

## IFOAM Trade Forum

India – Creating a market & a supply chain  
for organic products

# Sresta – A case study

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# In this presentation



- India – a Snap shot
- Indian Organic scenario
- Sresta - the genesis
- Domestic Market
- Communicating to consumers
- Building the supply chain
- From India to the World

# India – A Snapshot



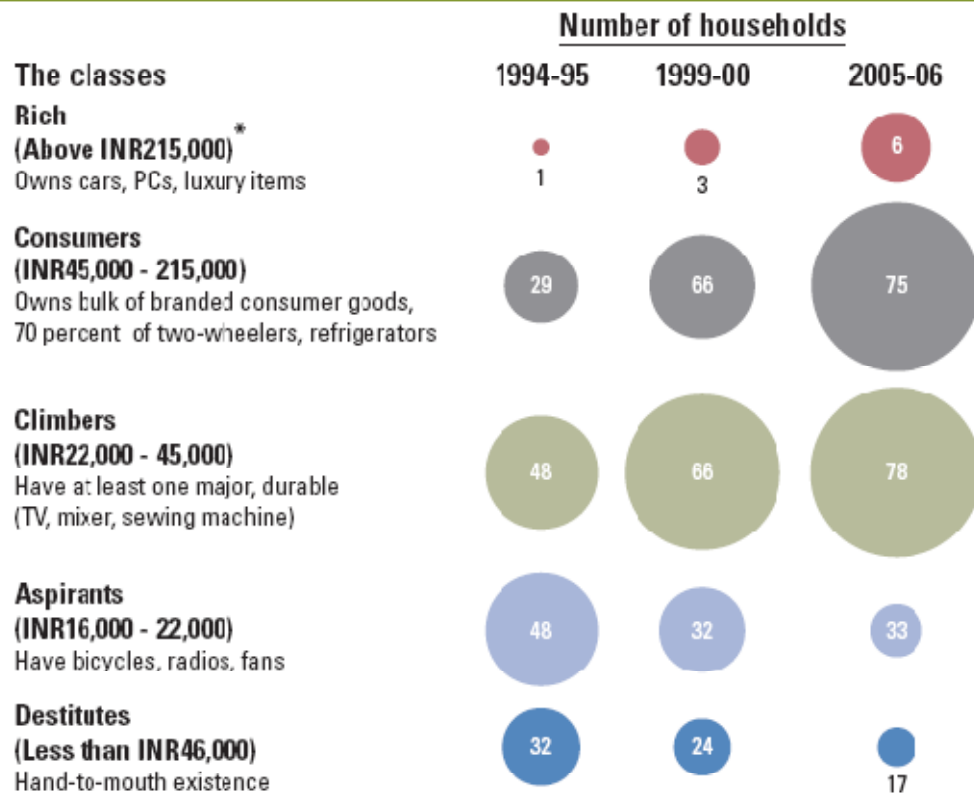
- 1 billion + people.
- Among top three global producers of Milk, Fruits & Vegetables, poultry products, rice, wheat, tea, spices etc.
- Economy growing at 8%+ from the past few years.
- Current growth rate about 5 to 6%.
- Expected to be on 8%+ growth path from 2010.

# India – A Snapshot

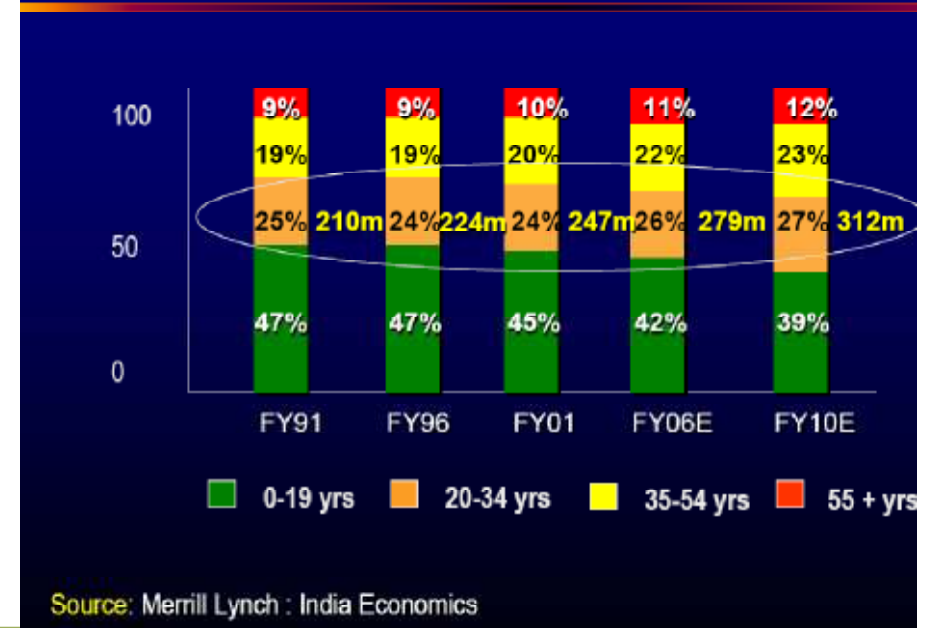


## Growing Affluence

## World's largest young population



## Largest "Young" Population



Source: Marketing Whitebook 2003-04 by BusinessWorld

# India – A snapshot Changing Consumers



- Discretionary spending growing by 10% to 15%.
- Urbanization.
- Global exposure.
- Nuclearisation of Families.
- Multiple Income households.
- Change in Mindset – Self denial to indulgence.
- Trend conscious.

**But still the consumer is**



...

**Very Value conscious.**



# India – Organic Farming



- 2002 – About 23000 ha.
- 2008 – About 500,000 ha.
- Next five years expected to be about 2 to 3 million ha.



# Indian Organic industry structure



- NGO's (Non Governmental organizations)
  - Advocacy, farming, some attempts at marketing
- Corporates
  - Established companies extending conventional line to Organics – Tea, spices, Basmati, cotton
- New Companies
  - Some combining passion with business
  - Some to exploit business opportunity



# Sresta – the genesis



- Founded with a vision to promote sustainable livelihoods and sustainable lifestyles
- Founded in March 2004.
- Headquartered in Hyderabad – India
- First Organized organic food retail chain in India
- Integrated Operations across Farming, Food Processing , Research & Development, Retail and Exports
- Nationwide operations in Indian retail market



# Sresta – the genesis



- The best way to realize the vision is to strike a balance between the domestic market and exports
- Key focus.
  - Supply Chain
  - Branding
  - Creating a Knowledge capital on organic farming, products, processing, customers and leveraging it.

# Domestic market



- Food & Beverage market – USD 160 billion.
- 6% growth per annum
- Current Organic market
  - Organized sector – About USD 10 million
  - Current Potential – USD 200 million
- Future Organic market potential – USD 7 to 10 billion – 15 to 20 years.



# Domestic market – The challenges



- Product range
- Consistent availability
- Organic Guarantee
- Appropriate pricing
- Customer communication

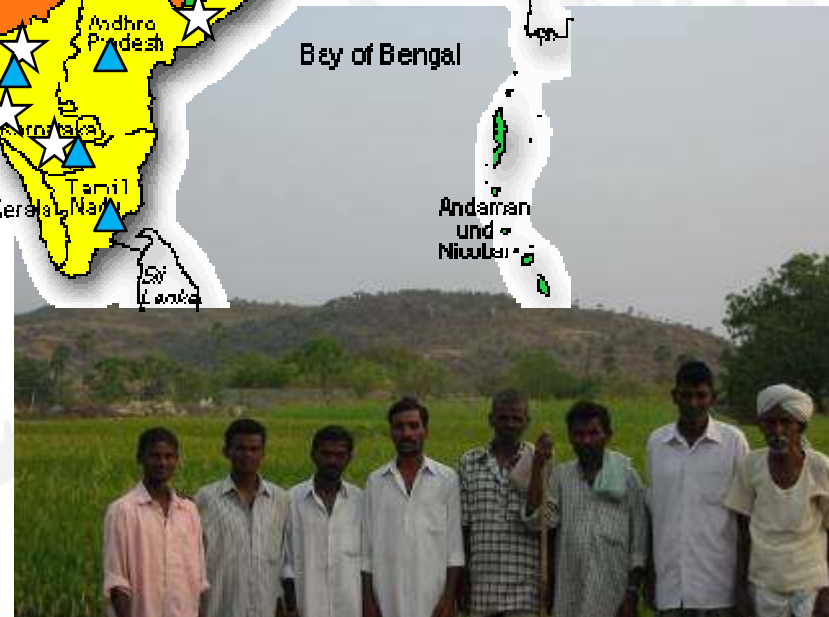
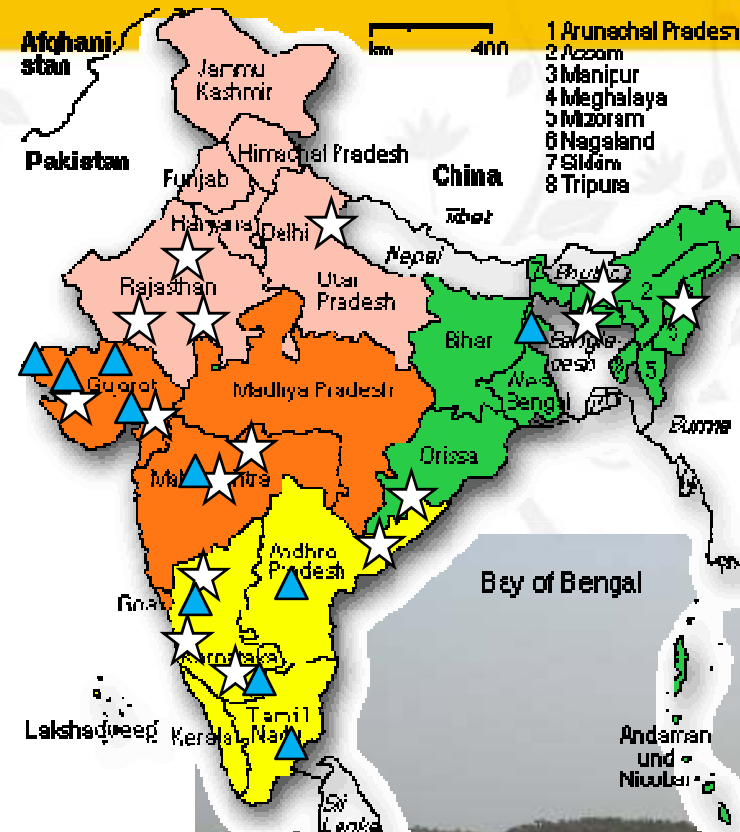


# Sresta – Supply chain

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- 8000+ farmers, 25000 acres, 9 states
- 11 processing facilities
- EU, USDA organic complaint
- Food safety – HACCP, BRC, ISO 22000
- Warehouses across the country

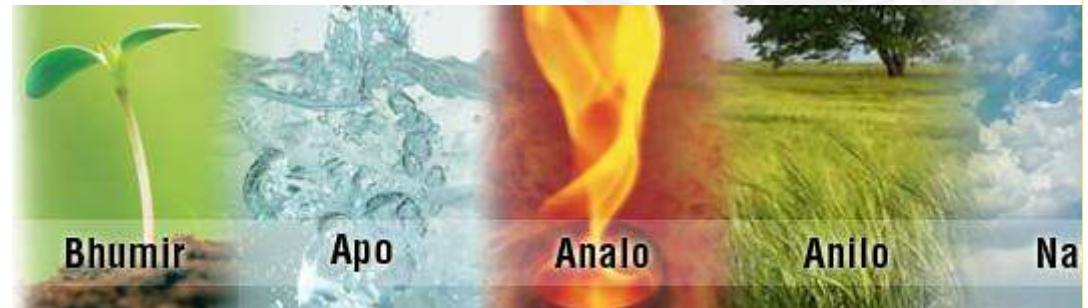




# The Brand



BHUMIR, APO, ANALO, ANILO, NABHA.  
EARTH, WATER, FIRE, AIR & ETHER



# 24 Letter Mantra - Presence

**sresta**  
NATURAL BIOPRODUCTS PVT. LTD



- 24 Letter Mantra stores in South India.
- Nationwide Store in stores - tie ups with leading conventional Retail chains



# Product Range

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NATURAL BIOPRODUCTS PVT. LTD



- Over 600 sku's covering staples, processed products like Ready to cook, ready to eat, preserves, beverages, bakery, Fruits & vegetables.





# Consumer communication

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NATURAL BIOPRODUCTS PVT. LTD

**24**  
letter mantra  
live an organic life

- Public relations
- In store advertising
- In store events
- Neighborhood events



# Some examples of communication





# Some examples of communication



**IS THIS YOUR DAILY DIET?**

**MORE NUTRITION PER GM AND PER CALORIE NATURALLY!**

24 Lettered Mantra products are grown organically and free of pesticides & herbicides. The food has been carefully selected to be nutritious. The organic products are in wheat, pulses, millets, etc. They are rich in nutrients, have high concentration of antioxidants, vitamins, and other nutrients. They are also rich in fiber and have low fat content. They are also rich in protein and other nutrients.

**TASTE THAT'S FRESH & FUN!**

Have you tried our products? We think you will love them. They are fresh and healthy. They are also fun to eat. They are also healthy. They are also fun to eat. They are also healthy. They are also fun to eat.

24 Lettered Mantra Products Pvt. Ltd.  
B-10, Phase 2, Sector 17, Gurgaon, Haryana, India  
www.24letteredmantra.com

**HOW PESTICIDE & CHEMICAL RESIDUES AFFECT YOU AND YOUR FAMILY?**

Pesticides have become part of our daily lives without us being aware of it. They are used to control and manage pests. They are also used to control weeds. They are also used to control diseases. They are also used to control insects. They are also used to control mites. They are also used to control nematodes. They are also used to control fungi. They are also used to control bacteria. They are also used to control viruses. They are also used to control parasites. They are also used to control weeds. They are also used to control diseases. They are also used to control insects. They are also used to control mites. They are also used to control nematodes. They are also used to control fungi. They are also used to control bacteria. They are also used to control viruses. They are also used to control parasites.

**DILUTION IN NUTRITION QUALITY OF FOOD PRODUCTS**

The emphasis on high yields per acre, has led to the reduction of food quality in terms of:

- Nutrient and mineral content
- Protein quality and levels
- Freshness, flavor and taste
- Chemical and animal residues
- Bioactive compounds and phytonutrients

Studies have shown that Organic products pack more minerals and other beneficial components along with taste and freshness.

**Organic Compared to Conventional Crops (Percent Difference in Nutrient Content)**

Nutrient	Organic	Conventional
Protein	100%	~85%
Carbohydrates	100%	~90%
Fiber	100%	~80%
Minerals	100%	~70%
Vitamins	100%	~60%
Antioxidants	100%	~50%

24 Lettered Mantra products are grown organically without the use of harmful pesticides. Adapt them to live life naturally.



# Domestic & Exports – The common thread



- Scale
- Supply Chain - reliability & efficiency
- Quality



# Starting with a strong domestic base



- Helped in
  - Putting process & systems in place
  - People in place
  - Upgrading quality
  - Understanding pain points



# Exports

**sresta**  
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- Indian gourmet food products for Retail trade.
  - Own Brand
  - Private label
  - Ready Meals, Simmer sauces, curry pastes, Pickles, Chutney's, papadums, spices and spice blends etc.





# Exports

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- Purees & Juices
- Spices & Condiments
- Nuts – Cashew nuts, Peanuts
- Dehydrated fruits & vegetables – Onion, Garlic, Ginger, Mango, Pineapple, Papaya, Banana
- Select commodities – Soybeans, Sesame etc.



# Sourcing – India advantage



- Variety of growing conditions – subtropical to temperate.
- Deserts to Mountains
- In many areas minimal or very low use of fertilizers & pesticides
- Round the year production
- Huge variety of products – Food, fiber, medicinal & Aromatic plants
- Small farmers – A story to tell

# Sourcing from India – Things to watch out



- Project organization & management
- People
- Systems & processes
- Infrastructure
- Experience
- Delivery capabilities

**THANK YOU FOR YOUR TIME**