Session 5:
Gaining, Retaining and Optimising Market Access

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CGA CITRUS SUMMIT
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Understanding the Indian Market

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YUPAA®

Willkommen

Bienvenue

Welcome

yôkoso

welkom

Benvenuto

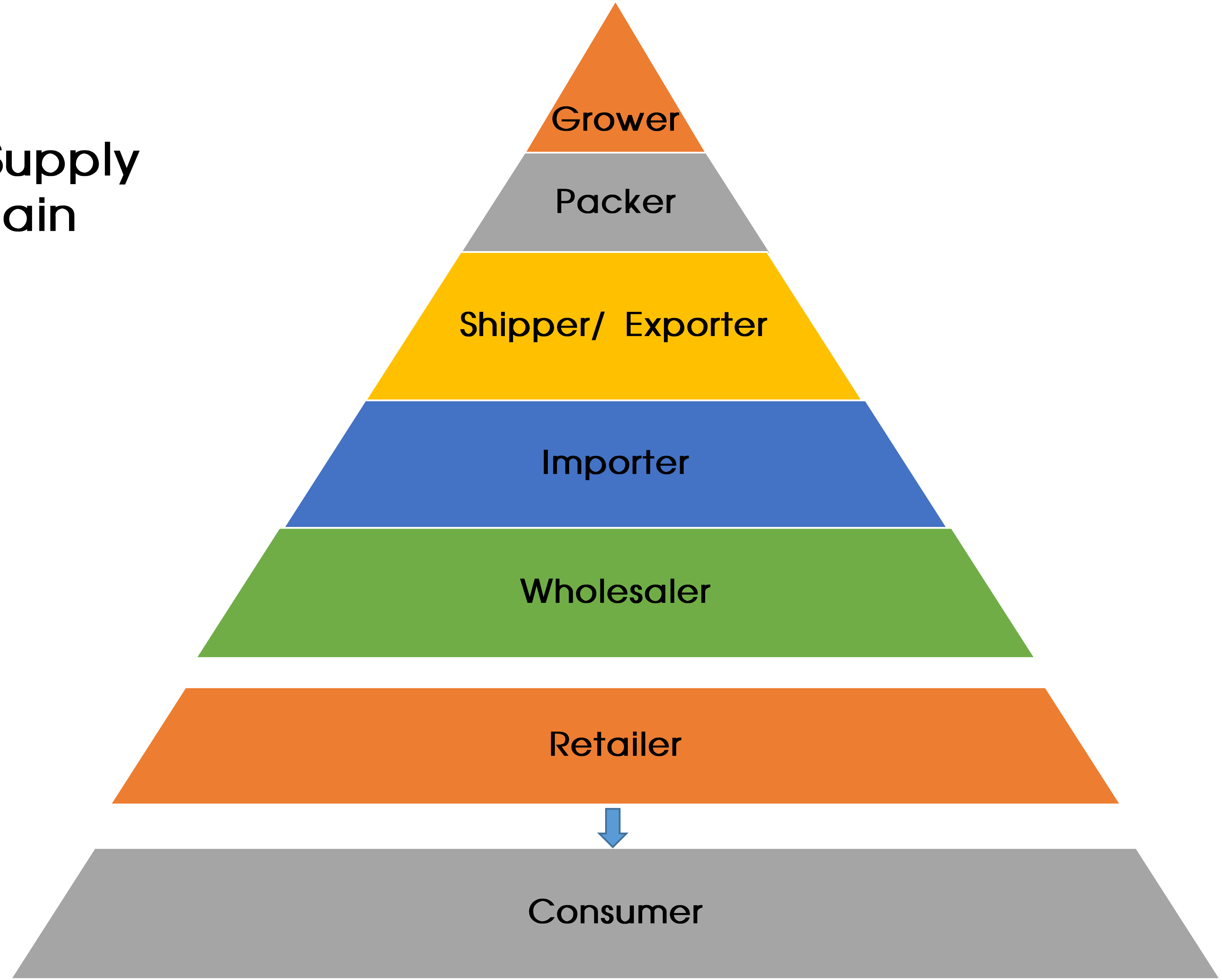
tervetuloa

Bienvenida

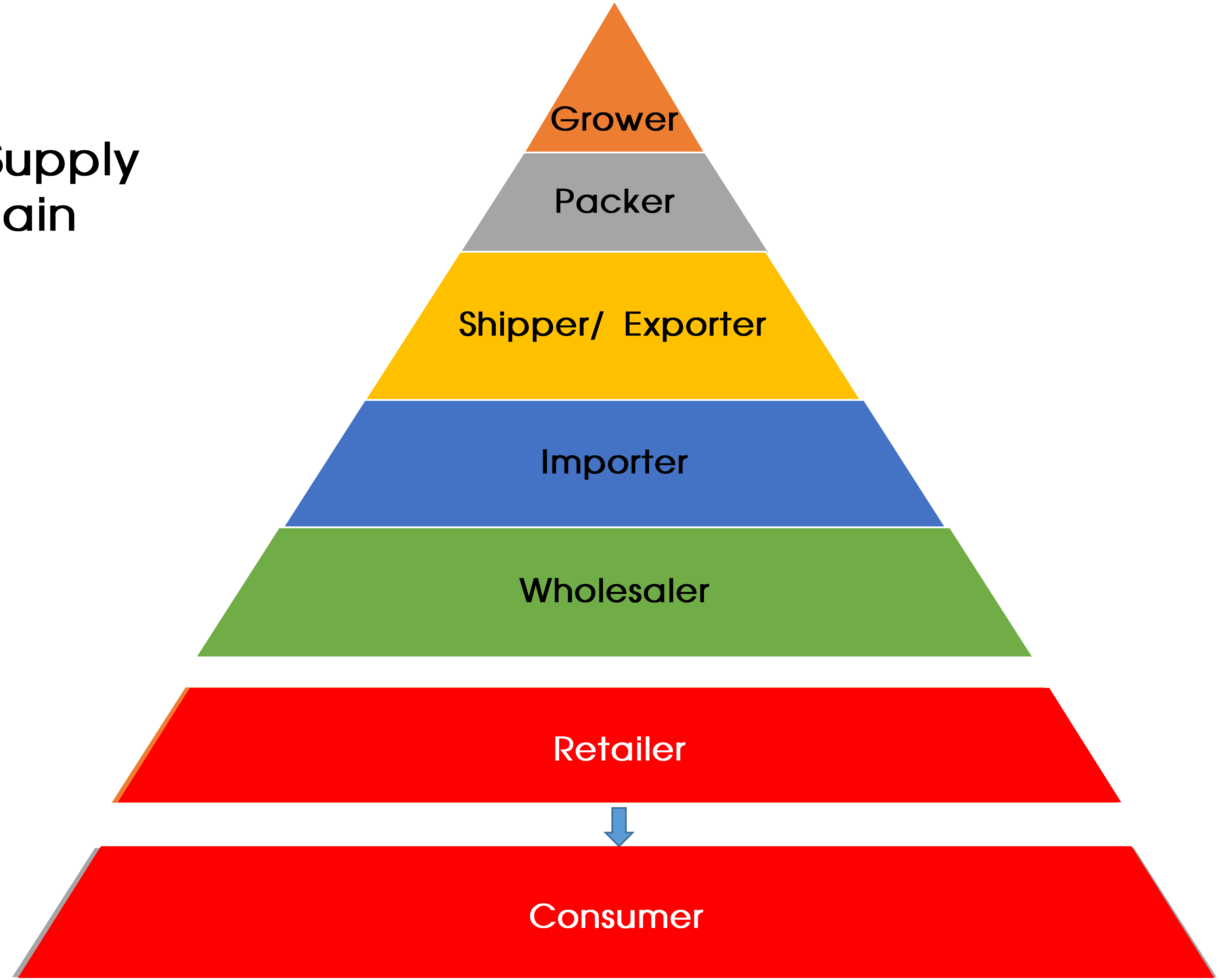
欢迎

รับเสด็จ

The Supply Chain



The Supply Chain



Category of Retailers

Modern Retail

Chain Stores
Convenience Stores
Gourmet Stores
Hypermarkets
E-Retail Websites

Traditional/ Conventional Retail

Technically sophisticated and extensive fruit shops
Fruit stalls
Road side open fruit stalls
Road side fixed hand carts
Moving Hand Carts
Fixed fruit basket operators
Portable fruit basket operators
Seasonal fruit operators

YUPA®

Technically sophisticated and extensive fruit

Technically sophisticated and extensive fruit

YUPA®

Technically sophisticated and extensive fruit

Fruit Stall

YUPA®

Road side open fruit stall

Road side open fruit stall

YUPA®

Road side open fruit stall

Road side fixed hand cart

Road side fixed hand cart

Moving Hand Cart/ Seasonal Fruit Operator

Road side fixed hand cart

YUPA®

Roadside Fixed Handcart/ Seasonal Fruit Operator

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Moving Hand Cart/ Seasonal Fruit Operat


BIGUINE
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MH 01 CA 9737
B M C
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DWARD

Seasonal Fruit Basket Operator/ Fixed fruit basket

Seasonal fruit operator

YUPA®

Portable fruit basket operator

Portable Fruit Basket Operator

YUPA®

YUPA®

Seasonal Fruit Basket Operator/ Fixed fruit basket

Seasonal Fruit Basket Operator/ Fixed fruit basket

Seasonal Fruit Basket Operator/ Fixed fruit basket

Seasonal fruit operator fruit stall

Seasonal fruit operator fruit stall

Road Side Open Fruit

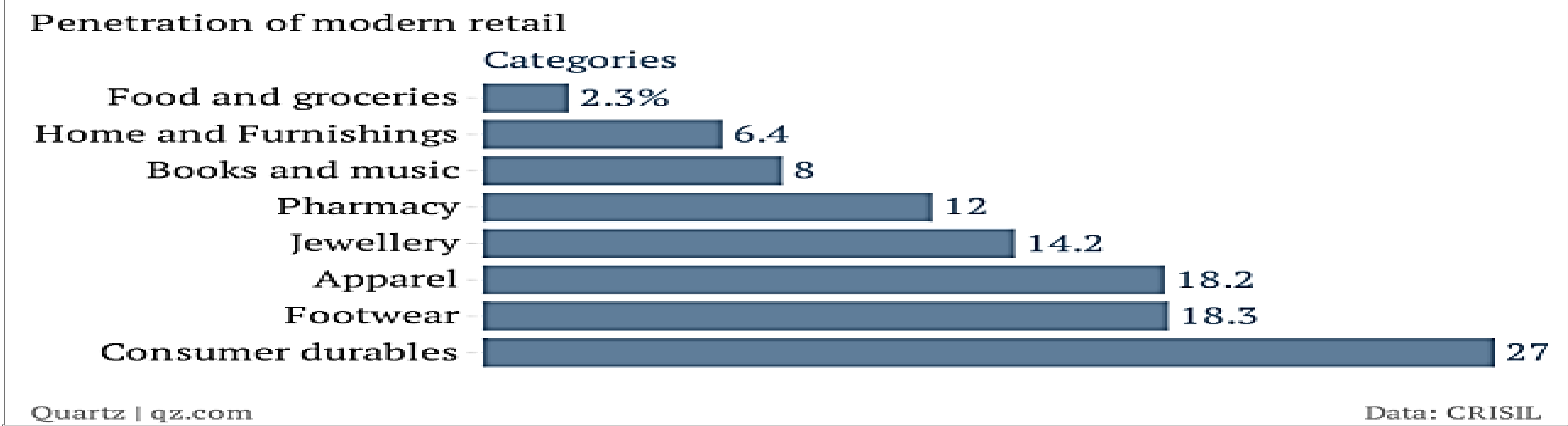
Article: The Buying Habit- Indias Modern Retailers bleeding money trying to beat corner stores.

Indias new government is widely expected to ease restrictions on foreign investment and open up several sectors. But international competition wont be increasing in multi-brand retail, or supermarkets that sell a variety of products and brands. The rationale, as new commerce and industry minister Nirmala Sitharaman said, is that farmers and small traders might be affected if you open the floodgates of multi-brand retail .

A number of large Indian companies already operate such stores. And they are losing money trying to get Indians to buy food and groceries, the largest component of the retail pie, from modern outlets rather than the ubiquitous corner shops and carts that stock up to meet seasonal demand and local tastes.

Indias top ten modern food retailers reported accumulated losses of Rs13,000 crore ($2.2 billion) during the 2013-14 fiscal, ratings firm Crisil has estimated in a report. While revenues in the sector have ballooned from Rs3,000 crore ($500 million) in 2008 to Rs23,500 crore ($4.05 billion) now, losses have kept pace.

The bad news for modern retailers is that food accounts for the most revenue and is the product category that drives walk-ins to retail stores. Nearly 70% of Indias retail trade, estimated to be a $500 billion business,



For global retailers such as Walmart and Tesco, food and groceries account for more than 50% of revenues. While the segment typically has low margins, it is attractive globally because it is largely insulated from the pressures of e-commerce. *Global and chain retail accounts for a little over five percent of the overall retail market, according to industry chamber Ficci.*

Crisil studied Indias top ten food retailers, including Best Price Modern Wholesale stores, Metro Cash & Carry India, Aditya Birla Retail, Bharti Retail Ltd, Reliance Fresh Ltd, and Trent Hypermarket Ltd. Best Price is operated by Walmarts India unit, while Metro Cash and Carry is operated by the Indian arm of Germanys Metro AG. The others are subsidiaries of large Indian conglomerates.

Crisil forecasts that things are going to get worse before they begin to get better for the big operators. Losses will peak in 2017, at Rs17,000 crore($2.93 billion). But with government policy being what it is, there is little hope for buyouts or consolidation, or new international players. Instead, firms will have

Source : qz.com

Writer : Mr. Sruthijith is the editor of Quartz India, published in collaboration with Scroll. He has covered media, business and politics in India for more than six years at The Economic Times, Mint and PaidContent.

The Indian Kaleidoscope Emerging trends In Retail- PWC & FICCI

Future Outlook : The one difference between the traditional mom-and-pop shops in India and the traditional mom-and-pop stores in the West is that the latter, historically, were relatively inefficient as compared to the modern trade. However, it is proved that the traditional mom-and-pop stores and outlets in India are ultra-efficient and have been able to compete very successfully with modern retail for a very long period of time. Modern trade has expanded dramatically, but the classical, traditional mom-and-pop and convenience outlets have grown, modernized and become self-service outlets to do remarkably well.

The Organized Operations of Unorganized Retail

Supply Chain Management

✓Product Knowledge- In depth and with high level of expertise due to it being the only source of income and way of life.

✓Marketing- Knowing the customers and their needs. Sensitive in identifying and meeting these needs to add value.

✓Operations- Daily procurement, timely transportation, fresh sales and minimum carried over inventory. Sensitive to seasonal changes in taste and preferences of customers.

✓Inventory Management- Daily

✓Display- Live and re-organized with every sale.

✓HR- All operations with the help of family members or trusted friends/ partners

✓Finance- Minimal requirement due to lean and flexible

CITRUS

Latest Production	-	111.47 Lakh Tones
Main fruits of this Groups	-	Lime/Lemon, Mosambi, Orange (Mandarin)
Advanced Technology	-	Tissue Culture and Micro – propagation
Pre-cooling	-	Forced air
Transporant and Storage Life	-	8-10 weeks
Transport for Quality	-	Waxing
Sensibility to	-	Refrigeration , Ethylene and Odours

AREA, PRODUCTION AND PRODUCTIVITY OF CITRUS

YEAR	AREA (IN '000 HA)	%OF TOTAL FRT.AREA	PRODUCTION (IN '000 MT)	%OF TOTAL FRT.PRODUCTION	PRODUCTIVITY (IN MT/HA)
1991-92	386.9	13.5	2821.7	9.9	7.3
2001-02	618.5	15.4	4789.1	11.1	7.7
2002-03	562.6	14.9	5677.2	12.6	10.1
2003-04	683.3	14.6	5786.9	12.7	8.5
2004-05	708.2	14.3	5932.9	12.0	8.4
2005-06	742.3	13.9	6139.0	11.1	8.3
2006-07	798.0	14.4	7145.0	12.0	9.0
2007-08	867.0	14.8	8015.0	12.2	9.2
2008-09	923.0	15.1	8608.0	12.6	9.3
2009-10	987.3	15.6	9638.0	13.5	9.8
2010-11	846.0	13.3	7464.0	10.0	8.8
2011-12	915.1	13.6	7922.1	10.4	8.7
2012-13	1042.5	14.9	10089.7	12.4	9.7
2013-14	1077.7	14.9	11147.1	12.5	10.3

PRODUCTION TREND OF CITRUS

Source : All India 2013-14 (Final Estimates), Department of Agriculture & Cooperation.

STATEWISE AREA, PRODUCTION AND PRODUCTIVITY OF CITRUS

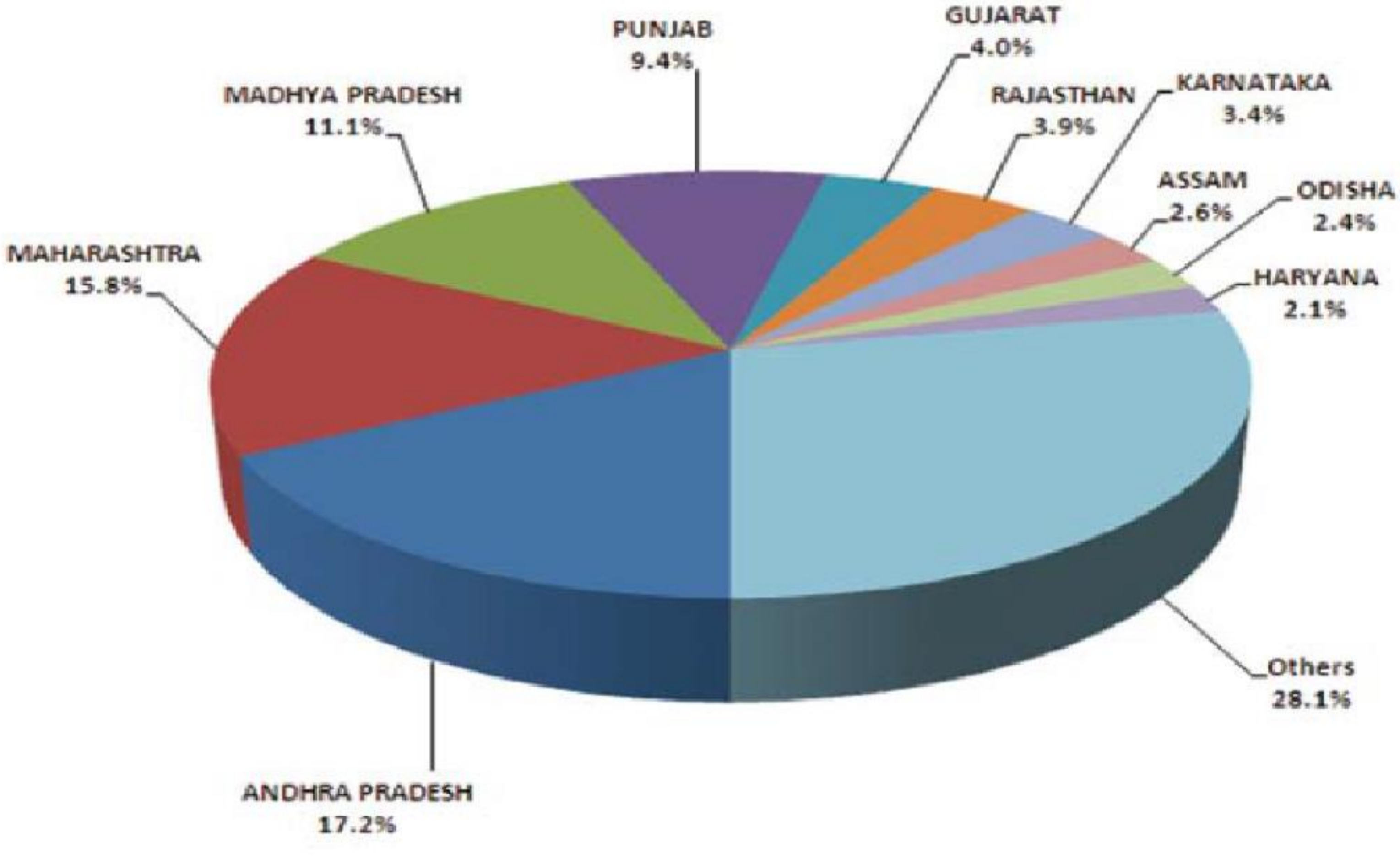
Area in '000 HA, Production in '000 MT and Productivity = MT/HA

	2011-12			2012-13			2013-14		
STATE	**AREA**	**PRODUCTION**	**PDY.**	**AREA**	**PRODUCTION**	**PDY.**	**AREA**	**PRODUCTION**	**PDY.**
ANDHRA PRADESH	134.5	1886.9	14.0	253.4	3800.6	15.0	137.4	1913.4	13.9
MAHARASHTRA	285.0	1268.0	4.4	277.0	861.0	3.1	275.0	1761.0	6.4
MADHYA PRADESH	55.2	795.0	14.4	68.7	1188.0	17.3	71.8	1240.8	17.3
PUNJAB	46.3	942.8	20.4	49.2	1015.6	20.6	50.4	1044.2	20.7
GUJARAT	40.2	425.1	10.6	40.8	433.1	10.6	41.1	449.2	10.9
RAJASTHAN	20.8	330.5	15.9	24.7	455.6	18.4	24.1	433.2	18.0
KARNATAKA	18.3	400.6	21.9	18.1	399.0	22.0	17.3	379.3	21.9
ASSAM	28.5	280.9	9.9	30.2	323.4	10.7	28.8	294.1	10.2
ODISHA	27.8	269.0	9.7	27.8	270.7	9.7	27.5	268.0	9.7
HARYANA	17.7	214.2	12.1	18.8	225.1	12.0	19.4	235.4	12.1
OTHERS	240.8	1109.0	4.6	233.8	1117.7	4.8	384.9	3128.6	8.1
TOTAL	**915.1**	**7922.0**	**8.7**	**1042.5**	**10089.7**	**9.7**	**1077.7**	**11147.1**	**10.3**

Source : All India 2013-14 (Final Estimates), Department of Agriculture & Cooperation.

राष्ट्रीय बागवानी बोर्ड
National
Horticulture Borad

LEADING CITRUS PRODUCING STATES (2013-2014)



Scenario for The South African Citrus Growers

Strengths
- Good Technology and infrastructure for production, packing and export
- Good port infrastructure and logistic connectivity
- Large plantations and rise in production in the near future
- Existing presence and good reputation in many markets

Weaknesses
- Unfair and strict protocols compared to other citrus exporting countries

Opportunities
- Growing income levels and economic growth in most emerging markets including India
- No Valencia, Navel and Lemon production in India
- Plenty of promotion opportunities

Threats
- Overproduction from Egypt
- Low freight rate and relaxed protocols from Egypt
- Increase in production of Indian Citrus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citrus

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Just picked
freshness
cape

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DP
NGK
SNF
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citrus


VDP
J-437
VDP
J-436
OUTSPAN
FAMOUS CITY
cape
OUTSPAN citrus

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Thank you

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