

Partnering
for Farmers'
Prosperity



THE APPLE PROJECT

Agriculture – The Current Scenario

- Marginalized and small farmers unable to escape powerful grip and dependence on middlemen, informal lenders and other intermediaries
- Farmers lack access to market, and market information is often devoid
- Obsolete and chemicals-driven agricultural practices
- Severe lack of storage facilities - India, the world's second largest producer of fruits and vegetables, is **throwing away fresh produce worth Rs 13,300 crore (18%) every year because of the country's lack of adequate cold storage facilities** and refrigerated transport, according to data compiled in a new report (Emerson Climate Technologies India)

Models of Intervention – Till Date

Government Loans & Schemes

- **Main aim:** provide financial assistance in the form of hand-me-outs
- **Value-drivers:** Financial/transactional support to farmers
- **Daily Control:** Government held power of doling out schemes

Farmers not made to come out of the poverty trap, but provided superficial solutions, ones that do not build financial, economic and social independence of the farmers

Private Sector Model

- **Main aim:** Sustain production and improve farmer income
- **Value drivers:** Optimize profit, secure continuity at minimum cost
- **Daily control:** Farmers have direct control over the appointed management.

Conflict between short-term interest of farmers and long-term interest of the company

Cooperative Model

- **Main aim:** Profit maximization for shareholders.
- **Value drivers:** Farmers income maximization
- **Daily control:** Investors have direct control over appointed management.

Maximizing profit for dividend to investors. Social and environmental sustainability are not on priority

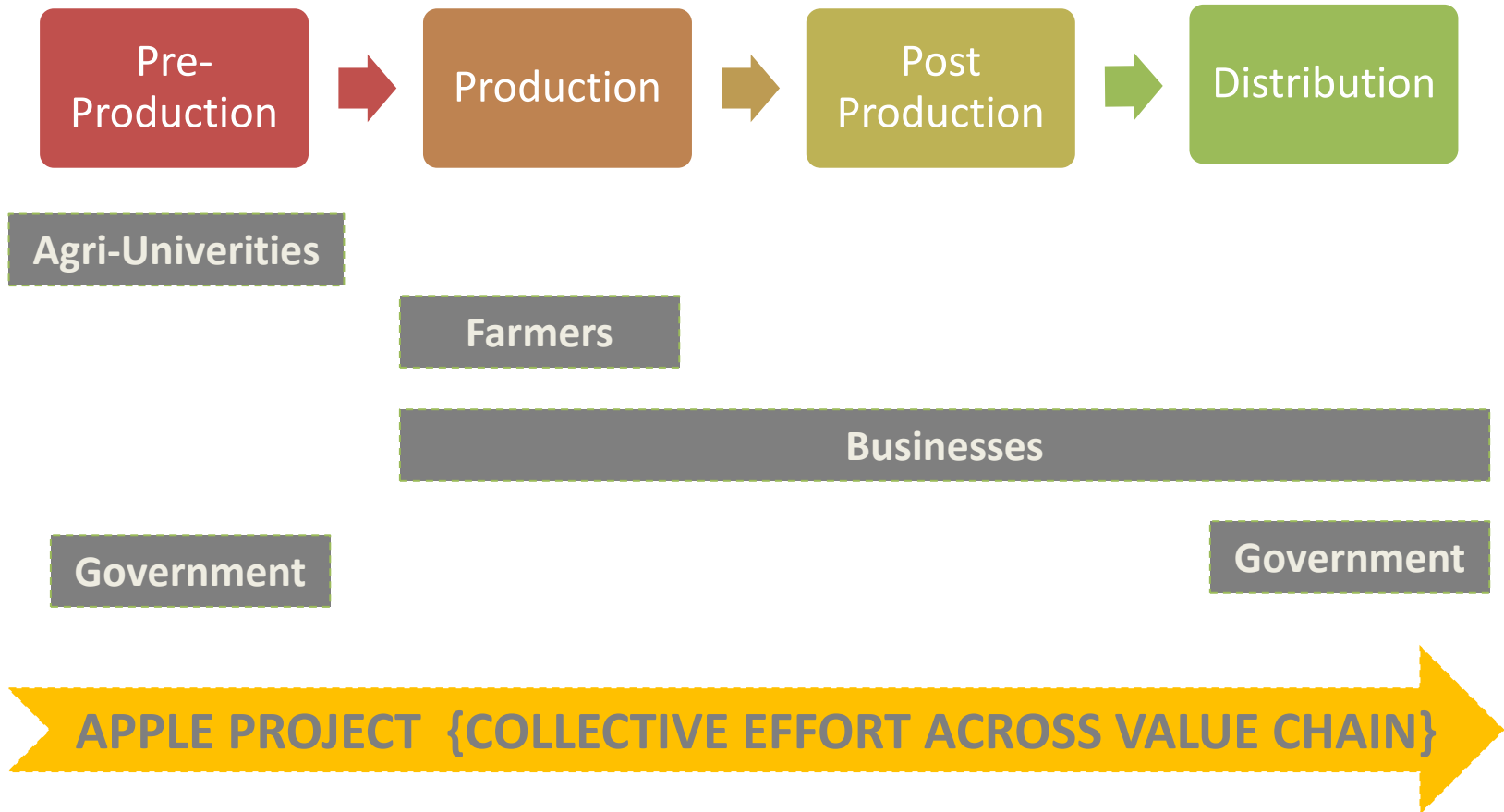
Our Solution – Partnership Model

Synergy between farmers, businesses, investors and knowledge institutions and 'FARMERS AS OWNERS'

- **Main aim:** Profit maximization for farmer through business development across the agro product value chain for rural prosperity.
- **Value drivers:** Optimize profit for benefit of farmers, secure continuity and growth through increased quality production
- **Daily control:** Farmers together with investor/private sector partner, oversee daily management to balance the short-term interest of farmers with long-term sustainability of the business.



Paradigm Shift across Value Chain



Farm - Market - Fork

Role of Key Partners

- **Farmer Groups:** associated as producers, for collective action
- **Farmer Trusts:** legal representation of farmer groups
- **Joint Venture Companies:** nucleus for business activities
- **NGO:** facilitator for farmer organisation & motivator for participation
- **Private Sector:** ensuring business rigour, from feasibility to business support
- **Investor:** provision of financial support (grant/loan) & oversight
- **External Support:** from quality improvement, policy influence, subsidies, legal advisory and other



Objectives and Guiding Principles

Partnering For Rural Prosperity with Business Rigour

Consolidating and Developing fruit and agri-value chains

Connecting end-consumers to their farmers

- Invest in profitable agro-business ventures
- Loan, no free money
- Continued guidance for capacity building by professionals
- Invest, but also plough back profits
- Collective action to save time, risk & costs
- Improve bargaining position
- Substitute intermediaries by farmer owned businesses
- Overcome difficulties of farmers in handling & logistics



Factsheet

- **Apple Project** – Initiated in 2007
 - Across 3 districts of Uttarakhand and Himachal
 - Collectivized and Partnered with 5000 men and women marginal farmers
 - Set-up 9 joint venture companies with these farmer's collectives
- **SJS (Shri Jagdamba Samiti)** - In operation since 1991
 - Implementing Agency for the Project
 - Works across domains like livelihoods, agriculture, sanitation, disaster resilience, natural resource management, etc
 - Operational in Uttarakhand and Himachal
- **Stichting Het Groene Woudt (SHGW) – A Dutch Family Foundation** – Investing since 2001
 - Invests in viable businesses in agri-value chains across emerging countries
 - Provided seed-funding of **INR 15crores** to Apple Project

Apple Project: What We Do

Long Term Storage Facility
Juice Facility

5 Joint Venture Co.s

10 Farmer Trusts

Collectivizing individual apple producers at village and area level to:

- Mentor and handhold the farmers through the cultivation process and season to increase yield
- Organize access to seeds, fertilizers and technology to increase quality of yield

Aggregate and procure from individual grower

- A participative process with producers to determine fair market prices to purchase commodities
- Collection Centres to aggregate and procure all farmers produce from individual growers

Cater the demand of food round the year with same good quality and regular supplies on fair prices
Building market and industry linkages

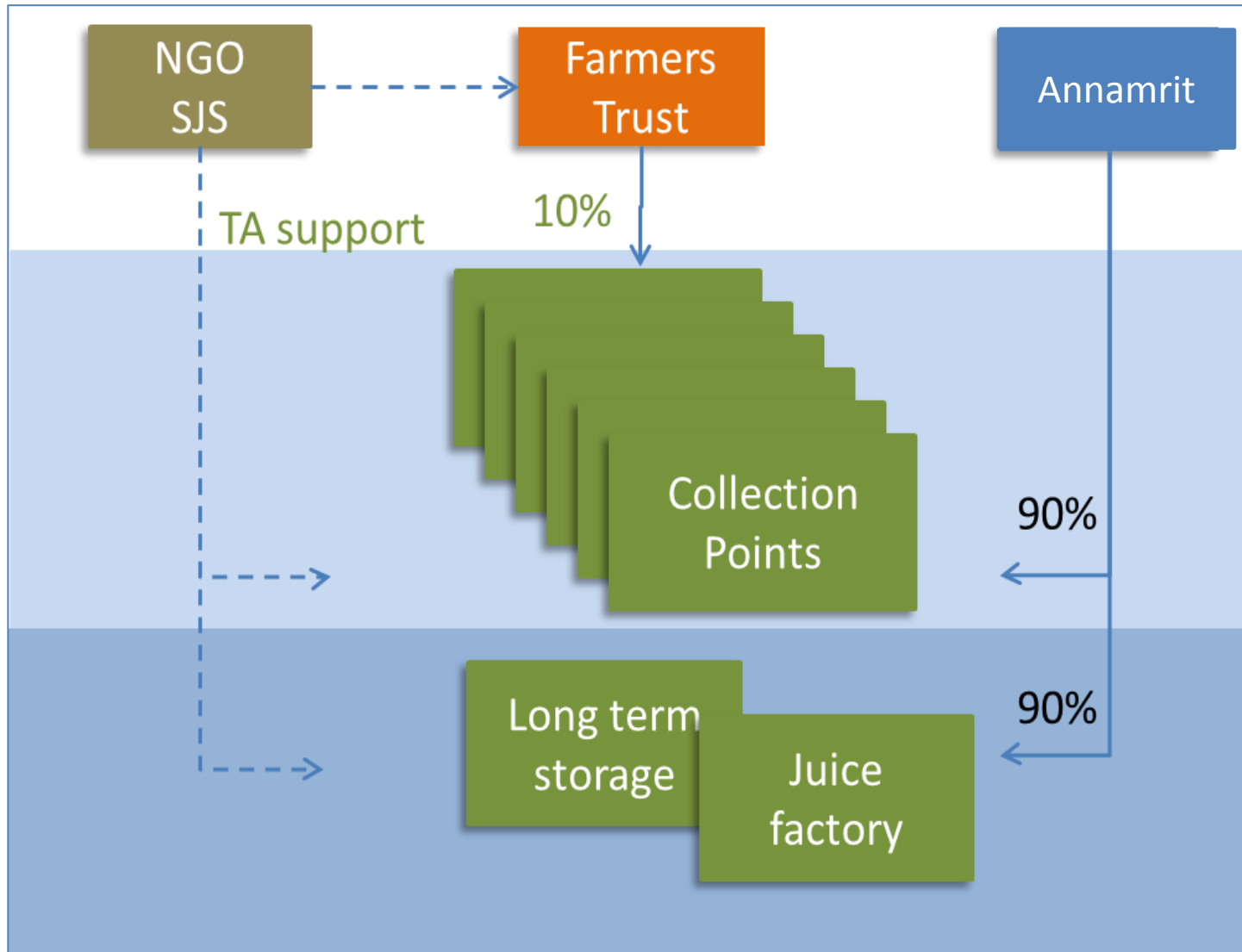
**Farmers 10% owners currently,
100% b 2020**



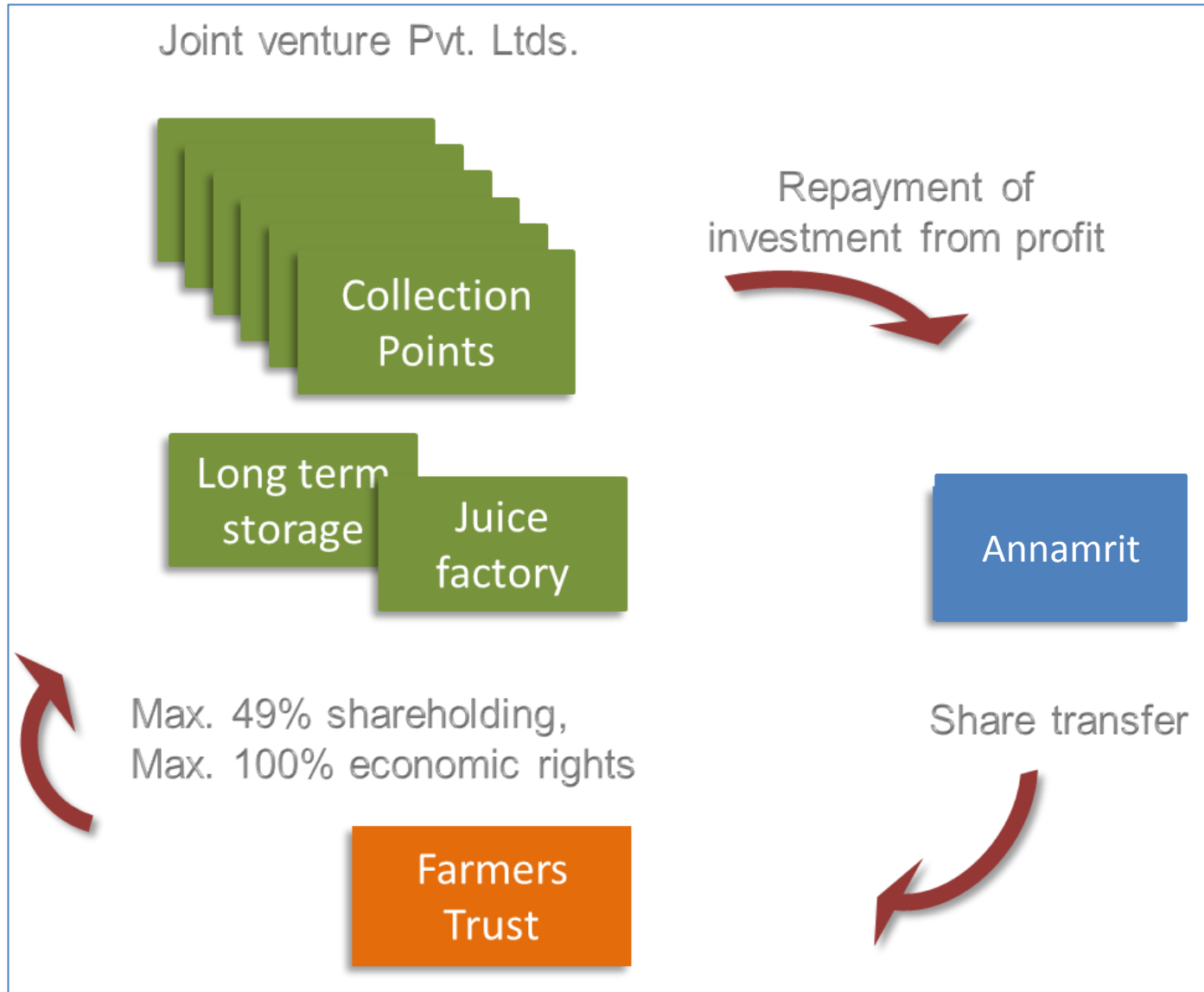
Mountain Love: What We Do

- Launched **Himalayan Fresh Juice Pvt Ltd (branded as MOUNTAIN LOVE)** as a sister concern in 2013
- **Same parallel three-tier model and principles as Apple Project**
- Three fold mission –
 - **Utilize under-utilized grade B & C apple produce** of the region (Note: Grade B & C implies smaller size apples with same taste, brix value and juice content as Grade A apples)
 - **Engage with women farmers of the region** – who are custodians of the Grade B and C apples
 - **Showcase and offer 100% pure, unadulterated food** produce from the hill communities to holistic living seekers
- State-of-the-art apple juice production facility – **imported leading dutch technology**
- Our offering – **100% Pure Apple Juice**

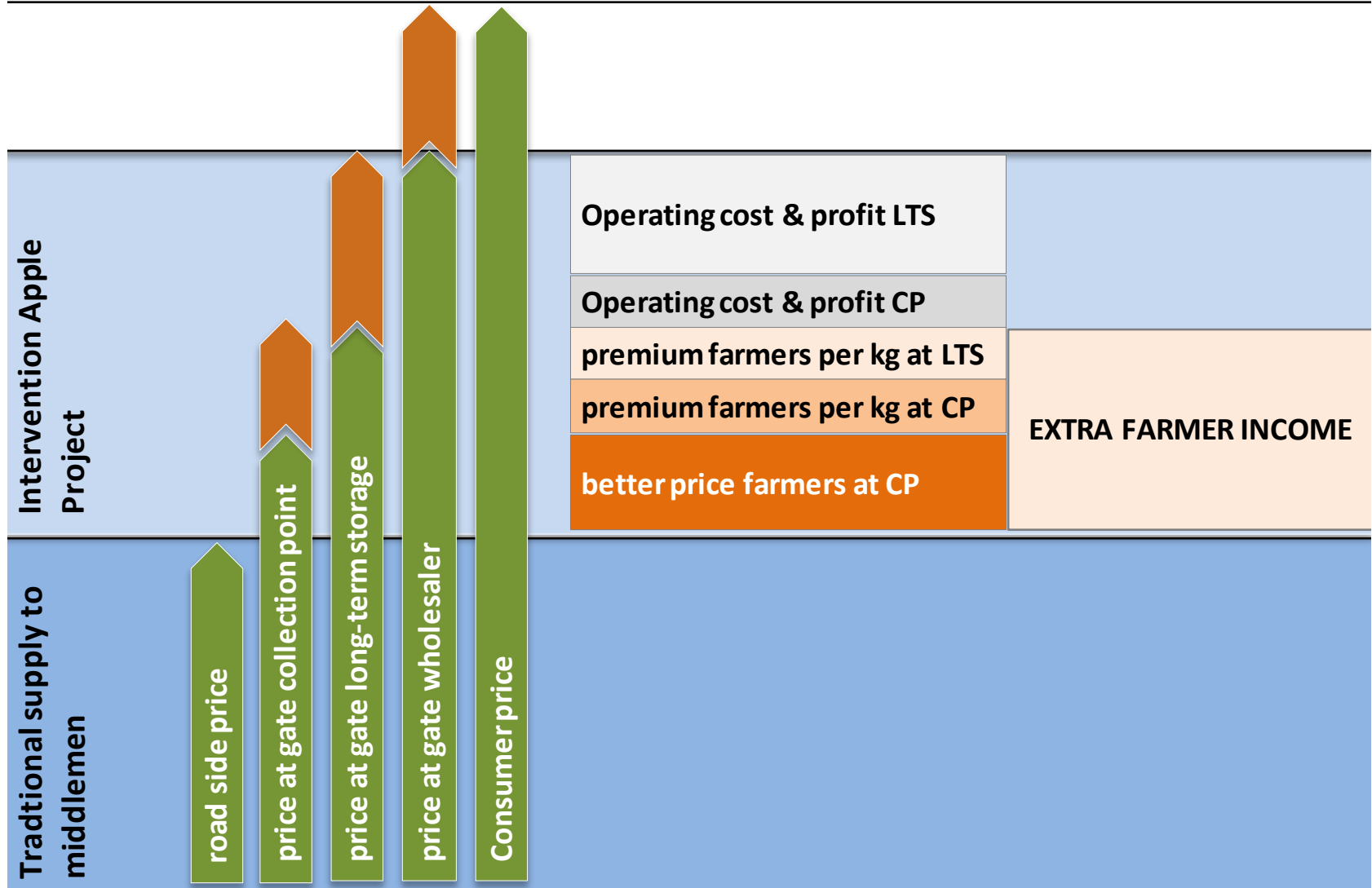
Transfer of Shares



Transfer of Shares



Transfer of Shares



Our Partners

The farmers.....



Ownership Transfer to the Farmers

... and backstopping team

Technology – Our Key Driver

Leading Dutch Technology –

- Pre-Cooling, Sorting and Grading (at collection centres and storage facility)
- Cold Storage Facility - *1200 metric tonne capacity*
- Juice Production Capacity - *2000 litres an hour*



Technology – A Key Driver

Long Term Storage Facility



Technology – A Key Driver

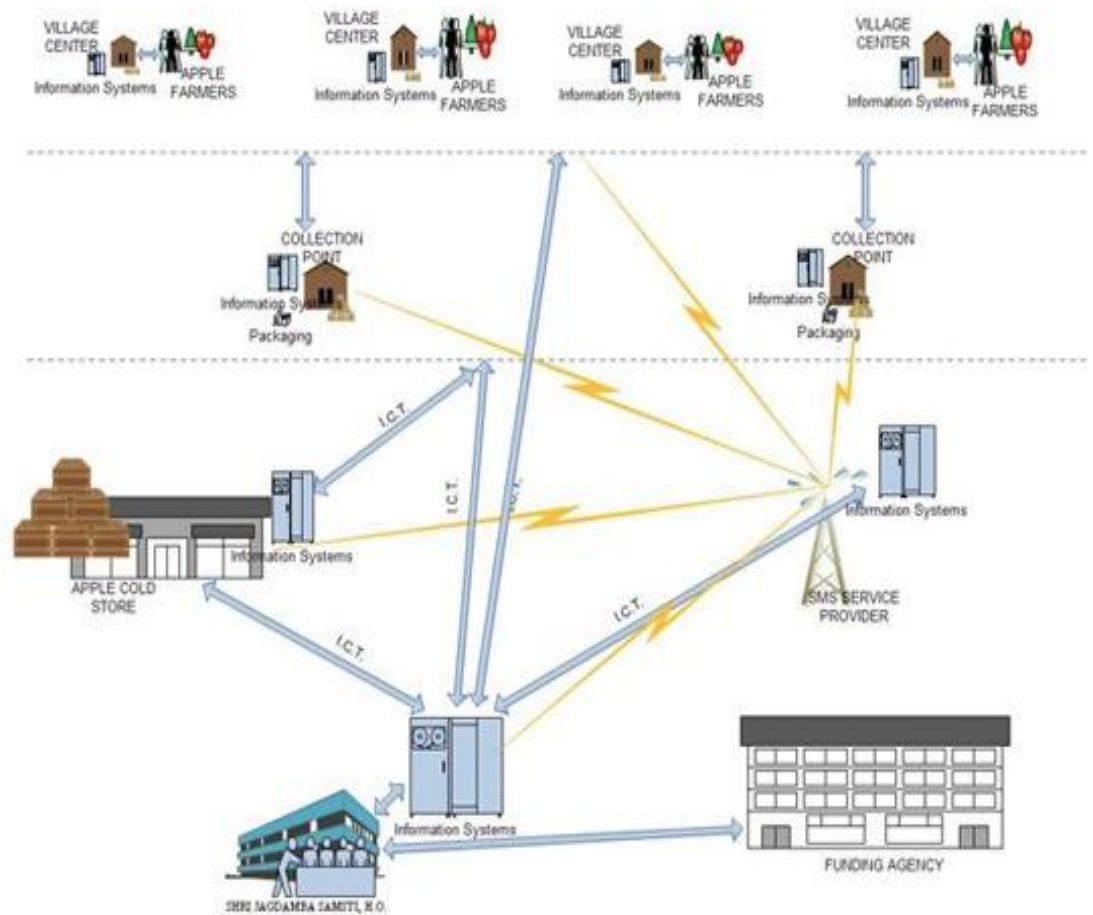
Juice Facility

Automated Grading and Sorting Line | Aseptic Processing and Packaging



Technology – Our Key Driver

- Cost-effective information sharing among different stake holders and to make them familiar with ICT
 - Farmer Database
 - Weekly return plan activity
 - Procurement
 - Cold storage accounting
 - Profit disbursement
 - Logistics



Our Impact - Supply Chain Management

Before

- Price Uncertainty and Distress Sales.
- High marketing cost due to small scale
- Delay in payment.
- Entire risk (from farm to market) borne by farmers
- Seasonal focus and lack of quality consciousness.

Now

- Assured pricing and more bargaining power.
- Low marketing cost due to shared resources and economy of scale.
- Prompt payment in a transparent manner.
- Stress on Quality/Drive towards building a brand rather than selling commodity.
- Market risks are shared with social investor

Apple collection



Improvement in collection

*Situations
now*



Collection point near farms

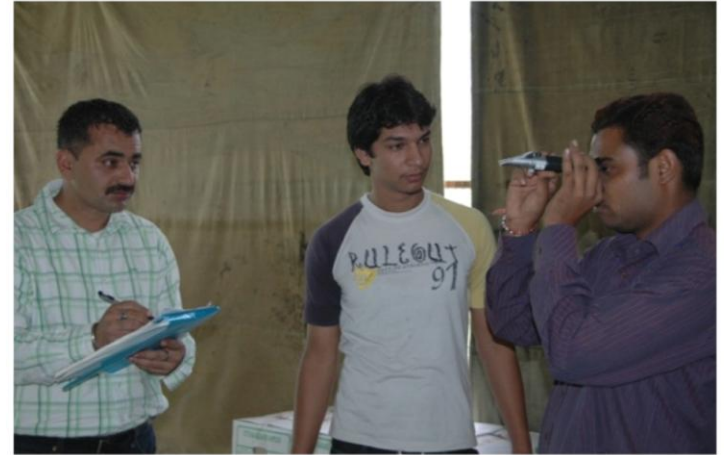
*Situations
now*

Improvement in transport and
handling



Automated Grading & Sorting at Collection Points and Cold Store

Less bruising due to better handling and quality check resulting in substantial hike in volumes sent to market



Our Social Footprint

5000+ marginal apple growers as owners –
30% jump in incomes

- Time effective
- Improved market access
- Direct payment | Transparent pricing
- Focus on quality yield
- Profit-based premium | Profit sharing
- Transfer of shareholding
- **No dependency on middle men**
- **Restored Dignity**
- **Stree-free existence**
- **Trend of Reverse Migration to Peaceful living in the hills**



Growing With Women Growers

Creating an everlasting social footprint through conscientious engagement with women apple growers across 3 districts of Uttarakhand

They are 10% owners of the initiative and will be 100% owners by 2020

Why Women Farmers?

♥ Traditionally, women put in the bulk of the hardwork during the 9-months of growing apples. Yet never allowed to be involved in any of the financial transactions i.e. sales of apples. Now women are involved at each step of the value chain.

♥ These women, like all women, embody the spirit of nurturing, sharing love and care, and creating value even in the most challenging situations. Its this tenacity that we wanted to capture through our initiative.



Bringing Pure Himalayan Produce To Customers

100% Pure Apple Juice

WHAT'S SO DIFFERENT ABOUT OUR APPLE JUICE

- ♥ **First Press of Hand-picked organic Himalayan apples** - Not reconstituted from concentrate
- ♥ **No Added Sugar or Preservatives**
- ♥ **One Year Shelf-life** (sophisticated vacuum technology used to pack it)
- ♥ Available in **5litre & 10litre** bag-in-a-box packs with convenient tap dispenser system



HOW WE ENSURE QUALITY

- ♥ Sourcing **hand-picked organic Himalayan apples** that have been handled professionally by the growers
- ♥ Using leading **production technology, ICT and expertise of world-renowned specialists** to produce and pack our value-added products



Re-Imagining The Value-chain

- ♥ **Bridging the consumer-grower gap** by building interactions between both stakeholders – lesser middle-agents and lesser adulteration
- ♥ **Supply chain management being par-excellence** - use of sophisticated ICT system - ensuring a steady and assured supply of high quality raw produce
- ♥ Team of experienced professionals to look at daily operations, strategic direction and management of the enterprise – **ensuring business rigour and organizational sustainability is not compromised**

Leveraging the experience of sister concern – The Apple Project

- ♥ Long-standing credibility with network of 5000 marginal apple growers in 3 districts of Uttarakhand
- ♥ Controlled atmospheric cold store of 1200 metric tonne capacity



Looking Ahead: Replication of the Model

From **Idea** of partnership to **Improve** the situations by **Partnering** towards structure **Solutions** for quality production, collection, handling, grading, storage, distribution and marketing of Apples by farmer owned joint venture companies.

Idea Create a business-driven value addition companies, as a joint venture with farmers.

Means organisational, technical, managerial and investment support.

Principles loan support to be repaid, economic benefits to go back to the farmers.

Benefits for small farmers: improved income, economic & social empowerment, improved bargaining position, focus on production.

Let's Partner!

Inviting all stakeholders to engage in win-win partnerships

Social Returns for companies

Economic Returns for food producers



Pure & safe food for fellow citizens

Sense of satisfaction for personnel

All this, and resounding economic success!

Hope to see you at our orchards!

Visit Our Website –

<http://www.himalayanapples.com/>

<http://Farmersasowners.com/>

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Home Delivery of Mountain
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