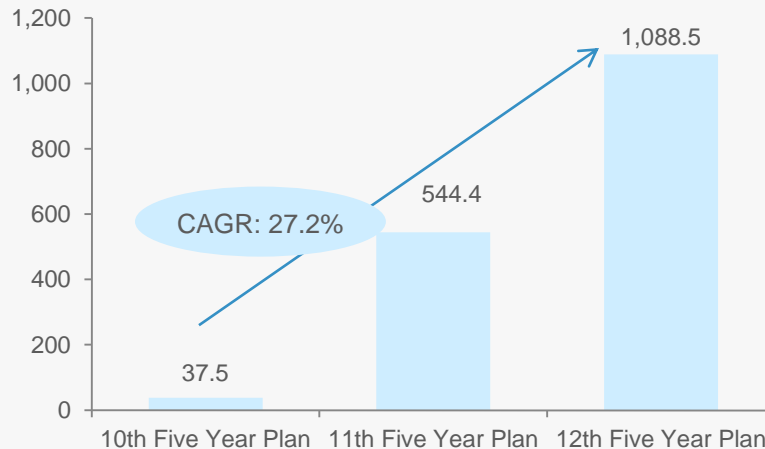
- Both firms and the government are eager to boost efficiency and access to markets
- Investment potential of USD22 billion in food processing infrastructure; 100 per cent FDI in this area
- Firms increasingly taking recourse to contract farming in order to secure supply
- Supply chain infrastructure – this niche has investment potential in food processing infrastructure, the government's main focus is on supply chain related infrastructure like cold storage, abattoirs and food parks.

Source: Make in India, TechSci Research
Notes: PPP – Public Private Partnership, AEZ – Agri Export Zones, FDI – Foreign Direct Investment

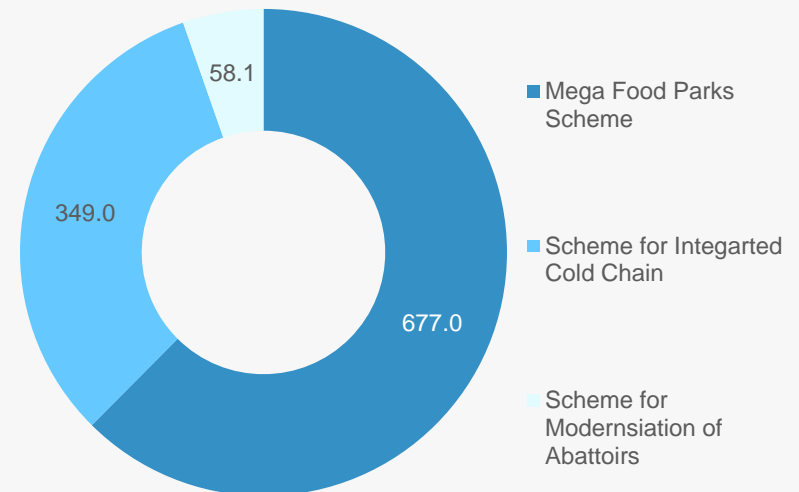
OPPORTUNITIES IN INFRASTRUCTURE DEVELOPMENT

- * The government's focus and launch of various schemes to provide excellent infrastructure facility in food processing sector open up various opportunity for private investors
- * Various schemes launched by the government provide capital grant, subsidy, duty free export of products and tax incentives to investors. These includes schemes such as Mega Food Parks Scheme, Scheme for integrated Cold Chain and Scheme for Modernisation of Abattoirs.
- * The government's focus on infrastructure is likely to lead to a sharp rise in the number of cold storage units

Fund allocated for infrastructure development in food processing industry (USD million)



Project-wise fund allocated in 12th Five-Year Plan (USD million)



Notes: PPP – Public Private Partnership, AEZ – Agri Export Zones, FDI – Foreign Direct Investment

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SUCCESS STORIES

OPERATION FLOOD: INDIA GAINS SELF SUFFICIENCY IN MILK PRODUCTION

- * 'Operation Flood' was the 'billion litre idea' of Dr Varghese Kurien, also known as the Father of the White Revolution. His efforts made India self-sufficient in edible oils as well
- * Operation Flood was initiated in 1970 by the National Dairy Development Board (NDDB) to achieve national self-sufficiency in milk production by creating nationwide milk grids
- * India became the world's largest milk producer in FY2000 with the output of 78 MT. It has retained its position since then and the country's milk production is expected to rise to 139.7 MT in FY14
- * Dairy cooperatives offer employment opportunities to about 12 million agricultural families

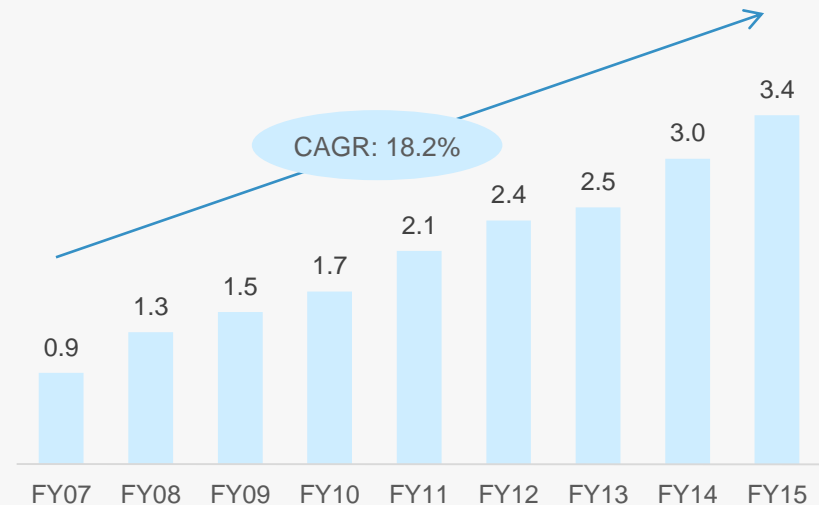
	Phase I (Jul,1970 – Mar,1981)	Phase II (Jul,1981 – Mar,1985)	Phase III (Jul,1985 – Mar,1996)
Dairy cooperative societies ('000)	13.3	34.5	72.5
Members (million)	1.8	3.6	9.3
Milk procurement (million kg/day)	2.6	5.8	11.0
Liquid milk marketing (million litres/ day)	2.9	5.0	10.0
Milk drying capacity (million tonnes/ day)	261	507.5	842

Source: Press Release Ministry of Agriculture, National Dairy Development Board, GCMMF (www.amul.com), TechSci Research

THE AMUL SAGA: A COOPERATIVE MOVEMENT LEADS THE WAY ... (1/2)

- * Gujarat Cooperative Milk Marketing Federation (GCMMF) is the largest food products marketing organisation in India
- * Set up in 1967, it is India's largest exporter of dairy products and has been accorded 'trading house' status
- * During FY15, the Federation recorded the highest growth of 159 per cent in turnover over the previous year to reach USD3.4 billion
- * Amul is the fastest growing dairy organisation in the world. It has risen to 15th position in the list of dairy companies in the world in September 2014, from 20th position in 2012
- * Amul is planning to invest USD24.5 million in Punjab for expansion
- * Amul is expected to procure 21.7 thousand tonnes milk per day by January 2016

GCMMF (Amul) sales (USD billion)



Source: GCMMF (www.amul.com),
thehindubusinessline.com, TechSci Research
Notes: CAGR – Compound Annual Growth Rate,
FY – Indian Financial Year (April – March)

THE AMUL SAGA: A COOPERATIVE MOVEMENT LEADS THE WAY ... (2/2)

- * Main brand: Amul
- * Products: milk (including flavoured), butter, margarine, cheese, curd, desserts, infant food

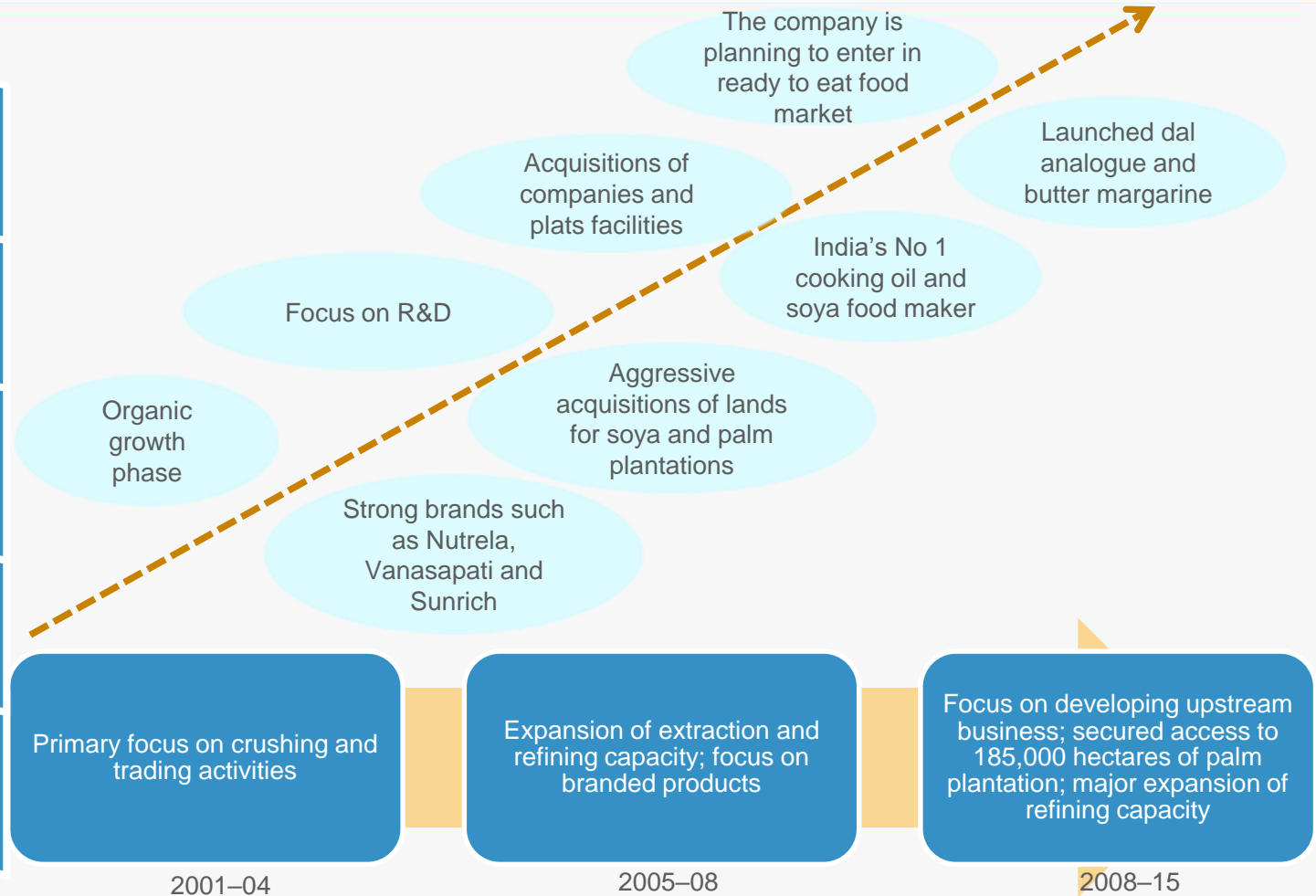
Facts and features	
Producer members (million)	3.2
Village societies	17,025
Milk handling capacity (million litres/ day)	23.2
Total milk collection (FY14, billion litres)	4.8
Daily milk collection (FY14, million litres)	13.2
Milk drying capacity (million tonnes/ day)	647

Notable awards	Authority
Excellent performance in dairy product exports for 11 consecutive years	APEDA
CIO International IT Excellence Award (2003) for positive business performance through resourceful IT management and best practices	IDG's CIO Magazine (USA)
International Dairy Federation Marketing Award (2007) for Amul's pro-biotic ice cream launch	International Dairy Federation

Source: GCMMF (www.amul.com), TechSci Research

RUCHI SOYA: ONE OF THE WORLD'S FASTEST GROWING FMCG COMPANY

- Revenues for FY16* are USD1.88 billion
- Net profit generated in FY16* is USD141.65 million
- Sales growth at a CAGR of 11.8 per cent over FY10-14
- Strong presence in Edible oil and meal market
- Top edible oil producer in India with market share of 18.2 per cent



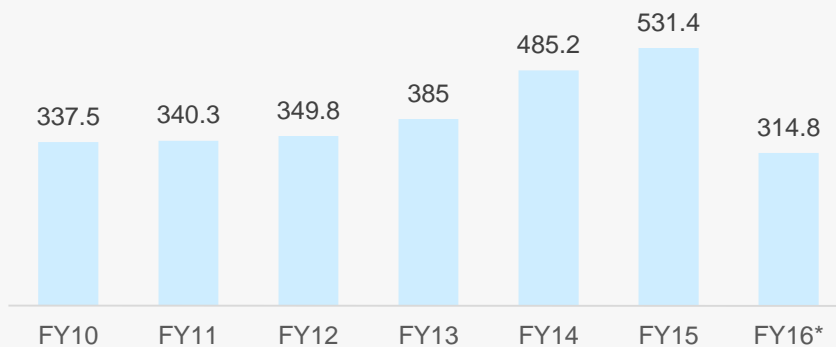
Source: News release Ruchi Soya website, TechSci Research
FY16*: Upto September 2015

KRBL: LEADER IN GLOBAL RICE MARKET

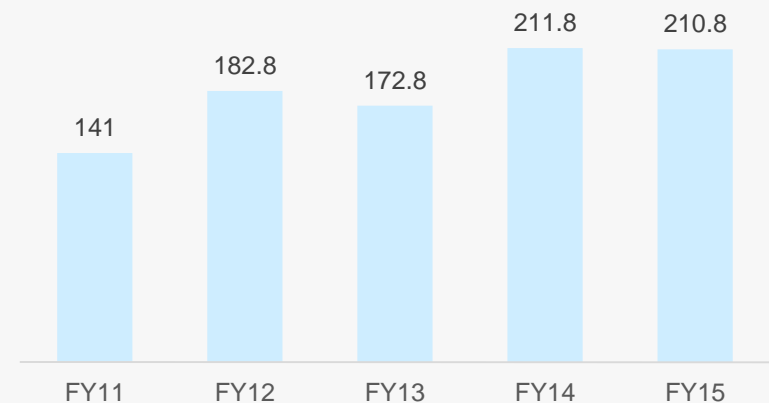
Salient characteristics

- KRBL is world's largest rice miller and basmati rice exporter
- It has strong brand presence through global retail giants like Carrefour, Bharti - Walmart, Spencer and Future Group
- It is the largest producer of contract farming basmati rice in the world
- The company accounts for 25 per cent of India's total exports of branded basmati rice
- KRBL is well-integrated in terms of farming, rice processing, oil production and power generation

Sales (USD million)



Exports (USD million)



Source: Company Annual Report, TechSci Research

Note: KRBL - Khushi Ram and Behari Lal

Notes: * - Till September 2015

FOOD PROCESSING



USEFUL INFORMATION

INDUSTRY ASSOCIATIONS

Agricultural and Processed Food Products Export Development Authority (APEDA)

NCUI Building 3, Siri Institutional Area,
August Kranti Marg, New Delhi – 110 016
Phone: 91 11 26513204, 26514572, 26534186
Fax: 91 11 26526187
E-mail: headq@apeda.com

Marine Products Export Development Authority (MPEDA)

MPEDA House, Panampilly Avenue
PB No 4272, Cochin-682 036
Phone: 91 484 2311979/2311803
Fax: 91 484 2313361
e-mail: mpeda@vsnl.com, mpeda@mpeda.nic.in

- * **AEZ:** Agri Exports Zones
- * **MFP:** Mega Food Parks
- * **CAGR:** Compound Annual Growth Rate
- * **FDI:** Foreign Direct Investment
- * **MT:** Million Tonnes
- * **IIP:** Index of Industrial Production
- * **FY:** Indian Financial Year (April to March)
 - * So FY12 implies April 2011 to March 2012
- * **GOI:** Government of India
- * **INR:** Indian Rupee
- * **PPP:** It could denote two things (mentioned in the presentation accordingly) –
 - * Purchasing Power Parity (used in calculating per-capita GDP)
 - * Public Private Partnership (a type of joint venture between the public and private sectors)

- * **PE:** Private Equity
- * **APEDA:** Agriculture & Processed food products Export Development Authority
- * **GCMMF:** Gujarat Cooperative Milk Marketing Federation
- * **USD:** US Dollar
- * Wherever applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange rates (Fiscal Year)

Year	INR equivalent of one USD
2004-05	44.81
2005-06	44.14
2006-07	45.14
2007-08	40.27
2008-09	46.14
2009-10	47.42
2010-11	45.62
2011-12	46.88
2012-13	54.31
2013-14	60.28
2014-15	61.06
2015-16(Expected)	61.06

Exchange rates (Calendar Year)

Year	INR equivalent of one USD
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015(Expected)	63.72

Source: Reserve bank of India,
Average for the year

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