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Transforming Agrifood Systems in South Asia

Trends in Consumption of Packed Processed Foods in India: Insights and Implications

Research note 62

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ABOUT THIS NOTE

This research note provides a comprehensive analysis of consumer behaviour, food consumption, and dietary patterns concerning packaged and processed foods in India over the past decade. The growing availability and consumption of processed and packaged foods have brought significant changes to traditional dietary habits, influencing not only the types of foods consumed but also their frequency and nutritional impact. This note aims to highlight how these foods influence dietary trends, explore the implications of this growing phenomenon, and offer insights to address emerging challenges. The study is based on data from the 2022–2023 National Sample Survey Office (NSSO) consumer spending survey, which captures the latest trends in food consumption. This data is compared with findings from the 2011–2012 NSSO survey round to highlight changes over time, offering a decade-long perspective on the evolution of dietary habits in India.

KEY STUDY FINDINGS

1. Over the past decade, packaged and ultra-processed foods, such as biscuits, chocolates, contemporary snacks, breakfast cereals, and health supplements, have gained significant popularity.
2. A narrowing gap in processed food consumption between lower- and higher-income groups indicates increasing accessibility and acceptance across socio-economic classes.
3. While processed foods are becoming more widely available, their consumption remains predominantly concentrated among higher-income families.
4. The rising popularity of processed foods in India highlights growth opportunities for the food processing industry, attracting both domestic and international investments.

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INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE IFPRI
IRRI International Rice Research Institute
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BACKGROUND

India faces the dual burden of malnutrition, with a notable rise in overweight and obesity. Between 2005/06 and 2015/16, urban overweight and obesity prevalence increased by nearly 10 percentage points, affecting 27.6% of men and 37.6% of women. Rural India saw similar growth, with rates reaching 14.8% for men and 18.2% for women (Luhar et al., 2018). The rising consumption of ultra-processed foods has significant adverse health impacts, correlating with increased incidences of non-communicable diseases (NCDs) such as obesity and diabetes across economic strata (WHO, 2023).

Previous studies using dietary survey data have examined food trends and identified the demographics associated with these patterns (Moeller et al., 2007). These studies show that food habits in India are diverse, shaped by social, economic, and geographical factors, with a traditional emphasis on fresh food consumption (Baskar & Sundaram, 2014). However, rapid growth in the global food retail sector has led to a gradual increase in packaged and processed food consumption worldwide (Popkin, 2017). In India, while the processed food market is still developing, economic growth, shifting preferences, and urbanization have driven a transition from traditional staples to processed food products (Morisset & Kumar, 2011; Murty, 2000).

Beyond health concerns, the growing prominence of processed foods in India has significant economic implications, presenting opportunities for growth in the food processing industry. This research note examines the evolving consumption patterns of processed foods, their impact on nutrition and socioeconomic dynamics, and their potential to position the processed food sector as a key driver of India's economic growth. By addressing knowledge and policy gaps, this analysis seeks to support informed decision-making for sustainable development in the food processing industry.

OBJECTIVES

The study examines the pattern in consumption of processed food commodities in India and its changes during the past decade.

DATA AND METHODS

The study utilizes data from the 2022–23 National Sample Survey Office (NSSO) consumer expenditure survey, compared with the 2011–12 survey round. Although there are differences in methodologies and sampling between the two surveys, the comparison offers valuable insights into emerging consumption trends over time.

Above: A vegetable market, Karnal, Haryana.
photo: Abdul Momin

RESULTS AND DISCUSSION

The 2022–23 data reveals that 96.55% of households consumed packaged processed food (PPF), a significant increase from 82.17% in 2011–12 (Table 1). This growth underscores the rising penetration and adoption of PPF across Indian households over the past decade. Among PPF categories, biscuits and chocolates remain the most popular, with their share among consuming households increasing from 69.51% to 86.78%. Snack items like chips saw a dramatic rise, from 7.38% to 44.17%, while traditional snacks such as papad experienced moderate growth, increasing from 37.68% to 46.13%.

Packaged pickles and sauces showed significant growth, indicating their increasing market penetration. Noodles, breakfast cereals, and bread have also become widely consumed packaged processed foods, leading to their inclusion as new consumption items in the 2022–23 survey.

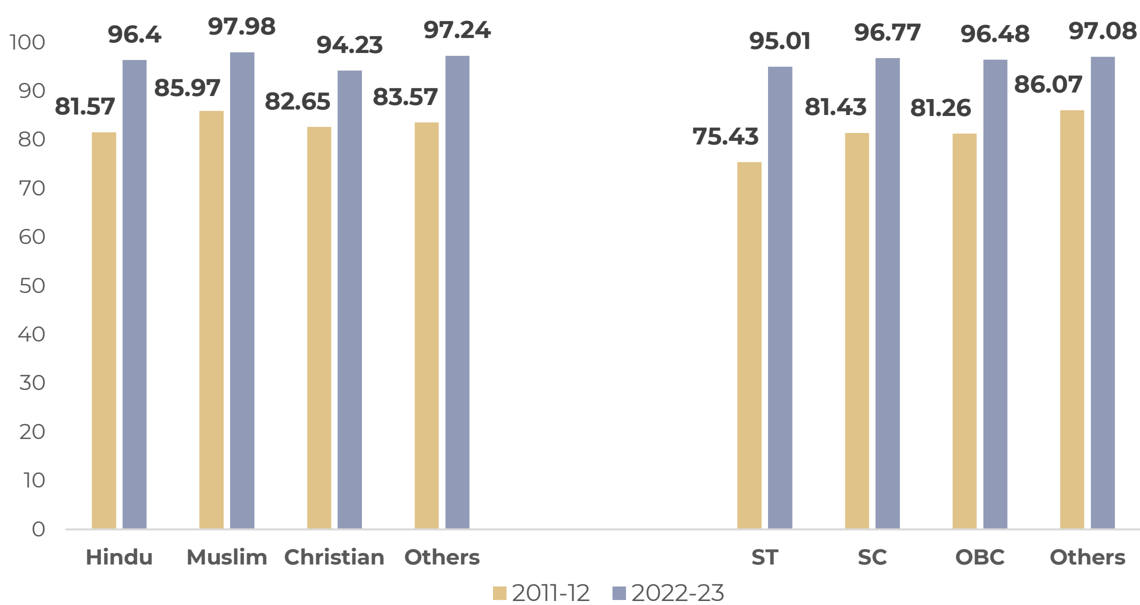
Table 1: Share Households Consuming Packed Processed Food (in a Month)

Items	2011-12	2022-23
Breakfast cereals (oats, cornflakes, muesli etc.)	---	4.72
Sweets, cake, pastry	19.46	12.44
Baby Food	---	3.85
Biscuits, Chocolates	69.51	86.78
Papad, bhujia, namkeen, mixture, chanachur	37.68	46.13
Chips	7.38	44.17
Pickles	8.03	22.57
Sauce, Jam, Jelly	1.86	3.72
Bread	---	25.65
Health supplements	---	3.51
Noodles	---	21.06
Other Packed Processed Food	5.56	5.80
All packaged processed food	**82.17**	**96.55**

Source: Calculation from the Household Consumer Expenditure Survey of 2011-12 and 2022-23, NSSO.

Bread was consumed by over a quarter of Indian households (25.7%), while noodles and breakfast cereals were consumed by 21% and 4.7% of households, respectively, indicating a shift toward convenience foods and changing consumer tastes and preferences. In contrast, the consumption of sweets, cakes, and pastries declined from 19.46% to 12.44%, possibly reflecting growing health concerns among upper consumption classes. The introduction of health supplements, consumed by 3.51% of households in 2022–23, further highlights an increasing focus on health-conscious choices, aligning with global demand for such products (Banerjee, 2018) and probably attributed to COVID-related responses.

These trends underscore India's evolving consumption patterns, moving toward convenience and processed food products. The rise in PPF consumption was observed across all social and religious groups, indicating widespread adoption driven by common underlying factors (Figure 1). Improved access to PPF through the expansion of retail outlets, supermarkets, and online platforms likely contributed to this shift. Additionally, increased labor market participation by women, particularly educated women, has encouraged the consumption of convenience foods, given that women in Indian households traditionally spend more time on cooking than other genders.



Source: Calculation from the Household Consumer Expenditure Survey of 2011-12 and 2022-23, NSSO.

Figure 1: Share of Households Consuming PPF among Religious and Social Groups

Table 2: Share of PPE Expenditure to Total MCE	
Year	Share
2011-12	2.20
2022-23	2.89

Source: Calculation from the Household Consumer Expenditure Survey of 2011-12 and 2022-23, NNSO.

Table 2 indicates that the share of PPF expenditures in monthly consumption expenditures (MCE) has risen modestly but significantly by 0.69 percentage points, a 31.36% increase, from 2.20% in 2011–12 to 2.89% in 2022–23. This growth highlights a gradual shift in household spending patterns toward PPF items.

Table 3: Consumption of Packed Processed Food among Decile Classes of Monthly Consumption Expenditure

Decile Range MCE	% of Households consuming PPF		% of the PPF in total consumption expenditure	
	2011-12	2022-23	2011-12	2022-23
Up to 10%	60.42	88.84	3.67	3.71
10-20%	75.57	95.24	5.62	5.89
20-30%	81.41	96.49	6.82	7.21
30-40%	83.93	97.27	8.01	8.12
40-50%	86.80	97.69	8.60	9.01
50-60%	86.37	98.04	9.20	9.82
60-70%	89.30	98.59	10.51	10.98
70-80%	90.99	98.53	11.64	11.84
80-90%	92.23	98.80	14.32	13.75
90-100%	95.13	99.06	21.61	19.67
Total	**82.17**	**96.55**	**100.00**	**100.00**

Source: Calculation from the Household Consumer Expenditure Survey of 2011-12 and 2022-23, NSSO.

The share of total expenditure on PPF remains disproportionately higher among upper deciles, reflecting their greater purchasing power and expenditure capacity (Table 3). In 2011–12, the highest decile accounted for 21.61% of the total value of PPF expenditure, which slightly declined to 19.67% in 2022–23. Conversely, the share of lower deciles, such as the lowest class (0–10%), remained relatively stable, contributing 3.67% in 2011–12 and 3.71% in 2022–23. This indicates that while PPF consumption is becoming more widespread, expenditure shares remain skewed toward wealthier households. Table 3 highlights the growing prevalence of PPF consumption across all income levels, with significant growth among lower-income households, even as expenditure patterns continue to be dominated by higher-income groups.

CONCLUSIONS

1. The study highlights a significant transformation in dietary patterns over the past decade, with items such as biscuits, chocolates, and modern snacks gaining widespread popularity.
2. The introduction of new products like breakfast cereals and health supplements in 2022–23 NSSO consumption survey reflects evolving food preferences, emphasizing convenience and health-conscious choices. Notably, the narrowing gap in PPF consumption between lower- and higher-income groups indicates increased accessibility and acceptance of processed foods.
3. However, expenditure on PPF remains skewed toward higher-income households. A key limitation is the unclear impact of rising PPF consumption on other commodities and its nutritional implications, which calls for further analysis using more granular data.
4. These trends underscore the growing importance of the processed food sector in India's consumption landscape, signalling a shift toward diverse and convenient dietary habits. The evolving consumption patterns highlight the need for accelerated investments, skill development, value chain enhancement, and targeted research to ensure sustainable growth in the processed food industry.

Above: Farmers working in the potato farm. photo: CIMMYT

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Above: Farmers harvesting potatoes. photo: Abdul Momin

AUTHORS

A. Suresh, Principal Scientist, ICAR-Central Institute of Fisheries Technology (CIFT)
Rajes I D, Research Associate, ICAR-Central Institute of Fisheries Technology (CIFT)
Prakashan Chellattan Veettil, Senior Scientist – Agricultural and Behavioral Economics, IRRI

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To learn more, please contact:
p.chellattanveettil@irri.org

To learn more about TAFSSA, please contact:
t.krupnik@cgiar.org; p.menon@cgiar.org

ABOUT TAFSSA

TAFSSA (*Transforming Agrifood Systems in South Asia)* is a CGIAR Regional Integrated Initiative to support actions that improve equitable access to sustainable healthy diets, improve farmers' livelihoods and resilience, and conserve land, air, and water resources in South Asia.

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