

## India home to burgeoning bakery sector

**The bakery industry in India is a sunrise sector and offers huge potential for growth, income and jobs. It is also the largest segment of the food processing sector. Driven by rapid population growth and changing eating habits, bakery products have gained popularity in broad segments of the country.**

The industry has undeniable potential and significance in terms of job creation and household-orientated business opportunities, as well as for providing the country with a wide range of bakery products at relatively cheaper prices and with high nutritional value. It is also a gender-sensitive sector as there are segments with high women's workforce participation rates as well as large shares of women entrepreneurs. Some segments require little capital so women-based household enterprises can flourish. But in order for this sector to realise its maximum potential, it needs support from the government in terms of infrastructure, markets, credit as well as a favourable policy environment, *Assocom India* reports.

A look at India shows that the country has more than 2,000 organised or semi-organised bakeries and 1,000,000 unorganised bakeries. Most of the population consumes bakery products in the form of traditional wheat-based products such as *chapati*, *naan*, *puri*, *paratha* and a variety of other bakery products such as biscuits, cookies, croissants, buns, breads, cakes, muffins.

Bread and biscuits are the most popular bakery items and account for 80% of the total market. Not surprisingly, India is the world's second-largest producer of biscuits after the USA.

The bakery industry has achieved third position in generating revenue in the processed food sector. The market size for the industry is estimated to have worth US\$ 4.7 billion in 2010 and is expected reach US\$ 7.6 billion by 2015.

Bakery products are the cheapest of the processed ready-to-eat products sold in the country.

Consumer demand for healthier, less-processed bakery products continues to increase, along with demand for artisan, egg-less, allergen-free, sugar-free, non-dairy and organic baked goods.

Trends in baking continue toward lighter, healthier products, and those containing allergen-free, organic, and whole-grain ingredients. Interest in inclusions and fortification continues to increase among consumers of baked goods. Some inclusions are used primarily to improve the products' health-supporting qualities. They include fibre, antioxidants, omega-3 oils, and vitamin and mineral fortifications. Other inclusions provide both health benefits and added taste to products. Examples of these include fruits, nuts, certain spices, and cocoa. The addition of inclusions to baked products requires modifications to the original product formula, thus creating a new product from an existing one. Such modifications can be challenging to bakers as changes in formulation may result in the need for changes to equipment, processes, scheduling, and ingredient costs.

Vegetarian bakery products are also growing in popularity. While breads that do not contain meat or lard are acceptable to many vegetarians, vegan breads require the use of egg substitutes and vegetable-based oils. Some vegetarian and vegan breads are served less as an accompaniment to a meal, and more as an entree or featured side dish. Such breads may contain a variety of grains, whole grains, fruits, nuts, vegetables, herbs, spices, and vegetarian or vegan cheeses.

The use of whole and alternative grains and grain products continues to drive new product development. In response to the demand for products that are free from gluten and other allergens, baked goods using flours made from buckwheat, quinoa, millet, amaranth, flax, corn, rice, sorghum, wild rice, and other non-wheat grains remain a popular trend in baking. These flours offer tastes and textures that are uniquely different from wheat flours, which also serve the trend toward more types of artisan, handcrafted breads and other products. Commercial bakeries that produce gluten-free products must maintain strict sanitation standards to avoid contamination if products containing gluten are also produced in the bakery.

Whole grains continue to increase in popularity both because of their health benefits and for their unique tastes and textures. Whole grains may be cracked, rolled and crushed but they must contain 100% of the original grain to be considered true whole grains. Whole-grain wheat flour is popular in breads and related baked goods, as are many gluten-free grains. The fibre, protein, vitamin, and nutrient content of whole grains tends to be higher than that of processed grains.

Artisan, hearth breads and handcrafted breads, and wood-fired oven baking continue to rise in

popularity. As consumers seek to avoid artificial ingredients and preservatives, the demand for artisan breads increases. Artisan breads are made by hand, in small batches, typically using only flour, water, yeast, and salt, and, for some breads, eggs or sugar. They may also contain special ingredients such as cheese, dried tomatoes or other dried vegetables or fruits, onion, spices, and herbs.

Operational efficiencies and value addition are major issues for maintaining industry profitability and continued growth. Key issues that the industry is facing include the need for improvements in technology and the availability of skilled manpower. The lack of technology and upgrading in manufacturing and packaging has been a factor affecting industry growth. Ensuring a continuous supply of skilled manpower at all levels has also been a major challenge for bakery operations.

Most of Indian bakeries are either manual or semi-automatic. Currently India deploys 11.25 man days / tonne on average, compared to an average of 1.28 man days / tonne in developed countries. The bakery industry has large employment potential.

Increased competition and changing customer choices have induced bakery operators to look for sophisticated baking equipment and technology to sustain growth and improve standards. Bakery skills are in strong demand in the bakery and hospitality industries. Additionally, a growing number of high-end bakery shops have created a fast-growing segment that caters to modern discerning consumers who demand best-in-class patisserie goods and a variety of products from around the world.

The sector reports a strong need for more training institutes which can produce skilled workers who are knowledgeable about the trade and the country's food laws, good manufacturing practice and good hygienic practice.