



# National Beverage Conclave

## Sustainable Food Systems: Redefining the Beverage Industry

Date: 6<sup>th</sup> July 2023

Venue: Shangri La Eros, New Delhi

### **BACKGROUND**

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

A multi-stakeholder engagement & public private partnership is important to address many of these global challenges. IBA is committed to impact the global food systems & have a meaningful impact on the economic progress of the country while also addressing many of the social and environmental challenges.

Non-Alcoholic Beverages Industry in India, broadly includes bottled water, sparkling water, fruit juices, Carbonated Soft drinks, Carbonated Fruits drinks, Energy Drinks, Ready to Drink Tea and coffee, Vegetables Juices etc. Currently this segment is about INR 58 thousand crore in value terms in 2022 and saw a growth of roughly 30% over 2021. It contributes significantly to the Indian economy in terms of value addition and job creation. With regards to the retail trade in the country, the highest reach is of bottled water in this segment reaching to 96% retailer shops, CSDs to 82% retail shops and juices to 68% retailers in the country. The combined value added to the economy is estimated at INR 791539 million from upstream and downstream effects. The total jobs creation in the sector are about more than 8 lakhs. For every Rs One crore of output produced in the sector, a total of 8.9 additional jobs are created in the economy. Further, currently, this segment contributes to about 11% revenue of a retailer and almost 1% of the Government revenue.

Having said that, 80% of the non-alcoholic beverage sector in India is still in informal sector and the Indian Government's per capita revenue generated by the non-alcoholic beverages sector, per person was only INR 729 or USD 8.89 in 2019 as against USD 91 in Indonesia and USD 275 in Mexico. The per capita consumption in India was only 21.36 liters in 2018 as against 111.89 liters in Philippines and 69.75 liters in Vietnam. India is not among top 50 countries in global trade in this sector and exports are lower than ASEAN countries and China.

The sector faces many challenges like high GST and additional Cess, GST rates not aligned to the FSSAI Regulations, unfair competition from the informal sector and counterfeit products, negative perception about the industry, constraints of value/supply chain and unavailability of quality raw material locally.

With the agricultural diversification push by the government and increased focus on doubling the income of the farmers in the country in the last decade, there has been a phenomenal growth in horticulture production in the country reaching to 332 million tonnes in the year 2021-22. India is the second largest producer of the fruits and vegetables after China. Milk production has increased to 210 million tonnes in the year 2020-2021 from merely 17 million tonnes in 1951. The increasing production of horticulture produce requires the creation of an ecosystem to procure, preserve, process and deliver to consumers through a robust value/supply chain. The huge demand gap and production of quality raw material

through farm-industry linkages is creating a huge opportunity for India to become a global nonalcoholic beverage processing hub and realise the dream of 5 trillion economy in the country.

Therefore, the Indian Beverage Association (IBA) wants to create an annual platform that aligns its agenda of innovation and best practices to the national priorities that will enable ease-of-doing-business and Sustainable Food Systems (SFS).

## **OBJECTIVE OF THE CONCLAVE**

1. To be seen as an enabler to the government's priorities in job creation, export-oriented supply chain, investments by highlighting how incentives and policies can be designed to facilitate the growth of the sector and policies that are aimed towards achieving national goals. This includes:
2. Showcase what the non-alcoholic beverage sector can do for, with, or under the guidance of the government in the area of Sustainable Food Systems.

## **ABOUT THE CONCLAVE**

The first annual National Beverage Conclave was an invite only event and the entry were based on no additional cost. The attendees had pre-registered for the conclave. As part of a token of appreciation for participating in the conclave, all the attendees were provided toolkits containing an IBA brochure, a premium notebook, and a pen. It was a half day event which included tea and coffee for the attendees. The event was convened by Ms. Tayna Majithia – Director, Indian Beverage Association.

The conclave began with the National Anthem. The inauguration took place by lighting of the lamp by the Honorable Guests for the event Dr. Rakesh Mohan, President Emeritus and Distinguished Fellow at CSEP; Mr. S.R. Goenka – Chairman, Indian Beverage Association; Mr. C.K. Jaipuria – Vice Chairman, Indian Beverage Association; and Mr. J.P. Meena – Secretary General, Indian Beverage Association. The event was attended by leading member brands such as Coca-Cola India, PepsiCo India, Redbull India, Bisleri, and Dabur along with representations from several supply chain vendors and the media.



**Lighting of the lamp**

The keynote address was delivered by the Chief Guest, Dr. Rakesh Mohan, where he said, *"I am delighted to witness the beverage industry's remarkable journey towards sustainability. The industry has embraced*

*a conscious approach towards the environment, ensuring that their products are produced with a strong commitment to preserving our planet. Furthermore, the industry's focus on health and fitness aligns with the changing needs and aspirations of our consumers. As we compare India's progress with other developed countries, it is inspiring to see our beverage industry actively implementing sustainable practices. From reducing energy consumption to implementing innovative solutions, they are setting a commendable example for others to follow."*



**Keynote Address – Dr. Rakesh**



**Welcome Address - S.R. Goenka**

Following the keynote and welcome address there were four panel discussions revolving around some of the most intriguing themes such as Environmental Sustainability, Economic & Fiscal Sustainability, and Social Sustainability, inspiring participants to reimagine beverage manufacturing, distribution, and consumption.

### **Session 1- Environmental Sustainability**

The conclave showcased a panel discussion centred on the significance of sustainability in the beverage industry in India. The panellists highlighted the industry's responsibility to adopt sustainable practices and addressed the growing concerns regarding packaging since 2018. Speaking on the role of environmental responsibility, **CK Mishra, Former Secretary - Ministry of Environment, Forests & Climate Change**, said, *"Sustainability goes beyond environmentalism; it includes social and economic wellbeing. It's a holistic approach that acknowledges the interconnectedness of our actions, aiming to create a just and equitable future while preserving the planet's health for generations."*

The discussion emphasised the pressing need for effective plastic waste management within the beverage sector. Panellists acknowledged that the industry has started embracing sustainability in 2023, with a focus on incorporating sustainable practices into packaging processes. Addressing the issue, **Deepak Jolly, Chairperson- Ind Food & Beverage Association**, pointed out, *"A circular approach to resource consumption and waste management benefits the environment and our bottom line. Recycling, reducing, and reusing conscientiously minimises our ecological footprint and achieves significant cost savings."*

Talking about the collaborative efforts, **Prabhjot Sodhi, CEE**, opined, *"The food sector has a profound responsibility to reduce plastic waste and protect our environment. Strong collaborations among government, businesses, and consumers can create a meaningful and lasting impact towards a sustainable future."* Later in the discussion, while expressing her thoughts on the same, **Leena Srivastava, Director & Head, Ashoka Centre for a People-Centric Energy Transition**, said, *"Sustainability goes beyond*

*environmentalism; it includes social and economic wellbeing. It's a holistic approach that acknowledges the interconnectedness of our actions, aiming to create a just and equitable future while preserving the planet's health for generations."*

During the session, the panelists also recognized the wider trend of various industries adopting sustainable practices, with specific mention of Dabur and Bisleri as prominent brands leading the plastic-free movement. Government regulations mandating sustainability as a compulsion across all production sectors were noted as a driving force behind this industry-wide transition.



(L-R) C.K. Mishra, Prabhjot Sodhi, Leena Srivastava, and Deepak Jolly

## Session-2 Economic and Fiscal Sustainability

During the session, the focus was on the economic and fiscal sustainability of the food and beverage sector in the post-Covid era and how it has been affected. The panellists discussed how startups can contribute to supporting the Indian beverage industry while also benefiting from it. Sharing some insights on the significance of food packaging in India, **Naina Sharma, Principal Investment Specialist at Invest India**, remarked, *"In our pursuit of sustainable growth in a rapidly expanding economy, small and medium enterprises hold great importance in addressing packaging challenges."* Ms. Sharma stressed the need for reforming traditional practices and embracing conservation initiatives, particularly in the food and beverage industry. She added, *"The industry's excessive waste, resource depletion, and carbon emissions pose significant environmental threats. Through responsible packaging practices, we can ensure a brighter future for our planet."*

Additionally, the panellists highlighted the urgent global environmental challenges we face, including climate change, pollution, and resource depletion. Addressing some of these challenges, **Suneeti Toteja, Scientist E at the Bureau of Indian Standards (BIS)**, pointed out, *"Deriving food standards from scientific experts is crucial, surpassing sole reliance on the government sector. Despite the increasing demand for sustainable food, companies are hesitant to set ambitious environmental goals due to the time-consuming and costly process of transparent measurement and reporting."* Expressing her thoughts on the concern, **Dr. Arpita Mukherjee, Professor at the Indian Council for Research on International Economic Relations (ICRIER)**, said, *"The Indian Beverage Association's remarkable growth and the industry's active*



*diversification reflect a thriving market. Post-COVID-19, there is a clear trend towards healthier lifestyles, with a growing demand for Ayurvedic beverages and natural ingredients like honey." Later, the session underscored the importance of embracing a sustainable economy. Transitioning to a sustainable economy can create more job opportunities, foster innovation, and enhance the quality of life for all.*

While discussing the characteristics of innovative startups, **Deepak Aggarwal, Founder & CEO of Auric**, stated, *"Start-ups, driven by innovation, bring transformative changes to society, even if not immediately profitable. The water sector holds immense potential for transformative innovation. By revolutionising water utilisation, conservation, and accessibility, we can create a positive impact. Start-ups are crucial in shaping our society and driving positive change through their innovative endeavours."*



(L-R) Dr. Rakesh Mohan, Suneeti Toteja, Deepak Aggarwal, Dr. Arpita Mukherjee, and Naina Sharma

### Session-3 Social Sustainability

At the third session, the panellists focused on social responsibility within the beverage industry. The session discussed the issue of producing beverages responsibly and addressing how the industry is actively working on the concern. Several brands have taken initiatives to tackle this problem. Speaking of the future of sustainability, **Angelo George, CEO, Bisleri Int.**, said, *"Our commitment as accountable suppliers is to empower customers in building a sustainable future through recycling, awareness, and value addition. We prioritise clean drinking water, reducing waste, and enhancing accessibility to all."*

Shredding more light to one of the most important aspects of the session, **Dr. Nazneen Husein, Indian Dietetic Association**, mentioned, *"Our focus lies in segregating beverages based on their impact on consumers, particularly addressing diabetes concerns in India. The beverage industry strives to be informative and attentive, crafting products that meet consumer needs. We promote better health outcomes and empower individuals to make informed choices. Recognizing portion sizes as a vital initial step, we collaborate to educate and support patients, opening doors to a healthier future."* Further, sharing some insights on the future of the beverage industry, **Dr D.V. Darshane, Ind Food & Beverage Association**, remarked, *"The future of the beverage industry revolves around innovation and minimising plastic production, with a strong commitment to contributing to India's society. The remarkable*

*technological advancements of the past two decades have led to improved infrastructure, enabling us to efficiently segregate plastics and manage waste while embracing renewable energy sources like wind."*

Concluding the session, **Dr HS Oberoi, FSSAI**, said, *"The industry actively supports consumers in making informed choices for beverage products, with a focus on mindful portion control, considering the emotional significance of food in India. Key concerns addressed encompass safe drinking water, waste management, water conservation methods, and consumer awareness. Collaboratively, we address health issues, promote hygiene, adhere to standards, and ensure transparency. Our innovation with natural extracts from fruits and vegetables prioritises wellness and sustainability, while empowering customers through product label understanding and supplement policy implementation."*



**(L-R) Nayantara Rai, Dr. Naaznein Hussein, and Angelo George  
(Online Panelists) Dr. H.S. Oberoi and Dr. D.V. Darshane**

#### **Session-4 Way Forward**

The concluding session at the national beverage conclave discussed the way forward for the beverage sector, highlighting its challenges and evolution. One of the key points addressed was the growing awareness among people about the importance of health.

During the session, while expressing his views on consumer preferences, **Sundeep Bajoria, Vice President of India Operations at Coca Cola India**, stated, *"Our focus is not on comparing Coca Cola or juice with other beverages. We prioritise consumer choice and aim to cater to it. Our goal is to ensure consumers freely select their preferred beverage and stay hydrated. This reflects a shift in consumer preferences and a demand for healthier options."* Addressing the health aspect of beverage production in India, **Rajesh Agrawal, from the Ministry of Commerce and Industries, Trade Negotiation Wing**, opined, *"The government's focus is on educating people to make healthier choices due to the serious issue of obesity. Consumer preferences have shifted, and there is a demand for healthier beverage options. The industry is responding by introducing a wider range of drinks to meet these needs, and the government will promote this."* At the session, while speaking of the future landscape of the beverage sector, **Ravi Kapoor, Retail**



**& Consumer Sector Leader at PwC India**, said, *"In India's dynamic landscape, industries like food and beverage, retail, and e-commerce are thriving. Yet, the adverse impacts of unsustainable packaging practices have become evident, leading to pollution, overflowing landfills, and ecological degradation. Indian businesses must recognize their pivotal role and take proactive measures to avert this impending disaster. Embracing sustainable food packaging solutions is crucial. Today, we stand in an era of collaboration, where individuals and organisations join forces for a shared cause. India's abundant resources and immense potential position us to make substantial contributions across various domains."*



**(L-R) Shantanu Guha Ray, Rajesh Agrawal, and Sundeep Bajoria**

The panelists for each of the panels were honored with Pashmina Shawls by senior corporate leaders who were also integral in facilitation of this first National Beverage Conclave. They were Bhaskar Sharma – CEO, Redbull India; Devyani Rana – VP (Public Affairs, Communications and Sustainability) Coca-Cola India & South West Asia; Byas Anand - Head-Corporate Communications & CSR, Dabur India; and Garima Singh - Chief Government Affairs and Communications Officer, PepsiCo India.



In summary, the conclave emphasized the sector's vital role in economic growth, fostering innovation, and promoting exports. Key discussions on the panels as well as the questions from the audience centered around strategies to enhance competitiveness, expand market reach, and attract foreign investments. With its focus on collaboration, development and innovation, the conclave aimed to propel the beverage industry towards achieving these ambitious economic targets through social sustainability. The positive audience reception and active participation from attendees applauded the efforts made by IBA in organizing such an impactful event.



**Closing Remarks – C.K. Jaipuria**

As part of the vote of thanks, sharing his enthusiasm for the outcomes of the conclave, **Mr. JP Meena, Secretary General, IBA** said, *"IBA's National Beverage Conclave 2023 has provided a remarkable platform for industry stakeholders to come together and shape the future of the beverage industry. We are thrilled by the level of engagement and the commitment showcased by participants from various sectors. By embracing sustainable food systems, we can unleash the full potential of the non-alcoholic beverages industry, creating a more prosperous and environmentally conscious future."*



**Vote of Thanks – J.P. Meena**



The event was conceptualized, managed and executed by Consocia Advisory and hosted by Indian Beverage Association



**Team Consocia Advisory**



**Team Indian Beverage Association**

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