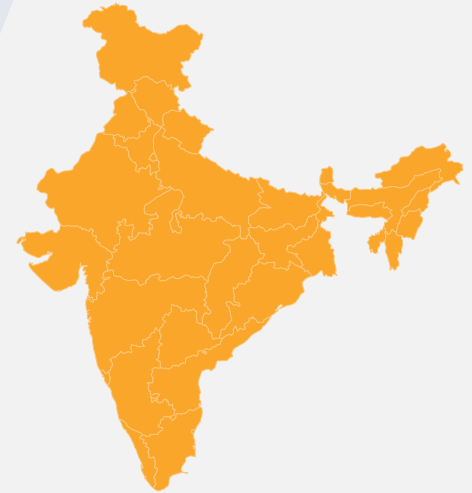




AGRICULTURE AND ALLIED INDUSTRIES



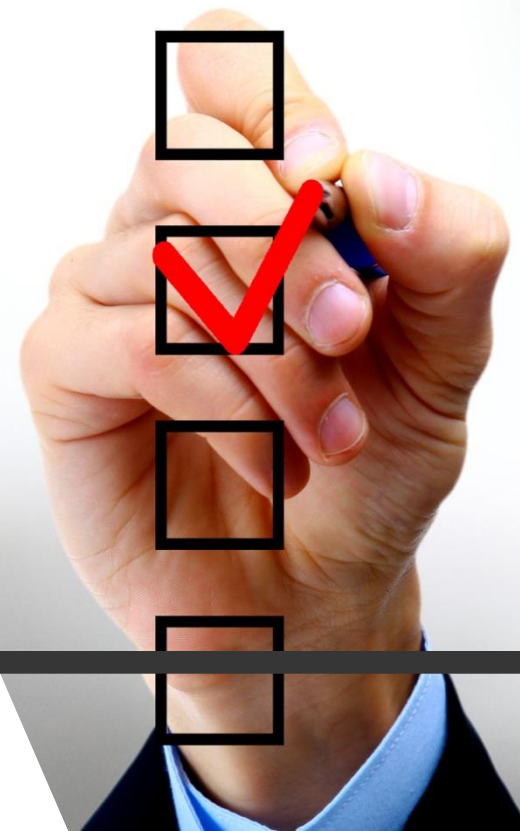
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November 2018

Table of Content

- ▶ Executive Summary.....3
- ▶ Advantage India.....4
- ▶ Market Overview.....6
- ▶ Recent Trends and Strategies17
- ▶ Growth Drivers.....21
- ▶ Opportunities.....30
- ▶ Industry Associations.....33
- ▶ Useful Information.....35



EXECUTIVE SUMMARY

Global standing

- India is the largest producer of spices, pulses, milk, tea, cashew and jute; and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds.
- India is currently the world's fourth largest producer of agrochemicals.
- India has the largest livestock population of around 512 million.

Favourable conditions

- India has the 10th largest arable land resources in the world. 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. Growth in Gross Value Added (GVA) by agriculture and allied sectors is estimated at 3.0 per cent in 2017-18**.
- Strategic geographic location and proximity to food importing nations favour India in terms of exporting processed foods.

Increasing farm mechanisation

- India is one of the largest manufacturers of farm equipment such as tractors, harvesters and tillers. India accounts for nearly one-third of the overall tractor production, globally.
- Tractor sales in the country are expected to increase 11-13 per cent in FY19, while the tractor industry is expected grow at 8-10 per cent between FY17-22.

Rising consumption expenditure

- Consumer spending in India is likely to reach US\$ 3.6 trillion by 2020.
- Private final consumption expenditure (at constant prices) increased by 6.1** per cent in 2017-18 and 8.6 per cent in April-June quarter of 2018-19.

Record production of food grains

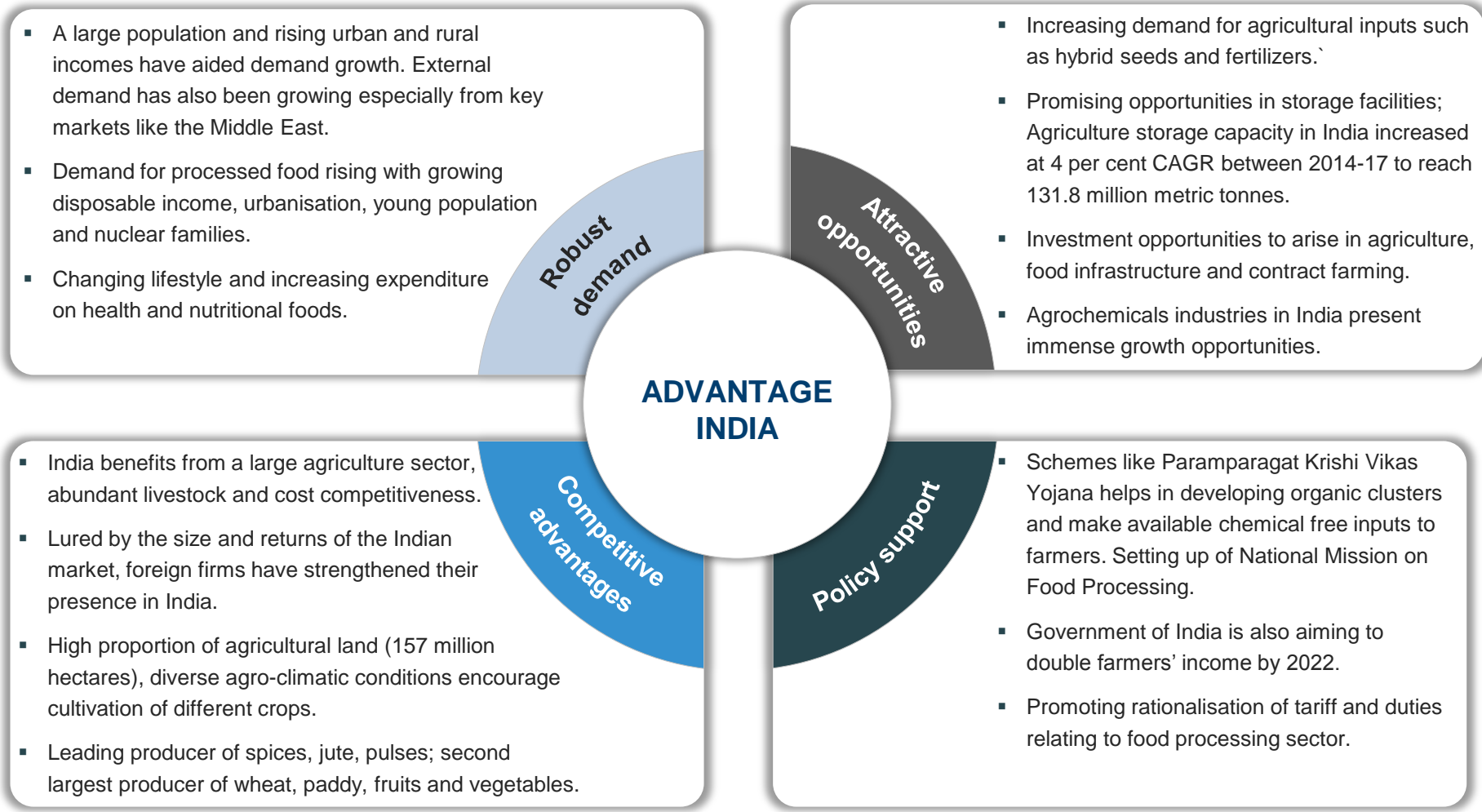
- During 2017-18* crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting foodgrain production of 285.2 million tonnes.

*Note: *as per 4th advance estimates, ** as per 2nd advance estimates*

Source: Ministry of Agriculture, Government of India, MOSPI, BCG, Crisil

ADVANTAGE INDIA





Source: DIPP, Aranca Research, JLL India

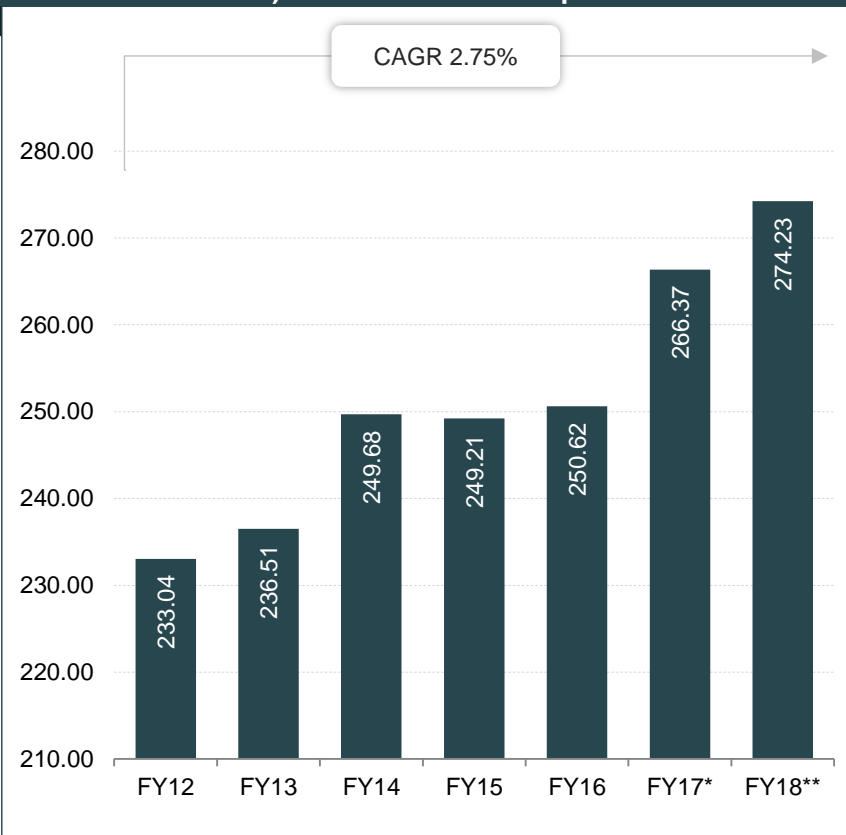
MARKET OVERVIEW - AGRICULTURE



GROWTH IN AGRICULTURE

- Agriculture is the primary source of livelihood for about 58 per cent of India's population.
- Gross Value Added by agriculture, forestry and fishing is estimated at Rs 17.67 trillion (US\$ 274.23 billion) in FY18**.
- Agriculture and allied sector's GVA at constant 2011-12 prices grew a CAGR of 2.75 per cent between FY12-18.
- As per Union Budget 2018-19, allocation of Rs 57,600 crore (US\$ 8.9 billion) was made for The Agriculture Ministry.

Gross Value Added by Agriculture and Allied sectors (US\$ billion) at Constant 2011-12 prices

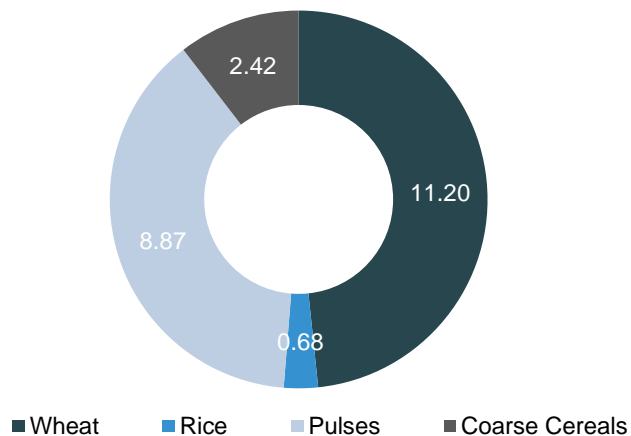


Notes: GDP – Gross Domestic Product, MOSPI – Ministry of Statistics and Programme Implementation, * 1st revised estimates, ** 2nd advance estimates

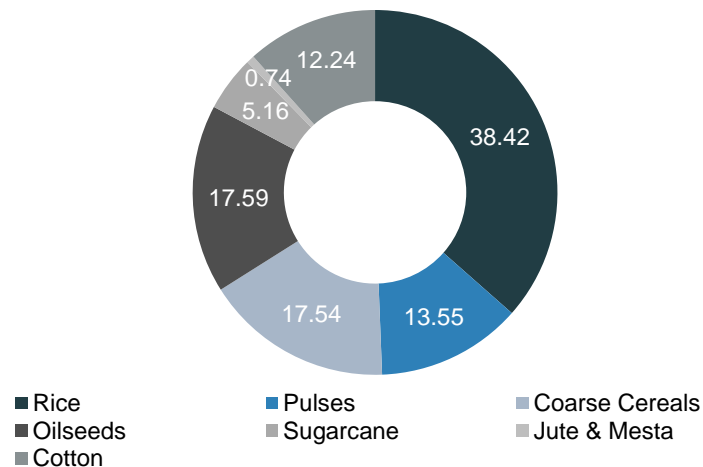
Source: Ministry of Agriculture, Print Release, RBI, Aranca Research, MOSPI, Central Statistics Office (CSO)

MAJOR SEASONS: KHARIF AND RABI

Rabi Area Sown in 2018-19¹ (million hectares)



Kharif Area Sown in 2018-19² (million hectares)

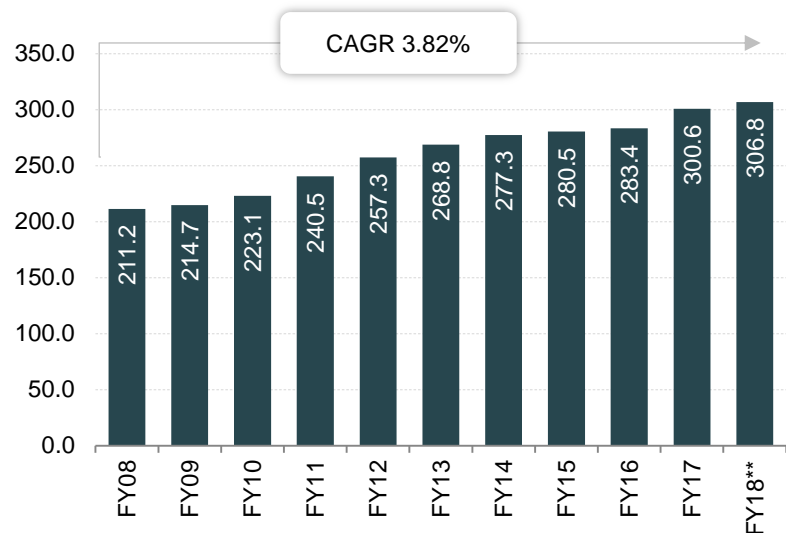


- There are two major agricultural seasons in India: Kharif and Rabi.
- Kharif season lasts from April to September (summer); rice (paddy) is the season's main crop.
- Rabi season lasts from October to March (winter); wheat is the season's main crop.
- As of October¹ 2018, total area sown with kharif crops in India reached 105.24 million hectares.

Notes: ¹ – As on November 22, 2018, ² – As on October 10, 2018

Source: Finance Ministry, Ministry of Agriculture

India's Horticulture Production (MMT)



Foodgrains and Commercial Crops Production (million tonnes)

Crop	2011-12	2017-18*	2018-19 ¹
Rice	105.30	112.91	99.24
Wheat	94.88	99.70	-
Total Cereals	242.20	259.59	132.37
Total Pulses	17.09	25.23	9.22
Total Foodgrains	259.29	284.83	141.59
Oilseeds	29.80	31.31	22.19
Sugarcane	361.04	376.91	383.89
Cotton (million bales of 170 kg each)	35.2	34.89	37.3***
Jute & Metsa (million bales of 180 kg each)	11.40	10.14	10.17

- Since 2010, production as well as yield of both major crops - rice and wheat has increased significantly. As per fourth advance estimates, production of rice is estimated at record 112.91 million tonnes while production of wheat is estimated at 98.70 million tonnes in 2017-18 crop year.
- India ranks second in global production of fruits and vegetables and is a leading exporter of mangoes and bananas.
- Production of horticulture crops in India is estimated at record 306.82 million metric tonnes (MMT) in 2017-18**, implying a CAGR of 3.82 per cent between FY08-18. It
- In 2018-19, Government of India is targeting foodgrain production of 285.2 million tonnes.

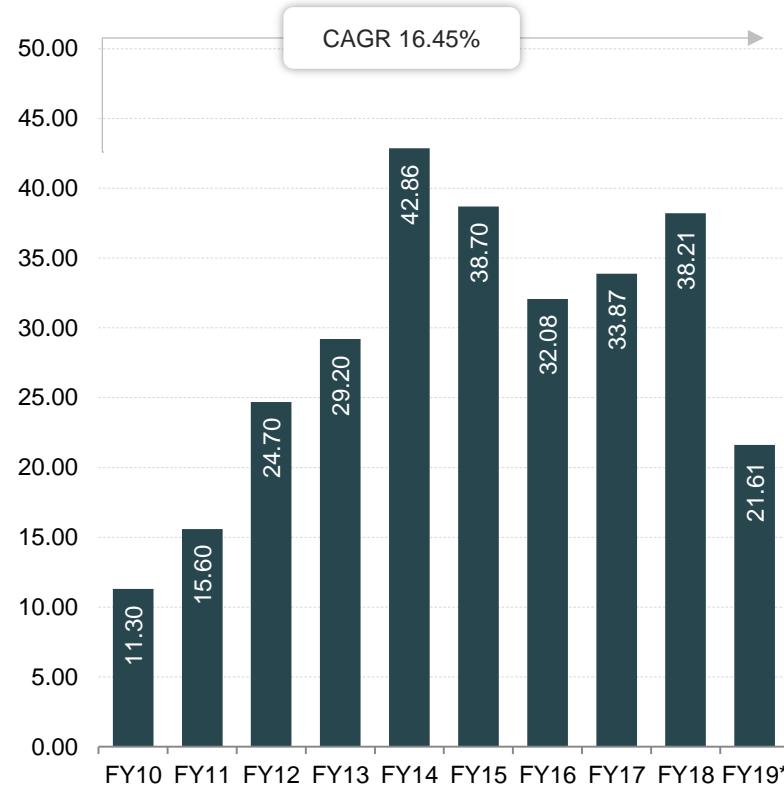
Note: * As per 4th advance estimates, **as per 3rd advance estimates, ¹as of September 26, 2018, *** estimate as per the Indian Cotton Federation

Source: Ministry of Agriculture & Farmers' Welfare

SURGE IN DEMAND OF INDIAN AGRICULTURAL PRODUCTS...(1/2)

- India was the ninth largest exporter of agricultural products in 2017.
- Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. Between Apr-Oct 2018 agriculture exports were US\$ 21.61 billion.
- As per the draft agriculture export policy, the Government of India is aiming to achieve US\$ 60 billion in exports by 2022.

Agricultural¹ exports from India (US\$ billion)

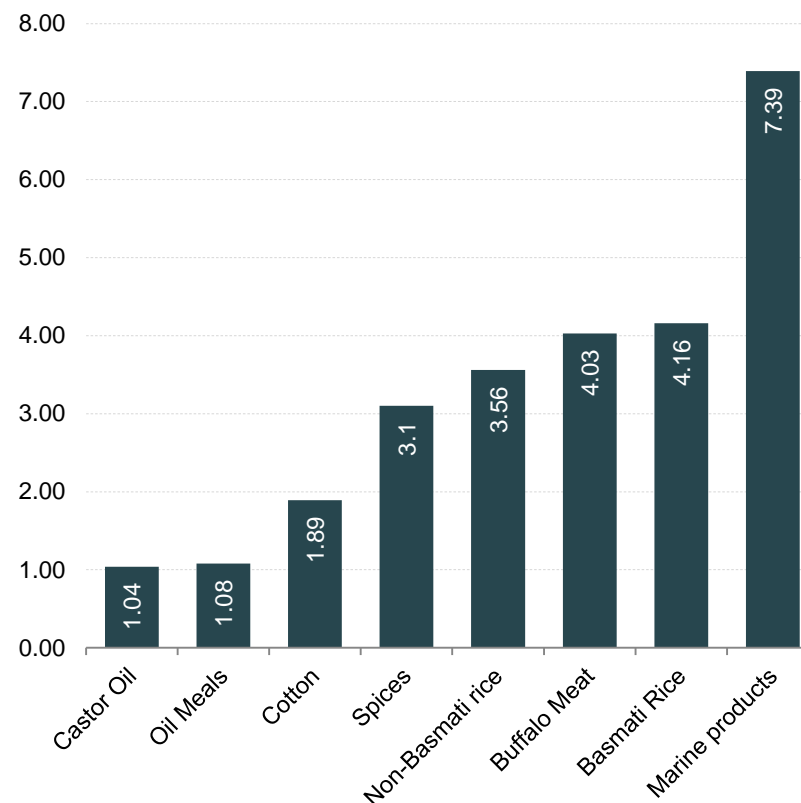


*Notes: CAGR is up to FY18, ¹Principal Agriculture commodities, *up to October 2018*
Source: World Trade Organisation, APEDA, DGCIS

SURGE IN DEMAND OF INDIA AGRICULTURAL PRODUCTS...(2/2)

- Marine Products, Buffalo Meat and rice are largest agricultural export items in terms of value. Other major export items are spices, cotton, oil products, tea and coffee.
- Marine product exports reached US\$ 7.39 billion in FY18, followed by Basmati rice at US\$ 4.16 billion and buffalo meat at US\$ 4.03 million.
- Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.
- By early 2019, India will also start exporting sugar to China.

Key agricultural and allied sector exports from India in FY18 (US\$ billion)



Note: CY – Calendar Year

Source: Ministry of Agriculture, APEDA

MARKET OVERVIEW – FOOD PROCESSING



FOOD PROCESSING INDUSTRY IN INDIA...(1/2)

Indian Food Industry in 2017¹ (US\$ billion)

Segment	Size
Food Industry Output	258
Food Exports	39.4
Food Imports	30.2
Retail	380
Food Service	48.3

Infrastructure for Food Processing Industry (as of 2017)

Cold Storages ²	7,845
Cold Storages' Capacity (million MT) ²	35.88
Mega Food Parks Sanctioned ³	42
Agri Export Zones ³	60

- ¹The food and grocery market in India is the sixth largest in the world. The food processing industry contributes 32 per cent of this food market and is also one of the largest industries in the country, contributing 13 per cent of total exports and six per cent of industrial investment.
- Dairy sector's revenue in India were estimated⁴ at Rs 5.7 lakh crore (US\$ 88.44 billion) in FY18 and are expected to reach Rs 7.5 lakh crore (US\$ 116.37 billion) by FY21.
- India also has the required infrastructure to enable the growth of food processing industry with 7,845 cold storage chains with a capacity of 35.88 million tonnes and 42 mega food parks sanctioned as of 2017. Out of these, 25 mega food parks will be operationalised by 2018 end.
- There are more than 37,175 food processing units in India, as per 2016-17 as per Annual Survey of Industries.

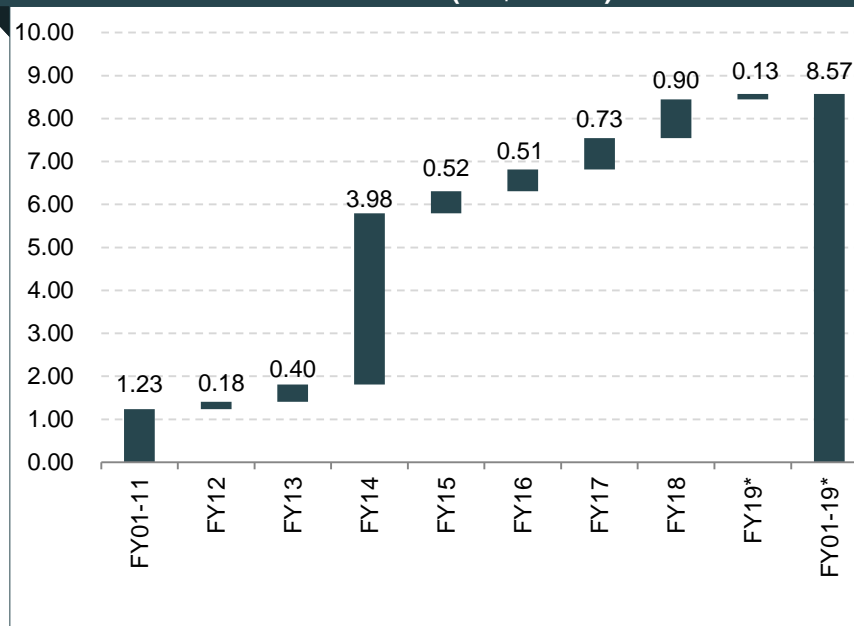
Source: ¹ USDA - India's Food Processing Sector Poised for Growth 2018, ²Ministry of Agriculture and Farmers' Welfare, ³ Ministry of Food Processing Industries, ⁴Crisil

FOOD PROCESSING INDUSTRY IN INDIA...(2/2)

Sales of Processed Foods in India¹

Product	2017 Sales (US\$ billion)	Growth compared to 2013 Sales (%)
Oils & Fats	20.74	144.02
Dairy	18.53	79.54
Rice, Pasta, and Noodles	5.83	98.74
Sweet and Savory Snacks	4.56	110.62
Biscuits and Snack Bars	4.44	49.22
Confectionery	4.06	77.33
Sauces, Dressings, and Condiments	2.49	98.03
Baked Goods	2.27	48.58
Ice Cream and Frozen Desserts	1.81	84.59

FDI Inflows² into Food Processing Industries between April 2000-June 2018 (US\$ billion)



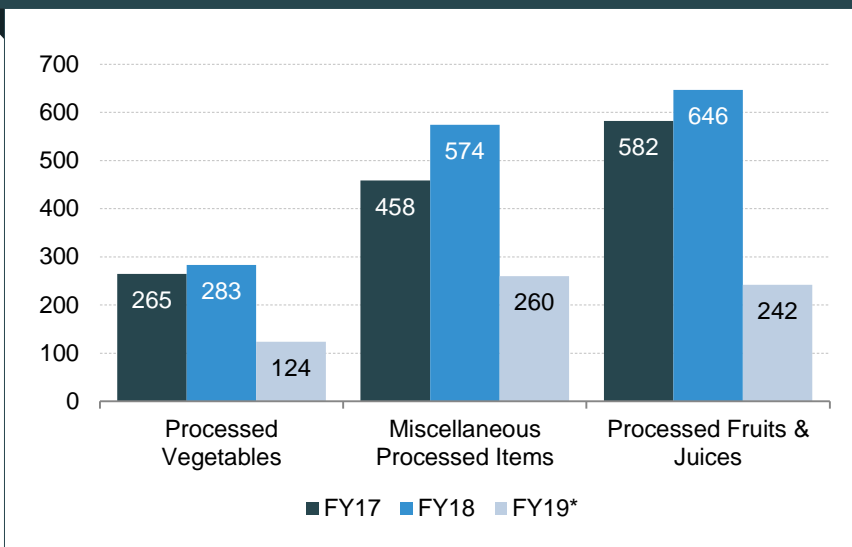
- Sales of processed food in the domestic market have been increasing at a fast pace. Packaged food industry in India is expected to cross US\$ 65 billion by 2020³ and become the third largest market for packaged food.
- The sector has also witnessed sharp increase in investments with cumulative FDI inflows reaching US\$ 8.45 billion between April 2000 and March 2018. Organised dairies in the country are expected⁴ to invest Rs 14,000 crore (US\$ 2.17 billion) over FY18-21.

*Note: *up to June 2018*

Source: ¹USDA - India's Food Processing Sector Poised for Growth 2018; exchange rate 64.80, ²DIPP, ³German Engineering Federation, ⁴Crisil

EXPORTS OF PROCESSED FOOD AND RELATED PRODUCTS

Exports of processed food and related products (US\$ million)



Top Importers of Processed Items from India in 2017-18

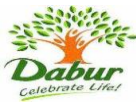











Product	Countries
Processed Vegetables	USA, Germany, Belgium, UK, Spain
Processed Fruits & Juices	USA, Netherlands, Saudi Arabia, UK, Germany
Processed Meat	United Arab Emirates, Vietnam, Qatar, Bangladesh, Bhutan

- Processed fruits & juices exports in FY18 reached US\$ 646 million, followed by miscellaneous processed items at US\$ 574 million and processed vegetable exports at US\$ 283 million.
- Exports of ready to eat items from India reached US\$ 689.80 million in FY18.
- Main export destinations for processed food products from India in FY18 were USA, EU and Middle East.
- The Indus Food – an international food and beverage trade show was organized in January 2018, witnessing participation from around 500 prominent global buyers from the food and beverage industry.

Note: *up to August 2018

Source: APEDA

FOOD PROCESSING SEGMENTS and PRIVATE PLAYERS

Segments	Private Players		
Fruits, Vegetables and Processed Grains			
Milk and Milk Products			
Meat, Poultry and Marine Products			
Consumer Food (Alcoholic beverages, Soft drinks, Packaged drinking water and Packaged food)			

RECENT TRENDS AND STRATEGIES



NOTABLE TRENDS...(1/2)

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.

Expansion 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, 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
- Italian confectionery manufacturer Ferrero will invest Rs 2,000 crore (US\$ 310.3 million) by 2021 to make India a hub for developing new products.
- Hindustan Coca-Cola Beverages is establishing two greenfield plants at Ahmedabad and Nellore, with an investment worth US\$ 148.74 million

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
- Companies like Haldiram's and Bikanerwala have a presence in over 70 countries, whereby they provide Indian snacks.

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 trans fat snacks and biscuits, slim milk, whole wheat products, etc. ITC is planning to launch multigrain Bingo to increase its share in healthy snacks market.

Source: Ministry of Agriculture and Farmers Welfare, Government of India, News Sources

NOTABLE TRENDS...(2/2)

Higher Consumption of Horticulture Crops

- There is a surge in demand for fruits and 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
- Fresh fruit exports from India reached US\$ 736.1 million in FY18 while fresh vegetable exports reached US\$ 775.5 million.
- Coca Cola is aiming to improve its sourcing of fruits for aerated drinks and juice beverages categories. As of May 2017, the company sources 200,000 tonnes fruits, and is planning to further increase it by sourcing through its 'fruit circular economy' initiative.

Product Innovation as the Key to Expansion

- In FY18, Ministry of Food Processing Industries granted fund of Rs 268.8 crore (US\$ 41.7 million) for the ongoing Mega Food Parks scheme.
- Heritage Foods, a Hyderabad-based company, has plans to add five more milk processing units in the next five years for an investment of US\$ 22.31 million, being a part of the former expansion plan to achieve US\$ 1 billion turnover by 2022.
- In the first half of 2018, venture capital investments in startups working in agriculture and allied areas reached US\$ 32 million.

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.

Source: Ministry of Agriculture, Government of India

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.
- 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.

Mergers and Acquisitions

- In 2017, agriculture sector in India witnessed 18 M&A deals worth US\$ 251 million.

Research

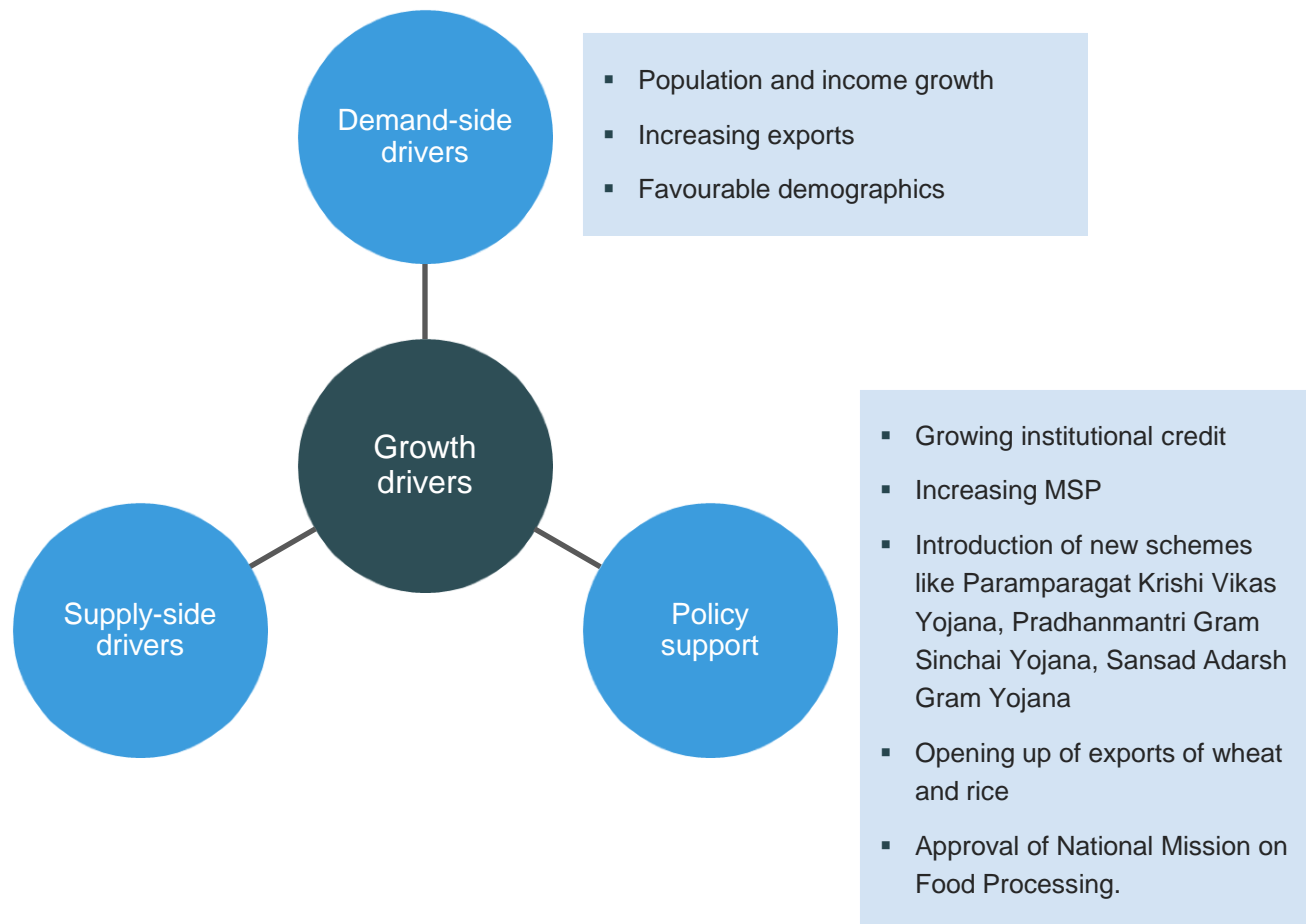
- Crop protection, soil enhancement, increased productivity are the major segments for the industry.
- Rallis acquired a research-led seeds company 'Metahelix' and launched a PGN product in the name of 'Ralligold'.

Source: Ministry of Agriculture, Government of India

GROWTH DRIVERS



GROWTH DRIVERS OF INDIAN AGRICULTURE

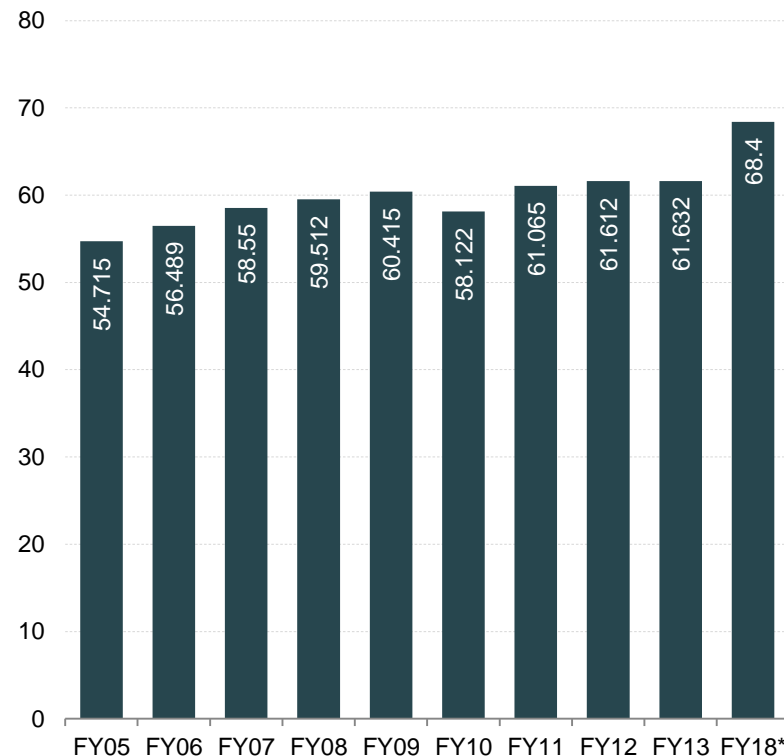


Source: Note: MSP - Minimum Support Price

GROWING AREA UNDER IRRIGATION

- Gross irrigated area under food grains is estimated to have grown to 68.4 million hectares in FY18*.
- Of the wide variety of crops in India, rice and wheat are the most irrigated.
- With growing investments in irrigation, the dependence on monsoons has declined considerably over the years.
- As per Union Budget 2018-19, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) will be implemented in 96 irrigation deprived districts in the country for which Rs 2,600 crore (US\$ 401.6 million) has been allocated.
- A long term irrigation fund has been set up in NABARD. In Union Budget 2017-18, addition of US\$ 3.10 billion to this corpus was announced. Also, a dedicated micro irrigation fund will be set up in NABARD to achieve the goal , 'per drop more crop'. The initial corpus of the fund will be US\$ 775.67 million.
- Around 285 new irrigation projects will be undertaken in 2018 to provide irrigation for 18.8 million hectares of land.

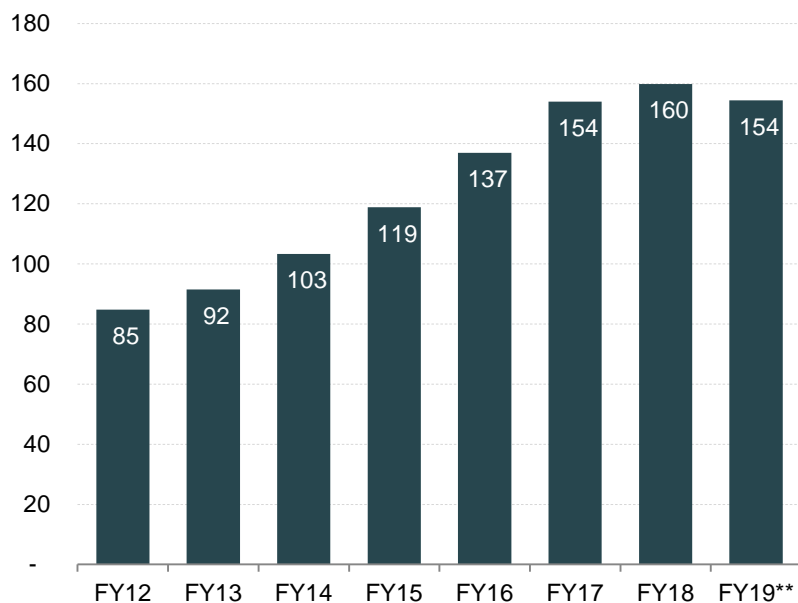
Gross irrigated area (million hectares)



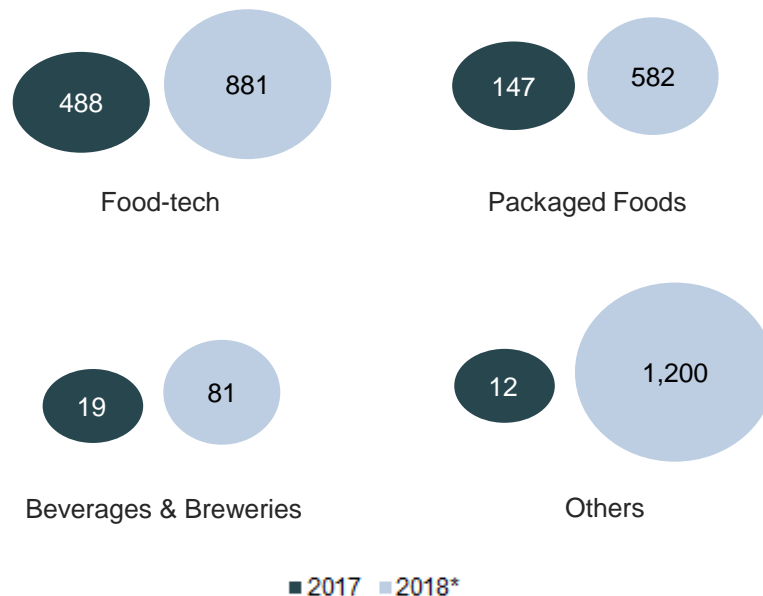
Source: Food and Agricultural Organisation US, Ministry of Agriculture, *Ministry of Agriculture Annual Report 2017-18

INSTITUTIONAL CREDIT AND INVESTMENTS ON A RISE

Credit to Agriculture & Allied Activities (outstanding) (US\$ billion)



Investment Deals in Agriculture and Food Sector of India (US\$ million)



- Agricultural credit disbursement target of Rs 10 trillion (155.16 billion) was met for 2017-18.
- The target for 2018-19 has been set at Rs 11 trillion (170.67 billion). As of June* 2018, credit of Rs 10.35 trillion (US\$ 154 billion) was deployed to agriculture and allied activities in India.
- Farmers are allowed to avail crop loans at an interest of 7 per cent.

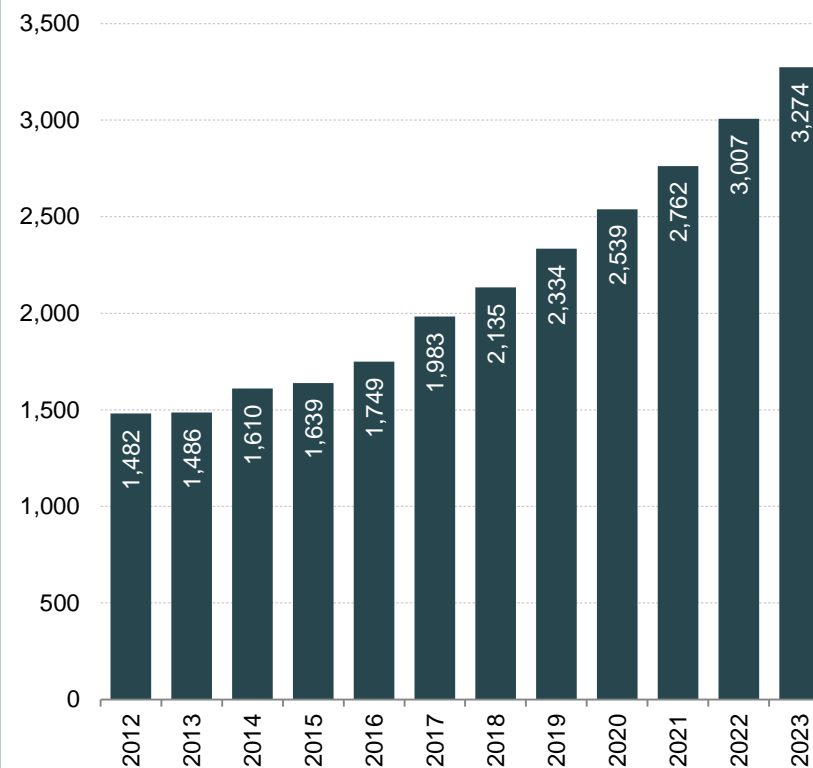
*Note: **as of June 22, 2018, *up to October 2018*

Source: Ministry of Agriculture, RBI, National Sample Survey Organisation (NSSO), VCCEdge's Food and Agri Report 2018

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

- Strong growth in per-capita income has resulted in greater demand for food items
- Per capita GDP of India is expected to reach US\$ 3,274 in 2023 from US\$ 2,135 in 2018.
- Packaged food industry in India is expected to cross US\$ 65 billion by 2020 and become the third largest market for packaged food.
- Ministry of Food Processing has been allocated Rs 1,400 crore (US\$ 216.25 million) in Union Budget 2018-19.
- There has also been a shift in demand:
 - From carbohydrates to meat products (in line with the various phases of economic growth); &
 - To convenience foods, and organic and diet foods

GDP Per Capita at Current Prices* (US\$)



*Notes: * estimates after 2013*

Source: International Monetary Fund, World Economic Outlook Database, April 2018, Euromonitor

COMPETITIVE ADVANTAGE

- 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.
- Milk production in India is estimated at 165.5 million tonnes in FY18, showing a growth of 3.8 per cent.

	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
Arable land (million hectares)	161	2
Area under irrigation (million hectares)	55	1

*Note: * FY17 figures*

Source: World Bank, FAOSTAT, CIA World Fact book, Ministry of Agriculture, Tea Board, APEDA, Directorate of Statistics, Indian Council of Agricultural Research (ICAR), Edelweiss Securities

Product	Production – FY18 (million tonne)
Milk	165.5
Pulses	24.51
Meat*	7.4
Banana	29.29
Mango	20.52
Tea (million kgs)	1,325.05
Rice	111.52
Sugarcane	355.01
Wheat	98.61

FAVOURABLE POLICIES ARE SUPPORTING THE SECTOR GROWTH ... (1/2)

Paramparagat Krishi Vikas Yojana (PKVY)

- This scheme ensures the promotion of organic farming. US\$ 72.87 million has been allocated for the scheme during the year 2017-18.
- Between 2014-18, 10,000 clusters under the scheme have been approved.

Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA)

- In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy, under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.

Pradhan Mantri Krishi Sinchai Yojana (PMKSY)

- The scheme ensures access to the means of irrigation to all agricultural farms in the country to produce 'per drop more crop', thus bringing much desired rural prosperity
- To increase agricultural production and productivity by increasing availability of water and its efficient use.

APMC farmers go cashless

- The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. Up to May 2018, 9.87 million farmers, 109,725 traders were registered on the e-NAM platform. 585 mandis in India have been linked while 415 additional mandis will be linked in 2018-19 and 2019-20.
- Cumulative trade on the platform reached Rs 41,855 crore (US\$ 6.49 billion) by March 2018.

Model Contract Farming & Services Act 2018

- In May 2018, Government of India finalised the Model Contract Act, to include all services in the agriculture value chain under its ambit along with contract farming activity. The act has laid special emphasis on protecting farmers' rights in the country.

Source: Ministry of Agriculture, Union Budget, Aranca Research

FAVOURABLE POLICIES ARE SUPPORTING THE SECTOR GROWTH ... (2/2)

Tax incentives and other sops

- 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.
- Services like pre conditioning, ripening, waxing, retail packing, precooling, labelling of fruits and vegetables have been exempted from service tax.

Focus on R&D and modernisation

- Moreover, the government plans to launch a programme named as 'SAMPADA' for food processing sector, with investments worth US\$ 892.46 million to integrate current with new schemes, with an aim to reduce waste and double farmer's income.
- In September 2017, Nestle started India's first food safety institute in Manesar.
- In October 2018, a world class food testing lab was announced in the state of Goa to be set up by the Export Inspection Agency (EIA) and Quality Council of India (QCI).

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 2018-19, government has allocated Rs 5.97 lakh crore (US\$ 92.22 billion) for the infrastructure sector.
- Between 2014-15 and 2017-18** capacity of 2.3 million metric tonnes was added in godowns while steel silos with a capacity of 625,000 were also created during the same period.
- Between FY06-17, 4,392 cold storage projects were sanctioned in India and 236 cold storage projects have been approved in 2017*.

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 Union Budget 2016-17, government announced to spend US\$ 1.1 billion in Union territories only.

*Notes: RKVY - Rashtriya Krishi Vikas Yojana, * As of July 27, 2017, ** up to December 2017*

Source: Ministry of Agriculture, Union Budget, Aranca Research

HIGHLIGHTS OF UNION BUDGET 2018-19

- The government will set up an Agri-Market Infrastructure Fund to develop and upgrade the infrastructure in 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs. The corpus of the fund will be Rs 2,000 crore (US\$ 308.93 million).
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) will be implemented in 96 irrigation deprived districts in the country for which Rs 2,600 crore (US\$ 401.6 million) has been allocated.
- A Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) and an Animal Husbandry Infrastructure Development Fund (AHIDF) will be set up with a corpus of Rs 10,000 crore (US\$ 1.55 billion) to finance infrastructure requirements in these two sectors.
- Institutional credit to the agriculture sector would be raised to Rs 11 lakh crore (US\$ 169.9 billion) in 2018-19.
- Re-structured National Bamboo Mission will be launched with an outlay of Rs 1,290 crore (US\$ 199.26 million).
- Rs 200 crore (US\$ 30.89 million) allocated for supporting organised cultivation and associated industry.
- Minimum Support Price (MSP) for all unannounced kharif crops will be kept at one and half times of their production cost
- State-of-the-art testing facilities will be set up in all 42 mega food parks.

Source: Union Budget 2018

OPPORTUNITIES



Farm management services

- New agri business, which provides inputs such as seeds, fertilizers along with providing advice and training farmers on latest agricultural practices
- It introduces efficiencies into the whole gamut of agri practices
- Provides assistance to sell products at appropriate prices
- In June 2017, Bhoomee, a startup from Bengaluru created an app which offers a one-stop platform that enables farmers to connect to traders and vice-versa through their online portals and call centers.

Potential global outsourcing hub

- Limited arable land against growing population makes agricultural inputs crucial
- Huge opportunity exists for agri input segments like seeds and plant growth nutrients
- In India, commercial seeds only account for minor percentage (25 per cent) and huge demand is expected for quality branded seeds
- Global supermarket majors looking at India as a major outsourcing hub
- 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.
- As of July 2018, out of the 42 approved mega food parks in the country, eight had been made operational.

Supply chain infrastructure and contract farming

- Agriculture storage capacity in India increased at 4 per cent CAGR between 2014-17 to reach 131.8 million metric tonnes.
- Cold storage capacity needs to grow rapidly from the current level of 24 million tonnes
- Private warehouse operators are supported by multiple income streams, subsidy and available of credit
- It is expected that 4 per cent growth in the food grain storage capacity would restructure agricultural sector over the next few years
- Both firms and the government are eager to boost efficiency and access to markets
- Investment potential of US\$ 22 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: Ministry of Agriculture, Ministry of Food Processing Industries

GOVERNMENT INITIATIVES THAT WILL FURTHER PROP UP THE SECTOR

- In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US\$ 820.41 million) assistance package for the sugar industry in India.
- In March 2018, the Government of India extended the urea subsidy to the farmers till 2020 with the aim of ensuring supply of urea at statutory controlled prices. Urea subsidy for 2018-19 is estimated at Rs 45,000 crore (US\$ 6.95 billion).
- The Coffee Board is positioning India as a “Coffee Nation” and as the drink for Prime Minister Narendra Modi's vision of New India.
- In December 2017, the Department of Agriculture, Cooperation & Farmers Welfare proposed National Programme on use of Space Technology for Agriculture (NPSTA), which will use integrated space and geospatial tools for mapping, monitoring and management of agriculture.
- Allocation of US\$ 3.9 billion for RFID, US\$ 234 million for long – term rural credit fund, US\$ 7.03 billion for short – term cooperative rural credit finance fund, US\$ 3.9 billion for short – term RRB refinance fund
- The Food Processing Industries have taken few initiatives for developing the food – processing sector that would enhance the exports of agro and processed foods and income of farmers
- Government is planning to invest US\$ 8 billion so as to revive four fertilizer plants and setting up two plants to produce farm nutrients
- Financial Outlay of US\$ 35.47 million has been announced under the National Dairy Development Board (NDDB) to boost milk output and per animal production of milk

Source: Ministry of Agriculture, DIPP, Aranca Research; Note: RFID – Radio Frequency Identification

INDUSTRY ASSOCIATIONS



Agency	Contact Information
National Institute of Agricultural Extension Management	Rajendranagar, Hyderabad–500 030, Andhra Pradesh Phone: 040-24016702 to 706 Fax: 040-24015388
National Institute of Agricultural Marketing (NIAM)	Bambala, Kota Road Jaipur–302033, Rajasthan Phone: 0141-2770027 Fax: 0141-2771938, 2770027
Central Insecticides Board and Registration Committee	Machinery Store Building, N.H.IV Faridabad Phone: 0129 -2413002.
Coconut Development Board	Kera Bhavan, SRVHS Road, Kochi Kerala–682011 Phone: 0484-2376265, 2377267, 2376553 Fax: 0484-2377902
National Dairy Development Board (NDDB)	PB No 40, Anand–388 001 Phone: 02692-260148/260149/260160 Fax: 02692-260157
National Horticulture Board (NHB)	Ministry of Agriculture, Government of India 85, Institutional Area, Sector-18 Gurgaon–122015, Haryana
National Oilseeds and Vegetable Oils Development Board (NOVOD)	Krishi Bhavan, New Delhi 110 114 Phone: 91-11-25846010

USEFUL INFORMATION



- AIBP: Accelerated Irrigation Benefit Programme
- Breeder seeds: Seeds move from germ-plasm (research) stage to breeder stage
- CAGR: Compound Annual Growth Rate
- Certified/quality seeds: Foundation seeds are further multiplied to get certified seeds, which are sold to farmers
- FMTTI: Farm Machinery Training and Testing Institutes
- Foundation seeds: Breeder seeds are multiplied as foundation seeds
- FY: Indian Financial Year (April to March) – FY12 implies April 2011 to March 2012
- KCC: Kisan Credit Card
- MSP: Minimum Support Prices
- NFSM: National Food Security Mission
- NMAM: National Mission on Agricultural Mechanisation
- PGN: Plant Growth Nutrients
- RKVY: Rashtriya Krushi Vikas Yojana is a central government scheme providing funds to state governments to spend on agriculture
- Wherever applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
Q1 2018-19	67.04
Q2 2018-19	70.18

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12

Source: Reserve Bank of India, Average for the year

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