

# **Simply Naturals**

An initiative by group of Agri Professionals......





### **Vision**

"Bring safe food with original taste, flavor and nutrition to consumer, from its natural habitat thereby conserving environment through climate smart, nutrition sensitive agriculture & improving livelihood of farmers "



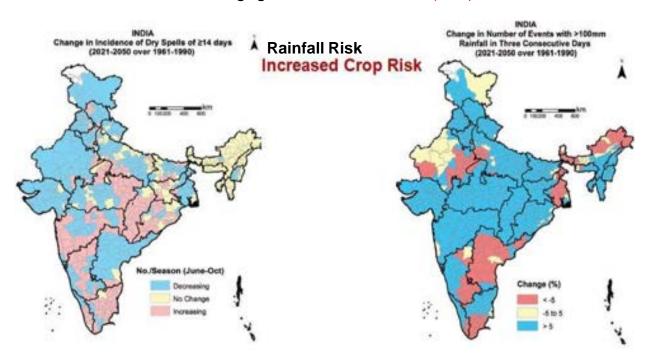
# India – Climate & Agriculture Risk

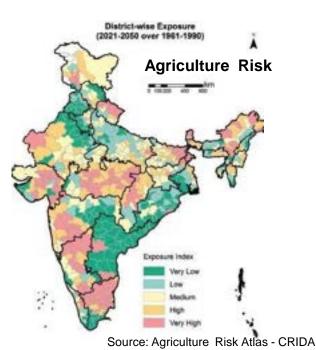


#### **Climate & Agriculture risk increasing**

- Increase in temperature by 0.51° C during 1901-2007 (projected further 2 to 4°C next decade, more in min temperature)
- One day extreme rainfall events are increasing
- ❖ Increased rainfall in W.coast, north AP and NW India, decreasing in east M.P. and adjoining areas
- Frequency of cyclones post monsoon seasons (2071 to 2100) is projected to much higher than baseline scenario (1961-1990)

In last 50 years, 22 years were the Good Monsoon years with rainfall 101% to 109%. During good monsoon 30% (195) districts are at risk of drought or flood.





### Genesis



- Last 30-40 years have seen fast paced Indian economic boom & population growth
- Weather risk in agriculture increasing (dry spells and excess rain events)
- Hybrids seeds / HYV (High Yielding Varieties) have replaced indigenous varieties
- Large scale usage of Chemicals & fertilizer to meet nutrient requirements of the crops.
- Unchecked use of chemicals & Fert resulted in loss of Taste, Flavor and Nutrient profile of the crop.
- Reduced immunity levels due to micronutrient deficiencies in population particularly zinc and iron.
- Unscientific processing of crop produce also reduces nutrient value,

#### **Impact**

- **Due to low productivity and poor price realization farmers are changing their age old farming systems**
- **❖** Inefficient Agri value chain makes consumer pay more, resulting in low farmer share in consumer rupee spent.

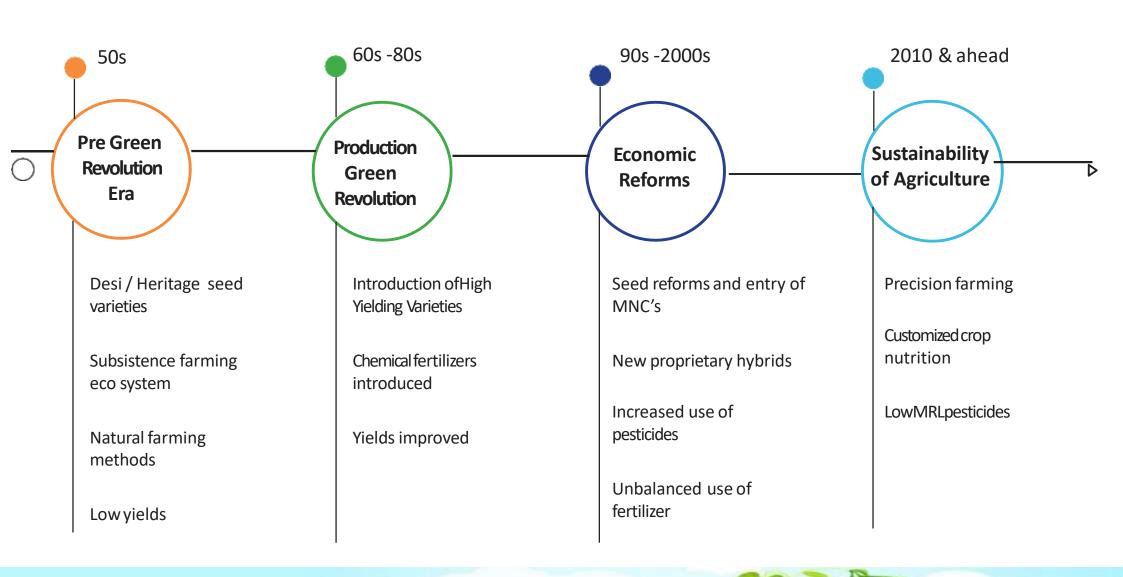
# **Our Concept**



- ❖ Strengthen age old sustainable farming system
- Climate smart agriculture & Preserving indigenous varieties, soil and environmental health
- Remove non value adding intermediaries in Agri value chain
- \* Reduce cost to consumer and better price realization to farmer
- Encouraging farmers to continue with Heritage / traditional native varieties and sustainable farming practices

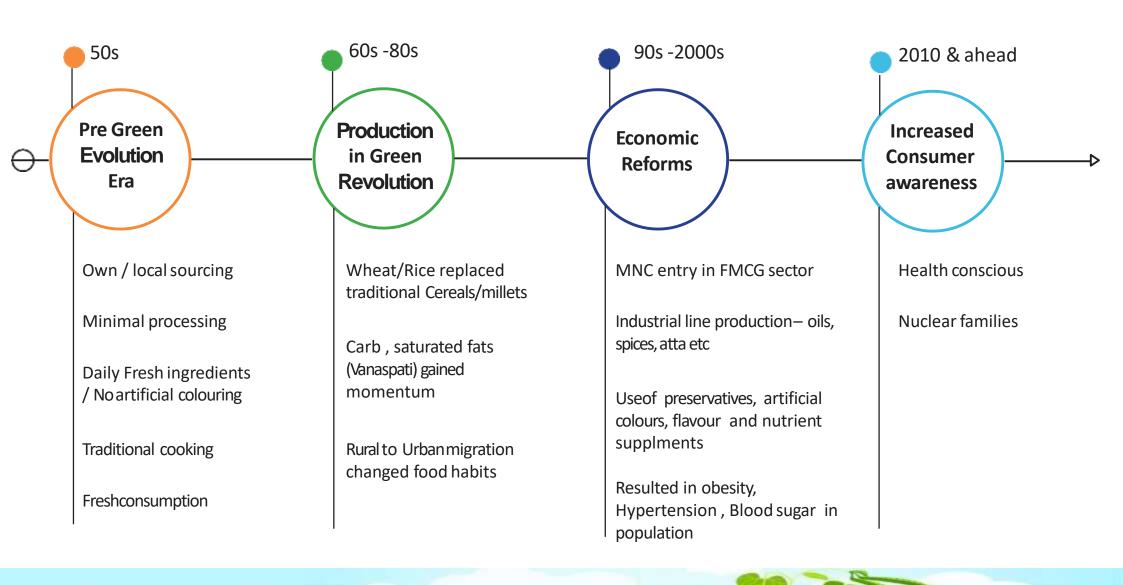
# **Indian Agriculture over Years**





### **Consumer Evolution**







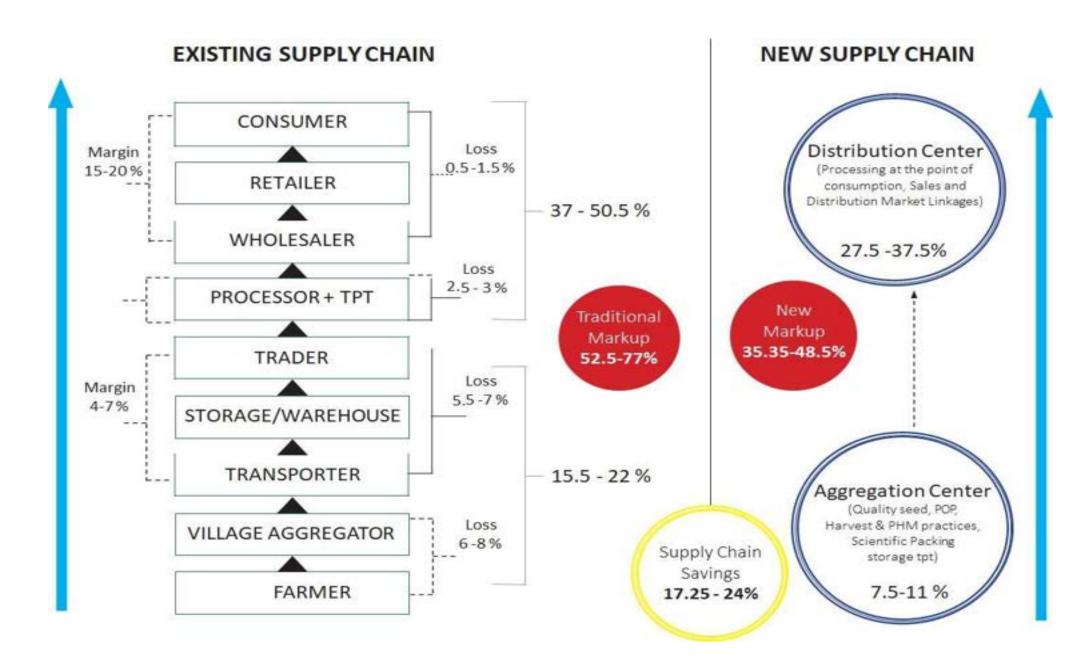


### **Our Business Model**

- Identify unique products from different agroclimatic zones which are GI tagged (native origin).
- Integrate small and marginal farmers cultivating native varieties with traditional farming system and reducing farm level post harvest losses.
- Provide them market linkages through our Agtech platform to facilitate higher returns.
- Reduce wastages in agri value chain and minimizing non value adding intermediaries
- Integrate small / medium enterprises for minimal processing of agri produce.
- Creating direct access to consumers for quality products focusing taste, flavour and nutrition

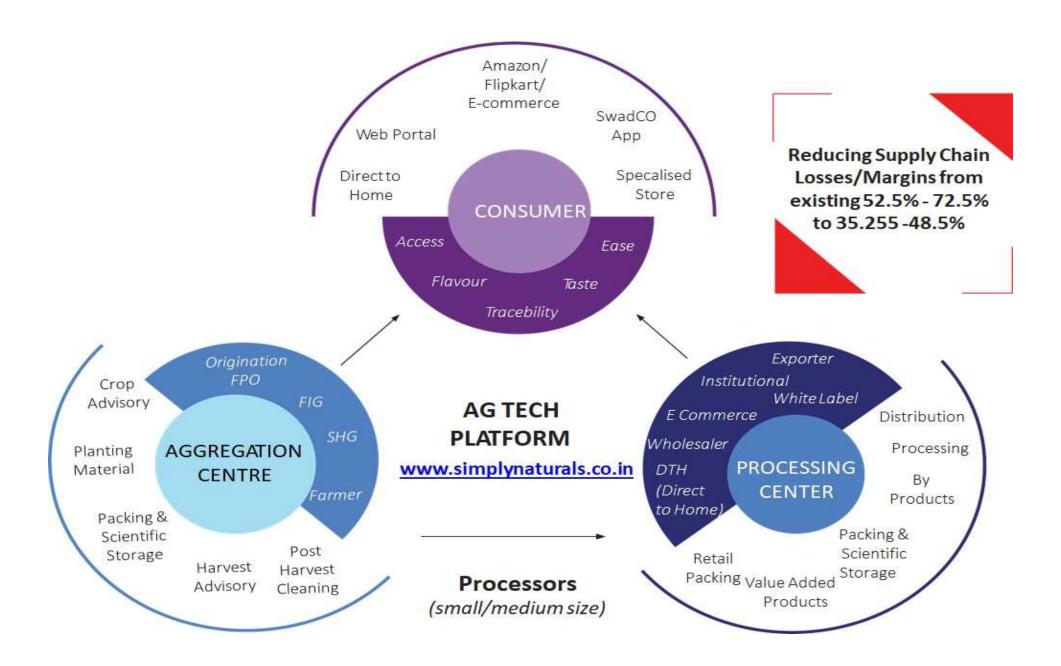
### **Supply Chain Disruption & reducing losses**





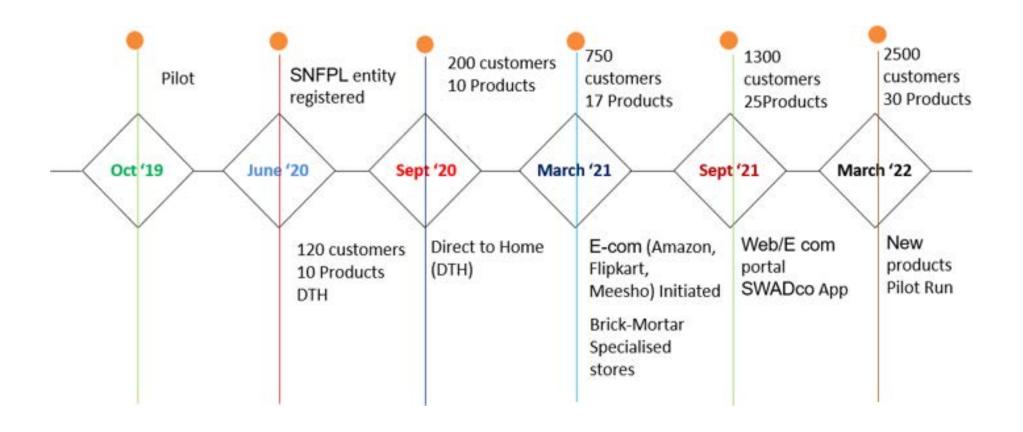
### **Integrating Farmer, Processor & Consumer**





# **Our Journey So Far**





# Interventions and benefits-I



#### **Farmers Procurement & Storage**

Intervention Proposed	Benefits
a) Pre Harvest Quality planting material based on market led production system	<ul> <li>Preservation of Heritage Variety's</li> <li>Good quality produce</li> <li>Assured Marketing Linkages / support</li> </ul>
b) Package of Practice Crop advisory services during crop cultivation Harvesting	<ul> <li>Climate smart agriculture practices</li> <li>Optimum &amp; Sustainable use of natural resources</li> <li>Good quality produce</li> <li>Reduce wastages from existing 6-8% to 3-4% at the time of harvesting</li> </ul>
c) Post Harvest Management of crop produce Cleaning	Cleaning & Grading of produce helps in better price realisation
Sorting & Grading Packaging	Packaging in scientific way will help in increasing shelf life of produce
d) Storage	Scientific storage will help in increasing the shelf life of commodity
	Help in availing financing against Warehouse receipt (through formation of farmer group / FPO)





#### **Processing & Packaging**

	Intervention Proposed		Benefits					
Pri	Primary Processing at Point of Production / Aggregation							
i.	Cleaning	1.	Helps in optimal utilization of scientific sorting & Grading facility					
ii. iii.	Sorting & Grading  Storage in bulk bags (Pest resistant)	2.	Help in stocking in bulk packages using new scientific storage solutions (Pest Resistant)					
	Storage in bank bags (i est resistant)	3.	Produce sourced & stocked in hilly areas will help in reduced requirement of cold storages in plains (Produce from Hilly states only)					
Pro	cessing at point of consumption							
i. ii.	Milling Grading	1.	Enhanced Freshness of the product					
iii. iv.	Retail Packing Storage & Distribution	2.	Minimal processing without any preservative (short lead time from processing to consumption)					
		3.	Economies of scale and scope for operations					

# Interventions and benefits-III

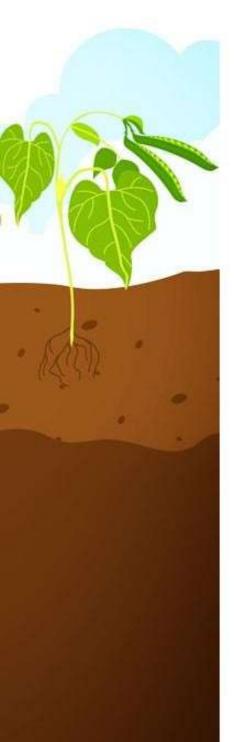


#### Marketing

	Intervention Proposed		Benefits
Bull	k Sales		
1.	B2B portals	1.	Helps in liquidation of stocks in whole sale market
2.	Whole selling	2.	Establishing brand image (whole sale)
3.	Institutional sales	3.	Exports
4.	White labelling		
Ret	ail Sales		
1.	DTH (Direct to Home)	1.	Acquisition of customer
2.	B2C ecommerce portals	2.	Direct reach to consumer
3.	Retail stores in own brand name	3.	Sales stability
4.	Exhibitions	4.	Higher margins
		5.	Brand equity

Overall Benefit: 8 to 10 % on consumer sales price





## **Benefits to farmer**

- Increase in marketable produce by reducing harvest and post harvest farm losses
- Reduced drudgery in farm level crop produce handling (manual harvesting & Threshing)
- Increased stock holding capacity of farmers through scientific warehousing technologies
- Warehouse receipt financing and extending finance facility to farmers against there produce
- Better price realization with increased product quality (Primary cleaning stubbles, stones etc)
- Establishing market linkages for sales of produce (domestic and exports)
- Employment generation at point of aggregation centers







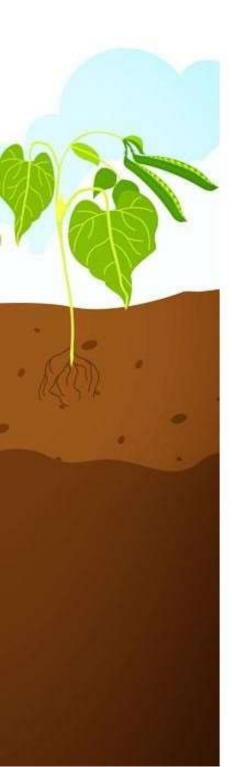
## **Environmental conservation**

- Strengthen age old farming systems and crop rotations
- Conserve indigenous varieties in there respective agroclimatic zone
- Sustainable farming thereby preserving soil nutrient, water and environmental health
- Origin traceability thereby promoting environmental preservation at consumer level
- Recycling of crop residue back in soil using sustainable technologies
- Harnessing natural resources as solar power, wind, water for primary / secondary









# **Partnering for inclusive Growth**

#### **Aggregators** (Micro Entrepreneurs )

- Developing entrepreneurship at village level
- Earning potential
- Increased social status



#### **Processors**

- Increased utilization of their existing infrastructure
- Access to new / improved technologies
- Linkages with larger markets



# Case Study – Multihued Rajma from Uttarakhand



- ❖ Net farmer Realization improved by 15% over mandi price
- ❖ Consumer price reduced by 5% over retail market prices
- ❖ Simply Natural margins secured at 27% of sale price over and above 23% for other channels

	Multihued Rajma - Price INR/Kg						
S.no	Particular	Mandi	FPO	Simply Natural			
1	Farmer Purchase price	120	120	128.4			
2	Net Farmer Realisation	110.6	118.9	127.3			
3	Consumer Price	200	191	190			
4	Net Realisation	23%	23%	27%			









# Case Study - Multihued Rajma from Uttarakhand

### **Detailed Costings**



S.no	Particular	Cost particular	Mandi	FPO	SNFPL-CC	Remarks
			Unit cost INR/Kg		R/Kg	
1						7% from prevailing mandi prices
1	Farmer Procurement price	1200 per qtl	120	120	128.4	with sorted and graded
2						Local Transport to bring material to
	Transport farm to Centre	Rs 500 for 500 Kg	0	1	1	FPO or SNFPL centre
3	Transport to Mandi	Rs 1500 for 500 Kg	3	0	0	Farmer village to mandi
4	Labour	Rs 5 per 50 kg bag	0.1	0.1	0.1	unloading
5	Farmer Food + Tpt from mandi to Home Misc	Rs 60 for delivering 200 kg	0.3	0	0	Misc expenses
6	Deductions/Aadhat	5% commission	6	0	0	Arti commission
7	Farmer Net Relisation		110.6	118.9	127.3	
0						50% more efficient S&G as pre
8	Sorting / Grading	Rs 500 per 1000 Kg	0.5	0.5	0.25	sorted material from farmer
9	Wastage(8%)	8%	9.6	9.6	2.568	Wastages reduced by 6% at SNFPL
10	Margin(15%)	15%	19.515	19.515	19.6827	considering 15% margin
11	Cost		149.6	149.6	150.9	
12	Destination Transportation	Rs 10000 per 5 MT	2	2	1	Efficent transport by 50%
13	Whole Seller	5%	7.6	7.6	0	No Whole seller margin in SNFPL
14	Sub Whole seller (loose)	5%	8.0	0	0	No Whole seller margin in FPO & SNFPL
15	Packaging & misc		7	7	7	Retail packing consodering same
16	Retailer Margin	15%	26.1	24.9	31.1	Retail margin considering 20% by SNFPL
17	MRP in NCR		200	200	200	
18	Cost for Consumer		200	191	190	
19	Net Overall margin	INR (CC + Retail)	45.6	44.4	50.8	
20	Total Margin	% margin on MRP	23%	23%	27%	





## **Case Study – Black Wheat Contract Farming**

Village Dhoom Manikpur distt G.B. Nagar (UP)



- Net farmer Realization improved by 11% by growing Black wheat over normal wheat crop
- ❖ Farmer net realization increased by INR 3,450 per acre (i.e. from INR 30,654 per acre to INR 34,104 per acre)
- ❖ Simply Natural margins are 40% by selling Sorted a& Graded black wheat (19% by normal wheat flour)
- ❖ Value addition by converting into Black wheat flour margins improved to 61% (28% by normal wheat flour)

S.no	Particular	Cost particular	Wheat	Black Wheat	Remarks
			Unit cost INR/Kg		
1					Black wheat 20% premium above
•	Farmer Procurement price	Wheat MSP INR 1975 per Qtl	19.75	23.70	mandi prices with sorted and graded
2					Local Transport to bring material to
	Transport farm to Mandi	Rs 500 for 50 qtl	0.10	0.10	SNFPL centre
4					
4	Labour (unloading & cleaning)	Rs 4 per 50 kg bag	0.08	0.08	unloading
5	Farmer Food + Tpt from mandi				
	to Home Misc	Rs 80 for delivering 50 qtl	0.02	0.00	Misc expenses
6					
0	Commision Agent -Aadhat	2% commission	0.40	0.00	commission Agent
7	Farmer Net Relisation		19.16	23.52	
	Total Realisation per Acre	Production 16 qtl per normal wheat , Production Black wheat 14.5 Qtl per acre	30654.4	34104	Net realisation 11% more then normal wheat













# **Case Study – Black Wheat Contract Farming**

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S.no	Particular	Cost particular	Wheat	Black Wheat	Remarks
		·	Unit cost INR/Kg		
1	Farmer Procurement price	Wheat MSP INR 1975 per Qtl	19.75	23.70	Black wheat 20% premium above mandi prices with sorted and graded
2	Transport farm to Mandi	Rs 500 for 50 qtl	0.10	0.10	Local Transport to bring material to SNFPL centre
3	Labour (unloading & cleaning)	Rs 4 per 50 kg bag	0.08	0.08	unloading
4	Farmer Food + Tpt from mandi to Home Misc	Rs 80 for delivering 50 qtl	0.02	0.00	Misc expenses
5	Commision Agent -Aadhat	2% commission	0.40	0.00	commission Agent
6	Farmer Net Relisation		19.16	23.52	
7	Sorting / Grading	Rs 500 per 1000 Kg	0.5	0.25	50% more efficient S&G as pre sorted material from farmer
8	Cost		20.3	24.0	
9	Whole Seller	0.05	1.0	0.0	
10	Destination Transportation	Rs 10000 per 5 MT	2	2	Efficent transport by 50%
11	Packaging & misc	INR 10 for 10 Kg	1.0	1.0	
12	Total Cost		24.3	27.0	
13	MRP Grain	INR	30.0	45.0	
14	Margin	INR per kg	5.7	18.1	
15	Margin %	% on MRP	19%	40%	
16	Milling Cost	Per Kg cost	4.0	4.0	from chakki
17	Misc / Losses	0.015	0.4	0.4	
18	Total Cost		28.63	31.35	
19	MRP Flour	Rs 390 per 10 Kg	40.0	80.0	
20	Total Margin	INR per Kg	11.4	48.6	
21	Margin %		28%	61%	











Partnering with FPO



Farmer meetings



**New Technologies Demonstration** 

# Our Farmer and Consumer activities



Consumer Linkage Activities – exhibitions, melas, promotional events



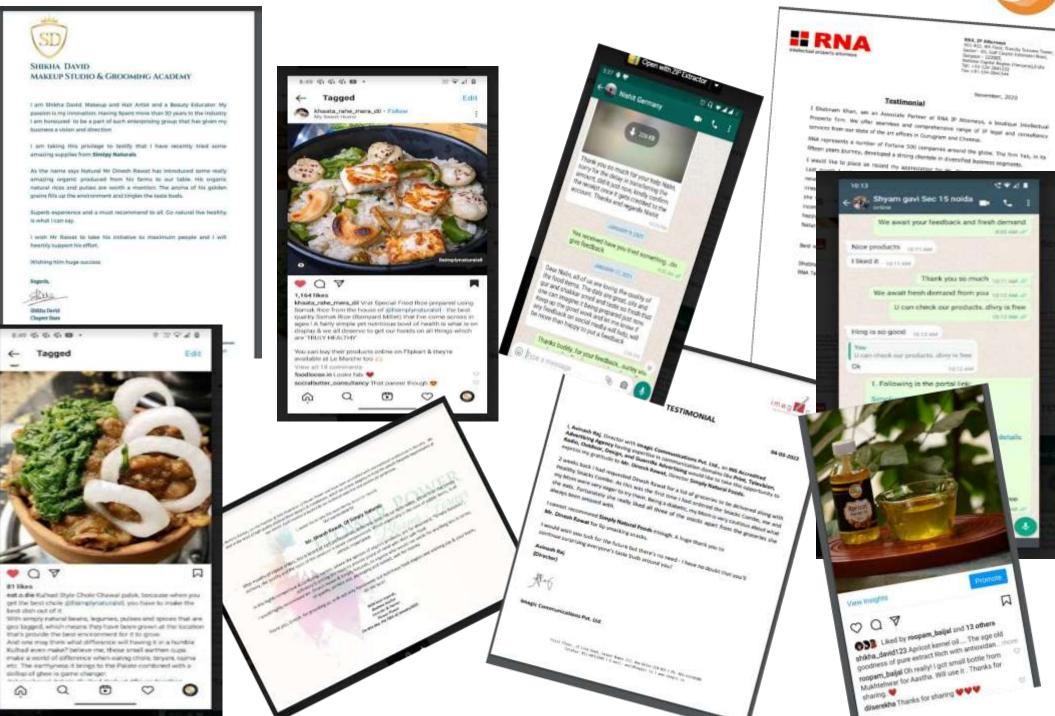




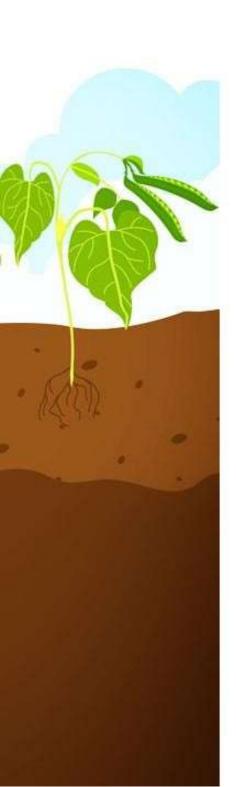


#### **Customer Feedback**









# **Thank You**

**Simply Natural Foods Pvt Ltd**