FOOD PROCESSING

Towards Sustainable Growth Opportunities

Sector Profile

Bakery

Contents

Preface

The Indian food-processing sector has witnessed remarkable growth during the last 9 years ending 2023-24 with an Average Annual Growth Rate (AAGR) of around 6.55% as compared to around 6.06% in manufacturing at 2011-12 prices. The sector constituted as much as 7.93% share of FPI in manufacturing sector in 2023-2024. The sector is one of the largest employment providers in the organised manufacturing sector with 12.91% employment in the total registered/organised sector. This highlights its competitiveness and capacity to cater to global markets.

India is the world's largest producer of milk, pulses and jute and ranks as the second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton. It is also one of the leading producers of spices, fish, poultry, livestock and plantation crops. This abundant raw material base offers immense potential for value addition and export. Notably, India reported the processed food exports amounted to USD 10.09 billion in 2024-2025 with significant shares in processed vegetables and fruits, pulses, cereal preparations etc. Further, the sector has attracted 7.21 billion FDI inflow in the last one-decade ending 2024-25. Recognizing the sector's significance, Ministry of Food Processing Industries has extended support and incentives for creation of modern infrastructure with efficient supply chain management, creation of employment opportunities, reducing post-harvest losses, increasing the processing level and enhancing export of the processed foods.

The bakery industry is one of the key segments of food processing in India and offers substantial opportunities for expansion, innovation, and job creation. This sector encompasses a wide array of products, ranging from breakfast cereals to various items such as breads, cookies, chocolates, gums, and sugar confectionery. The growing demand for biscuits and cookies serves as a significant growth catalyst within the Indian bakery market. Moreover, there is a noticeable shift towards healthier alternatives, spurred by growing health consciousness globally. Key products with considerable potential in the Indian bakery sector include biscuits, breads, cakes, pastries, cookies, pizzas, puffs, donuts, muffins, croissants, bagels, buns, and rolls. These products showcase the diverse and evolving nature of the bakery market in India, influenced by both traditional and international cuisines.

The bakery industry in India has undergone a significant transformation in recent years, evolving from a predominantly traditional sector to a dynamic and rapidly growing market. The industry is now a critical component of the food and beverage sector, playing an integral role in the daily lives of millions of consumers across the country. This evolution is fuelled by the rapid urbanization, changing consumer preferences, and increasing demand for convenience and ready-to-eat products. In essence, the bakery and confectionery industry in India showcases significant growth opportunities both domestically and internationally. Leveraging India's rich pool of raw materials, adapting to evolving consumer preferences, and tapping into the escalating demand for healthier options are pivotal strategies. These strategies entail the development of innovative products, adoption of advanced technologies, and implementation of sustainable packaging solutions, among other initiatives.

1. Introduction

The Bread and Bakery sector is emerging as a crucial segment of India's vibrant food processing industry, offering extensive opportunities for growth, innovation, and job creation. From breakfast cereals to cookies and chocolates, the bakery and confectionery landscape in India is witnessing dynamic shifts, propelled by flourishing demand for biscuits and cookies nationwide. The growth in population, disposable incomes and changing consumer preferences, driven by factors such as western food trends, increased consumption of baked food and ready to eat (RTE) food, cloud kitchens, expanding retail, e-commerce sectors and skill enhancement are fueling the market growth and demand.

The Indian bread and bakery industry is poised for robust growth in the foreseeable future due to the increasing population and rapid urbanization. The increasing health consciousness among urban population has fueled innovation and led to the introduction of healthier alternatives such as gluten-free, sugar-free, and fortified bakery products. Consumer awareness in turn, is prompting manufacturers to introduce healthier options such as organic and nutritionally improved, gluten-free, sugar-free, low trans-fat, multi-grain, and whole wheat and fortified bakery products and invest in R&D to meet the evolving consumer demand.

In the dynamic global market, the export of baked goods from India experienced a remarkable surge between from US$ 346.7 million in FY19 to US$ 557.6 million in FY24, showcasing a CAGR of 10%, India is announcing its presence as a key player in the international bakery market. The baked goods trade constitutes 0.12% of the total world trade[1].

The consumption of bakery products has experienced a consistent upsurge and the demand for bakery products is anticipated to further increase in the coming years, driven by factors such as population growth, rising income levels, and a preference for convenient food options. The rising uptake of items such as breads and buns due to their rapid nutritional advantages, alongside the impact of cultural influences, significantly shapes the adoption of these dietary preferences.

This sector profile underscores India's strength in the baked goods sector, propelled by a supportive regulatory framework, advanced research and development (R&D) ecosystem and diverse government initiatives that enhance the sector's resilience. These factors collectively cultivate an environment conducive to growth, innovation, and the flourishing of a dynamic ecosystem catering to both domestic and international markets.

[1] https://www.imarcgroup.com/indian-bakery-market

2. Global Trends in Bakery Products

Globally, the bakery products market size reached USD 532.6 billion in 2024 and is expected to reach USD 701.1 billion by 2033, exhibiting a growth rate CAGR of 3.1% during 2025-2033. Europe currently dominates the market, holding a market share of 36.3% in 2024[2] with key players including Germany, Canada, Italy, Belgium, and France. In Asia, China has notably intensified its bakery production, spurred by the growing adoption of Western culinary practices. Moreover, several other Asian emerging economies have experienced a boom in baked goods manufacturing, owing to shifting dietary habits and the demand for convenience. The shifting consumer preferences towards ready to consume (RTC) baked goods due to busy lifestyles and significant innovation and product diversification are key factors propelling the market growth. Besides this, bakery products market share is driven by positioning of exclusivity of baked products and increasing number of e-commerce platforms, which ease access to baked food items.

The transition to online shopping is increasing consumer access to a variety of bakery items. Internet platforms offer a convenient method for consumers to explore and buy fresh baked products. E-commerce enables shoppers to find high-quality and specialized bakery items that might not be obtainable in their local area. Bakeries are embracing direct-to-consumer online sales methods, cloud kitchens, minimizing the reliance on traditional retail outlets.

2.1. Global Consumption[3]

The global consumption of bakery products has experienced a consistent uptrend and is forecasted to maintain this growth trajectory in the foreseeable future. This surge in demand for bakery items is propelled by several factors, including population expansion, evolving lifestyles, increased disposable incomes, and the growing preference for convenience foods. Another significant catalyst for growth within the bakery industry is the rising inclination towards healthier and more natural alternatives.

In 2024, bread and rolls dominated the market with 33.9% market share as bread and rolls are essential food items eaten across the globe, serving as a crucial component of diets across multiple cultures. The extensive appeal of these items guarantees a steady and considerable demand, enhancing their leading market status. They provide adaptability, making them ideal for different dining situations. The presence of whole-grain, multigrain, and artisanal choices is drawing in health-aware consumers, thus influencing its market expansion. The comparatively low-price range of bread and rolls in relation to other bakery items allows for wider consumer access, which aids in their market leadership.

Bread is a staple food in European diets for centuries, deeply ingrained in the culinary traditions. Europe's strong emphasis on quality and craftsmanship in bakery production has earned it a reputation for producing high-quality bakery products. The use of premium ingredients and artisanal techniques has attracted discerning consumers seeking authentic and delicious bakery experiences. In line with this, Europe's well-developed bakery industry is

[2] https://www.imarcgroup.com/global-bakery-product-market
[3] https://www.imarcgroup.com/bakery-products-market

characterized by a competitive landscape with numerous established players and bakeries of all sizes, catering to various consumer segments. This vibrant and competitive market environment fosters continuous innovation and product diversification, keeping the bakery products market dynamic and responsive to evolving consumer preferences.

Asia-Pacific region is also experiencing rapid growth for baked products due to more adoption of westernized diets and an increased disposable income. It is gradually replacing traditional staple breakfast foods as bread is cheaper and easily available compared to other substitutes, especially within China and India. The per capita consumption of baked items in China is around 7.2 kg/year, whereas around 22 kg is consumed in Japan[4]. The growth in quick-service restaurants is increasing the demand for bread, which has been a massive change in India's bakery industry. Customers are becoming more accustomed to western-style baked goods due to the growth of international brands in the region. E-commerce sites and local bakeries are increasing the availability of bakery goods, which is positively impacting the bakery products market.

2.2. Global Trade Scenario[5]

The global bakery products sector under HS 190590 has exhibited robust and consistent growth over the last five years, with total world exports increasing from USD 23.12 billion in 2020 to USD 36.61 billion in 2024, reflecting a compounded momentum driven by evolving consumer preferences and expanding international markets.

Table 1: Top countries with a significant growth

Exporting country	Revenue USD billion (2020)	Revenue USD Billion (2024)
Canada	2.24	4.27
Germany	2.91	3.78
Italy	1.75	2.86

Table 2: Other Global growth markets

Exporting Country	Revenue USD Billion (2024)
France	2.62
Belgium	2.49
USA	2.17
Poland	1.75
Spain	1.59

[4] https://www.fas.usda.gov/data/china-s-rising-bakery-sector?utm_
[5] https://www.trademap.org

Between 2020 and 2024 the exports of Baked Goods grew by more than 8.6%, from USD 38.05 billion to USD 54.4 billion.

The top exporters of Baked Goods in 2024 were Germany (USD 5.86 billion), Canada (USD 5.73 billion), Italy (USD 4.66 billion), Belgium (USD 3.82 billion), Poland (USD 3.46 billion), France (USD 3.22 billion), and Netherlands (USD 3.1 billion) .

In terms of import, USA imported baked goods at the highest value of USD 11.65 billion followed by United Kingdom (USD 4.61 billion), Germany (USD 3.95 billion), France (USD 3.34 billion) Netherlands (USD 2.3 billion) and Canada (USD 2.27 billion)[6].

Table 3: World bakery products export trends: HSN Code 1905 (USD billion)

S.No.	Year	Exported Value
1.	2020	38.05
2.	2021	44.37
3.	2022	49.03
4.	2023	56.7
5.	2024	54.4

Figure 1: Global Export Trends in USD billion[7]

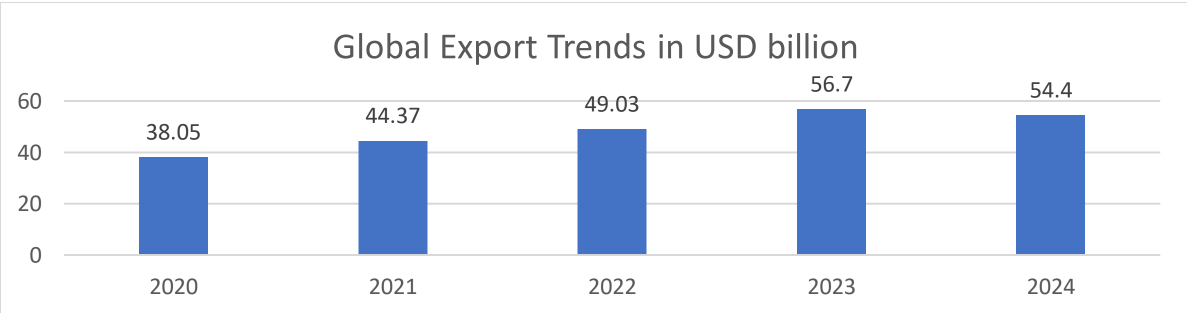


Table 4: Top global exporters of bakery products: HSN Code 1905

World	**58.57**	**100**
Germany	5.86	10.005
Canada	5.73	9.78
Italy	4.66	7.95
Belgium	3.82	6.52
Poland	3.45	5.89

[6] www.trademap.org

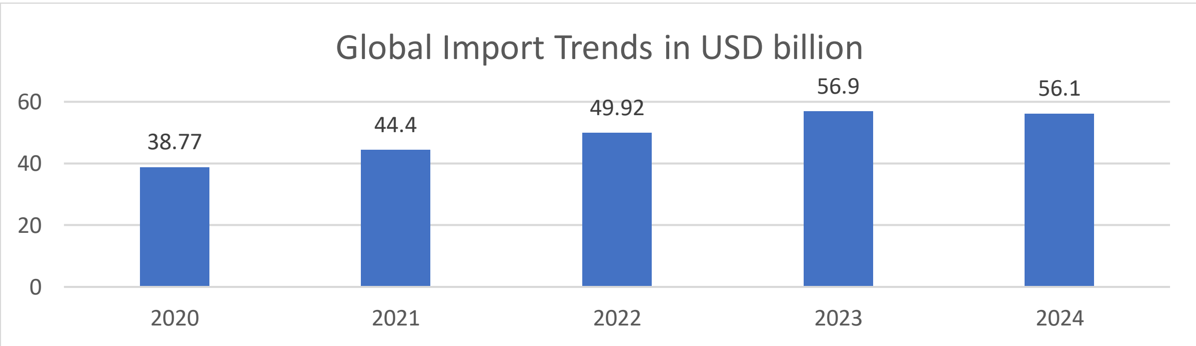
[7] Ibid

France	3.22	5.49
Netherlands	3.12	5.32
Mexico	2.77	4.72
United States of America	2.63	4.49
Spain	2.14	3.65
India	**0.557**	**0.95**

Table 5: World bakery products import trends: HSN Code 1905

S.No.	**Year**	**Imported Value (USD billion)**
1	2020	38.77
2	2021	44.40
3	2022	49.92
4	2023	56.9
5	2024	56.1

Figure 2: Global Import Trends in USD billion[8]



[8] Ibid

Table 6: Top Global Importers of Bakery products: HSN Code 1905

World	**59.44**	**100**
United States of America	11.65	19.59
United Kingdom	4.62	7.77
Germany	3.96	6.66
France	3.34	5.61
Netherlands	2.30	3.87
Canada	2.27	3.81
Belgium	1.99	3.34
Italy	1.40	2.35
Australia	1.12	1.88
Spain	1.10	1.85
Australia	1.02	1.71
India	**0.0465**	**0.078**

In 2024, the world's most traded Baked Goods, categorized according to their HS level, were:

- Communion Wafers, Rice Paper & Bakery Wares (USD 35.1 billion)
- Sweet biscuits, waffles and wafers (USD 17.8 billion)
- Rusks, toasted bread and similar toasted (USD 1.25 billion)
- Gingerbread and others (USD 0.445 billion)

Industry Developments: The bakery industry is experiencing significant transformation driven by evolving consumer preferences and technological advancements in production processes. The integration of automation and digital technologies in bakery operations has revolutionized production efficiency and product consistency.

- **Technological Advancements**: Automation and AI are being integrated into production lines to increase efficiency and consistency
- **Sustainability**: There's a growing emphasis on sustainable sourcing of ingredients and eco-friendly packaging solutions.
- **Frozen Baked Goods**: The frozen bakery segment is expanding, offering convenience without compromising on taste or quality.
- **Surge in Plant-Based, Fortified and Alternative-Protein Baked Goods:** The vegan pastry sub-category alone is projected to reach ~USD 628 million by 2035 (6.5 % CAGR 2025-35), reflecting sustained consumer migration away from dairy- and egg-based formulations.[9]
- **End-to-End Digitalisation via DTC E-Commerce & Blockchain Traceability:** The bakery industry is rapidly embracing end-to-end digitalisation through Direct-to-Consumer (DTC) e-commerce models, enabling personalised customer engagement and efficient distribution. Blockchain-based traceability is enhancing transparency across the supply chain, ensuring ingredient authenticity, food safety, and brand trust. This digital transformation supports agile inventory management and real-time consumer insights, crucial in a highly competitive and perishable segment.
- **Expansion of Allergen-Free & Gluten-Free Lines:** Global gluten-free bakery sales are expected to climb from USD 7.2 billion in 2025 to USD 10.5 billion by 2030 (7.9 % CAGR), by diagnosed celiac prevalence (1 % globally) and a wider "free-from" lifestyle cohort.[10]

[9] https://www.futuremarketinsights.com/reports/vegan-pastry-market
[10] https://www.mordorintelligence.com/industry-reports/global-gluten-free-bread-products-cookies-snacks-market-industry

3. Overview of the Bakery Market in India

The bakery industry is one of the largest segments in the food processing sector in India, offering huge opportunities for growth, innovation and job generation. Additionally, breads emerge as another product category witnessing remarkable growth, particularly with the increasing adoption of breads in the dietary habits of rural regions across the country. Furthermore, the increasing demand for fast-food, busy lifestyles changing eating habits and western influences collectively fuel a robust demand for bakery products in India.

In 2024, India's bakery industry was valued at approximately USD 13.8 billion, marking a significant growth trajectory in the country's food processing sector. The market is projected to make a steady growth at a Compound Annual Growth Rate (CAGR) of 9.12%**,** would be reaching around USD 31.5 billion by 2033[11]. High-protein bakery products, a niche segment, including items like high-protein bread and cookies are expected to grow in Indian market share by 2030. [12]

The Indian bakery ingredients market is segmented based on type and applications. In terms of type, it is categorized into baking enzymes, fats and shortenings, leavening agents, emulsifiers, enzymes, sweeteners, colors and flavors, preservatives, and other varieties. In terms of applications, it is segmented into bread, cakes and pastries, rolls and pies, cookies and biscuits, and other uses.

3.1. Market Overview

Regarding specific product categories within the baked goods sector, India demonstrates significant prowess in the biscuit market, experiencing a notable surge in value shipments in 2024.

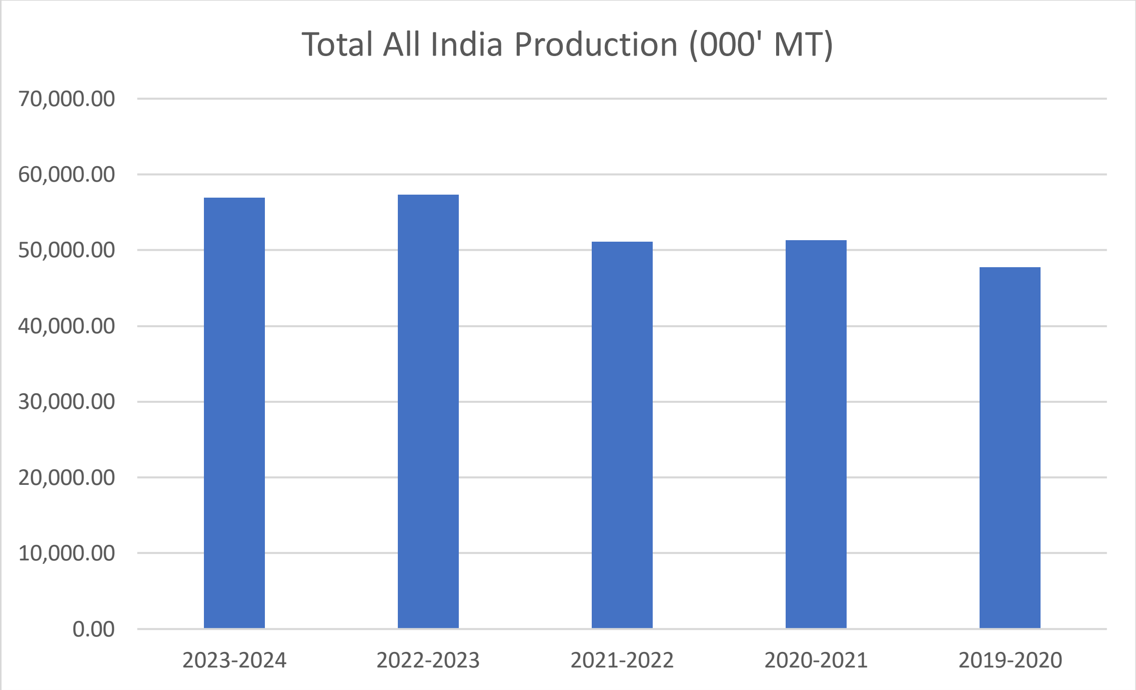
Additionally, breads emerge as another product category witnessing remarkable growth, particularly with the increasing adoption of breads in the dietary habits of rural regions across the country. Furthermore, the increasing demand for fast-food, busy lifestyles changing eating habits and Western influences collectively fuel a robust demand for bakery products in India.

[11] https://www.imarcgroup.com/indian-bakery-market

[12] Ibid

3.2 Key Trends in the Bread and Bakery Market in India

Figure 3: Bakery raw material (coarse cereals) production in India trend[13]



3.3 Bakery Manufacturing Clusters in India[14]

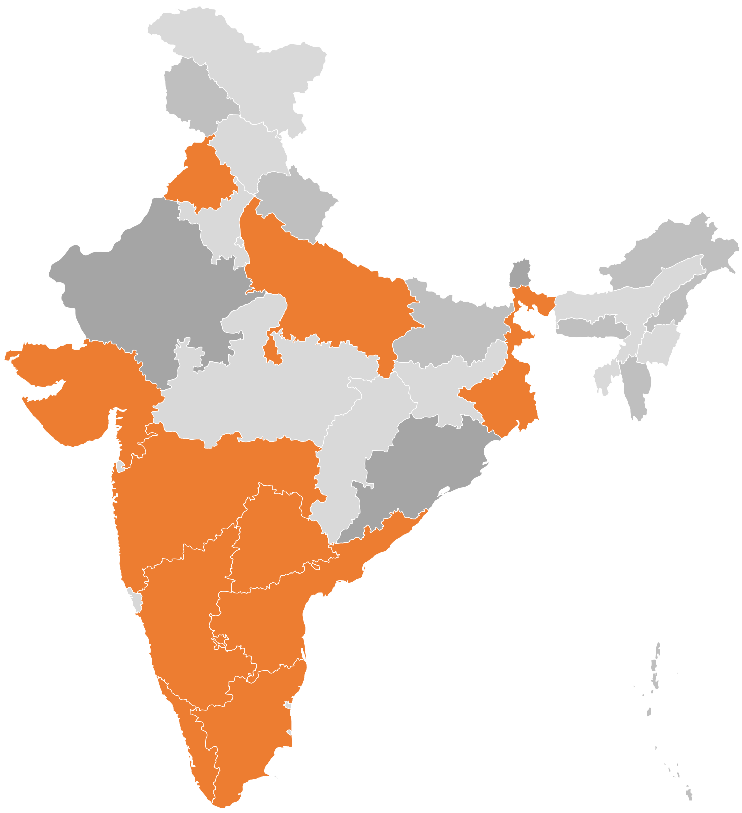
Southern India dominates the market for biscuits and cookies segment while the bakeries segment is spread across all the regions. Top 10 states account to 84% of total employment in the bread and bakery industry. Top ten states in bakery manufacturing in India are as below:

- **Maharashtra**: Home to major urban centres like Mumbai and Pune, Maharashtra boasts a robust bakery industry. The state is a significant exporter of bakery products, including rusks and toasted breads. Companies like General Mills have expanded operations here, with a new Pillsbury plant in Nashik.
- **Gujarat**: Known for its industrial prowess, Gujarat is a leading exporter of sweet biscuits and toasted bakery items. Cities like Ahmedabad and Rajkot serve as hubs for bakery manufacturing and exports.
- **Karnataka**: With a strong presence in both manufacturing and consumption, Karnataka is notable for its bakery industry. Bangalore, in particular, has been dubbed the "Cake Capital" of India, recording 8.5 million cake orders in 2023 .
- **Tamil Nadu**: The state has a well-organized bakery sector, with cities like Chennai and Coimbatore leading in production. The Tamil Nadu Bakers Federation actively promotes the industry, hosting events like the India Bakery Expo 2024.

[13] https://www.rbi.org.in/scripts/PublicationsView.aspx?id=22853
[14] https://www.mofpi.gov.in/sites/default/files/detailed_skill_study_report_-final.pdf

- **Kerala**: Kerala's bakery industry is characterized by its organized structure and innovation. Local companies, such as Craze Biscuits, have launched new products to meet rising demand for indigenous baked goods .
- **Uttar Pradesh**: As one of India's most populous states, Uttar Pradesh has a significant bakery manufacturing sector, catering to both urban and rural markets. The state is a major consumer of low-price high-nutrition (LPHN) biscuits .
- **West Bengal**: With a rich culinary heritage, West Bengal has a thriving bakery industry. The state is among the top consumers of LPHN biscuits, reflecting a strong demand for affordable baked goods .
- **Telangana**: Telangana is a significant exporter of sweet biscuits, with Hyderabad serving as a central hub for bakery manufacturing and distribution .
- **Andhra Pradesh**: The state's bakery sector is growing, supported by its agricultural base and increasing urbanization. Andhra Pradesh contributes to both production and consumption of bakery products .
- **Punjab**: Known for its food processing industry, Punjab houses prominent bakery companies like the Bonn Group of Industries, which produces a variety of bakery products for domestic and international markets.

Figure 4: Top 10 Indian states in the bakery sector ■: (States marked orange are the top ten)



3.4 Indian Trade Scenario[15]

The surging population in India is a key catalyst for the increasing demand for bakery food products, serving as a pivotal driver for market expansion. Furthermore, the rising consumption convenience food ie. bread, biscuits, and other fast-moving consumer goods (FMCG) is adding momentum to this upward trajectory. Regarding specific product categories within the baked goods sector, India demonstrates significant prowess in the biscuit market.

In 2024, India exported approximately $611,320 thousand worth of HS code 1905 products including bakery products. The primary export destinations are below:

Table 7: Top Importers of Indian Bakery Products in 2024: HSN Code 1905

Importers	Value exported in 2024 (USD million)	Share in India's exports (%)	Share of India in the partner's imports
United States of America	109.90	31%	0.0013
United Arab Emirates	48.29	14%	0.0012
United Kingdom	35.75	10%	0.0086
Canada	33.3	10%	0.0106
Saudi Arabia	23.17	7%	0.0615
Australia	20.71	6%	0.0236
Dominican Republic	19.08	5%	0.0340
South Africa	15.40	4%	0.0018
Kenya	15.19	4%	0.0030
Nepal	14.97	4%	0.0276

Table 8: Top supplying markets for the product imported by India in 2024: HSN 1905

Exporters	Value imported in 2024 (In USD million)	Share in India's imports (%)
Indonesia	36.74	35%
Malaysia	24.49	24%
Bangladesh	23.84	23%
United Arab Emirates	3.06	3%
Belgium	1.95	2%
Thailand	1.77	2%
Italy	1.61	2%
Egypt	1.35	1%
Viet Nam	0.93	1%
United Kingdom	0.92	1%

[15]https://www.trademap.org

Table 9: Top exported products in India: Commodity wise (8-digit HSN Code)

HS Code	Commodity	2024 (USD million)	%Share Of Total Bakery Exports
19053100	Sweet biscuits	349.01	57%
19059090	Other bakers' wares (including communion wafers, sealing wafers, rice paper, and similar products)	204.56	33%
19053200	Waffles and wafers	30.05	5%
19054000	Rusks, toasted bread, and similar toasted products	26.92	4%
19051000	Crispbread	0.71	0%
19052000	Gingerbread and similar baked products	46	0%
1905	**India's Total Export**	**6,11,320**	

Table 10: Top imported products in India: Commodity wise (6 digit HSN Code)

HS Code	Commodity	2024	%Share
190590	Other bakers' wares (e.g., pizza bases, communion wafers, rice paper)	68.42	66%
190531	Sweet biscuits (e.g., cookies, flavored biscuits)	13.75	13%
190540	Rusks, toasted bread, and similar toasted products	12.54	12%
190532	Waffles and wafers	8.8	8%
190510	Crispbread	0.07	0%
190520	Gingerbread and similar products	0.05	0%
1905	**India's Total Import**	**1,03,665**	

As per the official trade statistics, the export value of bakery products (HS Code 1905) from India rose to USD 611.32 million in 2024, reflecting continued demand across key international markets. Within this, sweet biscuits accounted for the largest share at USD 349.01 million, contributing 57% of India's total bakery exports, followed by other bakers' wares at USD 204.56 million (33%), and waffles & wafers at USD 30.05 million (5%). Rusks, toasted bread, and similar toasted products contributed USD 26.93 million (4%), while smaller contributions came from crispbread and gingerbread categories.

3.5 Key Industry Players

The Indian bakery and cereals market has witnessed significant growth both in terms of value and volume in recent years. Notable players in the Indian bakery industry include:

Table 11: Key Industry Players

Key Player	Description
Britannia Industries Ltd.	One of India's largest bakery brands; produces biscuits, breads, cakes, and dairy products.
Parle Products	Famous for Parle-G, it is a major biscuit and baked snacks manufacturer with vast rural reach.
ITC Ltd.	Operates Sunfeast and other brands; diversified bakery and packaged food portfolio.
Parle Products Pvt. Ltd.	Often merged in reference with Parle Products, involved in biscuits and snack food production.
Surya Foods & Agro Ltd.	Maker of the "PriyaGold" brand, produces cakes, cookies, rusks, and biscuits at scale.
Mrs. Bectors Food Specialities Ltd.	Known for 'Cremica' and 'English Oven' brands; bakes breads, biscuits, and sauces for retail and QSR.
Nestlé India	Produces breakfast products and cakes; operates bakery categories under global standards.
Monginis	National bakery chain offering cakes, pastries, snacks, and packaged desserts.
Fresho	Fresh baked goods brand by BigBasket; offers breads, buns, and croissants for metro markets.
Harvest Gold (Grupo Bimbo)	Leading bread and bun brand in northern India, now owned by Grupo Bimbo (Mexico).
Bonn Nutrients Private Limited	Punjab-based brand producing breads, cakes, and cookies with strong North Indian presence.
Modern Foods	One of India's oldest bread brands, now modernized under Everstone Capital and Grupo Bimbo.
English Oven	Premium bakery brand under Mrs. Bectors; known for artisanal breads

3.6 Key Growth Drivers

The baked goods sector in the country is experiencing significant growth driven by several key factors:

- **Demographics**:
  India boasts the world's largest population, and with a growing preference for baked goods in dietary consumption, the demand is expected to escalate in the coming years. Many companies are strategically targeting rural and semi-urban demographics by introducing innovative products in smaller and more affordable packages, aiming to deepen brand penetration and boost sales volume nationwide.
- **Shifts in Consumption Trends:**
  Convenience is the primary driver for the bakery market. Prevalent fast-paced lifestyle with long working hours increases the demand for convenience foods across various segments of food processing value chain. Furthermore, growing urbanization and high spending capacity also play an essential role in surging the demand for convenient food.

- **Rising Disposable Incomes:**
  India has witnessed a consistent uptick in disposable incomes, propelled by the proliferation of dual-income households and swift urbanization. Consequently, there is an escalating inclination towards bakery products among consumers.

- **Growing Consumer Preference Towards Healthy Snacks:**
  Across India, there's a notable upswing in consumer inclination towards healthier snacking choices, with a particular focus on options like whole wheat and multi-grain bakery products. Recognizing this shift in consumer behavior, baked goods manufacturers are diversifying their product offerings to include a variety of nutritious bakery items, aiming to meet the evolving preferences of the market.

4. Investment Opportunities in Bakery Sector in India

Bread and Bakery is one of the largest segments in the India's food processing sector and offers huge opportunities for growth, innovation, and job generation. Some of the key high potential opportunities in Bakery Sector are listed below.

4.1. Higher Opportunities for Bakery Products

- **Expanding Product Portfolio:**
  While biscuits and breads maintain a stronghold in the Indian bakery market, there's room for diversification to meet shifting consumer demands. Introducing novel and healthier alternatives, such as gluten-free or organic bakery products, presents an opportunity to capture the growing segment of health-conscious consumers, thereby broadening market reach and enhancing competitiveness.

- **Expansion in Fast-Food Chains:**
  The expansion of fast-food chains in India offers a promising opportunity for suppliers of bakery products. Partnering with fast-food chains to supply items such as buns, rolls, and bread for sandwiches and burgers has the potential to drive up the demand for bakery products.

- **Convenience and Snacking Segment:**
  The Convenience and Snacking Segment has witnessed a remarkable rise in popularity driven by the demands of modern, hectic lifestyles and shifting dietary preferences. This surge has seen a growing inclination towards bakery items that offer both convenience and delicious snacking options. Ready-to-eat or grab-and-go treats such as cookies, muffins, and energy bars cater perfectly to consumers who prioritize convenience in their food selections.

- **Premium and Artisanal Products:**
  Although mass-produced bakery items currently hold a significant share in the market, there is an increasing desire for premium and artisanal bakery goods. Taking advantage of this trend by providing top-quality, handmade bakery items can appeal to discerning customers who are prepared to invest extra for distinctive and gourmet products.

- **Online and Direct-To-Consumer Sales:**
  In India, e-commerce platforms have witnessed remarkable popularity, presenting bakery product manufacturers with a chance to directly engage with consumers. By establishing a digital presence and providing home delivery services, manufacturers can capitalize on the expanding online market and extend their reach to a broader customer demographic.

- **Health and Wellness Focus:**

  As health and wellness awareness continues to rise, there is an escalating need for bakery items crafted from natural and wholesome ingredients. Incorporating elements such as reduced sugar content, whole grains, and functional additives like nuts, seeds, fruits, and superfoods into product development is becoming increasingly important. These components offer additional health advantages such as antioxidants, omega-3 fatty acids, and essential vitamins, appealing to health-conscious consumers and setting products apart from competitors.

Key products with high potential in the Bakery Sector:

BISCUITS A major product category with a wide range of flavours and varieties.	**BREAD** Growing consumption, particularly in rural regions, used in sandwiches, burgers, and as an accompaniment to meals.
CAKES Popular for celebrations and occasions, including sponge cakes, fruit cakes, and cupcakes.	**PASTRIES** Both sweet and savory options, such as puff pastries and cream-filled pastries.
COOKIES A favorite snack item available in various flavours and textures	**PIZZAS** Increased demand for pizza bases and crusts due to the growing popularity of pizzas.
PUFFS Savory snacks made with flaky pastry and filled with vegetables, meat and cheese	**DONUTS** Gaining popularity, with a variety of flavours, toppings, and fillings.
MUFFINS Sweet and savory options, suitable for breakfast and snacking.	**CROISSANTS** Classic French pastries enjoyed for breakfast or with tea/coffee.
BAGELS Increasingly available, used for breakfast or as a base for sandwiches	**BUNS & ROLLS** Used in fast-food preparations and snacks like pav buns, burger buns, and hot dog rolls

5. Government Interventions for Supporting Bakery Sector

The Government of India has taken up various initiatives to boost food processing sector including bakery sector in India.

5.1. Pradhan Mantri Kisan Sampada Yojana (PMKSY)[16]:

Ministry has been implementing Central Sector Umbrella Scheme –Pradhan Mantri Kisan Samapada Yojana(PMKSY) since May, 2017 across the country including NER with an allocation of Rs. 6,000 Crores for the period 2016-20 co terminus with the 14th Finance Commission Cycle. A new scheme "Operation Greens (OG)" was introduced in PMKSY in November, 2018 for integrated development of value/supply chain of tomato, onion and potato (TOP) crops in selected States on pilot basis with an outlay of Rs 500 Crores, which was subsequently extended to all notified crops and later to 22 perishables. Continuation of restructured PMKSY during 15th Finance Commission cycle i.e. till 31.03.2026 has been approved with an allocation of Rs. 5520 crores with following component schemes-

- Integrated Cold Chain and Value Addition Infrastructure
- Creation/ Expansion of Food Processing and Preservation Capacities (Unit Scheme)
- Infrastructure for Agro-processing Clusters
- Food Safety and Quality Assurance Infrastructure
- Human Resources and Institutions –Research & Development
- Operation Greens

The component schemes of Mega Food Park, Creation of Backward & Forward Linkages, Human Resource & Institution - Promotional Activities, Skill Development & HACCP, a component of Food Safety and Quality Assurance Infrastructure have been discontinued in the 15th FC cycle with the provision of committed liability.

Under constituent component schemes of PMKSY, the MoFPI provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organizations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. for setting up of food processing/preservation industries. Financial assistance to the eligible applicant is provided as per the Scheme guidelines and against the Expression of Interest issued by the Ministry from time to time to enable them to set up various food processing/preservation projects.

5.2 PM Formalization of Micro Food Processing Enterprises (PMFME):

MoFPI is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" under Aatma Nirbhar Bharat Abhiyaan initiative for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational from 2020-21 to 2025-26 with an outlay of Rs 10,000 Crore. Two lakh micro food processing units will be directly assisted with credit linked subsidy, capacity building and marketing and branding support.

[16] https://sampada-mofpi.gov.in/

The objectives of the scheme are as under:

i) Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
ii) Integration with organized supply chain by strengthening branding & marketing;
iii) Support for transition of existing 2,00,000 enterprises into formal framework;
iv) Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;
v) Strengthening of institutions, research and training in the food processing sector; and
vi) Increased access for the enterprises, to professional and technical support

The scheme aims to:

i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

One District One Product:

PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP scheme provides the framework for value chain development and alignment of support infrastructure. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding. These provisions would primarily be for ODOP products.

5.3 Production Linked Incentive Scheme for Food Processing Industry (PLISFPI):

For enhancing India's manufacturing capabilities and improving exports, in November 2020, Government gave approval to introduce the Production-Linked Incentive (PLI) Scheme in 10 key sectors, including food processing sector. The Union Cabinet approved the Production Linked Incentive (PLI) Scheme for the food processing industries on 31.03.2021 with a total outlay of Rs. 10,900 crores to be implemented over six years from 2021-22 to 2026-27.

The food segment identified includes Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese, and production of Innovative/ Organic products of SMEs including Free Range - Eggs, Poultry Meat, Egg Products. The scheme would also support for branding and marketing abroad to incentivise emergence of strong Indian brands for in-store Branding, shelf space renting and marketing.

The Scheme supports food manufacturing entities with stipulated minimum sales and willing to make minimum stipulated investment for expansion of processing capacity and Branding abroad to incentivise emergence of strong Indian brands. It aspires to not only support creation of global food manufacturing champions, but also to strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets, increase employment opportunities of off-farm jobs and ensue remunerative prices of farm produce and higher income to farmers.

6.R&D and Skill Development Ecosystem for Baked Goods

In India, the research and skill development framework for the baked goods sector is spearheaded by esteemed institutions such as NIFTEM, CSIR-CFTRI, and the Indian Institute of Skill Development Training. Moreover, industries complement these efforts by providing in-house training. The table below outlines some of the prominent institutions that serve as the cornerstone of India's R&D ecosystem in this domain.

Table 12: Key Institutions and Highlights

Institutions	Highlights
National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) -Kundli	• MoFPI established the NIFTEM at Kundli, Haryana in 2012. • NIFTEM currently offers several courses and undertakes R&D projects in dairy processing and food technology • The Institute also has a small bakery unit for student research, demonstrations and product development trials.
National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) - Thanjavur	• Previous known as Indian Institute of Food Processing Technology (IIFPT), NIFTEM – T is an Institute of NationalImportance (INI) • NIFTEM-T currently offers courses and undertakes R&D projectsin the area of dairy and food processing • The institute is designated as Centre of Excellence for non-thermal processing
Central Food Technological Research Institute (CSIR – CFTRI) - Mysore	• Established in 1950, CFTRI is headquartered in Mysorewith resource centers in Lucknow • Houses a dedicated R&D department for Flour milling, Bakingand Confectionery Technologies • CFTRI focuses on the following key areas - Food engineering sciences - Technology development - Translational research - Food protection and safety
Others	• Ministry of Skill Development & Entrepreneurship: Baker & Confectioner Trade (Duration: One Year) • National Skill Development Corporation (NSDC) & its Partners • Indian Institute of Skill Development Training • In-house R&D training centers and skill development led byindustry (Britannia, Parle etc.)
Agriculture Institutions	• All 63 State Agriculture Universities, 7 Central Agriculture Universities, and 4 ICAR Deemed Agriculture Universities – total 74

Conclusion

The bakery industry in India is poised for substantial growth in the coming years, driven by changing consumer preferences, rising disposable incomes, growing urbanization & product reach, changing lifestyles and technological advancements. Despite challenges such as high competition, ingredient sourcing, and infrastructure requirements, the industry offers significant opportunities for established players and aspiring entrepreneurs. By leveraging innovation, catering to evolving consumer demands, maintaining product quality, government's proactive initiatives and benign support, robust regulatory framework, companies can unlock the tremendous potential that the Indian bakery market holds.

In addition, nurturing skill development, supporting small-scale producers, and forging partnerships among industry stakeholders can further enhance the sector's prosperity. Embracing digital technology, embracing AI for cost efficiency, leveraging e-commerce platforms, and implementing effective marketing strategies can also improve market penetration and consumer engagement.

In conclusion, with the support of the government, regulatory oversight, and industry initiatives, the Indian bakery and confectionery sector is poised for significant expansion. Through consistent efforts and collaborations among the government, industry players, and consumers, India can fully realize the potential of this sector.

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