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Processing for Prosperity

FOOD PROCESSING

Towards Sustainable Growth Opportunities



Sector Profile Nutraceuticals





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PREFACE

The Indian food-processing sector has witnessed remarkable growth, during the last 9 years ending 2023-24, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 6.55% as compared to around 6.06% in manufacturing at 2011-12 prices. The sector constituted as much as 7.93% share of FPI in manufacturing sector in 2023-24. The sector is one of the largest employment providers in the organised manufacturing sector with 12.91% employment in the total registered/organised sector. This highlights its competitiveness and capacity to cater to global markets.

India is the world's largest producer of milk, pulses and jute and ranks as the second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton. It is also one of the leading producers of spices, fish, poultry, livestock and plantation crops. This abundant raw material base offers immense potential for value addition and export. Notably, India reported the processed food exports amounted to USD 10.09 billion in 2024-25 with significant shares in processed vegetables and fruits, pulses, cereal preparations etc. Further, the sector has attracted 7.21 billion FDI inflow in the last one-decade ending 2024-25. Recognizing the sector's significance, Ministry of Food Processing Industries has extended support and incentives for creation of modern infrastructure with efficient supply chain management, creation of employment opportunities, reducing post-harvest losses, increasing the processing level and enhancing export of the processed foods.

The nutraceuticals sector positioned at the confluence of food, pharmaceuticals, and wellness is increasingly recognized as a cornerstone of preventive healthcare. Driven by rising health consciousness, lifestyle-related diseases, and a growing preference for natural and functional foods, the global demand for nutraceutical products is on an upward trajectory. India, with its rich biodiversity, traditional knowledge base, and expanding R&D capabilities, is emerging as a key player in this high-growth sector. Major domestic players such as Himalaya, Patanjali, and Dabur, along with international companies like Amway and Herbalife, are competing and collaborating to meet consumer demand. Startups in personalized nutrition and plant-based formulations are also reshaping the industry landscape.

Regulatory reforms by the Food Safety and Standards Authority of India (FSSAI) have played a crucial role in standardizing definitions, product approvals, and labelling requirements. These changes have enhanced consumer trust and facilitated exports. Globally, increasing awareness of immunity, digestive health, and mental well-being continues to boost demand, positioning India as both a manufacturing hub and a major consumer market. Government initiatives under the Ayushman Bharat Digital Mission, Make in India, and Startup India are further incentivizing R&D and investment in nutraceuticals.

With a favourable policy environment, robust supply chain, and expanding global footprint, India is well-placed to lead the next wave of growth in the nutraceuticals sector—ensuring both economic opportunity and better public health outcomes. We hope this profile helps unlock new opportunities and supports strategic planning for those shaping the future of health through science-backed nutrition.

1 Introduction

Nutraceuticals are characterized as ‘specially designed preparations’, formulated with the aim of fulfilling specific dietary requirements and/or offer preventive health care. Nutraceuticals are the formulation of nutrient/nutrients which helps in prevention and treatment of some diseases, in addition to a supplement diet. Nutraceutical is a term given by Dr. Stephen De Felice in 1989 and came from two words “nutrition” and “pharmaceutical”. These are foods or a part of foods that are beneficial in providing various health benefits including the treatment and/or prevention of the disease. Terms ‘nutraceuticals’, ‘food supplements’, ‘dietary supplements’ have evolved after the concept was originated by Dr. De Felice.

There is no sharp demarcation between food supplements and nutraceuticals given by regulatory authorities. With adequate clinical evidence, nutritional supplements should have a strong safety profile with few undesirable side effects and better bioavailability. There is a very fine line of demarcation between two types of formulations: the same ingredients may work as a nutraceutical or food supplement but may be demarcated based on claims.

Nutraceuticals include single or combinations of pro- and pre-biotic foodstuff and food for special medical uses; and food supplements includes single or combinations of mineral, vitamins, protein supplements, functional foods and herbal products. By prolonging or eliminating the need for pharmaceuticals in subjects to fit for an alternative nonpharmacological treatment to a pathological condition, the incorporation of nutraceuticals into daily diet may aid in the prevention of pathological disorders.

The safety and efficacy of various statins have been used in the prevention of cardiovascular diseases even in pregnant women. Nutraceuticals with an effective safety profile and well-established impact on pregnancy might be a suitable therapeutic option for preventing diabetes mellitus and hypertensive disorders, or as an adjuvant to therapy with standard medications. Calcium, omega-3 polyunsaturated fatty acids, vitamin D, folic acid, resveratrol, alpha-lipoic acid, zinc, inositol, and probiotic supplements are potentially proven candidates as novel nutraceuticals. The use of a novel nutraceutical in blend with non-steroidal anti-inflammatory drugs (NSAIDs) has been proven a potential candidate for osteoarthritis, thus improving its efficacy and safety for commercial use.

The market remains robust and ever-growing for nutraceuticals such as antioxidants; omega-3 fatty acids; plants such as algae, aloe vera, seaweed, and wheatgrass; teas and herbs such as ginseng and Echinacea. A recent survey suggested that the nutraceutical market is expanding globally and the probability states that it may reach up to USD 463.5 billion by the year 2025. The compound annual growth rate (CAGR) of nutraceuticals is estimated to be 5.1% from the year 2025 to 2035. This increment in the growth of the nutraceuticals-based industry is associated with various factors such as a rise in demand for nutraceuticals, an awareness among people for the benefits of nutrition and an incremental rate observed in the healthcare sector.

Currently, Europe, USA and Japan account for more than 90% of the total global nutraceutical market and now the focus of nutraceutical players has been shifted towards developing economies, especially those across Asia Pacific, including India.

In the pharmaceutical industry, it is mandatory to do clinical tests on animals or in vitro for the verification of a compound's effects. On the contrary, in nutrition, there was no such method in the past for the verification of effects of foods in preventing or treating diseases. In recent years, however, the food composition has been scientifically tested and verified as people are becoming more and more aware of health-related issues and how food can directly or indirectly be responsible for maintaining proper health and preventing diseases.

Nutraceuticals provide their benefits in a wide range of therapeutic areas such as cough and cold, anti-arthritis, digestion, sleeping disorders and treatment of cancers, depression, diabetes, cholesterol, blood pressure and pain killers. Scientific needs for nutraceuticals demand standardization of the constituents and cautious development of protocols and implement clinical studies which will form the foundation for consumer health and impact on nutraceutical companies.

In the last 10 years, a huge growth has been observed in the awareness of nutraceuticals and their use as powerful therapeutic supplements. Nutraceutical medicine has now been accepted as a part of Complementary and Alternative Medicine (CAM) and, thus, it has been incorporated as a new branch of CAM. Due to dynamic action of nutraceuticals (nutritional and medicinal action), their popularity amongst public and healthcare providers has increased over medicines¹.



¹ <https://pmc.ncbi.nlm.nih.gov/articles/PMC9654660/>

2 Global Trends in Nutraceutical Products

The global nutraceuticals market is expected to witness consistent growth following the outbreak of COVID-19, as these include the food ingredients that provide medical or health benefits to prevent diseases and boost the overall immune system. The flexibility in storage options, the demand for combined formulations with multiple benefits, increased consumer education levels, informed consumers, and the rise in health concerns among connected consumers during this pandemic increased the demand for nutraceutical products around the globe.

The rising number of nutraceuticals demand with medical benefits is a significant factor driving the growth of nutraceuticals. They contain antioxidants, probiotics, and polyunsaturated fatty acids, which help manage health issues like obesity, cardiovascular disease, cancer, cholesterol, arthritis, and diabetes. Additionally, the growing preference for personalized nutrition in the regions is one of the key market trends in the nutraceuticals market space that further drives the market growth. The customized nutrition trend is growing, particularly among individuals with gut-related medical conditions where generic treatment is ineffective. Multivitamins and single vitamins account for a massive demand from consumers across the regions².

The nutraceuticals market size has grown significantly in recent years. It will grow from 455.01 USD billion in 2024 to 503.22 USD billion in 2025 at a compound annual growth rate (CAGR) of 10.6%. The growth in the historic period can be attributed to health consciousness, consumer education, regulatory support, scientific research, aging population.

The nutraceuticals market size is expected to see rapid growth in the next few years. It will grow to 772.51 USD billion in 2029 at a compound annual growth rate (CAGR) of 11.3%. The growth in the period can be attributed to continue health consciousness, global economic trends, shift in dietary patterns, digital health and E-Commerce, rise of personalized nutrition. Major trends in the forecast period include functional beverages, sports nutrition and performance, mental wellness solutions, immune system support, gut health focus³.

2.1 Global geographical segmentation

The Global Nutraceuticals Market is poised for substantial growth, with its regional segmentation showcasing distinct dynamics. In 2024, North America leads with a valued market of 70 USD Billion, contributing significantly to the Global Nutraceuticals Market revenue, driven by a high demand for health-oriented products among consumers. Europe follows closely with a valuation of 50 USD Billion, reflecting a robust preference for organic and functional food products, thus showcasing a strengthening focus on wellness across the region. The Asia-Pacific (APAC) market, valued at 45 USD Billion in 2024, exhibits a rapid expansion fuelled by increasing health awareness and changing dietary patterns.

South America and the Middle East and Africa (MEA) hold smaller shares, with valuations of 20.00 and 9.76 USD Billion, respectively, in 2024; however, South America is witnessing a growing interest in natural supplements and herbal products, which signals future growth potential. Overall, the regional insights highlight a predominance of North America and Europe, indicating their role as key players in shaping the trends within the Global Nutraceuticals Market industry while presenting diverse opportunities for growth driven by consumer preferences and health trends⁴.

² <https://www.mordorintelligence.com/industry-reports/global-nutraceuticals-market-industry>

³ <https://www.thebusinessresearchcompany.com/report/nutraceuticals-global-market-report>

⁴ <https://www.marketresearchfuture.com/reports/nutraceuticals-market-2181>

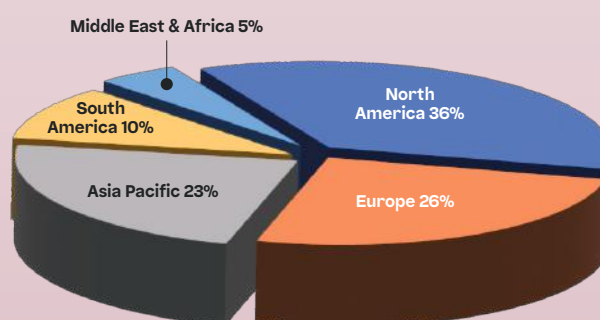
2.2 Global trend and consumption

The Global Nutraceuticals Market is experiencing steady growth, with various product types contributing significantly to its overall landscape. Essential components include Vitamins, Minerals, Herbal Products, Probiotics, and Others, each playing a distinct role in catering to health-conscious consumers.

As of 2024, the Vitamins segment is valued at 40 USD Billion and is projected to rise to 65 USD Billion by 2035, reflecting its dominance due to the growing awareness regarding vitamin deficiencies and their impact on health. Minerals, valued at 30 USD Billion in 2024 and expected to reach 50 USD Billion in 2035, also hold a significant share, attributed to their importance in supporting bodily functions and overall health.

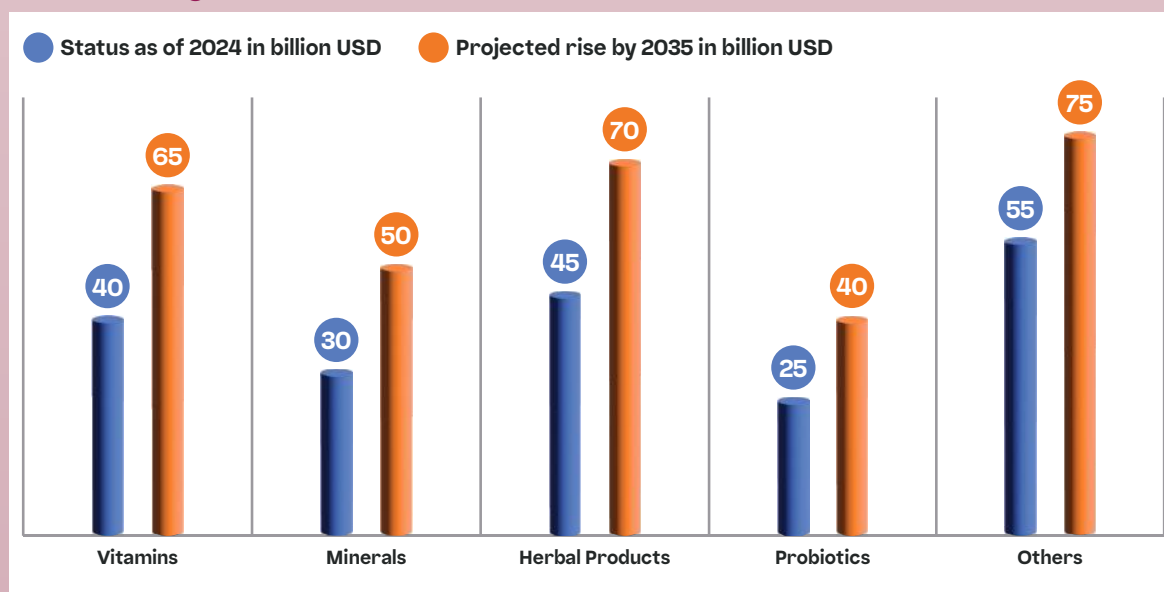
Herbal Products, valued at 45 USD Billion in 2024 and anticipated to grow to 70 USD Billion by 2035, remain popular as consumers seek natural and plant-based alternatives for health maintenance. Probiotics, representing a smaller yet noteworthy segment at 25 USD Billion in 2024 and projected to expand to 40 USD Billion in 2035, emphasize gut health, which has gained significant attention in recent years. Lastly, the others category, valued at 54.76 USD Billion in 2024 and expected to grow to 75 USD Billion by 2035, encapsulates

GLOBAL MARKET SHARE IN BILLION USD



a variety of additional products, showcasing the diverse nature of consumer preferences in the market. The continuous innovation and research within these product types are driven by a growing emphasis on preventive healthcare and wellness, making the Global Nutraceuticals Market a promising area for future investments and development⁵.

Product Segement market forecast 2024-35



Rising consumer interest in functional food results from health benefits, performance, and perceived wellness. Due to the ease of incorporating nutraceutical ingredients, the demand for functional end-products such as dairy products, bakery and confectionery, snacks, cereals, fats and oils, meat, and baby food is rising. Famous fortification includes vitamins, minerals, fiber, and protein. High-protein food is the real winner, as it is popular among fitness enthusiasts. Also, people are even more concerned about their health nowadays than their baby-boomer counterparts.

For companies to differentiate themselves from the competition and create space in a crowded market, they are changing their delivery systems. It evolved beyond tablets and capsules to include newer delivery modes, including soft chews, chewing gum, gummy bears, patches, lollipops, and quick-dissolving strips. Fortified products are offered in convenient single-serving sizes. It is the reason behind the huge demand for functional snack bars. Furthermore, the dietary supplement moved into more 'food-like' delivery forms, such as pudding-like squeeze packets for omega-3 fish oil, joint juice for glucosamine, calcium in chocolate chew, etc⁶.

2.3 Geriatric Population Surge Fuels Nutraceutical Market Growth by Addressing Health and Immunity Needs

The rise in the geriatric population is significantly contributing to the growth of the nutraceutical market. Nutraceuticals are products that can be taken by an individual along with a normal daily diet to get additional nutrients to promote good health and immunity. After a certain age, especially after 65 years or above, an individual requires additional nutrients to build immunity to fight against several diseases such as diabetes, cholesterol, blood pressure, and other age-related issues. Nutraceuticals are used as daily supplements to meet the daily requirements of nutrients. For instance, in October 2022, according to the World Health Organization, a US-based specialized health agency, globally, 1 in 6 individuals would be 60 or older by 2030 and is expected to reach 2.1 billion elderly people by 2050. Therefore, the rise in the geriatric population is driving the growth of the nutraceutical market.

2.4 Product Innovation Enhanced Health Solutions in the Nutraceutical Market

New product development is the key trend being followed by the companies operating in the nutraceutical market. This is due to the presence of many nutraceutical companies operating in the market and their desire to extend their growth in new areas to be a leader in the market. For instance, in April 2024, an India-based nutrition company specializing in plant-based, orally dissolving nutrition products, launched its new line of plant-based nutrition products. These products are designed to deliver essential nutrients while avoiding artificial additives, appealing to health-conscious shoppers. They align with the growing preference for clean, natural ingredients. This focus on quality caters to those seeking healthier lifestyle options.

2.5 Global Players in Nutraceutical sector:

The global nutraceutical market is highly competitive, with numerous international and domestic players. As consumers continue to focus on their health, it is becoming increasingly important for retailers and manufacturers to understand consumers' shifting needs in the

⁶ <https://www.mordorintelligence.com/industry-reports/global-nutraceuticals-market-industry>

nutraceuticals industry. The prime factors determining the market players and their positions in the concerned market are the ingredients used, target consumers, and the target market segment. The new launches in compliance with the consumer trends in the target segment are likely to further help companies better position themselves in the market⁷.

Major companies operating in the nutraceuticals market include.

- Cargill Incorporated
- Archer Daniels Midland Company
- Nestle SA
- BASF SE
- PepsiCo Inc.
- Abbott Laboratories
- Groupe Danone
- Evonik Industries AG
- General Mills Inc.
- Arla Foods amla
- Kellogg Company
- E. I. du Pont de Nemours and Company (DuPont)
- Ajinomoto Co Inc.
- Kerry Group plc
- Royal DSM NV (Royal DSM)
- Amway Corporation
- Ingredion Incorporated
- Glanbia plc
- Herbalife International of America Inc.
- Lesaffre
- W. R. Grace & Co-Conn
- Chr. Hansen Holding A/S

2.6 Nutraceuticals market distribution channel

A key aspect of this market is the Distribution Channel segment, which plays a critical role in the delivery of nutraceutical products to consumers. Among the various channels, online distribution has gained popularity due to COVID-19, increasing digitalization and consumer convenience, while retail outlets, including Pharmacies, Supermarkets, and Health Stores, remain crucial for traditional shopping experiences. These channels collectively cater to diverse consumer preferences and enhance accessibility to nutraceutical offerings. Supermarkets often dominate due to their extensive reach and ability to attract a larger customer base, while pharmacies ensure that consumers have access to scientifically backed health products.

Additionally, Health Stores specializes in organic and specialty nutraceuticals, catering to niche markets focused on health and wellness. The growth drivers in this space include rising health awareness, an aging population seeking preventative health solutions, and innovative marketing strategies that leverage both physical and digital platforms, ensuring that the Global Nutraceuticals Market revenue continues to expand significantly⁸.

⁷ <https://www.mordorintelligence.com/industry-reports/global-nutraceuticals-market-industry>

⁸ <https://www.marketresearchfuture.com/reports/nutraceuticals-market-2181>

3 Overview of Nutraceuticals Market in India

3.1 Market Size & Trends

The India nutraceuticals market size was estimated at USD 30.37 billion in 2024 and is projected to grow at a CAGR of 13.6% from 2025 to 2030. The market growth is attributed to rising consumer focus on health-promoting diets, increasing instances of lifestyle-related disorders, and preventive healthcare. The increasing trend among consumers to alter dietary habits is expected to boost the demand for nutraceuticals. The consumer belief that an improper diet results in increasing pharmaceutical spending is anticipated to boost the demand for nutraceuticals, which, in turn, is projected to help the governments in terms of low expenditure on healthcare as well as social security costs⁹.

The Indian nutraceuticals industry held 9.22% of the global nutraceuticals market revenue in 2023. The growing concerns among the aging population about heart health and obesity are expected to increase the demand for nutraceuticals among this population. The aging population is receptive to personalized nutrition, which gives ample growth opportunities to nutraceutical manufacturers, which has also resulted in educational programs targeted at this demographic. Education and a clear message to the target population about various health concerns are expected to result in high awareness among consumers, which would result in high product demand.

Nutraceutical manufacturers invest in R&D activities for various reasons, such as exploration and interest in new ingredients, regulatory requirements, intellectual property purposes, and differentiating products to gain a competitive advantage. The patents and their protection form an important part of the revenue strategy of nutraceutical manufacturers, leading to a large expenditure on patenting compounds and processes that manufacturers believe can generate revenues in the future.

The nutraceutical industry is anticipated to witness considerable growth over the next years owing to their increasing consumption for the prevention of diseases and growing health consciousness among the population. The increased usage of the internet has resulted in the consumer being more knowledgeable about chronic diseases and the preventive methods that include the consumption of nutraceuticals. Recently, consumers have turned their attention towards nutraceuticals manufactured from natural ingredients or by the usage of natural methods.

The rise in technological advancements and the growing number of innovations have influenced the adoption of artificial intelligence (AI). AI will enable more personalized solutions based on a consumer's dietary and health data. Therefore, AI is expected to play an important role in the growth of nutraceuticals.

⁹ <https://www.grandviewresearch.com/industry-analysis/india-nutraceuticals-market-report#:~:text=The%20India%20nutraceuticals%20market%20size,related%20disorders%2C%20and%20preventive%20healthcare>

3.2 Ingredient Insights

The probiotic ingredients accounted for a revenue share of 24.66% in 2024. This large share is attributed to the rising demand for food components providing digestive and immune health benefits. These nutraceutical ingredients are incorporated into food items to yield strain-specific benefits related to their interactions with the gastrointestinal tract (GI). Consumers are widely consuming prebiotics & probiotics to enhance the gut and systemic immune system functions.

Vitamin ingredients are expected to grow at a CAGR of 13.5% from 2025 to 2030. The demand for vitamin ingredients in India's market has increased due to growing health awareness and the rising focus on immunity-boosting solutions, particularly after the COVID-19 pandemic. Consumers are increasingly seeking supplements rich in essential vitamins like C, D, and B-complex to address nutritional deficiencies and enhance overall well-being. The prevalence of lifestyle-related disorders, such as diabetes and cardiovascular diseases, has further driven the need for fortified products containing vitamin ingredients. In addition, the expansion of the middle class, along with easier access to dietary supplements through e-commerce and retail channels, has fuelled this growth.

3.3 Product Insights

Functional food accounted for a revenue share of 37.6% in 2024 in the Indian market. The demand for functional foods in India has grown significantly due to increasing health awareness and a shift towards preventive healthcare. Consumers are now prioritizing foods that offer additional health benefits beyond basic nutrition, such as those fortified with probiotics, omega-3 fatty acids, vitamins, and minerals. Urbanization and busy lifestyles have also contributed to this trend, as functional foods offer a convenient way to address nutritional deficiencies. In addition, rising incidences of lifestyle-related conditions like diabetes, obesity, and heart disease have driven demand for products that support overall health and wellness. India's deep-rooted tradition of natural and Ayurvedic remedies further complements the acceptance of functional foods within the nutraceuticals market.

Dietary supplements are expected to grow at a CAGR of 13.9% from 2025 to 2030. The demand for dietary supplements in India has surged due to rising health consciousness, a growing middle-class population, and increased awareness about preventive healthcare. The COVID-19 pandemic accelerated this trend as consumers sought immunity-boosting products such as vitamins, minerals, and herbal supplements. In addition, urbanization, lifestyle changes, and the prevalence of chronic diseases have prompted individuals to prioritize wellness. The popularity of nutraceuticals has also been fuelled by India's rich tradition of Ayurveda and natural remedies, with a preference for supplements containing herbal and organic ingredients.

3.4 Product-Distribution Channel Insights

Sales of functional food through grocery stores accounted for a revenue share of 40.3% in 2024. More consumers are becoming proactive about their health and are seeking products that can offer specific health benefits beyond basic nutrition. Functional foods—such as fortified products, probiotics, and foods with added vitamins or minerals—align with the desire for preventive health measures, which pharmacies and drug stores are well-positioned to offer. Pharmacies and drug stores are easily accessible to consumers, making them a convenient location for purchasing functional foods. With people often already visiting these stores for medication or supplements, it is natural for them to also purchase functional foods that support specific health goals, such as immune support, digestion, or heart health.

Sales of dietary supplements through online stores are expected to grow at a CAGR of 15.0% from 2025 to 2030. As more people focus on maintaining a healthy lifestyle, there is a growing demand for dietary supplements to support specific health goals (e.g., weight management, immunity, mental well-being, etc.). Online stores often feature a wide variety of niche and specialized products that cater to these health trends, making it easier for consumers to find supplements that align with their personal needs.

3.5 Key Indian Nutraceuticals Companies

The India nutraceuticals industry is characterized by numerous well-established and emerging players. Manufacturers in the India market are engaging in a variety of strategic initiatives to keep pace with evolving consumer demands and market trends.

Key India Nutraceuticals Companies:

- ADM
- DSM
- Herbalife Laboratories
- United Laboratories
- Amway
- Arkopharma
- Lifevision Healthcare
- Uniray Lifescience
- E.I.D. - Parry (India) Limited
- Zoic Pharmaceuticals¹⁰
- Dabur India Limited
- Abbott India Limited
- Bayer India Limited
- Merck India Limited
- Himalaya Wellness Company
- Baidyanath Group
- Neuperbs
- Pure Nutrition
- Zydus Wellness¹¹

¹⁰ <https://www.grandviewresearch.com/industry-analysis/india-nutraceuticals-market-report>

¹¹ <https://www.techsciiresearch.com/blog/top-nutraceutical-companies-in-india/4490.html>

3.6 Growth Opportunities

- The growing awareness of health and wellness has been a driving force behind the expansion of the Nutraceuticals Industry. As consumers increasingly look for products that enhance their health, the industry is on the brink of a significant upturn. This trend offers a promising prospect for nutraceutical companies to fulfil the escalating demand and serve the varied health needs of city dwellers.
- The swift pace of urbanization, rising incomes, and the flourishing online marketplace are set to have a favourable impact on the nutraceuticals market. These elements are expected to drive the demand for both nutraceutical products and their ingredients.

4 Investment Opportunities in Nutraceuticals Sector in India

4.1 Navigating the Road to Global Leadership

India's ascent in the nutraceutical space is backed by robust government support. Policy interventions such as Production-Linked Incentive (PLI) schemes, the introduction of standardized trade codes, and favourable regulatory frameworks are designed to bolster India's position in the global market.

These initiatives aim to attract foreign investment, streamline production processes, and ensure product standardization that meets international benchmarks. As a result, India is increasingly becoming a preferred destination for global nutraceutical companies looking to establish R&D and manufacturing hubs. The strategic integration of traditional Indian health sciences like Ayurveda with cutting-edge biotech solutions gives India a unique competitive edge that no other market can replicate.

4.2 Fuelling Innovation and Capital Influx

India's thriving startup ecosystem is revolutionizing the nutraceutical industry. Entrepreneurs are leveraging artificial intelligence, biotechnology, and data analytics to create next-generation nutritional products tailored for diverse demographics. The sector is witnessing a surge in personalized nutrition solutions, functional foods, and plant-based alternatives catering to both domestic and international consumers.

Venture capital firms and private equity investors are taking notice. With record-breaking investments flowing into nutraceutical startups, India is fostering an innovation-led market capable of competing with established global players. This influx of capital is not only driving product development but also enabling startups to scale rapidly, expand into international markets, and establish India as a global innovation hub.

4.3 The Engine of Domestic Demand

India's rapidly growing middle class is playing a crucial role in shaping the nutraceutical landscape. Rising disposable incomes, urbanization, and heightened health awareness are fuelling domestic demand for high-quality nutritional supplements and wellness products.

Chronic diseases such as diabetes, obesity, and cardiovascular disorders are on the rise, prompting consumers to seek preventive healthcare solutions. The post-pandemic world has further accelerated this shift, as immunity-boosting and holistic well-being have become top priorities. This evolving consumer behaviour is propelling the industry forward, turning India into not just a manufacturing powerhouse but also one of the world's largest consumer markets for nutraceuticals.

4.4 India's Future in the Global Wellness Economy

With its unique blend of scientific research, entrepreneurial dynamism, and government-backed initiatives, India's nutraceutical industry is on the cusp of becoming global leader. The sector holds the potential to significantly contribute to the country's GDP, generate large-scale employment, and establish India as a key pillar of the international wellness economy.

The path ahead is clear: by continuing to foster innovation, strengthen regulatory frameworks, and leverage its vast talent pool, India can position itself at the forefront of the global nutraceutical movement. The world is waking up to the power of preventive health solutions, and India is primed to lead the way¹².



¹² <https://ehealth.eletsonline.com/2025/03/indias-emerging-position-in-the-global-nutraceutical-market/>

5 Government Interventions for supporting Nutraceuticals Sector:

Government of India has taken up various initiatives to boost the Nutraceutical sector in India:

5.1 Pradhan Mantri Kisan Sampada Yojana (PMKSY)¹³:

Ministry has been implementing Central Sector Umbrella Scheme –Pradhan Mantri Kisan Samapada Yojana(PMKSY) since May, 2017 across the country including NER with an allocation of Rs. 6,000 Crores for the period 2016-20 co terminus with the 14th Finance Commission Cycle. A new scheme "Operation Greens" was introduced in PMKSY in November, 2018 for integrated development of value/supply chain of tomato, onion and potato (TOP) crops in selected States on pilot basis with an outlay of Rs 500 Crores, which was subsequently extended to all notified crops and later to 22 perishables. Continuation of restructured PMKSY during 15th Finance Commission cycle i.e. till 31.03.2026 has been approved with an allocation of Rs. 5520 crores with following component schemes-

- Integrated Cold Chain and Value Addition Infrastructure
- Creation/ Expansion of Food Processing and Preservation Capacities (Unit Scheme)
- Infrastructure for Agro-processing Clusters
- Food Safety and Quality Assurance Infrastructure
- Human Resources and Institutions –Research & Development
- Operation Greens

The component schemes of Mega Food Park, Creation of Backward & Forward Linkages, Human Resource & Institution - Promotional Activities, Skill Development & HACCP, a component of Food Safety and Quality Assurance Infrastructure have been discontinued in the 15th FC cycle with the provision of committed liability.

Under constituent component schemes of PMKSY, the MoFPI provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organizations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. for setting up of food processing/preservation industries. Financial assistance to the eligible applicant is provided as per the Scheme guidelines and against the Expression of Interest issued by the Ministry from time to time to enable them to set up various food processing/preservation projects.

5.2 Pradhan Mantri Formalization of Micro Food Enterprises Scheme (PMFME):

MoFPI is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" under Aatma Nirbhar Bharat Abhiyaan initiative for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational from 2020-21 to 2025-26 with an outlay of Rs 10,000 Crore. Two lakh micro food processing units will be directly assisted with credit linked subsidy, capacity building and marketing and branding support.

¹³ <https://sampada-mofpi.gov.in/>

The objectives of the scheme are as under:

1. Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
2. Integration with organized supply chain by strengthening branding & marketing;
3. Support for transition of existing 2,00,000 enterprises into formal framework;
4. Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;
5. Strengthening of institutions, research and training in the food processing sector; and
6. Increased access for the enterprises, to professional and technical support

The scheme aims to:

1. Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
2. Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

One District One Product:

PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP scheme provides the framework for value chain development and alignment of support infrastructure. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding. These provisions would primarily be for ODOP products.

5.3 "Ayush Aahar" initiative

The "Ayush Aahar" initiative is a collaborative effort between the Ministry of Ayush and the Food Safety and Standards Authority of India (FSSAI) to regulate and promote Ayurvedic dietary products. This initiative aims to ensure the manufacturing of quality Ayurveda food products and help in expanding the international market for Make-In-India products¹⁴.

Key Aspects of Ayush Aahar:

- **Product Development:** The initiative has led to the creation of various Ayurvedic food products such as Poshak Cookies, Annie Bread, Sumit Jam, Jeetayu Tea, NP Quenchy Drink, AG Ketchup, and Full Moon Chocolate. These products are developed based on Ayurvedic formulations and are manufactured by FSSAI-licensed producers to ensure quality and safety.
- **Training and Entrepreneurship:** The Rashtriya Ayurveda Vidyapeeth (RAV) has collaborated with institutions like the National Institute of Food Technology Entrepreneurship and Management (NIFTEM) and Jamia Hamdard University to train Ayurveda graduates in the preparation of Ayurvedic food products, fostering entrepreneurship in the sector.
- **Research and Innovation:** The All India Institute of Ayurveda (AIIA) conducts

¹⁴ https://sansad.in/getFile/loksabhaquestions/annex/184/AU849_U3Hvwk.pdf?source=pqals&utm_source=chatgpt.com

research projects related to Ayurveda-based food innovations, exploring and validating dietary principles for sustainable nutrition goals.

- **Regulatory Compliance:** Ayurveda Aahar products are required to comply with the Food Safety and Standards Act, 2006, and related regulations, ensuring that these nutraceuticals meet national and international food safety standards.
- **Global Promotion:** The Ministry of Ayush has showcased Ayush Aahar products at international events like the World Food India, highlighting their potential in addressing lifestyle disorders such as diabetes, obesity, and hypertension. These efforts aim to expand the global reach of Ayurvedic nutraceuticals.

5.4 Supportive Initiatives

Recognizing the sector's immense potential, the Council of Scientific and Industrial Research (CSIR) constituted a Nutraceutical Sector Task Force (TF) in November 2021 under the chairmanship of the Principal Scientific Adviser to the Government of India. This Task Force includes representatives from various ministries, including the Department of Commerce, the Department of Pharmaceuticals, the Food Safety and Standards Authority of India (FSSAI), the Ministry of AYUSH, and the Ministry of Food Processing. The TF also includes significant industry representation, ensuring that industry concerns and challenges are directly addressed.

Key advantages for India in the nutraceutical industry include:

- **Ayurvedic Heritage:** A longstanding history in health science, especially Ayurveda, offering unique traditional knowledge.
- **Agroclimatic Diversity:** The presence of 52 agroclimatic zones, making India ideal for cultivating medicinal plants.
- **Medicinal Plant Biodiversity:** A robust hub of over 1,700 medicinal plants, including globally recognized curcumin, bacopa and ashwagandha, awaiting modern scientific validation.
- **Pharmaceutical Formulation Expertise:** Expertise in pharmaceutical formulation, influencing high-quality nutraceutical standards.
- **Startup and Industry Growth:** A thriving startup ecosystem and a growing number of successful nutraceutical companies catalyzing sectoral growth.
- **Introduction of HSN Codes:** Development of the first-ever Harmonized System of Nomenclature codes for streamlined trade.
- **PLI Scheme:** Creation of the first-ever Production-Linked Incentive (PLI) scheme for nutraceuticals.
- **Nutraceutical Industry Panel:** Formation of a dedicated nutraceutical industry

panel under SHEFEXIL (Shellac & Forest Products Export Promotion Council) to enhance regulatory and export support.

- **Compliance and Export Initiatives:** SHEFEXIL has recommended nutraceuticals remain classified as food products under FSSAI's jurisdiction.

Additionally, nutraceutical exporters are now included in the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, aligned with the Biodiversity Act 2023, to offset export costs and ensure EU compliance.

India has also prioritized infrastructure support, with nutraceutical incubation hubs and centers of excellence. NIFTEM-Kundli, Centurion University, and AIC-CSIR-CCMB have developed hubs fostering innovation, while the Kerala government inaugurated the first government-backed Nutraceutical Centre of Excellence in 2024.

With these strategic initiatives, India's nutraceutical sector is set for unprecedented growth. India aims to position itself as a global leader in nutraceuticals, combining traditional knowledge with modern science to attract global partnerships and investments¹⁵.

5.5 100% FDI in Food Processing sector

Permitted FDI in India for Food Processing - "the FDI policy provisions on trading sector, 100% FDI under Government approval route is allowed for retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India."

Any Indian company receiving investment from outside India for issuing shares/convertible debentures/preference shares under FDI scheme should report the details of the amount of consideration to the regional office concerned of the Reserve Bank of India not later than 30 days from the date of receipt in the advance reporting form.

Indian companies are required to report the details of the receipt of the amount of consideration for issue of shares/convertible debentures, through an AD Category bank, together with a copy of the FIRC/s evidencing the receipt of the remittance along with the KYC report (Section-2) on the non-resident investor from the overseas bank remitting the amount. The report would be acknowledged by the Regional Office concerned, which will allot a Unique Identification Number (UIN) for the amount reported. Explanation: An Indian company issuing partly paid equity shares, shall furnish a report not later than 30 days from the date of receipt of each call payment¹⁶.

¹⁵ <https://pib.gov.in/PressReleasePage.aspx?PRID=2071412#:~:text=The%20global%20nutraceutical%20market%20is,and%20challenges%20are%20directly%20addressed.>

¹⁶ <https://www.foodprocessingindia.gov.in/information/details/foreign-direct-investment#:~:text=Permitted%20FDI%20in%20India%20for,and/or%20produced%20in%20India.>

6 R&D and Skill Development Ecosystem for Nutraceuticals Products

6.1 National R&D Infrastructure & Public Labs

- Public institutions like CSIR-CFTRI (Central Food Technological Research Institute) in Mysuru and ICAR-CMFRI have created and commercialised nutraceutical products, including seaweed-based anti obesity and antidiabetic extracts. These institutions continue cutting-edge bio prospecting research from India's medicinal flora
- Renowned food-tech hubs like NIFTEM-Kundli/Thanjavur support R&D in functional foods, non thermal processing, and post harvest utilization of nutraceutical raw materials with active funding from agencies such as MoFPI, DST & SERB.

6.2. Innovation Hubs & Centres of Excellence

- Government-backed incubators and CoEs are driving nutraceutical innovation at Centurion University, AIC CSIR CCMB, and India's first Kerala Government Nutraceutical Centre of Excellence launched in 2024.
- These hubs facilitate AI driven formulation research, clinical validation, start up incubation, and international collaboration.

6.3. Public-Private Initiative & Tech Transfer

- The CSIR Nutraceutical Sector Task Force (est. Nov 2021) comprising FSSAI, MoAYUSH, Commerce, Pharmaceuticals, and industry bodies streamlines regulations (e.g. HSN codes), supports exports (PLI, RoDTEP), and aligns India's standards with global norms.
- NRDC-Nutrify India partnership empowers nutraceutical start-ups with technology licensing, seed funding, and mentorship to commercialise over a dozen scientifically validated platforms.

6.4. Academia-Industry Skill Development

- Universities are collaborating on industry-specific programs: Nutrify Today Academy with Centurion University offers post-graduate courses in nutraceutical sciences, tightly integrated with real-world R&D via NutrifyGenie AI and expert faculty support.
- The NSDC/Skill India ecosystem contributes frameworks (under PMKVY schemes and sector-specific curricula) to upskill youth for nutraceutical manufacturing, QA/QC, and regulatory compliance roles.

6.5. Private Sector R&D & Clinical Validation

- Leading Indian nutraceutical firms like Botanic Healthcare are investing in AI-powered high-throughput discovery, formulation optimisation, and multiple clinical trials focused on immunity, cognition, and metabolic health. These are validated using global standard protocols to build trust in exports and domestic markets

The table below outlines some of the prominent institutions that serve as the cornerstone of India's R&D ecosystem in this domain.

Table: Key Institutions and Highlights

Key Institutions	Highlights
CSIR-CFTRI (Mysuru)	Pioneering R&D on functional foods, bioactives, and extraction technologies for plant-based nutraceuticals.
ICAR-CMFRI (Cochin)	Developed marine-based nutraceuticals (e.g., seaweed, fish-derived compounds) for lifestyle disorders.
NIFTEM-K & NIFTEM-T (Kundli & Thanjavur)	Centres of Excellence for food processing R&D, supporting nutraceutical innovation and tech transfer.
Nutrify Today Academy	Industry-academia model for post-grad courses in nutraceutical sciences with integrated R&D exposure.
Centurion University – AIC Incubator	Supports start-up incubation and pilot-scale innovation in nutraceutical product development.
FSSAI & CSIR Nutraceutical Task Force	Coordinates regulation, standardization, and export promotion of Indian nutraceuticals.
Kerala Govt Centre of Excellence (2024)	India's first CoE dedicated to nutraceutical innovation and skill development at the state level.
Botanic Healthcare & Similar Industry Players	Investing in AI-enabled research, clinical trials, and global compliance for herbal and functional products.



7 Conclusion

The nutraceutical sector stands at the intersection of health, food, and innovation—poised to play a transformative role in the global wellness economy. With increasing consumer demand for natural, preventive, and personalized health solutions, the industry offers strong potential for growth and diversification.

India's strengths in biotechnology, Ayurveda, and food processing provide a unique competitive advantage in this sector. As outlined in this profile, the market is supported by evolving regulatory frameworks, investment incentives, and a dynamic startup ecosystem. However, realizing the full potential of the nutraceutical space requires coordinated efforts from stakeholders—ranging from policy makers and investors to entrepreneurs and manufacturers.

By fostering innovation, ensuring quality and compliance, and strengthening supply chains, India can emerge as a global leader in the nutraceutical domain. This document aims to serve as a foundational guide for stakeholders looking to navigate and shape this promising sector.

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