

# Entrepreneur India

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## EMERGING INVESTMENT OPPORTUNITY IN INDIAN BAKERY

INDUSTRY (Biscuits, Bread and Other Bakery Products) Why to Invest, Project Potential,  
Key Investment Financials, Industry Size & Analysis



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The report titled 'EMERGING INVESTMENT OPPORTUNITY IN INDIAN BAKERY INDUSTRY (Biscuits, Bread and Other Bakery Products)-Why to Invest, Project Potential, Key Investment Financials, Industry Size & Analysis' released by Niir Project Consultancy Services makes investing in Indian bakery segment simplified. The report analyzes investment scenario of the industry and project feasibility of a bakery plant. The report covers crucial aspects like reasons for investment in the sector, core project financials, glimpse of the regulatory environment of the industry, potential buyers and analysis of the industry as a whole. While expanding a current business or while venturing into new business, entrepreneurs are often faced with the dilemma of zeroing in on a suitable product/line. And before diversifying/venturing into any product, they wish to study the following aspects of the identified product:

- Good Present/Future Demand
- Export-Import Market Potential
- Raw Material & Manpower Availability
- Project Costs and Payback Period

We at NPCSC, through our reliable expertise in the project consultancy and market research field, have identified bakery project, in the processed food segment, which satisfies all the above mentioned requirements and has high growth potential in the Indian markets. And through this report we aim to help you make sound and informed business decision.

The report contains all the data which will help an entrepreneur find answers to questions like:

- Why I should invest in bakery project?
- Who are the customers of the product?
- What will drive the growth of the product?
- What are the costs involved?
- What will be the market potential?

The report initially talks about the bakery industry as a whole with descriptions of biscuit as well as bread industry separately. It further identifies potential customers for the bakery industry along with key customer forecasts. One of the crucial factors to be assessed before investing in a sector is the market potential of the product. The report helps in analyzing the market potential by elaborating on various factors that will contribute to the consumption growth of bakery products in India, import-export markets of the products as well as market size and outlook of the industry. It also includes graphical representation and forecasts of key data indicators mentioned above. It further throws light on the regulatory environment of the industry by covering excise rates, customs duty, licenses required and also the ministries involved in the bakery sector in India.

The report turns the limelight towards project details of a bakery plant. It encapsulates aspects like raw materials required, list of machinery required for bakery plant, manufacturing processes of various bakery products and project financials of a model project with specified product list and capacity. Project financials like plant capacity, costs involved in setting up of project, working capital requirements, payback period, projected revenue and profit are listed in the report. It also lists down the key players in the bakery segment along with their contact details.

This report helps an entrepreneur gain meaningful insights into the Indian bakery industry and make informed and sound business decision.

Reasons for buying the report:

- This report helps you to identify a profitable project for investing or diversifying into by throwing light to crucial areas like industry size, demand of the product and reasons for investing in the product
- This report provides vital information on the product like its definition, characteristics and segmentation

- This report helps you market and place the product correctly by identifying the target customer group of the product
- This report helps you understand the viability of the project by disclosing details like raw materials required, manufacturing process, project costs and snapshot of other project financials
- The report provides a glimpse of important taxes applicable on the product
- The report provides forecasts of key parameters which helps to anticipate the industry performance and make sound business decisions

#### Our Approach:

- Our research reports broadly cover Indian markets, present analysis, outlook and forecast for a period of five years.
- The market forecasts are developed on the basis of secondary research and are cross-validated through interactions with the industry players
- We use reliable sources of information and databases. And information from such sources is processed by us and included in the report

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**Sample Chapter:**

## 1 OVERVIEW

Baking breads and cakes wasn't really a part of the Indian culture and the notion became popular only with the changing perceptions and evolving lifestyles of Indian population. And since then Indian bakery industry has not turned back. Bakery products today are items of mass consumption due to their affordability and nutrition content.

Indian bakery industry has evolved to be one of the biggest sections in the processed food industry of the nation. The rising foreign influence, emergence of female working population and changing consumption patterns have attributed strongly in the growth trajectory of the industry.

Figure 1 Indian Bakery Industry- Structure

Source: Industry Data

Indian bakery industry is dominated by unorganized sector with ~ 60 % of the market share. The chart above demonstrates the same.

### 1.1 Classification of the Industry

#### 1.1.1 Biscuit Industry

India is the second largest manufacturer of biscuits in the world, first being USA. Indian biscuit industry is one of the fastest growing segments in the nations' food industry. Biscuits have gone through an image transformation in the last few years which today has made them an item of mass consumption. Initially biscuit consumption in India was mainly in the rural segment but gradually the demand started pouring in from the urban sector also which lead to the rapid expansion of the biscuit sector. The segment has not only grown vertically in size and revenue but also horizontally in number of varieties on offer.

Figure 3 Indian Biscuit Industry- Structure

Source: Indian Biscuit Manufacturer's Association (IBMA)

30% of the Indian biscuits production takes place in the unorganized sector whereas the remaining 70% takes place in the organized sector. Organized biscuit segment is dominated by three major players- Parle, Britannia and ITC. The sector is also segmented on the basis of price range.

#### 1.1.2 Bread Industry

Bread industry in India has come a long way since 1990's. In that time bread was not used extensively in Indian households except as a breakfast item. The bread situation in India has changed dramatically and today it is being used relentlessly as a meal, snacks and anytime munching item. Although not being a part of Indian eating culture, bread has grown rapidly in the past decade and has affirmed its place in the Indian bakery segment.

However, like its peers bread segment is also dominated by the unorganized sector. The chart below explains the same.

Figure 4 Indian Breads Industry- Structure

Source: All India Bread Manufacturer's Association

The industry once dominated by white bread category has seen massive shift towards brown bread and other healthy categories. White bread has lost its share to brown bread which has grown contribute ~12% in the bread industry.

### 1.2 Product Details

#### 1.2.1 Product Definition

##### 1.2.1.1 Biscuits

Biscuit is a term used for a variety of baked, commonly flour-based food products. Biscuits today can be savory or sweet and mostly are small in size at around 5 cm (2.0 in) in diameter, and flat. The term biscuit also applies to sandwich-type biscuits, wherein a layer of "cream" or icing is sandwiched between two biscuits, such as the custard cream, or a layer of jam.

Cookies generally refer to a baked product containing a percentage of sugar and fat relative to the flour and a small quantity of water. The type of cookies is defined not only by their composition but also by their method of production.

#### 1.2.1.2 Bread

Bread is a staple food prepared by baking dough of flour and water. It is popular around the world and is one of the world's oldest foods. Combinations of different flours, differing proportions of ingredients and varying preparations have resulted in a wide variety of bread types, shapes, sizes, and textures. It may be leavened (aerated) by a number of different processes ranging from the use of naturally occurring microbes to high-pressure artificial aeration during preparation and/or baking.

NIIR Project Consultancy Services (NPCS) is a reliable name in the industrial world for offering integrated technical consultancy services. Its various services are: Pre-feasibility study, New Project Identification, Project Feasibility and Market Study, Identification of Profitable Industrial Project Opportunities, Preparation of Project Profiles and Pre-Investment and Pre-Feasibility Studies, Market Surveys and Studies, Preparation of Techno-Economic Feasibility Reports, Identification and Selection of Plant and Machinery, Manufacturing Process and or Equipment required, General Guidance, Technical and Commercial Counseling for setting up new industrial projects and industry. NPCS also publishes various technology books, directory, databases, detailed project reports, market survey reports on various industries and profit making business. Besides being used by manufacturers, industrialists and entrepreneurs, our publications are also used by Indian and overseas professionals including project engineers, information services bureau, consultants and consultancy firms as one of the input in their research.

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