



# FOOD PRO

E-News Letter of All India Food Processors' Association  
(Established in 1943)

## From the President's Desk

Dear Friends,



Last week saw a momentous Bill getting passed in the Rajya Sabha paving the way for the implementation of Goods & Services Tax (GST) in the country. Industry & trade are unanimous and welcome a single taxation regime which would substitute taxes like VAT, Excise, Service Tax and many other State taxes and levies etc.

However, time has come for the Food Processing Industry to build a consensus around what would be an appropriate revenue neutral rate of GST for Processed Food, Beverage and related food sectors. As per the feedbacks received from many of our members, a rumoured rate of 18% GST rate will be too high leading not only to inflationary impact on the economy but also a de-growth of Food Processing Sector in general. All members are, therefore, requested to share their views and suggestions on appropriate GST rates for their respective food products and sector with Executive Secretary, AIFPA.

This month will also see **AIFPA Food Show** being held in association with **UBM India** at **Pragati Maidan, New Delhi from 22<sup>nd</sup> to 24<sup>th</sup> August, 2016**. All members are requested to visit and participate in the exhibition. National Seminar on **"Innovative Technologies and Opportunities in the Food Processing Sector"** will also be held on **24<sup>th</sup> August, 2016** at the same venue. See you all there.

With regards,

(Sagar Kurade)

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# Up-coming Events

Event : “ Fi & Hi India, 22-24 August 2016” and  
National Seminar on “Technologies & Opportunities in the  
Food Processing Sector” organised by AIFPA  
Dates : 24-08-2016  
Place : Pragati Maidan, New Delhi  
For information : Mr. Rameshwar Maurya  
Mobile:- 08744088116, E-mail:- maurya@aifpa.net

Event : **Aahar Chennai-2016**  
Dates : 15-09-2016 to 17-09-2016  
Place : Hall No. 1, Chennai Trade Center, Chennai  
For information : Mr. Rameshwar Maurya  
Mobile:- 08744088116, E-mail:- maurya@aifpa.net

Event : **National Seminar on “Technology Up-Gradation and Modernization  
of Food Processing Industries-Challenges & Opportunities”**  
Date : 16-09-2016  
Place : Hall No. 1, Chennai Trade Centre, Chennai  
For information : Mr. Rameshwar Maurya  
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## FSSAI takes action against packaged drinking water



The Food Safety and Standards Authority of India (FSSAI) has asked the state food safety commissioners to carry out an enforcement drive aimed at checking whether packaged drinking water is being sold without FSSAI or Bureau of Indian Standards (BIS) certification mark. The apex food regulator has asked the state machinery to take strict action in cases failing to comply with the prescribed regulations under FSS Act.

Recently, the authority has written a letter citing reports that it has received through BIS about violations of norms by the packaged drinking water manufacturers. The letter states, "It has been reported that a large number of FBOs are engaged in the business of manufacture and sale of packaged drinking water without FSSAI/BIS certification mark. It has also been brought to notice by BIS that several complaints have been received on mushrooming growth of units in various states manufacturing and selling packaged drinking water without BIS certification", which is illegal.

The FSSAI said that under the Rule 2.3.14 (17) (18) of FSS Act - 'No person shall manufacture, sell or exhibit for sale, packaged drinking water and mineral water except under the Bureau of Indian Standards certification mark' and that the state machinery should therefore act against the violators.

The apex food regulator directed the State Commissioners of Food Safety that they should carry out enforcement drive against unauthorised manufacture and sale of packaged drinking water without BIS/FSSAI mark in the state and Union territories. "Further it is also requested to furnish all the details regarding number of inspections undertaken, samples collected of the packaged drinking water and found contravening to the prescribed regulations under the Act and the subsequent action taken in the case," states the order.

Meanwhile, according to industry sources, the order was welcomed by the industry. Indian Beverage Association sources say that strict action must be taken against the violators.

## FSSAI takes steps to check quality of imported food



The Food Safety and Standards Authority of India (FSSAI) has taken various steps to ensure quality of imported food products, including developing a risk-based import prioritisation system.

In reply to a question in the Rajya Sabha, Minister of State for Health, Shripad Yesso Naik said FSSAI had also implemented pre-arrival document scrutiny (PADS) in online food clearance system from February this year. This is operational in ports of Chennai, Kolkata and Tuticorin.

The other steps taken to check the quality of imported food products include development of an integrated declaration form by the Customs department based on FSSAI inputs and framing regulations for different food categories and machinery for their enforcement.

On the issue of an international alert on import of 'plastic' rice that the government received last year, the Minister said there have been no instances of import of plastic or synthetic rice in the Food Import Clearance System and no such incidence of import had been reported by State governments, too.

On issue of usage of calcium carbide for ripening fruits, the Minister informed the House that various steps had been taken to increase awareness among food commissioners on the harmful effects of these practices and the methodology for detection of Acetylene in godowns and storage chambers.

## New Food Regulations to ban sale of junk food in Delhi's school canteens



The Delhi Food Safety Department and the Food Safety and Standard Authority of India (FSSAI) will soon chalk out a policy on what kind of food is best suited for the city's school students.

Schools will be given strict guidelines to promote nutritious and healthy food in their canteens, and to completely avoid the sale of junk food.

In a meeting held recently, officials from the Food Safety Department and the FSSAI discussed the need to serve nutritious food to children as the issue of students' health was a high priority. The Food and Drug Department monitors the food policy in the city through random surprise inspections, and by raiding "suspicious" food establishments.

It also collects samples of food items that could be adulterated, sub-standard, or unbranded. On average, it receives 125 food samples in a month for testing.

In October 2015, the Food authorities had issued guidelines to schools, making it compulsory to serve only wholesome and nutritious food in their canteens.

This guidance will be converted into a regulation in due course, after the prescribed process of inviting comments and suggestions from various stakeholders.

Prepared by an expert committee constituted by FSSAI, the guidelines give details of how consumption of junk food, which is high in fat, salt, and sugar, is linked with increasing cases of obesity, diabetes, and hypertension among school children.

The guidelines include the following principles:

- (a) The benefits of balanced, fresh, and traditional food cannot be replaced.
- (b) Schools are not the right place to sell foods high in fat, salt, and sugar.
- (c) Children are not the best judges of their food choices.

Obesity, diabetes and hypertension are rising alarmingly among school students, as they find it tempting to pick up packets of junk food in their canteens instead of eating the healthy, home-cooked food that might be packed in their lunch boxes.

## Different opinions on FDI rules in food retail



The government's proposed move to allow foreigners to retail food products is caught in inter-ministerial differences on whether conditions need to be imposed for such investments and market access.

Finance minister Arun Jaitley had in the budget for this fiscal announced that 100% foreign direct investment would be allowed through the approval route in marketing of food products produced and manufactured in India. The Department of Industrial Policy and Promotion (DIPP) and the finance ministry are not keen on sectoral conditions, which are difficult to monitor and often act as a deterrent.

However, the food ministry is keen on imposing conditions on the lines of those for multi-brand retail, an official privy to the deliberations said on condition of anonymity. Multi-brand retail faces numerous conditions including mandatory 30% sourcing from local micro, small and medium industries. A formal note has been moved by the DIPP that will be taken up by the Cabinet once these differences are resolved. "It should be taken up soon," another official said.

The government wants to open up retail of food products to provide a boost to farming and the rural economy. "Our FDI policy has to address the requirements of farmers and food processing industry," Jaitley had said in his budget speech in February. "A lot of fruits and vegetables grown by our farmers either do not fetch the right prices or fail to reach the markets. Food processing industry and trade should be more efficient. 100% FDI will be allowed through FIPB route in marketing of food products produced and manufactured in India," he had said.

This will benefit farmers, give impetus to food processing industry and create vast employment opportunities, Jaitley had said. Policymakers have been gradually becoming wary of including sectoral conditions in the FDI policy that they say only burden it, favouring instead stringent regulation by sector regulators or administrative departments.

As part of the gradual opening up of the foreign investment policy in the country, sectoral conditions are being knocked off to make the policy less cumbersome.

### Kind Attention of Readers

The E-Newsletter is being sent to over 50,000 E-mail Ids every month. We would welcome suggestions/comments from the readers to enable us to improve upon the contents.

Advertisements are also welcome (½ page/Full page) which carries nominal charges, which are as follows:-

In colour	:	Full Page	Rs. 3000/- per insertion
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Note: - For twelve advertisements published in a year, only ten insertions will be charged for and two insertions will be treated as free.

Chief Editor

*Let me tell you the secret that has led me to my goal. My strength lies solely in my tenacity---Louis Pasteur*



## ITC forays into luxury chocolate business with Fabelle



Indian conglomerate ITC will soon be expanding its super-premium chocolate segment with luxury brand Fabelle, which will be sold at the company's luxury hotels. Boxes of the assorted chocolates will be sold at Rs. 1,000 each on average. The chocolates will be manufactured in Bengaluru, two senior industry executives said. An ITC spokesperson confirmed the venture into luxury chocolates but declined to share further details. ITC is hoping to create a luxury chocolate market in the country after almost a decade of product development by the diversified company's food division.

The entire senior management team was involved in the final selection of Fabelle chocolates after rejecting earlier products several times over the past decade. Analysts said going by ITC's strategy to enter any category from the top-end and move down, the company could launch premium chocolates next, competing against Mondelez and Swiss chocolatier Lindt. ITC has set up a sourcing network for ingredients, has hired international chefs and chocolatiers and such an investment can't be for just one luxury range, analysts said.

It has been ITC's strategy to go top-down in the FMCG business. It had first launched premium packaged ready-to-eat meals under Kitchens of India when it first forayed into the food business. The investment in building up a chocolate product line and back-end is likely to be utilized to expand the category, said an analyst. ITC has accelerated its expansion into the non-tobacco FMCG business, especially packaged food, to overcome sliding cigarette sales due to recurrent tax increases.

## IIP to launch Intl Journal of Packaging Technology & Research



Indian Institute of Packaging (IIP), an autonomous body under the Union Ministry of Commerce and Industry will release an international Journal of Packaging Technology & Research, which will be the first of its kind research publication in Asia.

The journal will be released at the Grand Finale of golden jubilee year celebrations of the Institute to be held at IIP Campus in suburban Andheri. The event will be attended by Commerce Secretary, Rita Teatota, Director, Vikram Sarabhai Space Centre B.N. Suresh, among others.

Institute's Director, Prof. N.C. Saha, said IIP currently has seven centres in the country including Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Hyderabad and Guwahati.

## Mother Dairy Fruit & Vegetable Pvt. Ltd.



Leading milk supplier Mother Dairy is eyeing to cross Rs. 10,000 crore turnover mark in next three years on rising demand for dairy products as well as fresh and processed fruits and vegetables.

Mother Dairy, which supplies about 30 lakh litres of milk in the national capital region has posted a turnover of Rs. 7186 crore during last fiscal, out of which about 75 percent is from its dairy business. In a bid to expand its market, Mother Dairy is in the process of establishing a 25,000 tonnes per year integrated fruit and vegetable processing plant in Ranchi at an estimated cost of Rs. 75 crore.

Besides this, the company is also exploring new markets for its dairy and other milk products and at the same time also expanding its product portfolio with new launches.

Mother Dairy, a wholly-owned subsidiary of the National Dairy Development Board (NDDB), has diversified portfolio with presence in dairy products, edible oil, fruits and vegetables (fresh as well as frozen) and pulses. The firm sells processed food products like juices and ready to cook products under the brand name Safal and also has presence in edible oil segment under the brand name Dhara.

## G.D. Foods Mfg. (India) Pvt. Ltd.



In tune with the summer season, G.D. Foods, a leading name in processed foods, under its Tops brand has introduced a range of *kesar kulfi*, creamy custards and jellies.

According to the company, while *kesar kulfi* is a mix of *kesar*, nuts, almonds, pista and cardamom, priced at Rs. 50 for a 100 gm pack, custards come in six flavours, namely vanilla, strawberry, chocolate, butterscotch, *kesar pista* and *kesar elaichi*. The jellies range comprises four flavours-mango, orange, strawberry and blackcurrant-and is priced at Rs. 35 for a 90 gm pack. The products are available at all grocery stores and leading hypermarkets and supermarkets across Rajasthan.

Nitin Seth, MD, GD Foods, states, they have the silkiest flavourful custards in the market. Custard with jellies is a sinful delight and the company is sure of great response from their customers.

## New Policy for Nagpur Oranges



To deal with yield improvement, better water usage and a marketing campaign to promote Nagpur Oranges, a new policy was discussed by a study group. This initiative was taken to establish orange processing at a meeting in Nagpur recently.

State agriculture commissioner, V.V. Deshmukh, who presided over the meeting, expressed concern over the alarming decline in yields as well as quality of the fruit in the last few years. He noted that although orange is grown on around 100,000 hectares in Vidarbha, these days, orchard owners were earning barely enough to cover costs because of poor marketing avenues and crop management. The Ambia Bahar crop in October-December and Mrig Bahar in February-March floods the market, and oversupply leads to distress selling. Deshmukh also sought better cold storage facilities and railway connectivity for transporting oranges to Delhi.

Morshi MLA, Anil Bonde pointed out that new research and technology with proven results was yet to find its way to the orchards in the region. He sought integration of the latest technology in the new policy for good results in all pre and post-harvest processes. He further said the new drip irrigation system being recommended has double lateral flow but the government subsidy provides for single line drip, so farmers are denied the new technology.

## Dr. Sangam Kurade-all praise for the processed food sector in India



Dr. Kurade—a food technologist, entrepreneur and President of FISMI was addressing an international forum organized concurrently with 'China International Mushroom New Products and Equipment Expo 2016' recently in Hefei, China. Dr. Kurade has set-up India's largest state-of-art environment controlled facilities in Goa with cropping rooms producing button mushrooms all the year round. He presented an overview of the processed sector in India especially of mushrooms at the Forum. He highlighted that in spite of global slowdown the processed food sector in India continues to clock a double digit growth.

If one percent of India's annual agriculture waste—around 600 Mn tons annually, is diverted to mushroom cultivation, India can produce 3 million tons of mushroom, said Dr. Sangam Kurade. At present its annual production is 3 lakh tonnes. The agriculture waste is a goldmine and can be converted into highly nutritious food such as mushroom and compost, he adds.

## The goodness of ghee



Clarified butter remained India's culinary star for centuries till it was sidelined in the 1980s by vegetable oils because of its high saturated fat. The new oils were aggressively marketed as superior and heart-healthy. However, research has now shown that saturated fats have no link to obesity, heart disease or early death. In January 2015, the US dietary guidelines declared for the first time that total dietary fat and cholesterol intake are not a concern for healthy people. Now, on the back of some recent studies which maintain that it reduces fat and lower cholesterol, ghee is making a big comeback in India. It is

also making a splash abroad in alternative health circuits. American supermarkets have started stocking multiple types of 'Indian Ghee'.

The sales of top Indian ghee brands like Amul and Gowardhan have risen by nearly 30% over the last year. Industry experts say ghee has never been so much in demand.

Our bodies need some fats to function and ghee is the best of the lot, says macrobiotic nutritionist Shonali Sabherwal, who suggests one or two teaspoons of ghee on dal or rice for maximum benefits (instead of using it traditionally as a cooking medium).

## Kellogg's 'Special K Multigrain & Honey'



Kellogg's Special K brand has launched Special K Multigrain & Honey which is a mix of ingredients that are a source of fibre and protein that is not just nourishing but delicious as well. This new ready-to-eat cereal consists of flakes made of wheat, rice and oats, coated with delightful taste of honey and mixed with rolled oats. It is a true ally for women who want to have a nourishing and delicious breakfast having only 2% fat and with no added preservatives. Apart from this, it is naturally low fat, low cholesterol and 100% vegetarian.

Harpreet Singh Tibb, Director of Marketing, Kellogg India added, our aim is to have Special K Multigrain & Honey become a breakfast ally to consumers, offering them a delicious and nourishing option without having to compromise on taste. It adds to the portfolio of Special K with one more great food option for which consumers have shown a great liking towards in our research. Special K Multigrain & Honey, is available in 435 gm SKUs priced at Rs. 179/-.