



India's trade pacts with EU, US set to accelerate growth in food processing sector

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India's food processing sector is poised for accelerated expansion following the recently concluded trade agreements with the European Union and the United States, according to Brickwork Ratings.

Highlighting the macroeconomic backdrop, Manu Sehgal, CEO, Brickwork Ratings, said India remains one of the fastest-growing major economies, with real GDP projected at around 7.4 per cent in FY26 and expected to remain strong in FY27. Easing inflation, supported by falling food prices and supply-side measures, has enabled the Reserve Bank of India to maintain an accommodative monetary stance, including multiple repo rate cuts. This has created favourable financing conditions for businesses, including exporters in the food value chain.

Against this stable macro environment, the new trade agreements are expected to significantly benefit processed food exports. Rajeev Sharan, Head – Criteria, Model Development & Research at Brickwork Ratings, noted that improved market access and tariff rationalisation under the India-EU Free Trade Agreement, along with reduced duties under the India-US trade pact, will enhance the competitiveness of Indian processed food products in key global markets.

The food processing sector is projected to grow to \$700 billion by 2030, driven by rising domestic consumption, expanding organised retail, and stronger export momentum. Processed food exporters are likely to gain from better alignment with international quality standards, sustainability-linked market access and improved trade facilitation mechanisms.

Brickwork Ratings expects these trade deals to unlock multi-billion-dollar export opportunities over the medium term. Increased demand for trade finance and improved credit availability are also likely to support capacity expansion, modernisation and value addition across the food processing ecosystem.

With robust growth, low inflation and supportive policy conditions, India's food processing sector appears well positioned to leverage the new trade agreements as a catalyst for sustainable export-led expansion.

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Summary

1. Key Points:
India's food processing sector is set for growth due to new trade agreements with the EU and the US.
2. India's GDP is projected to grow at 7.4% in FY26, with stable macroeconomic conditions.
3. The India-EU and India-US trade deals will enhance market access and competitiveness for Indian processed foods.
4. The sector is expected to reach \$700 billion by 2030, driven by domestic and export demand.
5. Trade deals are anticipated to unlock significant export opportunities and support sector expansion. Summary: India's food processing sector is poised for significant growth, driven by new trade agreements with the EU and the US. These deals are expected to enhance market access and competitiveness, with the sector projected to reach \$700 billion by 2030. Favorable economic conditions and increased export opportunities will support this expansion.

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