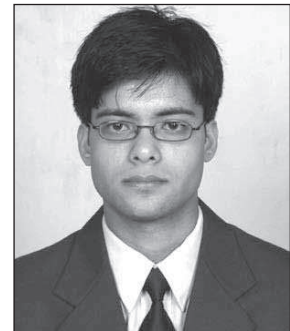


Face to Face with Mr. Anuj Kumar, Director of Kaushalya Foundation

KAUSHALYA Foundation (KF) is a non-government, non-profit organization that works with rural and urban poor engaged in agriculture and food sector. Mr. Anuj Kumar, Business Manager at Kaushalya Foundation shares his views with Ms. Ambika on vegetables segment and about the organization; it's working. Here are the excerpts...



Brief us about your organization and working.

KAUSHALYA FOUNDATION, registered as a Public Charitable Trust, was established on January 29, 2008 by the Management Professionals from Top B-Schools of India for the purpose of development, encouragement, promotion, improvement, welfare, empowerment, generation of opportunity for earning of livelihood, and uplifting of standard of living of marginal growers, cultivators and producers, vendors, street vendors, farmers, agricultural laborers engaged in production and marketing of fruits and vegetables.

KAUSHALYA Foundation works with the following objectives:

1. To Organize and professionalize
 - small and marginal farmers towards market oriented farming
 - street vendors and linking them to the main stream of the society
2. To empower street vendors and marginal growers
3. To connect street vendors and growers to the mainstream market
4. To generate livelihood opportunities, creating market space

KAUSHALYA Foundation has developed innovative products/processes under the brand umbrella of SamridhiiTM. It is working towards reorienting the vegetable supply chain to reduce wastage, price spread, lead time of vegetable to reach the customers and customer transaction time

by bringing together the two far ends of the vegetable supply chain, i.e., marginal vegetable growers and the vendors in a formal way so that operation can be scaled up to a level where they can become a dominant force.

Why did you choose vegetable segment despite the fact that vegetables are highly perishable, unstandard with no government support?

The basic reason for choosing vegetable despite its higher perishability and non-standardization was that Bihar has always been the traditionally dependent on agriculture and a large section of small and marginal farmers are engaged in vegetable growing.

This particular sector has always been dominated by the middlemen and they have been eating into the profits of the growers and the vendors without much of a value addition into the system. Also the growers and vendors don't have access to even basic necessities of life. The growers have to work for more than 12 hrs, out of which more than 5-6 hrs goes into marketing and rest goes into farms. The most crucial time for the farming is the morning time but the growers have to actually spend that time in marketing. This results into a considerable time loss for the growers in the crucial activity of farming

Also the growers discover the price once they reach into the markets, and then they don't have

the option but to sell their produce at whatever price they are getting. Most of the times they feel at the receiving end of the market forces because of their smaller scale of economy and no bargaining power.

The situation is very much similar with the vegetable vendors whose entrepreneurship is exemplary in nature. They provide the fresh fruits and vegetables at the doorsteps but still are considered to be the unwanted elements of the city ecosystem. They also work for more than 12 hrs, half of which goes into procurement and washing/sorting/grading etc and the rest goes into marketing and selling.

They also suffer at the hands of the moneylenders, local goons, municipality and policemen. They pay more than 20-30% interest to the local moneylenders for the procurement of vegetables and also have to pay to the local goons, municipality and policemen as a commission. On the top of that they also have to bear the losses in form of unsold vegetables and at times have to do desperate selling in the night time so as to minimize the losses.

All these conditions prompted us to enter into this sector in order to organize the vegetable growers and the vegetable vendors under a single platform in order to provide benefit to the two far ends by bringing about the changes in the supply chain and making an attempt to standardize the product by branding the vegetables and implementing various interventions.

What are the measures taken to organize the fragmented vegetable sector? How did you manage to overcome the initial skepticism and inspire farmers to support your way.

It is creating a formal supply chain network of vegetables by connecting the Small, Marginal & Landless (SMAL) farmers and under-privileged

street vendors to the mainstream markets with the objective to provide platform and support to these people (growers & vendors) in the evolving economy and to prepare them for the new market challenges.

SMAL growers, intermediaries, vendors and consumers have been brought on a single platform with a common goal of living a dignified life with the use of low cost but easy to use technology. It is working on an innovation that is eternally relevant and would tend to be so for a long time to come; given the constitution of the population of the country.

On the farmer's end, it has established centers which act as the primary sorting/grading cum collection centers, whereby the farmers themselves participate in the collection, sorting and grading to grade the vegetables in different categories based on the shape/size/color etc. On the front end, it has developed a low cost F&V retail chain and branded vegetables. It has formed groups of the vegetable vendors to organize and professionalize the existing vegetable supply chain.

The initial skepticism was overcome by going to the fields and talking directly to the stakeholders, i.e. vegetable growers and vegetable vendors and convincing them of the benefits of joining the Samridhii Network. After lots of visits and convincing, they joined and network and currently more than 3000 farmers and 1000 growers are associated with this network.

What are the pre paid cards for buying vegetables from your organization?

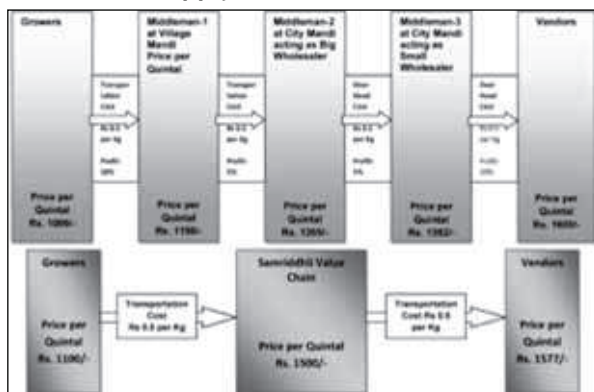
We have developed a unique method for payment for the customers. It works like any other pre-paid card whereby the customers have to purchase the cards and then they can buy the vegetables from our carts/outlets and the corresponding

amount would be deducted from the cards. The cards have a validity period of 30 days and the customers have to buy the vegetables worth their card value during the validity period itself.

These cards also have promotional offers like on a card value of Rs.1000; the customers get extra vegetable worth Rs.50.

In what ways does your system enable producers to capture higher value (share of consumer's spend)?

Traditional Supply Chain



What are the challenges involved in modern way of selling vegetables in a traditional system?

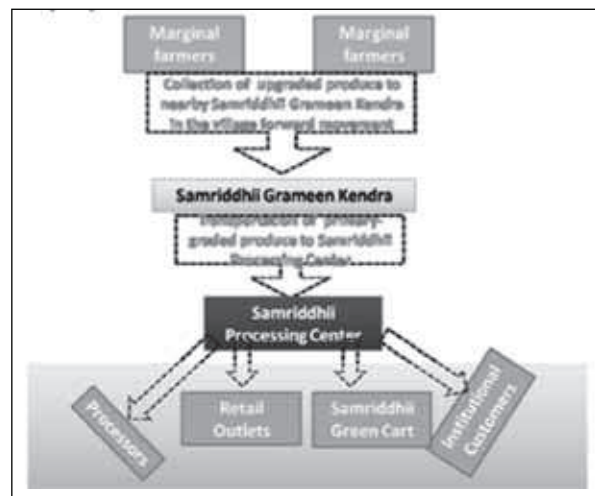
The biggest challenge of selling vegetables in the traditional system in a modern way is the mindset of the society at large. People are not always the most forthcoming to the experimentations. The other problem arising out of the mental blockade of the societal perception is the high turnover of manpower. In the professional hierarchy, the agriculture sector is always placed at the lowest. Most of the times, the people who doesn't get a job in other sector tend to opt for agri-related job.

Other than the societal perception, the problem comes from the financial needs of the organization. The modern set-up involves investments and this sector being not organized hinders the entry

of serious money, which can stay for a longer period.

Effective supply chain management is the key for your organization. Elaborate on your supply chain?

SamridhiiTM Supply Chain: The SamridhiiTM Supply Chain can be understood with the help of following diagram:



Your organization is operating in Bihar and Uttar Pradesh. Is there any plan for further expansion in other parts of country and exports?

The current focus of the organization is to consolidate its operations in Bihar and Uttar Pradesh, which would then be expanded to other parts of the country. The organization has been receiving lots of queries to replicate the same model in different parts of the country.

The first step towards expansion to different cities will be to find the local partners who would have experience in the relevant sector and then finalize the partner who would then launch the operations at those cities whereby the technical knowhow would be provided by us and would help them out in rolling the operations. Currently organization is looking for such entrepreneurs in all parts of the country.

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