



OCTOBER 2025
EDITION

FOOD & AGRICULTURE

SECTOR SPECIFIC REPORT



01 | PACKAGED FOOD SECTOR COMMITS TO TRANSFERRING GST REFORM GAINS TO CONSUMERS



India's packaged food sector has pledged to pass on the benefits of recent GST reforms directly to consumers. The **commitment was made during a high-level roundtable jointly organized by the Ministry of Food Processing Industries and the Confederation of Indian Industry**, where leading companies assured the government of their readiness to ensure the reform translates into lower prices for consumers and greater affordability for households.

The revised GST structure has been simplified into two primary slabs of 5 and 18 percent. **Many everyday packaged staples, dairy products, snacks, and bakery items have been moved to lower tax brackets or exempted entirely.** This rationalization aims to reduce the burden on consumers while promoting ease of doing business within the sector. The industry's unified response signals its willingness to ensure that the benefits of tax savings are reflected in product pricing across shelves nationwide and contribute to strong market competition and price stability.



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2165743>



Source: <https://a2ztaxcorp.net/next-gen-gst-overhaul-staple-foods-tax-free-processed-foods-at-5-big-relief-for-consumers-and-small-businesses/>



Executives from major companies such as Amul, Britannia, ITC, Dabur, PepsiCo, Coca-Cola, Mondelez, and Bisleri pledged to maintain transparency and share the tax relief throughout the value chain. Their commitment extends beyond consumers to supporting farmers, MSMEs, and distributors, ensuring equitable benefit distribution and strengthening the broader food processing ecosystem that sustains millions of rural and urban livelihoods.

The government has also announced steps to ease compliance and ensure smooth transition. **Companies may continue using old packaging printed before the GST revision until March 2026, provided new price stickers are added without concealing the original MRP.** The requirement to publish revised prices in newspapers has been replaced with the need to circulate updated price lists among wholesalers and retailers, reducing procedural delays and improving overall efficiency.

While the **sector's pledge marks a strong step toward consumer welfare, its effectiveness will depend on ground-level execution.** Regular monitoring, retailer cooperation, and transparent pricing practices will ultimately determine how effectively GST reform gains reach Indian households and reinforce public confidence in the reform process.

Caught in a Tangle

For limited period, products with both old & new MRPs on shelves

800 brands asked to fix lapses before October 20

CBIC may initiate action where base prices raised after price cuts



Lapses particularly being called out in packs of ₹20 and below

CCPA has forwarded about **2,000 complaints to the CBIC**

Regional brands taking more time to align with GST rates

Delhi HC: Increasing quantity without reducing MRP after GST cuts amounts to "deception"

What industry says: Price reduction may not always be feasible for small packs

Source: <https://economictimes.indiatimes.com/industry/consproducts/fmcg/gst-0-lapses-fmcg-product-spark-blame-game-between-companies-distributor-commerce/articleshow/124297734.cms?from=mdr>

01 GST GAINS TO CUSTOMERS

UNIFIED INDUSTRY PLEDGE

- Leading brands vow to pass GST savings to consumers

DIRECT CONSUMER BENEFIT

- Lower taxes make packaged foods more affordable

TRANSPARENT PRICING PRACTICES

- Revised MRPs reflect clear tax reductions

COLLABORATIVE VALUE CHAIN APPROACH

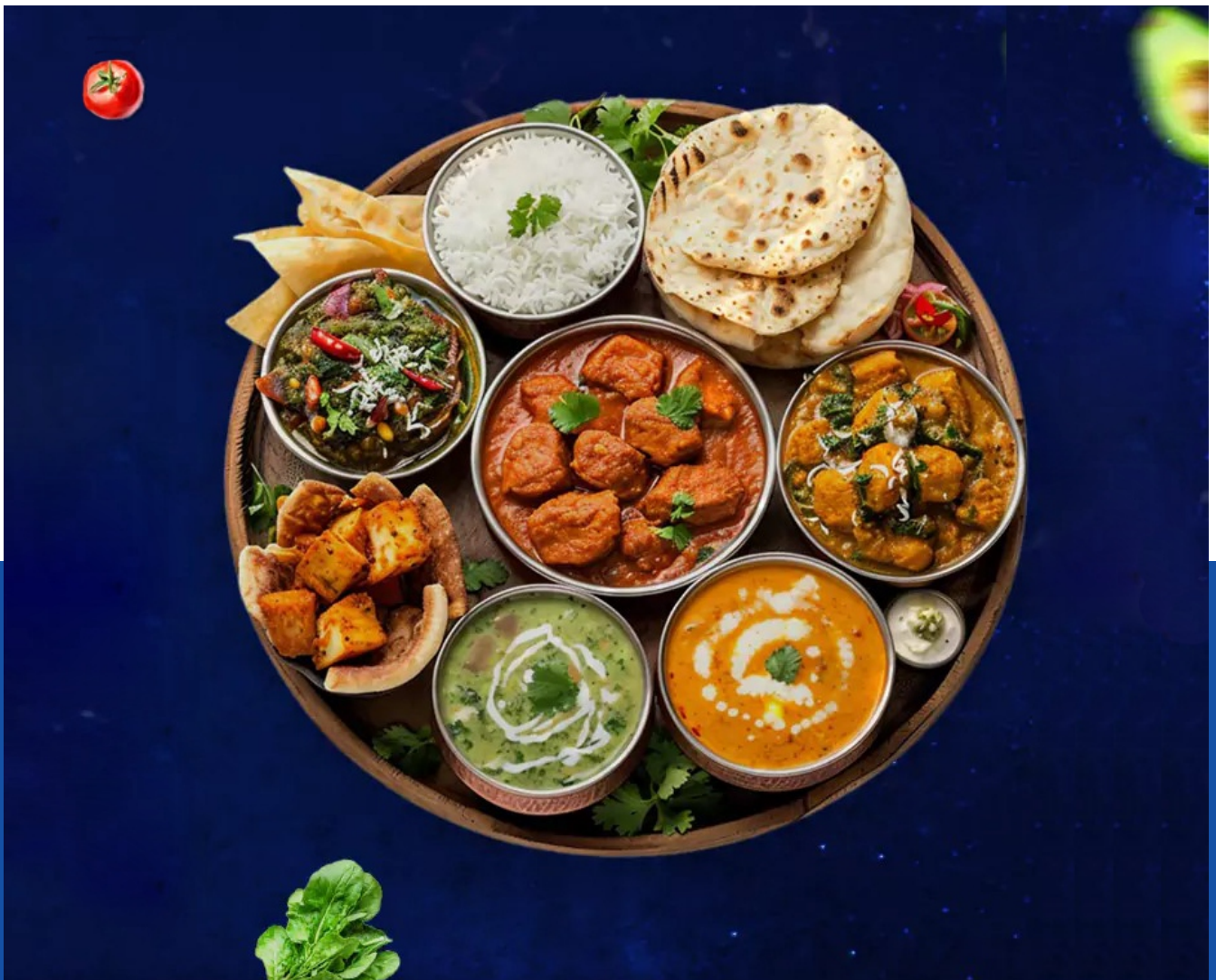
- Benefits extend to farmers, MSMEs, and retailers

MONITORING AND ACCOUNTABILITY

- Oversight ensures gains reach and consumers



02 | WORLD FOOD INDIA 2025 TO SHOWCASE INDIA AS THE “GLOBAL FOOD HUB”



World Food India 2025 positioned India at the forefront of the global food landscape, showcasing its capabilities as a true Global Food Hub in processing, exports, and innovation. **Held from September 25 to 28 at Bharat Mandapam, New Delhi**, the event brought together global investors, policymakers, and industry leaders, demonstrating **India's potential to be a central hub for the world's food supply chain** and emerging technologies in food processing.

The summit emphasized India's attractiveness for investment in food processing. **Twenty-six domestic and international companies signed Memoranda of Understanding (MoU)** worth Rs1,02,046.89 crore, marking a historic commitment to strengthen India's global food ecosystem. These investments are expected to create **over 64,000 direct jobs and more than 10 lakh indirect employment opportunities**, further cementing India's position as a hub for production, processing, distribution, and high-value food exports.



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170508>

DIVERSE INVESTED SEGMENTS



World Food India 2025 facilitated extensive global collaboration. **Over 10,500 B2B meetings, 261 G2G sessions, and more than 18,000 reverse buyer-seller interactions connected stakeholders from over 90 countries.** Forty technical sessions on sustainability, plant-based foods, nutraceuticals, food safety, and climate-smart supply chains further reinforced India's emergence as a technologically advanced and sustainable global food hub, capable of meeting growing international demand.



Government support highlighted India's readiness to lead globally. The Prime Minister announced a **reduction in GST on biodegradable packaging from 18% to 5% and released Rs 2,518 crore in credit-linked subsidies** under the Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) Scheme, benefiting 26,000 micro food enterprises. These measures strengthen India's competitiveness, supply chain capacity, and innovative ecosystem, ensuring the country's hub status is backed by robust policy frameworks.



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171467>



Source: <https://www.jagranjosh.com/general-knowledge/world-food-india-check-objectives-feature-and-food-processing-industries-stats-1820002882-1>

Parallel events, including the 3rd Global Food Regulators Summit and the 24th India International Seafood Show, reinforced India's global food standards and export potential. By showcasing record investments, policy support, innovation, international collaboration, and cutting-edge technologies, World Food India 2025 successfully positioned India as a true Global Food Hub ready to lead the world in food processing, trade, and sustainable supply chains

How AG Group Resources Can Help You

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03

GODREJ AGROVET LTD. PARTNERS WITH MINISTRY OF FOOD PROCESSING INDUSTRIES THROUGH NON-BINDING MOU



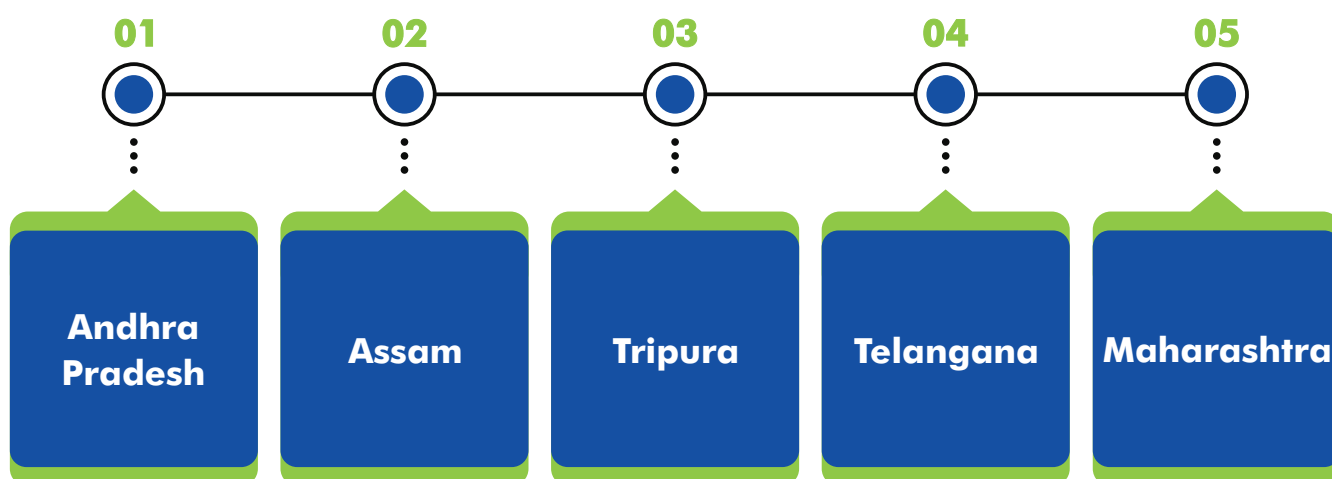
Godrej Agrovet Ltd has entered into a **non-binding Memorandum of Understanding (MoU)** with the **Ministry of Food Processing Industries (MoFPI)** for a proposed investment of **Rs 960 crore**. The collaboration, **formalized during World Food India 2025**, underscores a growing public-private alignment to strengthen India's agri-food processing sector and promote innovation-driven rural growth. It also reflects a shared intent to enhance competitiveness in India's fast-evolving manufacturing and value-chain landscape.

Under the MoU, **Godrej Agrovet plans to expand its manufacturing and processing footprint, focusing on the company's oil palm and pet food businesses**. The investment will enhance research, innovation, and value-added processing capabilities. The company aims to **establish new production units and R&D facilities** that will improve efficiency and promote sustainable farming practices. It also plans to explore new product lines catering to both domestic and export markets, with a focus on quality and traceability.



Source: <https://www.foodtechbiz.com/events/godrej-agrovet-signs-mou-with-mofpi-to-strengthen-food-processing-innovation>

STATES UNDER NON-BINDING MOU



According to the company's management, the partnership reflects its long-term commitment to India's agricultural transformation. By investing in modern processing infrastructure, Godrej Agrovet seeks to boost value creation across the **farm-to-fork chain** and strengthen its position in high-growth segments. The company also emphasized its focus on **leveraging technology and innovation** to ensure inclusivity, sustainability, and better income opportunities for farmers.



From the government's perspective, **MoFPI views this collaboration as an important step toward attracting private sector participation in food processing and rural development.** The Ministry's Secretary, Avinash Joshi, described the MoU as a reaffirmation of shared goals to build a robust agri-food ecosystem, enhance value addition, and improve rural livelihoods through industrial linkages. He also



Source: <https://www.thehindubusinessline.com/portfolio/stock-fundamental-analysis-india/godrej-agrovet-why-it-is-a-good-investment-for-those-with-a-medium-term-horizon/article68003176.ece>

industrial linkages. He also noted that such partnership can help generate employment, attract investment, and reduce post-harvest losses.



Source: <https://agrotech.space/2025/09/29/qodrej-108m-food-processing-ministry/>

Though non-binding, **the MoU signals intent to complete the proposed projects by FY 2026–27.** The initiative represents a strategic milestone that supports the government's vision of a self-reliant and innovation-driven food processing sector, fostering farmer welfare, expanding industrial capacity, and contributing to long-term rural prosperity and national economic growth.



04

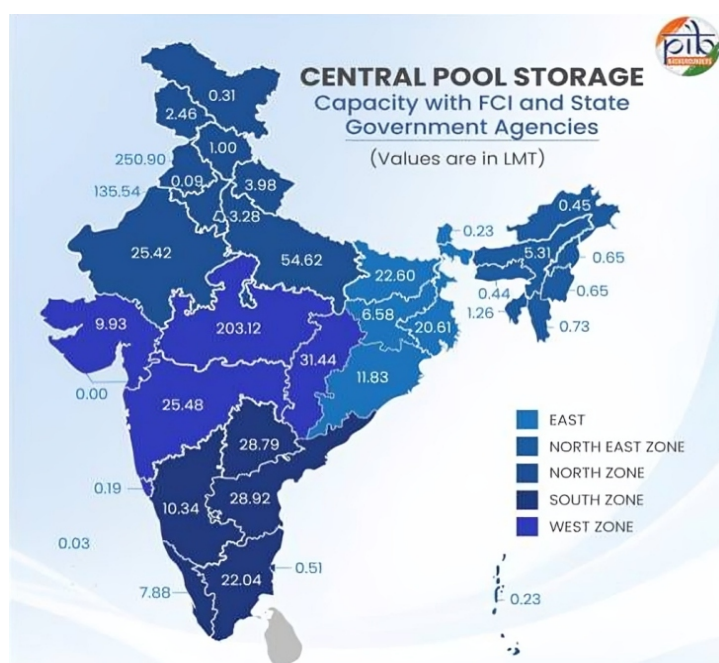
FOOD SECURITY IN INDIA STRENGTHENED BY RECORD AGRICULTURAL OUTPUT AND BETTER STORAGE



India's food security has gained fresh momentum in 2025, propelled by a historic harvest and parallel strides in storage infrastructure. **The government's Third Advance Estimates report a record foodgrain output of 353.96 million tonnes in 2024-25**, including 117.51 million tonnes of wheat and 149.07 million tonnes of rice. This surge reflects improved agronomic practices, favourable weather, and supportive policy measures.



Source: <https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2172351>



Source: <https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2172351>

However, production alone cannot guarantee food security unless matched by efficient post-harvest management and storage. Recognizing this, India has significantly expanded its storage footprint. **As of mid-2025, the Food Corporation of India (FCI) and state agencies jointly maintain a combined covered plus "cover and plinth" storage capacity of 917.83 lakh metric tonnes.** In parallel, cold storage facilities—critical for perishable produce—number 8,815 units with a capacity of 40.21 million tonnes, helping preserve quality, prevent spoilage, and improve distribution efficiency.

To deepen reach, **decentralized storage is being scaled up through Primary Agricultural Credit Societies (PACS)**. By June 2025, 5,937 new PACS had been registered, and 73,492 existing ones had been computerized, enhancing transparency, rural access, and facilitating smoother grain management across districts. Storage modernization is also underway: steel silos under public-private partnerships are being commissioned, and tenders for additional silo capacity are in the pipeline.

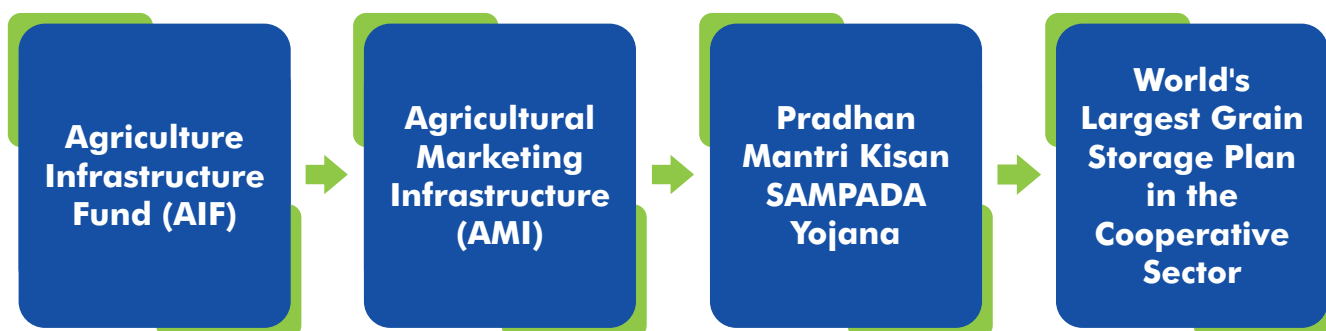
Various government interventions are supporting this infrastructure expansion, offering **financial assistance and incentives for building warehouses, cold chains, processing units, and advanced storage systems** across the country, including rural and remote areas, to strengthen food supply networks. Under these initiatives, over Rs 66,310 crore has been sanctioned for more than 1.13 lakh projects as of June 2025, further boosting storage capacity and farmer participation.





Source: <https://gokulamseekias.com/prelims-c-a/economy/primary-agricultural-credit-societies-2/>

SCHEMES UNDERPINNING INFRASTRUCTURE GROWTH



The synergy between record agricultural output and enhanced storage infrastructure is strengthening India's buffer stocks, reducing post-harvest losses, stabilizing prices, and ensuring more efficient delivery. These gains ensure that a larger share of harvested grains reaches consumers rather than being wasted, fortifying national food security and improving farmer welfare.

How AG Group Can Be a Help

To develop policies for agricultural transformations
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05 | BIHAR SET TO DRIVE INDIA'S EMERGENCE AS A GLOBAL FOOD BASKET

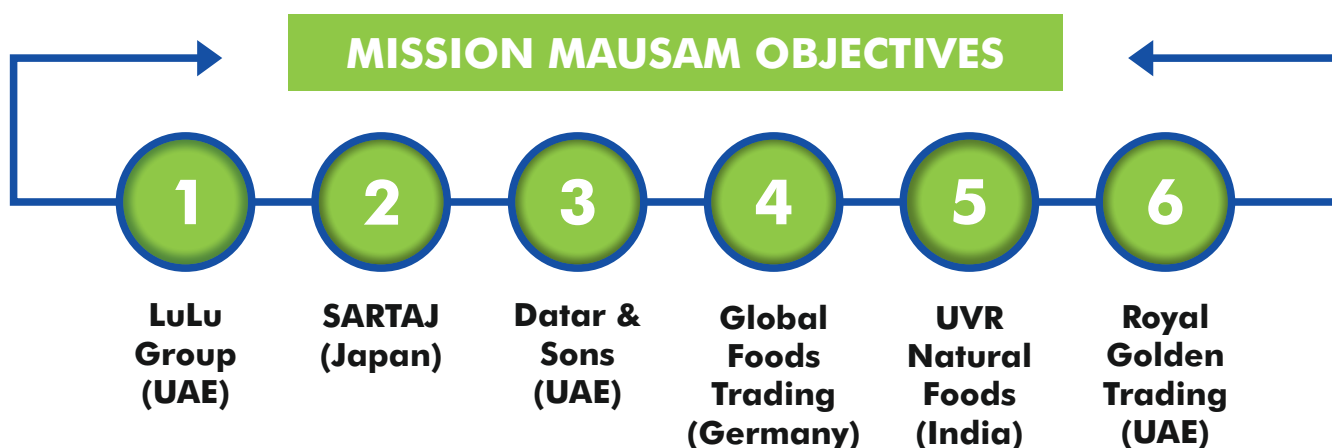


Bihar is rapidly emerging as a key player in India's journey to become a global food basket, driven by its strong agricultural foundation, policy reforms, and growing international market linkages. **The state's fertile alluvial plains, abundant water resources, and diverse crop profile give it a natural advantage in food production.** With sustained government focus on modernization, value addition, and export promotion, Bihar is transitioning from being a traditional agrarian state to a major contributor to India's global agri-trade ambitions



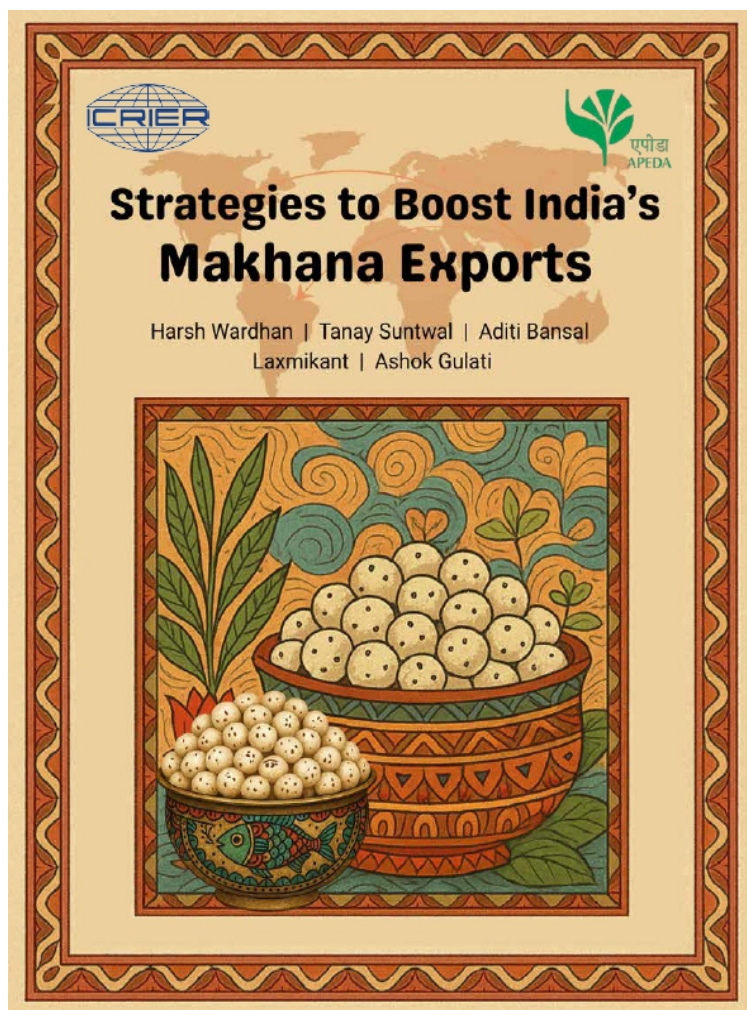
Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2129659>

In May 2025, the International Buyer-Seller Meet (IBSM) held in Patna marked a major milestone in this direction, attracting over 70 international buyers from 20 countries. More than 400 business engagements took place, connecting farmer producer organizations, MSMEs, and food processors with international markets. The event strengthened Bihar's position as a promising hub for agri-based exports and showcased its **growing capacity to meet global demand for high-quality produce.**



To strengthen this momentum, the state government and central ministries are aligning initiatives that enhance food processing and exports. **Under the PMFME scheme, Bihar has emerged as the top-performing state**, with over 10,000 loans worth Rs 620 crore sanctioned for micro food enterprises in 2024–25. A **report, titled “Strategies to Boost India's Makhana Exports,”** to boost India's makhana exports further underlines the state's commitment to globalizing its niche agri-products.

Infrastructure development is also gathering pace. The **Mega Food Park at Muzaffarpur**, approved by the Government of India, is set to become **a hub for value-added processing and export readiness**. In addition, Bihar has simplified investment procedures through a single-window system ensuring land allotments within seven days, making the state more attractive for agri-investors.



Source: <https://icrier.org/publications/strategies-to-boost-indias-makhana-exports/>



Source: <https://patnapress.com/bihar-pavilion-world-food-india-2025/>

Bihar's fertile plains support a wide range of crops which offer immense export potential. Alongside, **the state is promoting climate-resilient and sustainable farming practices to enhance productivity and adapt to changing weather conditions**. With its expanding global outreach, infrastructure growth, and farmer-centric reforms, Bihar is well on its way to driving India's emergence as a true global food basket.



06

EXPERT INSIGHT



"India's food processing sector is undergoing a transformative phase, driven by rising health consciousness, growing preference for organic and plant-based foods, and a notable shift in dietary patterns."

Yogesh Mudras
Managing Director
Informa Markets, India



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