INDIAN FOOD INDUSTRY AND FESTIVALS FOR VIKSHIT BHARAT: ISSUES AND POLICY INITIATIVES

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Abstract: *India's festivals highlight the country's cultural diversity, driving economic growth through increased consumer spending in various sectors like food, retail, and travel. Festivals also create job opportunities in retail, catering, logistics, and delivery services, supporting both rural and urban workers. However, challenges such as maintaining quality standards, waste management, and price fluctuations need to be addressed for sustainable growth in the food industry. Sustainable practices, technological innovations, and inclusive business models are crucial for India's food ecosystem to thrive and align with the vision of Vikshit Bharat. Encouraging organic farming, reducing food waste, and supporting small-scale producers are key steps towards creating a resilient food system. Public policies that incentivize sustainability and support local producers are essential for achieving a developed and self-reliant India. By emphasizing sustainability, inclusivity, and innovation, India's food industry can contribute significantly to the country's economic development and overall growth.*

Keywords: Food Industry, Indian Festivals, Vikshit Bharat, Food Ecosystem and Sustainable Development

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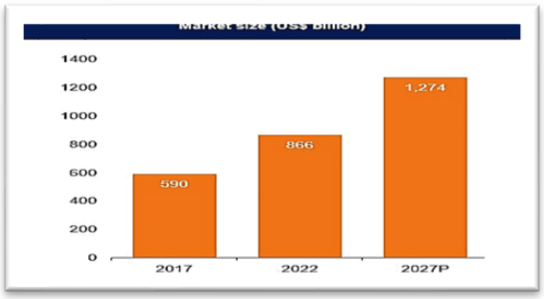
Introduction

India is the 5th largest economy in the world with GDP growth estimated to be around 8% in FY24. The food processing sector has become a key factor to India's economy over the past few years, credits to progressive policy measures by the Ministry of Food Processing Industries. The sector has performed exceptionally well with an impressive average annual growth rate of 7.3% from 2015 to 2022. It has significantly contributed to national income, employment, and investment, accounting for 10.54% of gross value addition in manufacturing and 11.57% in agriculture sector in 2020-21. Gross value addition in Food Processing sector has increased from Rs. 1.61 lakh crore in 2015-16 to Rs. 1.92 lakh crore in 2022-23.

India is one of the largest populated countries in the world and is expected to continue having one of youngest populations in the world till 2030. The growing consumption of food is expected to reach US$ 1.2 trillion by 2025-26, owing to urbanization and changing consumption patterns. The processed fruits and vegetables industry was valued at US$ 15.4 billion in 2019.



The market size of food processing sector in India is estimated to reach US$ 1,274 billion in 2027 from US$ 866 billion in 2022, backed by the rise in population, changing lifestyle and food habits due to rising disposable income and urbanization.

Food and grocery market in India is the sixth largest in the world. Food processing industry contributes 32% to this food market and is also one of the largest industries in the country, contributing 13% to total export and 6% of industrial investment. The food processing industry, within the registered factory sector, employs about 1.93 million people while the unregistered sector also employs approximately 5.1 million workers.

Source: www.ibef.org

The festivals of India reflect the cultural diversity of the country, with each state having its own unique traditions and celebrations. From Diwali, Holi, Eid and Christmas to regional festivals like Pongal, Baisakhi and Onam, every event revolves around rituals, food and social gatherings. These festivals encourage higher consumer spending, creating a ripple effect across industries. Families and businesses spend on food, clothing, gifts, decorations and travel, contributing to the festive boom in the economy.

During Diwali, people buy sweets, dry fruits and snacks in large quantities, which contribute up to 30-40% of the annual revenue of many food businesses.

Similarly, consumption of traditional dishes like biryani and vermicelli increases on Eid, while Christmas sees high demand for cakes, cookies and chocolates. This increase in spending boosts the FMCG (fast-moving consumer goods) sector, retail businesses and local food producers.

Festivals also promote employment. During these peak seasons, temporary jobs are created in retail, catering, packaging, logistics and delivery services, benefiting workers in both rural and urban areas. Additionally, festive tourism—such as visiting Kolkata during Durga Puja or Mumbai during Ganesh Chaturthi—contributes significantly to the hospitality industry. These celebrations promote community bonding and philanthropy, making festivals an important cultural and economic asset for India's development.

LITERATURE REVIEW

The Indian food industry is a pivotal sector that significantly influences the country's economy and food security for its growing population. This literature review synthesizes research on entrepreneurship, technological advancements, and the socio-economic role of food festivals, highlighting their collective impact on the industry's sustainability and growth.

Entrepreneurship is essential for the economic growth of the Indian food industry. Research by Keilbach et al. (2009) emphasizes the role of venture capitalists in supporting entrepreneurs in the biotechnology sector, showcasing a broader context of investment in food-related ventures. Singh et al. (2017) further stress the importance of food processing industries in Uttar Pradesh, identifying the promotion of micro agri-entrepreneurship and the development of entrepreneurial skills among farmers as crucial for enhancing their economic contributions and breaking the low-income equilibrium trap.

Technological innovation plays a vital role in the productivity and sustainability of the Indian food industry. Kumar et al. (2008) provided a framework for understanding productivity growth through the Malmquist Productivity Index, which assesses the contributions of technological and efficiency changes. Singh et al. (2019) highlighted the transformative potential of Information and Communication Technology (ICT) for Small and Medium Enterprises (SMEs), suggesting that technology adoption enhances productivity and competitiveness. Moreover, the application of innovative methods, such as radiation processing of food (Bhoir et al., 2023), illustrates ongoing efforts to improve food safety and shelf life sustainably.

Since the 1990s, the Indian agriculture sector has shifted from a cereal-based system to a focus on high-value crops (HVC) (Birthal et al., 2014). This transformation necessitates regional strategies for sustainable and inclusive agricultural growth. The emergence of the organic food industry, driven by both domestic and export demand (Manaloor et al., 2016), reflects this shift, indicating a growing market for sustainable practices.

Food festivals are recognized as significant public goods, generating economic and social returns that foster community well-being. Gaur et al. (2015) explore the Ganesh Chaturthi festival's multifaceted impacts, emphasizing its cultural and economic contributions beyond mere entertainment. Studies on local food festivals, such as Cela et al. (2007), demonstrate that these events attract specific demographics, contributing to local economies.

The Indian food industry faces several challenges related to sustainability, as outlined by Darbari et al. (2018), who identify barriers that hinder the adoption of sustainable practices across the food supply chain. Kapse et al. (2023) examine the impact of sustainable packaging on consumer behavior, underscoring the importance of aesthetics in promoting environmentally responsible products. Additionally, utilizing poultry slaughter waste in pet nutrition (Kumar et al., 2024) presents a sustainable approach that could enhance both nutritional benefits and environmental sustainability.

THE FOOD INDUSTRY: AN ECONOMIC DRIVER DURING FESTIVALS

Food industry plays an important role in Indian festivals. From sweets, snacks and beverages to elaborate feasts, food is at the centre of every celebration. Traditional sweets like laddu, barfi, rasgulla and gulabjamun become essential during Diwali, while sadhyas (feasts) and payasam symbolize Onam and Pongal. Similarly, Navratri demands special fasting foods, while Holi is known for Gujhiya and Thandai. This seasonal demand drives sales in local sweet shops, modern supermarkets and online delivery platforms.

India's hospitality and catering sector flourishes during festivals, with higher bookings in restaurants, banquet halls and catering services for family gatherings, weddings and corporate events. The rise of food delivery platforms like Zomato, Swiggy and BigBasket have further transformed the festive food business by making regional cuisine available across the country.

Additionally, the demand for curated food hampers and gift packs has increased. Companies are now offering hampers with a mix of chocolates, dry fruits and traditional snacks. Some people are also switching to healthier alternatives, such as sugar-free sweets, gluten-free products and organic foods, keeping in mind the growing health awareness. Thus, the festive season not only supports traditional businesses but also encourages innovation and adaptation in the food industry, in line with India's vision of a developed India.

CHALLENGES FACED BY THE FOOD INDUSTRY DURING FESTIVALS

Despite the vibrant opportunities, the food industry faces several challenges during the festive season. Maintaining quality, safety and hygiene standards amid high demand is one of the biggest issues. Small food sellers and the unorganized sector often struggle to meet regulations, which can affect consumer confidence. Strengthening food safety regulations and promoting best practices through training and infrastructure support are essential for sustainable development.

Another challenge is waste management. Festivals generate significant waste, particularly from single-use plastic packaging and leftover food. Encouraging eco-friendly packaging and reducing food waste through charity events or community meals can make celebrations more sustainable. Many NGOs and food businesses are already taking steps in this direction to ensure that surplus food reaches disadvantaged communities.

Price fluctuations are also a matter of concern. Increased demand for essential commodities like dairy, sugar and spices during festivals may lead to a temporary increase in prices, affecting both consumers and businesses. Strengthening the supply chain and creating buffer stocks can ensure stable prices during peak periods.

Inclusion and equality are other areas of concern. While big businesses make profits during festivals, small food producers, artisans and farmers often struggle to reach larger markets. Supporting small entrepreneurs and rural food producers through government policies, subsidies and digital platforms will promote inclusive growth.

BUILDING A SUSTAINABLE AND INCLUSIVE FOOD INDUSTRY FOR VIKSHIT BHARAT

There is a need to prioritize sustainability and inclusivity to align the food industry with the vision of a developed India. Festivals provide an excellent opportunity to promote local produce, traditional foods and regional specialties. Supporting small and medium enterprises (SMEs), self-help groups and rural entrepreneurs in the food sector can boost economic growth across sectors. Initiatives like One District One Product (ODOP) can further promote the production and sale of regional cuisines at the national level.

The use of technology and digital platforms will play an important role in building a modern food industry. Online marketplaces and delivery apps allow small businesses to reach customers across India, expanding their reach beyond local markets. Additionally, digital payments through UPI (Unified Payments Interface) encourage cashless transactions, increasing transparency and efficiency.

There should also be a focus on environmental sustainability. Environmental impact can be reduced by promoting eco-friendly packaging and organizing plastic-free festivals. Encouraging consumers to purchase from organic and sustainable brands where surplus food is donated can ensure that celebrations are not only enjoyable but also responsible.

The food industry should also adopt health trends. With consumers becoming more health conscious, companies need to innovate by offering low-calorie, vegetarian and sugar-free options. This change will help meet the evolving preferences of consumers, ensuring that the food industry remains relevant and future-ready.

i) Sustainability through Local Sourcing and Green Practices

A sustainable food industry prioritizes local production, eco-friendly practices, and minimal waste. By encouraging local sourcing, the industry can reduce transportation emissions and support regional farmers. Initiatives such as “One District One Product” promote regional specificities,

ensuring that economic benefits remain within local communities and reducing the need for imports. Encouraging the adoption of organic farming and regenerative agriculture will also enhance soil health and ensure sustainable food systems.

Reducing food waste is another important step towards sustainability. Collaboration between NGOs and food businesses for food donation programs can ensure that surplus food is used effectively, benefiting disadvantaged communities and reducing wastage. Additionally, adopting eco-friendly packaging such as biodegradable options can help reduce the carbon footprint of the industry.

ii) Inclusion of Small Producers and Rural Entrepreneurs

An inclusive food industry integrates small-scale farmers, self-help groups (SHGs) and micro entrepreneurs into a larger value chain. Despite their significant contribution to agricultural production, many small-scale producers struggle with market access. E-commerce platforms and digital marketplaces provide opportunities to bridge this gap by connecting rural producers directly with consumers. This digital integration can democratize access to markets and increase profitability for marginalized communities.

Furthermore, training programs focused on food processing, packaging and marketing can empower rural entrepreneurs, generate employment and promote entrepreneurship. By encouraging local production, governments can increase employment opportunities in areas where traditional agriculture may be under pressure, thereby contributing to balanced regional development.

iii) Technology and Innovation for Modernization

Technology will play an important role in shaping the future of India's food industry. Innovations such as agritech platforms, supply chain automation and food delivery apps have changed the way food is produced, distributed and consumed. Artificial intelligence (AI)-based solutions help optimize supply chains, reduce wastage, and ensure food reaches consumers faster and fresher.

Smart farming practices e.g. Precision farming, drone monitoring and weather forecasting tools enable better crop management and reduce reliance on chemicals. Meanwhile, cloud kitchens and food delivery platforms are creating new business models, expanding market reach and meeting growing consumer preferences with convenience and efficiency.

iv) Health, Wellness, and Consumer Trends

Consumers are increasingly turning to health-conscious products. The food industry must adapt to meet these demands by offering a wide variety of plant-based, organic, low-calorie and gluten-free products. India is witnessing a rise in vegetarianism and sustainable consumption trends, which can be further encouraged by promoting local superfoods like millets. The government's recent “International Year of Millet” campaign highlights the potential of these crops to address both nutritional needs and environmental concerns.

v) Government Policies and Public-Private Partnerships

Public policy plays a vital role in building a sustainable and inclusive food industry. Subsidies, incentives for sustainable practices and better infrastructure are essential to support local producers and entrepreneurs. Strengthening food safety regulations will also ensure consumer confidence and boost the competitiveness of Indian food products in global markets. Public-private partnerships (PPP) can facilitate investment in cold storage, logistics and food processing units, crop Can address post-harvest losses and ensure that food reaches markets efficiently. Collaborative efforts between corporate houses, local cooperatives and the government will create a resilient food ecosystem that will be in line with the vision of a developed India.

POLICY DECISIONS FOR VIKSHIT BHARAT

The food industry is an important stake of India’s economy, extremely connected with cultural practices and festivals. Strategic policy decisions designed at fostering sustainable growth, empowering local producers, leveraging technology, and promoting inclusive business models are essential to building a food ecosystem that aligns with the vision of Vikshit Bharat—a developed and self-reliant India.

i) Strengthening Local Supply Chains through Local Policy Support

The government must incentivize organic and traditional food production through subsidies, tax exemptions, and initiatives like the "One District One Product" program. This will enhance rural incomes, reduce food imports, and encourage

sustainable agricultural practices. Investments in cold storage, transportation, and food processing units are needed to prevent post-harvest losses. Public-private partnerships (PPPs) can ensure better logistics management, benefiting both producers and consumers. Policies should support the adoption of e-commerce platforms that connect small-scale farmers and local entrepreneurs with consumers across India, promoting market inclusion and increasing profitability for rural producers.

ii) Encouraging Sustainability in the Food Industry

Biodegradable alternatives will reduce environmental damage. Incentives can be provided to businesses adopting green practices in packaging and food production. Campaign promoting the donation of surplus food during festivals can address food waste challenges. Collaborations between businesses, NGOs, and local authorities will ensure effective implementation of waste management strategies. Encouraging farmers to adopt regenerative farming practices and diversifying crop Regulators should promote the use of Eco-Friendly Packaging during festivals and promoting portfolios with millets and indigenous grains will align with environmental goals and consumer demand for healthy foods.

iii) Promoting the Food Manufacturing's Role in Festivals

Government initiatives to promote food tourism tied to festivals like Diwali, Holi, and Onam will attract tourists and boost the hospitality industry. Regional branding of festival foods (e.g., Mysore Pak from Karnataka) can enhance exports and domestic consumption. Special schemes should support micro-entrepreneurs and women-led self-help groups (SHGs) engaged in the production of traditional foods and festival delicacies. This will foster entrepreneurship and economic inclusion.

iv) Leveraging Technology and Innovation for Growth

Facilitating the growth of food delivery platforms and cloud kitchens can help meet the rising demand for festival foods. Government support in streamlining food safety regulations and licenses for these platforms will enhance their efficiency.

v) Policy Alignment with Health and Consumer Centric

Regulations promoting low-sugar, organic, and gluten-free foods will help the industry align with evolving consumer preferences. The International Year of Millets initiative serves as a strong example of how government-led campaigns can shape health-conscious food consumption patterns. Public campaigns promoting healthy and sustainable food choices during festivals will encourage responsible consumption, helping to reduce the environmental impact of large-scale festivities.

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