



INDIAN POTATOES LIMITED

PRESENTS



Farmers & Agriprenures Empowerment Model

IN ASSOCIATION WITH



HORTICULTURE PRODUCE MANAGEEMNT INSTITUTE

Camp Office
HPMI Farmers & Agriprenures Facilitation Center
Collectorate Compound , Sitapur, UP



VALUE CHAIN MANAGEMENT

Addressing the whole value chain of natural farming

BACKGROUND OF THE COMPANY :

Indian Potatoes Limited (www.ipl.org.in) is a closely held family promoted Company having fifteen years successful backgrounds was promoted by Dr. Satyen Yadav and now being managed by Mrs Anupma Yadav, Dr Ishan Yadav and Mr. Rajesh Rajanwal as Directors. The company is backed up by Associate Companies Ginkgo Agribusiness Pvt.Ltd and Horticulture Produce Management Institute, as Technical Resource Agency (www.hpmi.org.in).

THE PROJECT CONCEPT :

With reference to following key issues, we have conceptualized this project to address the issues and the project is registered under 12 AGRI CHALLENGES as well as an MOU was signed in February between the promoters and UP Govt. to empower 95,000 farmers and 2000 agriprenures through self-employment :

- 01-Empowerment of small & marginal farmers
- 02-Eliminating the middlemen from the value chain & supply chain
- 03-Doubling farmers income by 2022
- 04-Food security & food safety
- 05-Emplyment/self-employment generation

Further to the above issues, availability of safe food with traceability system and GAP (good agricultural practices) in place with TAGS (transparent guarantee system) with shortest value chain (FARM TO FORK extended to FARM TO ENERGY) to ensure the win-win situation for producer and consumer.

TIME LINES & DELIVERABLES :

The entire project is scheduled to be completed in 730 days with effect from 15th September 2018 with the following deliverables :

- 01-Promotion of 19 Farmers Producer Companies (FPC) : 90 Days
- 02-Identiifaction of 19000 farmers having 1000 farmers in each FPC : 180 Days
- 03-Identification of 2000 Agriprenures who are interested in adopting self-employment through agribusiness : 180 Days
- 04-The pilot project having small models at Sitapur : 60 Days
- 05-Second phase having 5000 farmers in each FPC : 365 Days



MECAHNISM :

There are following strategical channel partners playing their pre-defined roles :

- 01-Indian Potatoes Limited(IPL) : A company having fifteen years experience of agribusiness, with special reference to market access development will provide the requisite infrastructure required for Ginkgo Mart and ensure supply chain.
- 02-Ginkgo Agribusiness Pvt.Ltd : The Company which own the brand and handles product outsourcing and the development of new products and make them available through IPL.
- 03-Horticulture Produce Management Institute(HPMI) :The Technical Resource Agency, responsible for providing the backward linkages and forward linkages to the beneficiaries.
- 04-Sitapur Farmer Producer Organizations :A women farmers & agriprenures group having different farmer interest groups. They will be assisting the operators to select the interested and capable beneficiaries for different agribusiness models.

THE MODEL:

My proposed model is called "FARM TO ENERGY". In 2003 , I had developed a model "FARM TO FORK" for Ministry of Agriculture with an example of Uttar Pradesh and demonstrated it for the first time in Punjab jointly with Punjab Markfed and now I have modified my model from "farm to fork" to "farm to energy" (all human being and the animal take food to take energy as ATP and release the waste as excretion which is a waste which can be further converted into energy which will be used to empower them further by fuelling their agribusiness operations, so the current model will be called "farm to energy").

BASIC ASSUMPTIONS OF THE MODEL

Business model is very simple but looks little complicate due to its interconnectivity and interdependence on linkages which will be linked with two main pillars i.e. PRODUCER (farm produce producer or produce processor) and CONSUMER (which can be an individual or an organization).

These two pillars will be linked with the chain having all the stake holders which will be independent for their sustainability and will grow together rather growing on each other and creating a internal competition and here we will call them value chain partners.

Two very influential factors will be in-built in the model i.e. TRANSPARENCY IN ENTIRE VALUE CHAIN (through Transparent Agribusiness Guarantee System) AND RISK SHARING MECHANISM (by adopting participatory mode with win-win situation) which will ensure the adaptability and sustainability of the model.

**THE RESULT:**

Following the Nature's principal (creating the energy, giving the path and taking the result), we also proposed to create an energy (the thought converted into model), give a path(to implement the model) and take the result i.e. FARMERS AND AGRIPRENURES EMPOWERMENT.

TARGET:

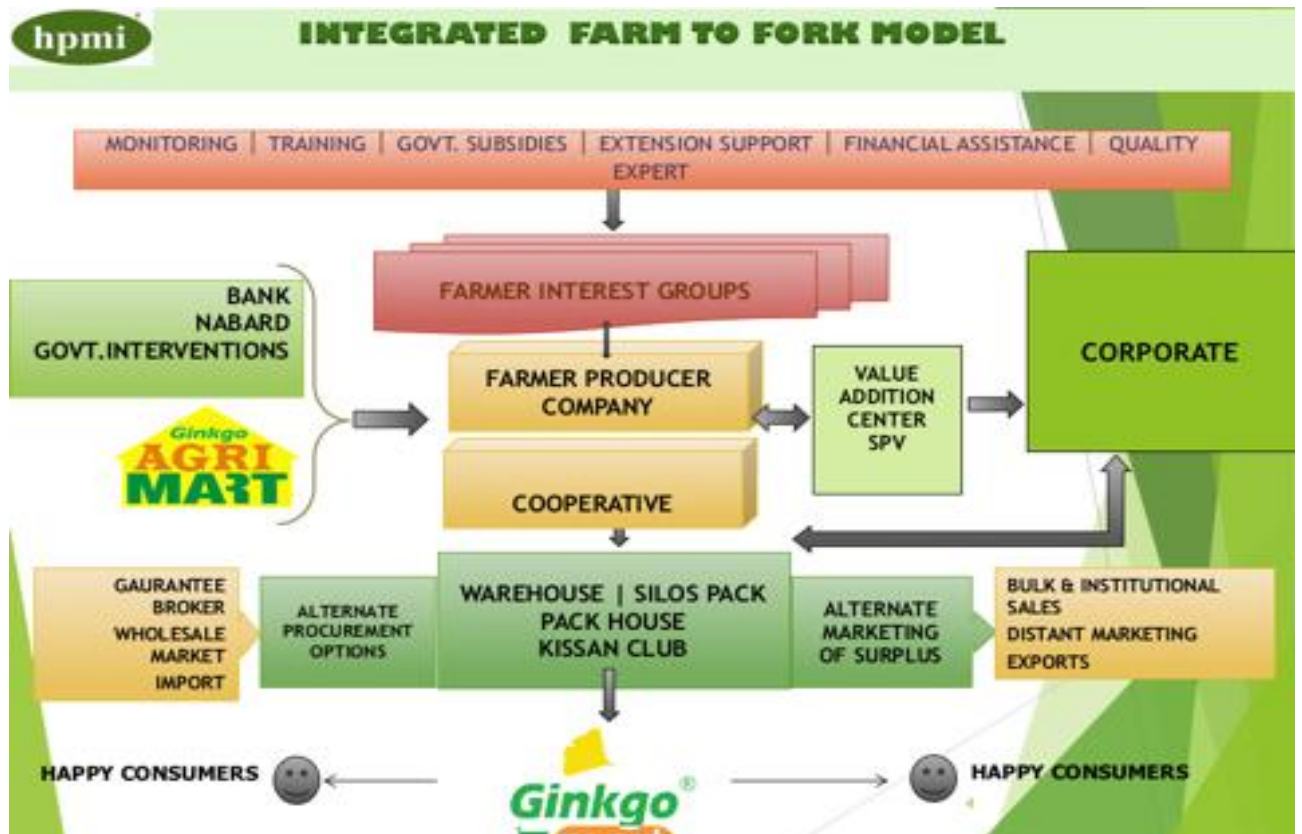
With a humble beginning, we are targeting the EMPOWERMENT OF 95,000 farmers and 20,000 Agripreneurs in 730 Days with effect from 15th September,2018 .

COMPONENTS OF THE MODEL:

We will have two major components i.e. HPMI AGRI MART to address the issues related to backward linkages to connect the farmers or producer and connect with GINKGO MART to address the issues related to forward linkages and connect with consumer. The Agri Mart will be a tool to empower the farmers through guidance, facilitation and interventions and Ginkgo Mart will agripreneurs through livelihood options with complete hand holding from concept to execution and continuous support till financial sustainability.

BUSINESS MODEL:

The business model is divided into two parts i.e. FARM TO FORK & FARM TO ENERGY and following is the FARM TO FORK model where all the farm produce is going to be supplied to end users including individual house hold, institutions and the importers.



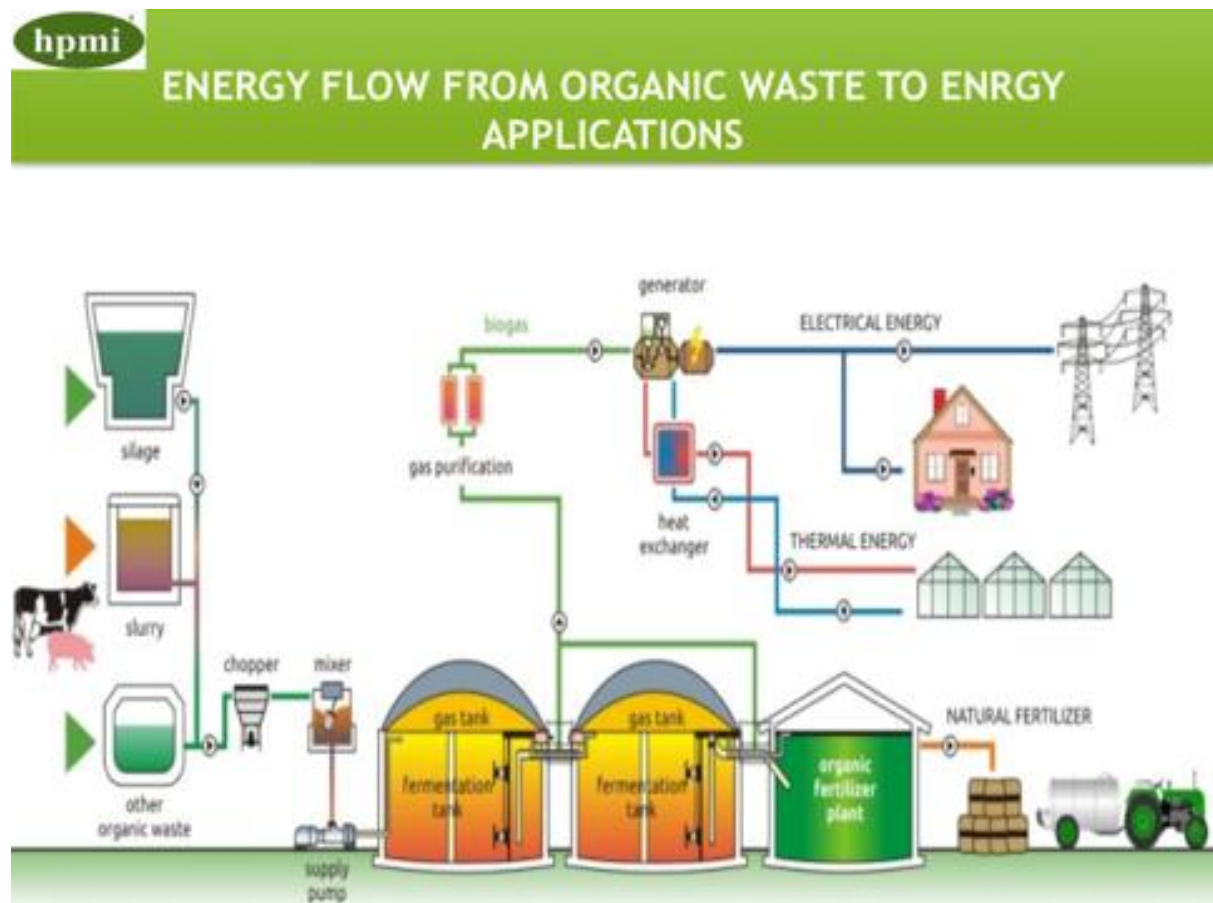
The model is very well tested it's suitability for Farmer Producer Company as well as Cooperative based network. This has the dependability on financial inclusions and various interventions available under various schemes for farmers and agriprenures.

This model is a single point convergence of all the backward linkages requirements as well as all the forward linkages requirement. The model is also compatible with all the schemes (centrally sponsored as well as State sponsored).The financial inclusion through different funding schemes will play a critical role. In our past experiences, this can break the whole chain which will affect the whole project. It requires interventions from the top level to give a clear message to "KEEP THESE BENEFECIARY separate than the mass.

Similarly, there is a dependability og Govt. interventions for fiscal benefits and the trend which is there is not very healthy an

The model can be replicated and integrated with various other models to supplement each other.

In another model which we call FARM TO ENERGY model where we convert all the biological waste whether it is agriculture waste or human waste or animal waste into Biogas (for cooking), electricity (for consumption) and the CNG (for commercial use) and hence we recycle the whole energy which is present in the farm produce and cycles through living system and go back to pen system from where it comes back through biological systems.





EXISTING VALUE CHAIN:

The existing value chain is very long and competing with each other and growing at each other's cost creating a unhealthy business competition and hence we have made it very very short and perhaps this is the shortest possible value chain which is explained below:



GAP ANALYSIS:

To understand the commercial existing value chain versus proposed value chain, a gap analysis was done and a proposed value chain cost was estimated to have a win-win situation among all the proposed value chain partner with minimum interdependability and competition within the value chain which is summarized below:



GAP ANALYSIS

Farm	→	Consumer	→	100-400%
Local Mandis	→	Consumers	→	100-200%
APMC(s)	→	Consumers	→	100-200%
Factories	→	Consumers	→	35-70%
Ginkgo Mart	→	Consumers	→	35%

(Proposed)

OUR EXPERIENCE OF TESTING THE PROPOSED MODEL:

Retail of food stuff and especially fresh produce is one of the most difficult retail business and many big corporate have burnt their fingers and finally closed their operations. Due to the involvement of middle men in the fresh produce retail, both the value chain partners i.e. farmers and consumers are suffering and advantage goes to middle men only. Keeping in mind the price increase and the problems being faced by the consumers and farmers, this concept has been developed and tested by our principal M/S Indian Potatoes Ltd at Chandigarh, Rohini and Noida and it is found that this is the one of the best solution to implement FARM TO FORK concept and remove middle men and ensure the suitable prices for the farmers and ensuring supply of hygienic food stuff to the consumer's door step at the competitive prices, which is notified in advance.

The above experience was a outcome of an initiative taken jointly by Punjab Markfed & HPMI and during 2003 which was a pilot project to demonstrate FARM TO FORK MODEL, developed for Ministry of Agriculture and Cooperation, Govt. of India in 2003 to avoid the middle men and benefit farmers and consumers. So, we have requisite understanding about the project and experience of handling it.



OPERATIONAL MODEL:

Business model will include all the stake holders as independent value addition center who will strengthen and supplement without competing with each other with a transparency in the operation to avoid any kind of operational confusion and clash and the all the stake holders will be knit closely through FRANCHISEE model with a 100% sense of ownership and belongingness to ensure its success and smooth operation.

Each District will have a common infrastructural facility as a Master Franchisee to cater the operational demand of HPMI Agri Mart and Ginkgo Mart as a Franchisee. All these franchisees will be given required training, orientation and support from developing concept till execution including project funding, market linkages and continuous support during their operations to ensure the feasibility and sustainability of the enterprise.

The model will be implemented in a three tier system i.e. Ginkgo Marts, Mobile Ginkgo Marts and Village Ginkgo Marts having 65 different livelihood/business model under food mart concept. These food marts will be the forward linkage arm of Agri Mart which will be their backward linkages arm. Each Agri Mart at block level will only cater to identified and registered shareholders of respective FARMERS PRODUCER COMPANY which will have two members from Corporate and Technical Resource Agency (as per the Govt. of India norms for providing technical and commercial support and hand holding).

GINKGO MART CONCEPT:

This model ensures the home delivery of all kind of Fresh Fruits & Vegetables, Cereals, Pulses, Spices, Dairy Products, Processed Foods, Certified Organic Produce and products and other processed foods & FMCG products at a pre-defined price.

We, at GINKGO MART- Franchisee, will get the supply of required food stuff through our principal who will source the produce and products from adopted farmers of Indian Potatoes Limited as well as from produce markets, if required. Similarly, we will market all non-perishable, staples, processed food and FMCG products from GINKGO Mart at a very competitive price directly to the consumers at their doorsteps and that too at highly competitive and pre-defined prices with 100% quality guarantee.



OPERATIONAL MODEL:

We will take up the franchisee from the GINKGO MART and will get all required infrastructure required and will book the orders from the pre-identified customers for purchase of fresh fruits & vegetables and value added products as per the marketing protocols. The order will be taken in advance and the same would be delivered next day. The GINKGO MART will ensure the dully graded, packed food stuff as per the individual customers and will pack them in a basket or crate and deliver it to the Franchisee at the respective out let or Franchisee will collect the packed deliveries from the Pack House to be delivered to the respective customers against cash payment. The entire sale proceed will be deposited in the collection account of IPL and in turn IPL will release the agreed sales commission and other payables on every 3rd of the respective month.

In addition to the home delivery, there will counter sales of cold & hot beverages and snack foods.

PRODUCTS TO BE SOLD AT COUNTER:

1. Cane Sugar juice
2. Orange/Citrus/Pomegranate juice
3. Vegetable juices
4. Tea/Coffee/Soups
5. Snack foods
6. Cooked Food
7. Ready to Eat Food

PRODUCTS TO BE SOLD (Under Home Delivery):

1. Graded, washed fresh fruits and vegetables
2. Pre-cut fruits and vegetables with a shelf – life of 7 to 10 days by using patented German technology called “FOOD FRESHLY” from Food Freshly GmbH, Germany
3. Value added products and food FMCG products
4. Certified organic produce and products

ADVANTAGES:

1. Convenience, hygienic, value for money
2. Highly competitive and pre-notified prices valid for six days
3. 100% unconditional quality guarantee



HOW WE ARE COMPETITIVE:

We have eliminated the middle man from farmer/Producer to consumer i.e. Farmer – Local Traders Consolidator – Wholesale - Commission Agent – Wholesaler – Retailers - Consumer.

In Ginkgo Mart, we are the only agency to facilitate and we work on minimum overheads, the margin of the operator as well as all franchisee's margin while other existing models are operating at very high prices.

MECHANISM AND ECONOMICS:

The outlets will be given to the franchisees on the following pattern:

MECHANICS AND ECONOMICS FOR A FRANCHISEE:

As per the market survey and feasibility studies a GINKGO MART operator can earn about Rs. 15,000 to 60000/- per month or even more, depending upon the model selected out of three options i.e. GINKGO MART, GINKGO MOBILE MART & GINKGO VILLAGE MART.

OUTCOME OF THE PROJECT:

- 01-Happy Farmers due to increase in their per capita income.
- 02-Happy Agripreneurs due to their sustainable self-employment.
- 03-Happy Consumers as they get best food at their door steps at pre-notified price
- 04-Increase area under Horticulture Crops
- 05-Reduction in migration from rural area to urban area because of the availability of urban facilities in rural area.