



# Food & Beverage Emerging Trends Report

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# Arjun Vaidya

Partner, V3 Ventures



Food and beverage is at the heart of India's economy, contributing close to **50% of household spend**. As a partner at V3 Ventures, backed by Verlinvest, F&B has always been a core investment focus for us—**over 50% of our portfolio** sits in this space.

Over the past decade, we've witnessed a massive evolution in how Indians consume, purchase, and think about food and drink. This report by **Valence Growth Partners** stands out because it dives deep into India-specific insights, something that's crucial in a category where consumption behaviour is uniquely Indian.

Whether it's the 10 rupee price point, large GT share of sales or taste palate - F&B consumption in India follows trends that only exist here.

A few key trends particularly caught my attention:

- **The decline in alcohol consumption among Gen Z:** This generation is drinking less alcohol than any in the past ten generations, giving rise to new categories of zero-proof beverages and alternative drinks.
- **Proteinification of diets:** While the report highlights alternative proteins, I believe the broader trend of increasing protein consumption across categories is one to watch.
- **The rise of quick commerce:** For F&B D2C brands, quick commerce has been a game-changer—giving them shelf space and a platform to compete with incumbents, something e-commerce marketplaces struggled to offer.

This report is a **must-read** for anyone invested in India's food & beverage ecosystem. Kudos to the Valence team for putting this together!

for



# Food & Beverage is bigger than ever

With humble beginnings in the days of the hunter-gatherers, the food and beverage industry is now a **\$9.2 trillion** sector driven by evolving consumer tastes, innovation, and efficiency. From farm to fork, it spans production, processing, distribution, and retail. Trends like sustainability, automation, and health-conscious dining shape its future, while competition and supply chain challenges push continuous adaptation and excellence.



## Global

Global deal activity is concentrated at the late stage, driven largely by M&A activity, and heavy consolidation efforts by leading MNCs

**\$379B** invested across **16K** deals

Sources: Startus Insights, Tracxn, VGP Analysis



## India

Exit potential is visible across all stages in India's dynamic funding ecosystem, driven by platform and supply chain innovation

**\$2.5B** invested across **140** deals





# The money behind the meals





# Big bites, bigger deals

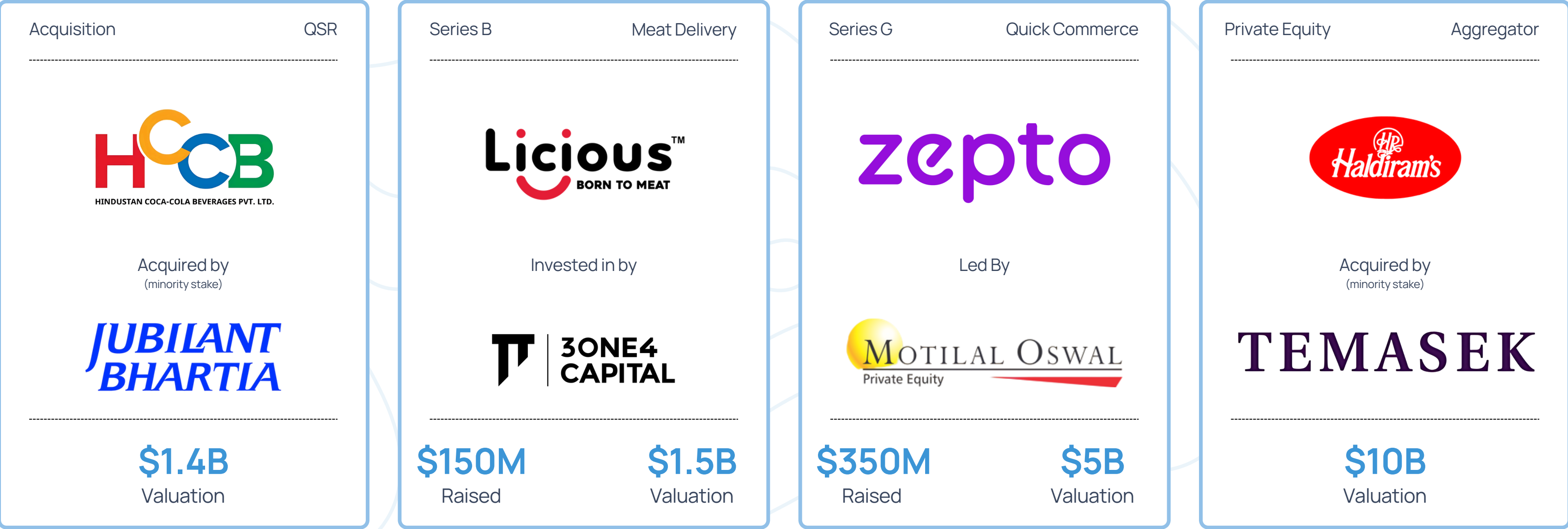


\*Data is as per latest available information from various sources, capturing key deals between 2020 to the publishing date





# India is cooking up termsheets



\*Data is as per latest available information from various sources, capturing key deals between 2020 to the publishing date





# From street food to the stock market

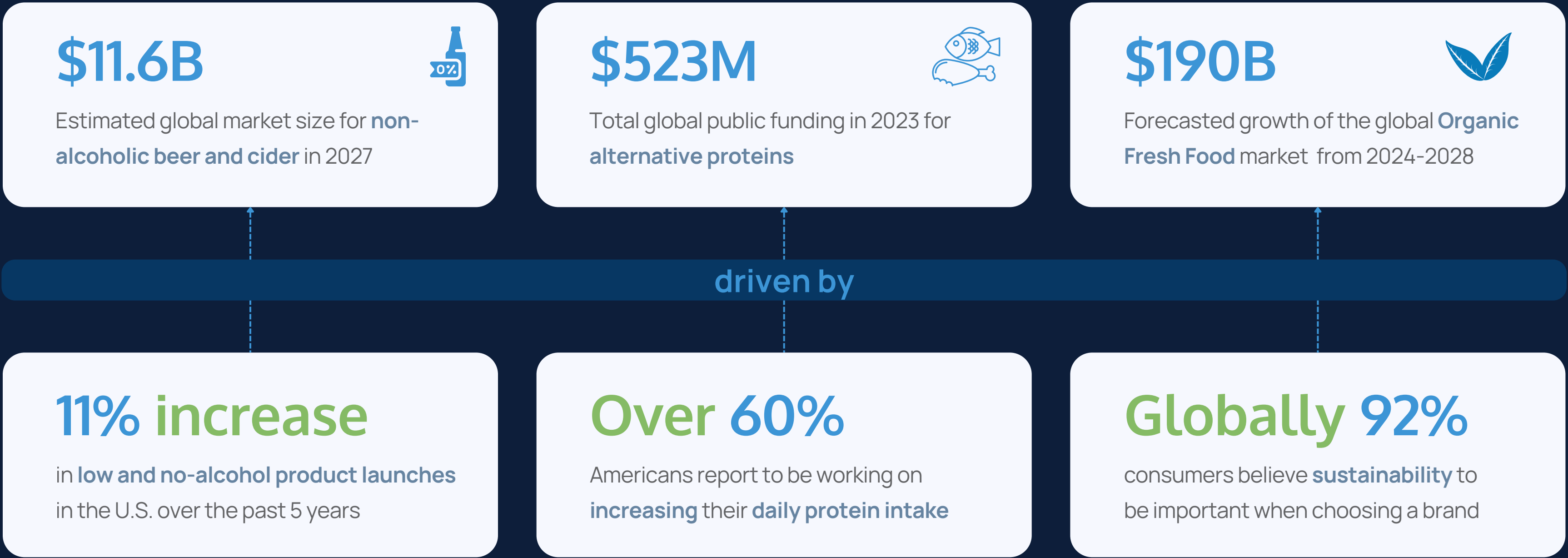


\*Valuations are based on latest publicly available information





# Less alcohol in beer, more plant in protein, and more organic food





# Rethinking the buzz: Low & No Alcohol

61M



consumers shifted to no-alcohol in the 10 largest consuming markets while low-alcohol consumers grew by 38M, from 2022 to 2024.

90%



of the total growth of the sub-sector came solely from growth within the no-alcohol market; indicating a drastic change in consumer tastes.

## Tailwinds

- Rising health consciousness has led to 74% of global consumers to reduce alcohol consumption.
- Innovation in functional beverages such as botanicals and CBD-infused drinks is driving growth.

## Headwinds

- High production costs, leading to low and no-alcohol options costing 10-30% more.
- 57% of consumers face taste and acceptance issues with low & no options compared to full strength drinks.

Key Players:



Budweiser  
ZERO



## Global Market

Market Size (2023)

\$23.4B

↑ 6.0% CAGR (2023-2031)

## Leading Segments

1. Low/No Beer
2. Low/No Spirits
3. Low/No Wine
4. Ready-to-drink (RTD)  
Mocktails and Mixers





# Plants, the new poultry: Alt-Protein

~90%



of GHG emissions globally can be reduced by switching to plant-based meat compared to conventional meat.

\$10B



global investment gap that must be bridged to unlock the economic and climate benefits of alternative proteins.

## Tailwinds

- Growing trend of niche diets that emphasise alternative sources of protein
- Environmental and ethical concerns with regards to sources of protein.
- Advances in technology are improving efficiency and flavour.

## Headwinds

- High production costs make scaling alt-protein expensive.
- Regulatory hurdles are slowing growth, with only a few countries approving cultivated meat, while France and Italy have banned terms like "meat" and "milk" for plant-based products.

Key Players:



## Global Market

Market Size (2025)

\$18.6B

↑ 11.3% CAGR (2025-2027)

## Leading Segments

1. Plant-based Meat
2. Plant-based Dairy
3. Plant-based Eggs



# From niche to necessity: Organic Food

5x



more pesticides contained in food grown using traditional methods as compared to organic foods.

\$69B



organic food sales in the US in 2023, a record high representing a 4% increase from the previous year.

## Tailwinds

- Growing awareness of the harmful effects of pesticides and other modern farming techniques
- Retail and online expansion of D2C brands is driving access to organic foods.
- Growing millennial workforce has a strong preference for organic and sustainable foods.

## Headwinds

- Absence of consistent natural standards for quality in organic foods.
- Higher prices driven by high production costs due to a more labour-intensive process in comparison to traditional farming.

Key Players:



## Global Market

Market Size (2024)

\$228.35B

↑ 11.2% CAGR (2024-2034)

## Leading Segments

1. Organic Fruits & Veggies
2. Organic Beverages
3. Organic Dairy Products
4. Organic Poultry and Meat





# Chai gets funding, biryani thrives, and convenience takes centre stage



# Tea, it's tradition

## VAHDAM India



VAHDAM India is a **legacy brand with over 90 years in the tea business**, currently led by the fourth generation. What started out as a retail Darjeeling tea business in the 1930s, is now a nation-wide favourite decades later.

### Moat

By leveraging farmer relationships, marketing expertise and a vertically integrated supply chain from farmer to customer, VAHDAM addresses the rapidly growing global demand for premium and fresh loose leaf Indian teas.

131	\$28.4M	\$114M
SKUs	REVENUE	VALUATION

### Market Segmentation

Premium D2C	Mass-Premium Outlets	Mass Premium Outlets	Mass Outlets

### What we like



**Premium and Made in India:**  
Leveraging its position as **India's only loose leaf tea brand**, the brand appeals to picky, sophisticated consumers who prefer Indian brands.



**Multi Channel Engagement:**  
The brand advertises across digital platforms, leveraging both traditional and influencer marketing, including iconic celebrities like Oprah and Mariah Carey.



**Sales Channel:**  
**Direct farm-to-market tea** sales fuelled rapid growth and margin gains. Despite FY24 losses, the U.S. (65% of sales) signals future profitability.





# Biryani is the new pizza

## House of Biryan



House of Biryan (HoB) is one of **India’s fastest growing biryani brands**, and are now expanding globally, taking biryani to the world. They are also the creators of the first completely customizable biryani in the world.

### Moat

After over a decade of experimentation, trial and error, and customer interactions, the founders have combined the art of creating flavour with the science of building a highly scalable and commercially viable F&B brand.

20+	10M+	under 3 mins
OUTLETS	BIRYANIS SERVED	BIRYANI PREP TIME

### Customer Love\*

			
4.3	4.2	4.1	4.0
(8,100+ reviews)	(5,100+ reviews)	(11,700+ reviews)	(6,500+ reviews)

### What we like



**Unique tech-led Process IP:**  
With pre-portioned meals, a tech-enabled supply chain, and an entirely **chef-less model**, their plug-and-play process optimises speed to maximise efficiency



**Phenomenal Founder-Market-Fit:**  
Over their 11+ year journey together, the founders have collectively raised over **\$15M with two successful exits** and are Michelin Star-trained chefs.



**Created for a global palette:**  
Their **proprietary spice blend** caters to palettes around the world, allowing HoB to surpass borders with their ubiquitous flavour.

\* Zomato reviews as on January 2025



# Convenience is King

## Zomato



Founded in 2008, Zomato began as a restaurant listing platform but quickly grew to becoming **India’s most popular food delivery platform**. Currently rebranding as Eternal, it has diversified to offer event ticketing, quick commerce and B2B groceries.

### Moat

Built on a strong foundation of tech, data, and a vast delivery and restaurant network, Zomato has become the market leader and is poised to dominate other segments, leveraging its scale and insights.

800+

CITIES

1.4M+

RESTAURANTS

\$25.4B

MARKET CAP

### Ecosystem of Apps



Blinkit

Quick-Commerce



Hyperpure

Kitchen Supplies



District

Live Events



Zomato

Food Delivery

### What we like



#### Scale:

As a food delivery platform, Zomato is by far the market leader due to its **sizeable customer base and restaurant database**, making it difficult for either to exit.



#### Revenue Streams:

Zomato, under its current rebrand Eternal, has launched a number of apps, offering **different services**, allowing for **significant diversification** of revenue streams.



#### Data:

Leveraging data from over **60 million customers**, Zomato was able to launch its other apps to **market leading downloads** using data-driven pricing and menu optimisation.





# Meet the Authors



**Kartik Jaishankar**  
Managing Partner



**Trishaant Sarin**  
Sr. Analyst  
Investments & Strategy  
[trishaant@valencegrowthpartners.com](mailto:trishaant@valencegrowthpartners.com)



**Manav Choksi**  
Analyst  
Investments & Strategy  
[manav@valencegrowthpartners.com](mailto:manav@valencegrowthpartners.com)



**Vansh Jain**  
Intern  
Data & Technology  
[vansh@valencegrowthpartners.com](mailto:vansh@valencegrowthpartners.com)



**Akash Singh**  
Intern  
Research  
[akash@valencegrowthpartners.com](mailto:akash@valencegrowthpartners.com)



