



## India on the move

Supply chain investment and fast-evolving consumer demands are fuelling market development, heard delegates to Fresh Produce India

**D**elegates to last week's Fresh Produce India in Mumbai came away with a resounding sense of the exciting market opportunities in India, and the growing impetus behind the country's fresh fruit and vegetable business.

New investments throughout the value chain are helping to tackle age-old issues with fragmentation and lack of infrastructure. Entrepreneurial agri-tech start-ups are bringing new models, talent and technologies to bridge gaps in the supply chain, from farm to table.

Consumers are showing a growing appetite for new types of fresh produce, and retailers and suppliers – both domestic and international – are responding to the trend with more targeted marketing efforts.

Major investments in India's ports are also presenting fresh produce marketers with fresh solutions in the bid to reach more consumers with higher quality produce.

These were some of the key takeaways

promoting kiwifruit as part of a healthy lifestyle during the launch of IG Kiwi's new-season campaign.

### Start-ups in the spotlight

The keynote session to Fresh Produce India turned the spotlight on the new wave of agri-tech start-ups bringing innovative solutions to India's fragmented supply chain, which remains characterised by huge wastage levels.

Delivering the keynote address, Yes Bank's Prasad Pullabhatla said some 16 per cent of India's fresh fruit and vegetable production still goes to waste, with just 2 per cent going to processing.

But Pullabhatla said the Indian market no longer operated in a silo, with a wave of tech-savvy businesses propelling the supply chain into the 21st century. These companies are bridging supply chain gaps through a mix of contract farming, direct sourcing and tech-enabled solutions, he noted.

"There's a huge amount of disruption here and most of it is not coming from large corporations," Pullabhatla explained. "Start-ups are everywhere, and this trend is only going to progress over next five or six years."

The ability of new-age Indian companies to grow, and grow quickly, was highlighted by Sanjay Dasari, co-founder of food distribution platform WayCool Foods, which has willingly embraced innovative technology to scale up and

from Fresh Produce India, which took place on 24-26 April 2019 at the Trident Nariman Point Hotel in Mumbai. India's only international fresh fruit and vegetable convention event, organised by Fruitnet in association with SCS Group, attracted almost 250 delegates from 21 different countries.

Fresh Produce India returned with a fresh format this year. After a Welcome Reception on the evening of 24 April, the information-packed programme ran throughout the day on 25 April, featuring 25 local and international expert speakers across two event stages.

For the first time, the majority of the workshop sessions took place in the same area as the high-level Fresh Produce India Expo, providing delegates with non-stop networking opportunities.

On Day Three, delegates were able to take in some of the best examples of modern and traditional retail around Mumbai with a choice of two organised tours.

2,500 consumers across 12 cities, the survey measured buying behaviour to gauge whether consumer trends Puri had predicted during a presentation at Fresh Produce India 2017 had been borne out.



Roberto Rodriguez of Mission Produce

Asish Puri of Avalon Consulting

In terms of retail channels for fresh produce, the survey revealed that modern retail and online channels had not



Bollywood superstar Sonu Sood helped launch the new IG Kiwi

Bollywood superstar Sonu Sood also made a guest appearance on the Fresh Produce India stage with the launch of the IG Kiwi campaign. The actor sprinkled some Bollywood stardust on proceedings during a Networking Lunch sponsored by IG International,



of imported avocados is currently restricted to New Zealand, Chile and Peru, and distance to market presents a hurdle for Latin American suppliers, but IG International's Tarun Arora noted that the opening of the market to supplying countries closer to India, such as Kenya, could aid market development. South Africa, which is 16-18 days by sea from India, is also making advances in its bid to gain market

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

operate a complex supply chain.



Yes Banks Prasad Pullabhatla delivered the keynote address

Joining Pullabhatla on stage for an ensuing panel discussion, chaired by Fruitnet International managing director Chris White, Dasari told delegates that within the space of three-and-a-half years, his company has established a network of 18 distribution centres across southern India, with an employment base that will eclipse 1,000 staff by May this year.

While WayCool's business model is sure to attract plenty of interest, Dasari pointed out that not all start-ups are set up to sell out.

"We don't want to sell out to a large corporation, we want to reinvest and grow our business," Dasari said. "We want to build an institution that develops the food chain in India."

Adding an international perspective to the panel, Dutch agriculture counsellor for India and Sri Lanka, Siebe Schuur, urged India to embrace this new sense of entrepreneurship and invest in developing its fresh produce exports.

Schuur said he was amazed that India had not already positioned itself as the "food factory of the world", highlighting how the Netherlands – a country with a population of under 20m people that fits within the confines of the state of Maharashtra – had developed into one of the world's leading fresh fruit and vegetable suppliers.

According to Schuur, the challenge for India lies in boosting the consistency of its quality, suggesting the creation of an Indian centre of excellence for agricultural research could hold the key to unlocking export value. Should the quality of Indian produce improve, Schuur said the country could easily establish itself as a top three player in the global fresh produce trade.

#### Shoppers want more

Indian consumers are also demanding new tastes and experiences in fresh produce, a trend fuelled by rising incomes, globalisation and digitalisation, as a session on marketing to Indian consumers later in the day highlighted.

Asish Puri of Avalon Consulting presented the results of a consumer survey of fresh fruit and vegetable buying behaviour. Covering

grown as quickly as Puri's original presentation had predicted.

"Even today, 75 per cent of consumers still prefer to purchase their fresh fruit and vegetables from local and neighbourhood stores and markets," said Puri. "Modern trade outlets are only around 16 per cent of overall sales, and online is less than 10 per cent."

Modern retail occupied a much higher share when it came to sales of newer-to-market products such as avocados and kiwifruit, however. "The moment you look at newer varieties, the modern retail share doubles to around 32 per cent," said Puri.

One of the standout trends highlighted by Avalon Consulting's survey was a growth in demand for new types of fresh produce. "New varieties have picked up a lot, with 80 per cent of consumers surveyed buying two or more varieties, and doing so at least once a month. Kiwifruit is the most popular new variety, followed by dragon fruit and avocados."

A high-powered discussion ensued involving Avinash Joshi, vice president of fresh fruit and vegetables for Reliance Retail, retail and marketing consultant Sanjay Badhe, and Himanshu Arora of Zespri International.

#### Taste for new products

Joshi confirmed the growing appetite for new types of fresh produce, noting that modern retail was competing on range. For suppliers of imported fruits, he said developing a taste among consumers for their products was key. "Consumers choose domestically-grown fruits on freshness and quality but when it comes to imported fruits, they buy on taste first," he said, adding that price was not an issue.

Joshi cited sales of imported persimmons as an example. "Imported persimmons from Spain are costly but there is a demand for Spanish persimmons even when local persimmon are available," he said. "That's because consumers go for taste first – once they develop a taste for your product, they come back."

Arora of kiwifruit marketer Zespri concurred, noting that developing the right expectations of taste around your product was also key. Although modern retail represents a strong marketing channel for newer products, Arora said the process of building consumer taste for your products also involved working very closely with India's traditional retail vendors.

#### Avocados and berries

A session on 'category creation' highlighted the exciting potential to build the avocado and berry categories from the ground up in India. Despite consumers' lack of familiarity with avocados, Roberto Rodriguez of world-leading grower-marketer Mission Produce was enthused by the prospects of increasing consumption. "India's dipping culture is a real positive," he said. "Cooling, creamy avocado dips are the perfect accompaniment to naan, roti and spicy curries."

access for avocados, according to Derek Donkin of industry association Subtrop, which was part of a Fruit South Africa delegation exhibiting at Fresh Produce India.

#### New port solutions

As well as new products, India's fresh fruit import market is seeing a diversification of suppliers, with European exporting countries becoming more active. Dominic Cichcki of Swiecie Owoc discussed the gains Poland has already made as a supplier of apples to India, while Goncalo Santos Andrade of Portugal Fresh outlined what his country has to offer India.

Improving ground-based cold chain logistics will also be key to capitalising on consumer demand for a wider range of high-quality produce. New port investments look set to provide fresh solutions. In a session looking at new horizons for India's fresh fruit import market, Jithendra Nimmagada of Krishnapatnam Port Co explained how the privately-owned port on India's east coast offered an alternative to Chennai and Mumbai's Nhava Sheva ports in facilitating fast and efficient access for imported fruits to key consumer markets in eastern states such as Andhra Pradesh and Telangana.

#### Boosting the value of export

While imports are growing, India has great future potential as a fresh produce exporter, but the commodity trap looms large in an increasingly competitive market. Three case study presentations offered expert perspectives on how India can diversify or differentiate its export offering, with MGE Farms' Girish Sarda explaining the value of certifications such as Fairtrade and Rainforest Alliance, Dole Food Co's Andy Zhang outlining opportunities in China's consumer market, and Rijk Zwaan's Ahmet Tunali underlining the importance of supply chain integration and new product development.



Girish Sarda of MGE Farms

#### Tours display retail diversity

On Day Three, Fresh Produce India delegates were able to witness first-hand the diversity of Mumbai's food retail scene through a choice of two tours.

The first tour visited Villaparle East Roadside Retail market, a vibrant traditional retail market; the latest upmarket Foodhall store in Mumbai operated by Future Group, and the Mumbai's first 100 per cent organic Farmers' Store in Malabar Hills.

The second tour set out for Vashi Wholesale Market, before visiting the speciality organic fresh produce store, Organic Garden, and a Hypercity hypermarket store.

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