

Highlights

India's FMCG sector remained supported by resilient domestic demand, strong rural consumption and favourable government policy measures



Expected healthy snack market by FY34¹



Expected annual gross merchandise value¹



FMCG market size in FY25¹



Food inflation Y-o-Y July 2026 (5.3 per cent in June 2026)²

1. FMCG Industry in India, IBEF, May 2026;
2. Press release of consumer price index on base 2024=100 for July, 2026, PIB, 12 August 2026



Segmental performance

FMCG demand is undergoing a structural rebalancing, with urban recovery emerging as a key stabilising force amid weakening rural momentum

2025 FMCG volume growth¹

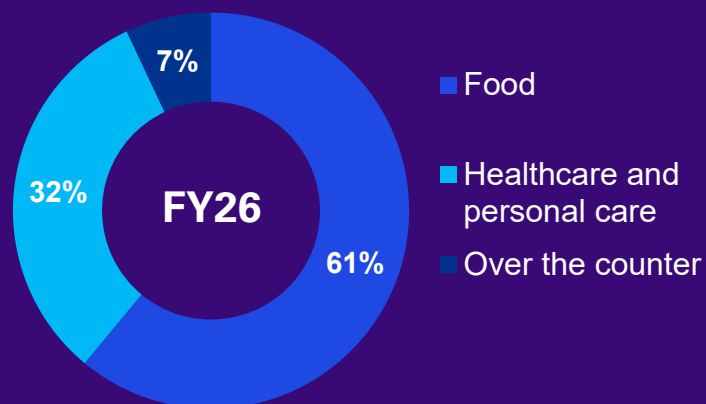


Urban volume growth in 2025 vs 4.5 per cent in 2024¹



Rural volume growth in 2025 vs 5 per cent in 2024¹

Segment wise break-up revenue²



Key growth factors¹

- Government support for consumption
- Premiumisation trend
- Expansion of health and wellness categories
- E-commerce and quick commerce expansion



1. FMCG Industry in India, IBEF, May 2026;
2. FMCG Industry in India infographic, IBEF, May 2026

Performance snapshot

Drivers

Food processing expansion¹

INR 57 tn

Projected food processing sector by 2030

Driven by higher value addition, innovation, technology adoption and export-led growth

Food services expansion²

INR 14 tn

Projected food services market by FY31

Supported by rising consumer spending, growing preference for convenience and rapid adoption of online food delivery platforms

Employment generation³

INR 0.3 mn

Jobs created through *PLI in FY26

Surpassing the target of 0.2 mn and strengthening employment opportunities across the food processing value chain

**Product linked incentive*



Consumer price transparency⁴

Standard pack sizes introduced for major edible oils and blended edible oils, enabling consumers to compare prices more easily and make informed purchasing decisions

Challenges



Intensifying brand competition⁵

Regional and direct-to-consumer (D2C) brands are increasing competitive pressure on established FMCG companies



Input costs remain elevated⁶

Wholesale price index (WPI) inflation reached 9.9 per cent in June 2026, compared with 9.7 per cent in May 2026



Sustainability-linked cost burden⁵

Green initiatives are becoming essential, but they also require long-term investments which may pressure near-term costs

1. India's Food Processing Sector Projected to Reach US\$ 600 Billion by 2030, IBEF, 17 July 2026;
2. India's food services market projected to reach US\$ 150 billion by FY31, IBEF, 10 July 2026;
3. Government Boosts Food Processing, Exports and Employment through PLISFPI and PMFME Schemes, PIB, 30 July 2026;
4. Department of Consumer Affairs Prescribes Standard Pack Sizes for Edible Oils under Legal Metrology Framework, PIB, 6 June 2026
5. FMCG Industry in India, IBEF, May 2026;
6. Provisional Estimates of Wholesale Price Index (Base Year 2022-23) for the month of June 2026, PIB, 14 July 2026

Highlights

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Outlook

Key takeaways

Outlook

INR
908
bn

Expected quick commerce market size by 2029, driven by rising demand for ultra-fast delivery¹

15-20%

Annual growth in the health and functional foods segment is being driven by rising demand for healthier, convenient and premium food products²

18%

FY31

The online segment's share of the food services market is expected to increase from 11 per cent in FY26³

INR
31
tn

Projected e-commerce market size by 2030 from INR11 tn in 2024¹

1. FMCG Industry in India, IBEF, May 2026;

2. India's Food Processing Sector Projected to Reach US\$ 600 Billion by 2030, IBEF, 17 July 2026;

3. India's food services market projected to reach US\$ 150 billion by FY31, IBEF, 10 July 2026



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Rising rural consumption creates a clear opportunity to expand distribution across tier II and tier III cities¹



Food and beverage sector accounts for about 3 per cent of its gross domestic products (GDP)¹



Government provides up to 50 per cent financial support for overseas branding and marketing of Indian food products, capped at INR500 mn annually per applicant²



Household and personal care accounts for ~50 per cent of the FMCG market, driven by daily use essentials, widespread consumption and rising hygiene awareness¹



E-commerce accounts for 17 per cent of the overall FMCG consumption among evolved buyers¹



1. FMCG Industry in India, IBEF, May 2026;

2. Government Boosts Food Processing, Exports and Employment through PLISFPI and PMFME Schemes, PIB, 30 July 2026



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