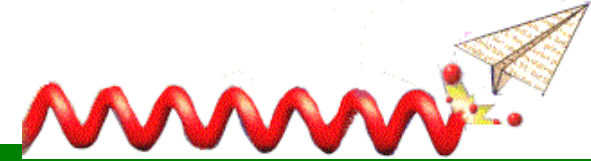


FRESH & HEALTHY ENTERPRISES LTD.

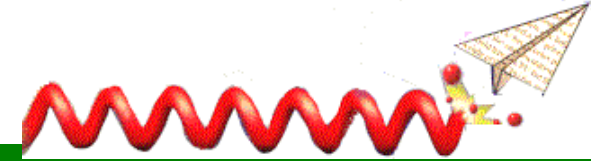
ADDING VALUE
THROUGH COLD CHAIN

N.K.Jawa ,CEO



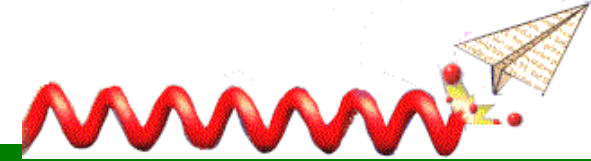
CONTENTS

- CONCOR AND FHEL
- FRESH PRODUCE LOGISTICS IN INDIA
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- FHEL EXPERIENCE IN CA STORAGE OF APPLES
- THE CHALLENGES
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 - MARKETING
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- THE ROAD AHEAD
- SUMMING UP



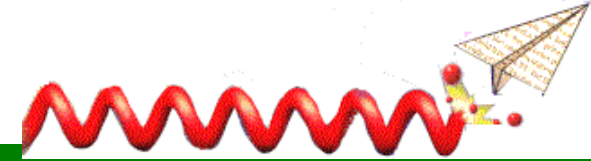
COCNOR AND FHEL

- CONCOR IS A PSU UNDER MINISTRY OF RAILWAYS
 - ONE OF THE MOST RESPECTED MULTI MODAL LOGISTICS COMPANY IN THE COUNTRY
 - 58 CONTAINER DEPOTS IN THE COUNTRY
 - THE COMPANY HAS MORE THAN 95% OF RAIL CONTAINER BUSINESS IN THE COUNTRY
 - IT IS ALSO OPERATING CONTAINER TERMINALS IN PORTS AND HAS PRESENCE IN AIRPORTS
- FHEL IS A WHOLLY OWNED SUBSIDIARY OF CONCOR



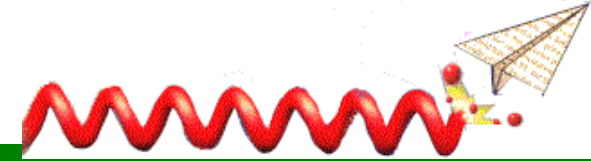
WHY FHEL?

- WHY SET UP A COMPANY DEALING WITH FRESH FRUITS & VEGETABLES
 - NEARLY 30-40% OF FRESH PRODUCE (VALUE : Rs. 70,000 Cr) WASTED IN THE COUNTRY DUE TO INADEQUATE COLD CHAIN INFRASTRUCTURE, MULTI-LAYERED MARKETING AND LACK OF ORGANIZED DISTRIBUTION
 - HUGE QUANTITIES OF IMPORTED FRUIT COMING TO INDIA OVER THE LAST FEW YEARS
 - AT PRESENT THE BUSINESS IS ALMOST ENTIRELY WITH UNORGANIZED SECTOR
 - THIS PRESENTS BOTH A CHALLENGE AND A BUSINESS OPPORTUNITY
 - SINCE CONCOR IS A LOGISTIC COMPANY IT WAS NATURAL TO ENTER INTO THIS SECTOR, WHICH IS ALSO A PRIORITY SECTOR FOR GOVT. OF INDIA



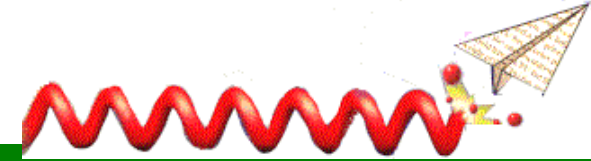
FHEL-Origin & Objectives

- Set up in February 2006 as wholly owned subsidiary of CONCOR.
- Objectives :
 - To create world class Cold Chain Infrastructure (CCI) in the country.
 - Develop long term linkages with farmers, agricultural institutes, logistic operators and Govt. agencies to improve productivity & quality and reduce wastage



FRESH PRODUCE LOGISTICS IN INDIA - I

- PRODUCTION OF NEARLY 190 million MT, VALUED AT OVER Rs.2,00,000 Cr
- PRODUCE REACHES NEARBY MANDIES, SOLD THOROUGH COMMISSION AGENTS TO WHOLESALERS AND THEN TO RETAILERS
- OFTEN WHEN THE PRODUCE HAS TO BE DIRECTED TO OTHER STATIONS, ONE MORE AGENT IS INVOLVED
- EACH TIME SALE IS DONE THERE IS RE-SORTING / GRADING
- HANDLING –BOTH IN THE FARMS AND MANDIES - MANUALLY BY UNTRAINED LABOUR



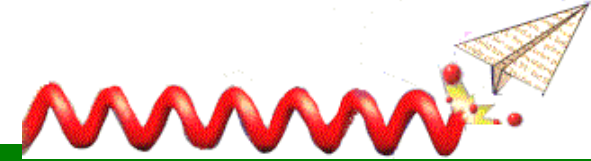
FRESH PRODUCE LOGISTICS IN INDIA - II

- TRANSPORTATION – MOSTLY BY ORDINARY TRUCKS AND HANDLED POORLY DURING LOADING / UNLOADING
- SALE IN THE OPEN CARTS

RESULT :

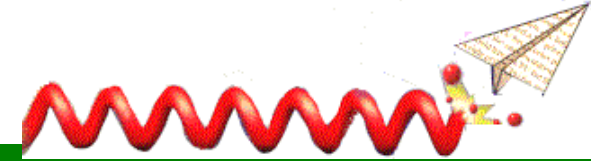
HUGE WASTAGES, POOR QUALITY - CUSTOMER PREFERRING IMPORTED FRUIT, HIGH COST OF PRODUCTION – WE NEED PROTECTION OF IMPORT DUTIES, FARMERS REMAIN MOSTLY POOR – SOMETIMES IS UNABLE TO RECOVER COST OF PACKING AND TRANSPORT

BUYERS AT ALL LEVELS FACTOR IN LOSSES AND SO OFFER LESS RATES



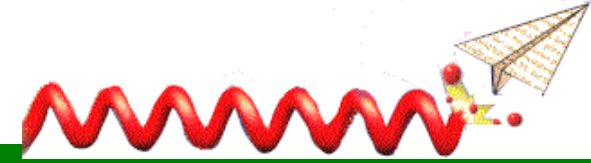
APPLE BUSINESS IN INDIA

- PRODUCTION : APPROX. 20 LAKH MT
- COLD STORAGE : APPROX. 1 LAKH MT
- CA STORAGE : 35,000 MT
- IMPORTS : APPROX. 100,000 MT
- VALUE OF TOTAL BUSINESS : APPROX. Rs. 7000 Cr.
- PRODUCTIVITY : 6-10 MT PER HECTARE
- PRODUCTIVITY AVERAGE IN DEVELOPED COUNTRIES : 50-110 MT
- NOW THE DEMAND EXISTS ROUND THE YEAR



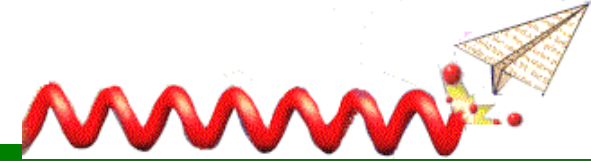
FHEL EXPERIENCE IN CA STORAGE

- YEAR 1: PROCURED AND MARKETED 1200 MT OF APPLES
- YEAR 2: PROCURED 12,000 MT, CA STORAGE : 7500 MT, COLD STORAGE : 3000 MT
 - LARGE NUMBER OF EXPERIMENTS WERE CONDUCTED IN LOGISTICS
 - TRACEABILITY OF EACH BOX WAS MAINTAINED
 - APPLES WERE SOLD TILL JUNE MOSTLY IN DELHI
 - THERE WERE QUALITY PROBLEMS
- YEAR 3: PROCURED: 7700 MT, CA STORAGE: 7000 MT
 - ACHIEVED HIGH QUALITY IN STORAGE
 - WASHING AND WAXING OF APPLES ALSO STARTED AND WELL ACCEPTED IN MARKET
 - SALE PRICE REACHING CLOSER TO IMPORTED APPLES
 - LARGE QUANTITIES SOLD IN NORTHERN INDIA AND MUMBAI



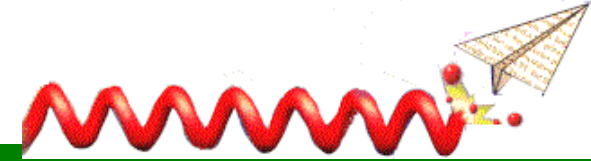
FHEL EXPERIENCE IN CA STORAGE II

- SUCCESSFUL TRIALS DONE
 - PEARS
 - ORANGES
 - GRAPES
 - LEMONS
 - CARROTS



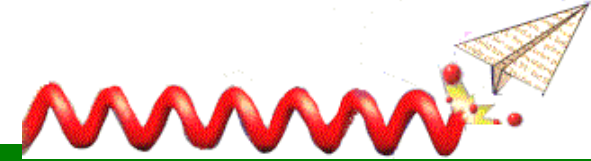
THE CHALLENGES

- QUALITY OF PRODUCE
 - SCIENTIFIC ORCHARD MANAGEMENT
 - HANDLING AT ORCHARD, DEDICATED LABOUR
 - MECHANIZATION
 - HANDLED 8 TIMES BEFORE DISPATCH TO MANDI
- PROCUREMENT
 - PRICE, QUALITY AGREEMENT AND ADHERENCE
 - PROCUREMENT CENTERS, OPTIMUM UTILISATION
 - DEDICATED TRAINED LABOUR TO SEGREGATE STORABLE APPLES



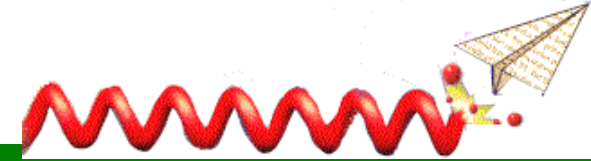
THE CHALLENGES - II

- TRANSPORTATION
 - UNIONS : DELAYS, HIGH RATES
 - HANDLING WHILE LOADING / UNLOADING
 - PALLETIZATION
 - ROAD INFRASTRUCTURE, LAND SLIPS
- STORAGE
 - TRAINED MANPOWER
 - QUALITY PARAMETERS OF FRUIT
 - STORAGE CONDITIONS
 - EQUIPMENTS TO MINIMIZE HANDLING WHILE MARKETING



THE CHALLENGES - III

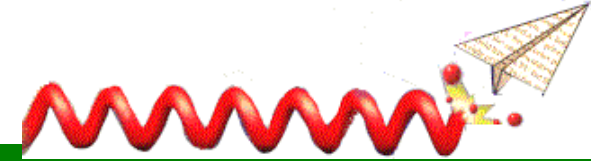
- **MARKETING**
 - **WHOLESALE**
 - PACKING IN 20KG OR MORE?
 - HANDLING IN MANDIES
 - TRANSPORTATION
 - CREDIT TO BUYERS
 - **ORGANIZED RETAIL**
 - YET TO MAKE A MAJOR IMPACT



THE ROAD AHEAD

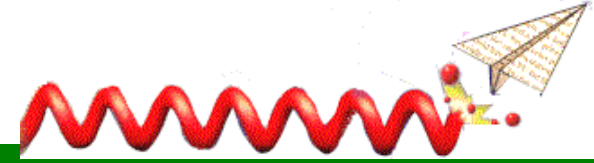
- AT PRESENT BYE AND LARGE ALL THE SECTORS OF ECONOMY HAVE BEEN MOVING TOWARDS INTERNATIONALLY ACCPTED PRACTICES, PROGRESS IN HORTICULTURE IS THEREFORE INEVITABLE
- RISK INVOLVED IS HIGH AND SO INITIAL PROGRESS MAY BE SLOW
- ONE ENTITY HAS TO TAKE CHARGE OF THE ALL THE CHALLENGES TO SUCCEED

SOMEONE HAS TO OWN THE PRODUCT



SUMMING UP

- WINDS OF CHANGE ALREADY BEING FELT IN THE APPLE BUSINESS. EXPECT MAJOR CHANGES IN THE NEXT 3-4 YEARS
- HORTICULTURE BUSINESS SHOULD MOVE TOWARDS ORGANISED SECTOR, INITIALLY SLOWLY BUT ONCE THE GAINS GET DEMONSTRATED, EXPECT FLOOD OF INVESTMENT
- GAINS WOULD NOT BE ACHIEVED UNLESS ALL THE LINKS IN THE CHAIN ARE CONTROLLED AND MANAGED WELL



THANK YOU