

FRUIT AND VEGETABLE PRODUCTS

India has:

- the second largest production of fruits and vegetables in the world
- a wide range and variety of fruits and vegetables (both tropical and temperate)
- limited food processing (1% of production)
- used contract farming successfully to source raw materials in required quantities and quality
- a limited but expanding domestic market
- good export potential in this sector

Production of Processed Fruits and Vegetables, 1995

	%
Ready-to-Serve Beverages	27.00
Canned/Bottled Fruit & Vegetables	3.69
Fruit Juice	3.28
Fruit Pulp	22.51
Jams/Squashes(fruit drinks)/Syrups	7.45
Fruit Juice Concentrate	0.95
Pickles, Preserves & Chutneys	11.00
Dehydrated fruits & Vegetables	2.22
Frozen Fruits & Vegetables	9.36
Tomato Products, including ketchup & sauce	8.05
Other	4.49

Source: *Food Processing Industries in India: Investment Opportunities, 1995/96*, Government of India

The fruit and vegetable processing industry in India is highly decentralized, with 70% of food processing units found in the cottage and household sectors (production less than 50 tonnes per annum), 17% small scale (annual production per unit of 50 to 250 tonnes) and 13% well known Indian and multinational companies with various production capacities.

The industry has been growing rapidly, by more than 20% per annum for 1994 and 1995 (30% in 1992 and 1993). Production is valued at US\$45-\$75 million, with the span owing to the difficulty in measuring the small scale and cottage sectors. Currently, 30%-40% of total agricultural output goes to waste due to poor post-harvest management, inadequate cold storage and processing facilities, underdeveloped market/road infrastructure, inadequate market information services, low levels of productivity and fragmented holdings. Increased food processing and new technologies are seen as the way to decrease the amount of fruits and vegetables that are lost due to spoilage, and recent government incentives and policies reflect this. Additionally, increased food processing will help balance seasonal production factors.