

Trends In Food Processing Industry

By V. Gokuldas, MD,
HRS Process Systems Ltd

The food processing industry is one of the largest industries in India contributing to 9-10% of GDP through the agricultural and manufacturing sectors. The Indian food industry stood around US \$ 39 billion in 2013 and is expected to grow at a rate of 10% to touch US \$ 64 Billion by 2018.

The food sector has witnessed a marked change in consumption patterns, both in urban and rural areas as well as in terms of demographics. Changing lifestyles are driving growth and demand for newer food and beverage categories as well as more processed foods that offer convenience with a longer shelf life. As more and more of the urban population have higher disposable incomes, lifestyle ailments or the risk of such ailments has also increased manifold leading to a significant increase in demand for health foods and beverages. Consumption of Nutraceuticals introduced in the market a few years ago, are on the rise as awareness and motivation to opt for health foods in urban markets has been growing. Currently pegged at USD 2.2 billion, the Nutraceuticals industry is expected to grow at 20% to touch USD 6.1 billion by 2020. The Indian nutraceuticals market is divided into functional food and beverages (68%) and dietary supplements (32%).



While oats, probiotics, nuts, tomato products, yogurt, sports and energy drinks, among others, fall under functional foods; vitamins, minerals, fibres and fatty acids, in the form of tablets and capsules, are part of dietary supplements.

In the last 5 years within functional beverages there has been an increase in uptake of enhanced drinks and energy drinks primarily driven by a young urban working population while under functional foods - diabetic foods are expected to see the highest growth, as consumers tend to perceive a healthy diabetic lifestyle as an

alternative to insulin and in the case of dietary supplements - vitamin and mineral supplements continue to hold a majority share of the market.

Future trends and growth of nutraceuticals will be influenced by:

Going Natural: Replacing synthetic additives with natural ingredients, using natural flavours, essences. These are especially helpful to make omega-3 and products with other rich supplementary sources like soy milk, more palatable to the tastes of consumers. As the health consciousness pitch gets louder,

nutraceuticals companies will need to develop products based on use of natural ingredients.

Better shelf life: It is very essential for Nutraceuticals to have a good shelf life. This not only will take care of logistical problems for manufacturers, but give sufficient time to enhance the awareness through trials and drive the uptake of the product from the market.

Accurate process: Nutraceuticals such as infant food provide balanced nutrition for infants and children of varying age groups. Essentially these foods contain vitamins A, C, E, Omega 3 & 6 and hence necessary to

ensure good processing ingredient source and complete hygienically designed machinery for processing and packaging environment.

The future of Nutraceuticals market will be driven by good consumer awareness, processing guidelines, facilities for further research and development and processing through exceptional quality equipment.

Health customisation: Dietary supplements, still in their nascent stages in India are poised to grow with supplements being developed to address specific health conditions. Driven by increased life expectancy supple-

ments for heart health, eye health, digestive health, joint health are among those gaining popularity with manufacturers. With increasing incidences of life style related diseases customers are increasingly looking for preventive care along with their daily diets. Calcium supplements are one of the largest supplement sectors in Asia due to the high risk of Asian women to osteoporosis.

There is no doubt that the nutraceuticals market in India is poised for significant growth in numbers as well as introduction of new product categories in all segments of this industry.