

Quote by M Ramakrishnan, Managing Director, Primus Partners

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Grassroots Food Processors Can Unlock Rs 1,000 Cr Potential: Study



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Article Content:

Grassroots food processors in India, including Farmer Producer Organisations (FPOs), Self-help Groups (SHGs), cooperatives, and women-led micro-enterprises, could collectively generate over Rs 1,000 crore in additional income, according to a study by Primus Partners and Assocham's Goa State Development Council.

The findings highlight how decentralised food processing and value addition at the community level can drive inclusive growth across India's agribusiness sector.

India's food processing industry, currently valued between USD 389–535 billion, is projected to surpass USD 700 billion by 2030. Yet farmer incomes have risen by only around 5.2 per cent annually, underscoring the need for initiatives beyond large food parks and mega investments.

Modest investments of Rs 10–25 lakh in simple processing technologies can enhance value realisation by 20–25 per cent, reduce post-harvest losses, and create rural employment.

Examples such as the Sri Satya Sai Raithu Cooperative in Andhra Pradesh and Goa's emerging jackfruit value chain illustrate the transformative potential of localised processing efforts. "The next chapter of India's food processing journey will not be written by mega parks alone but by the millions of grassroots enterprises that add value where food is grown," said M. Ramakrishnan, Managing Director of Primus Partners.

"With the right market linkages, digital skilling, and blended finance, small-scale processors can become the real engines of inclusive growth—enhancing rural incomes, empowering women, and positioning India as the world's most inclusive food processing hub," he added.

The analysis highlights the importance of connecting small-scale processors with retailers, hotel chains, and digital marketplaces such as ONDC, while leveraging multilateral funding from institutions like ADB and the World Bank, alongside support from fintech lenders such

as Samunnati. It also stresses the need for district-level Centres of Excellence to provide hands-on training, digital enablement, and business skill development.