

# Jammu & Kashmir

## Jammu Oriental Fresh Farmers Producer Company Limited under VIUC scheme

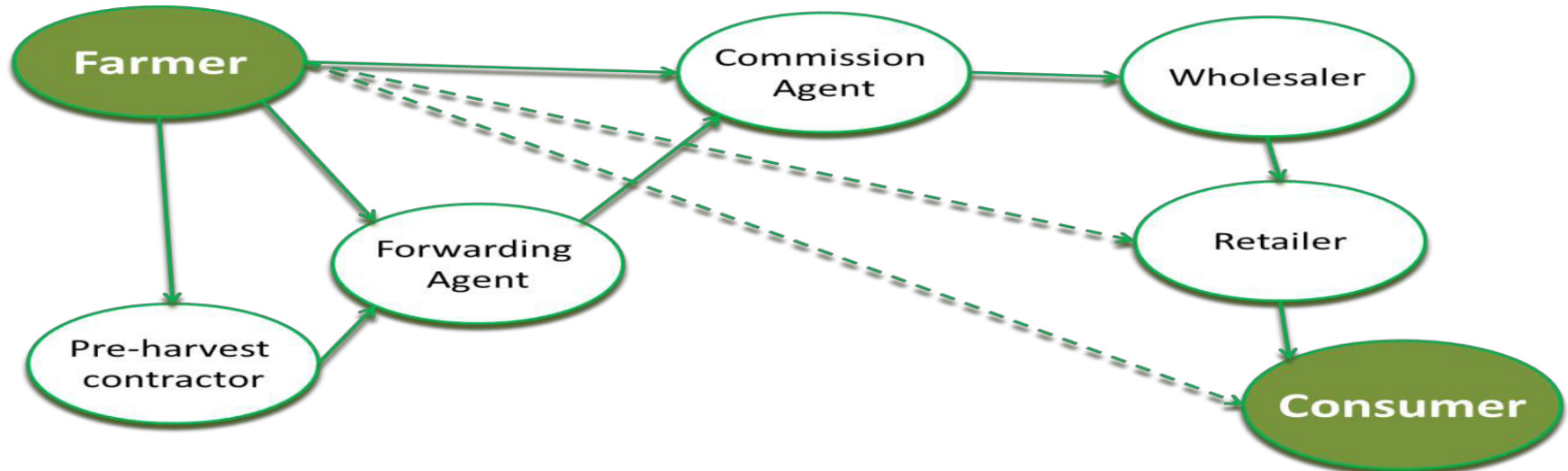
### “Journey from initiation of project to Cold Chain of 2000 MT”

#### Initial Phase

SFAC started work in Jammu province through its RI Actech Information Systems Limited in the year 2011 under its flagship scheme National Vegetable Initiative in Urban Cluster. When the mobilization teams started meeting with farmers and discussing their key areas that they would like to solve through this project, two major challenges were highlighted:

- Vegetables farmers have to travel several hours every day to reach Mandi for sale of their produce. This becomes especially difficult because they have to do picking also after returning from Mandi.
- Steep price drop happens during peak season. Sometimes the price drops to such low levels that it become difficult to recover even the picking and transportation costs.
- These were results of the typical marketing channel being followed by farmers which is largely dependent on intermediaries for realization of sale and price as depicted in figure below.

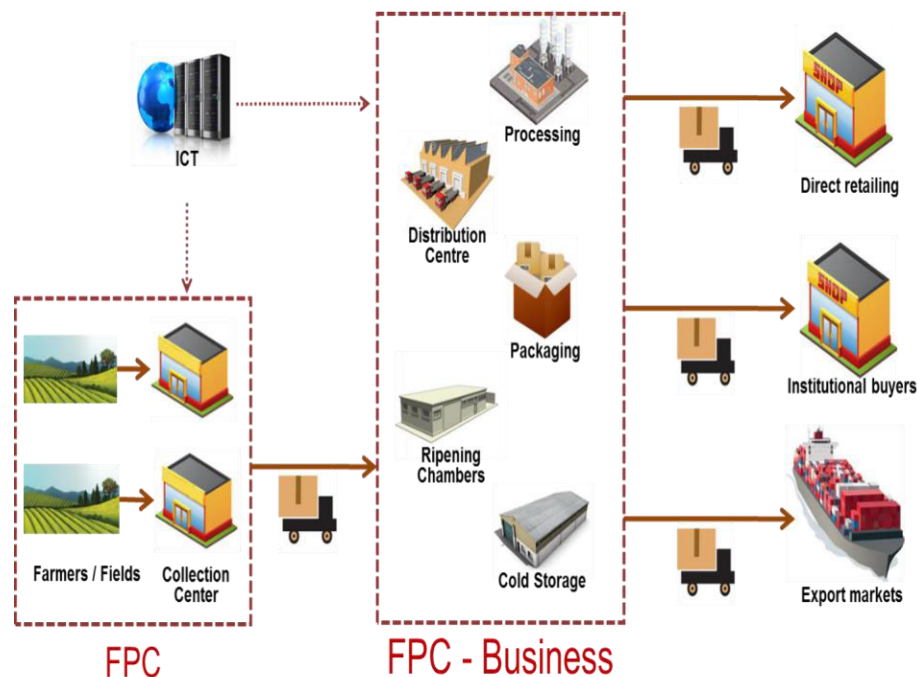
#### *Marketing channel at the time of starting the project*



The FPO promotion team studied the market factors and forces to overcome these challenges and they realized following points:

1. To address these challenges, Farmers should be able to hold the produce and be able to do value addition.
2. Farmer Company needs to create alternative marketing channel in order to avoid the peak production slump that results from large produce arrival in Mandi.
3. It requires infrastructure for procurement and storage of produce in large quantities.
4. It requires a robust information system to maintain transparency in transaction with such a large number of farmers and to create database of farmers along with their land and crop information.
5. It requires a channel of two way communication with farmers in order to address any grievances.

### Targeted marketing channel under the umbrella of Farmer Producer Company



### Bankable Project and Grant

Creation of infrastructure of this magnitude requires investment to the tune of Rs. 15-20 crores. It was another challenge to bring in this type of investment. To achieve this goal, team started to work on bankable business plan and for additional source of funds. We approached State Bank of India for term loan and explored options of Grants and Subsidies. SBI demanded at least 25-30% of equity against project of 16 Crores. Since it was not possible through farmers' contribution, RI decided to form a special purpose vehicle where Farmers' Company and RI joined hands as partners. This SPV was registered as **"SAFE N FRESH FOODS"**. RI pledged several properties to receive the loan of about 11 Crores. The project was then submitted to Ministry of Food Processing Industries for consideration for approval of grant.

MoFPI gave a special recognition to the fact this was a project in partnership with a Farmer Company and ranked it among top three projects for approval against several dozens of projects. The ministry with great compassion approved a grant of Rs 10 crores.

# Grant payment by Ministry of Food Processing Industries

## Industrial Land and statutory approvals

After the bank considered the project as viable and in-principally agreed for a loan, we went ahead and purchased 20 Kanalland in Industrial Growth Center Phase -2, Samba. Foundation stone on plot was laid down by the then Secretary and Commissioner of the Agriculture Production Department – Dr Asgar Hassan Samoon.

## Infrastructure

Infrastructure created under this project is:

**“10 Collection Centres,  
2000 MT Frozen store  
6 Reefer Trucks &  
2 MT/hr IQF Freezer**

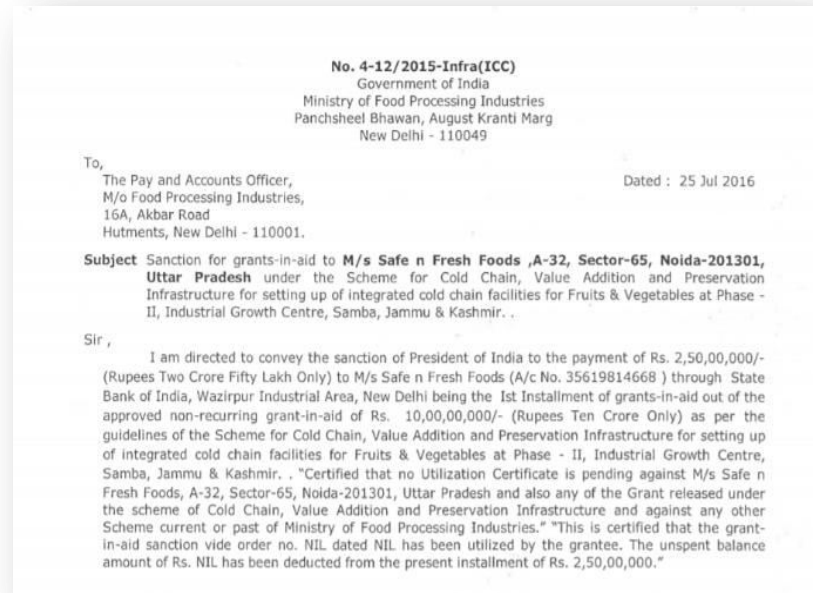
- 10 Collection Centres
- Frozen storage of 2000 MT
- IQF freezer of 2 MT / hour
- 6 Refrigerated vehicles of 15 MT each



**Processing and Distribution Centre in Samba**



*Dr. Asgar Samoon laying foundation stone of the Cold chain in March 2015 in presence of then DC, Samba*



# Commissioning of project

The implementation of the cold chain project started in 2015. The implementation progressed as expected. Ministry of Food Processing Industries has already released grant of first two installments worth Rs 7.5 crores. Completion of the project is expected by June 2017. Once this cold chain is operational, it will cater to over 9700 farmers of Jammu province who are connected to this Cold Chain through three farmer producer companies.



*Processing and Distribution Centre in Samba*



*Boiler at Samba DC*



*Pre-processing machines arrived at DC*



*Processing and Distribution Centre in Samba*



***IQF Plant of 2MT/hr***



***Boiler for blanching of vegetables***



***Storage chambers of -20 degrees with 2000  
MT capacity***

## Direct Retailing

Safe N Fresh Foods has created a brand name by the name of “Safe N Fresh”. At the moment, Organic vegetables grown by farmers are being sold at NABARD Colony in Jammu under this brand name. Jammu Oriental Fresh has purchased a vehicle for vending of vegetables as well. Such retail outlets are expected to increase after Cold Chain becomes operational.



*Members of FPC selling vegetables at NABARD Colony, Jammu*



*Products packaged and ready for sale*

## Products

Once cold chain becomes operational, Safe N Fresh will be launching frozen fruits and vegetables into the market. This includes frozen Peas, Frozen Sweet Corn, Frozen Broccoli, Frozen Cauliflower, Frozen Carrot, Frozen Cherry and other seasonal vegetables and fruits available from time to time.



Net Weight 200gms  
MFG #  
Pkg./MFD:  
Lot No./Batch No.  
EXP. BEST BEFORE DATE

NET WEIGHT 200gms  
MFG #  
Pkg./MFD:  
Lot No./Batch No.  
EXP. BEST BEFORE DATE



Sample packaging design

## ERP Modules

### ERP for Farmer Company

Safe N Fresh Foods developed an ERP for farmers that is used for creation of database of farmers including their land, crop, input and live-stock details. The ERP also helps maintain transparency in transactions with farmers as all the transactions are entered into the accounting system directly and Farmers can view their purchase and payment history anytime.

#### Farmer Mobilization

Capture all data pertaining to farmer **mobilization**, **group formation**, **company registration**, **land** and **crop** data.

#### Aggregation /Procurement

**Purchasing** farmers produce @ **Collection Center**, generating **Invoice**, **Dispatch** and **Tracking**.

#### Inventory & WH

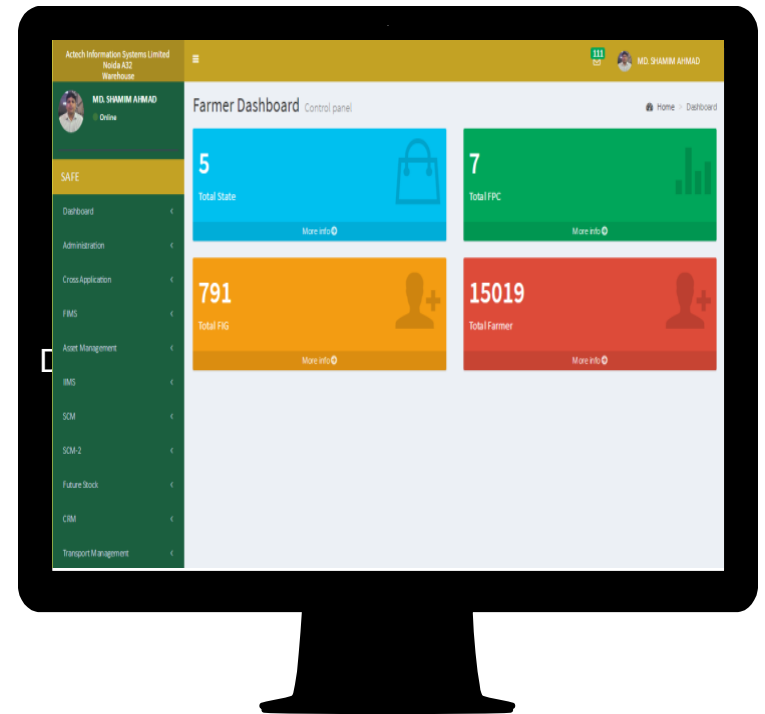
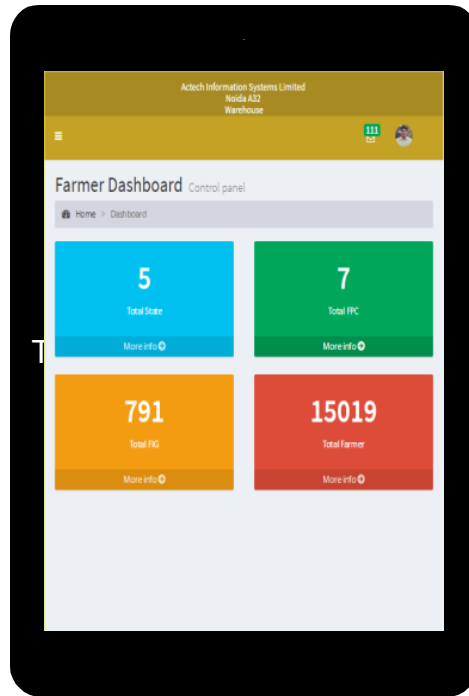
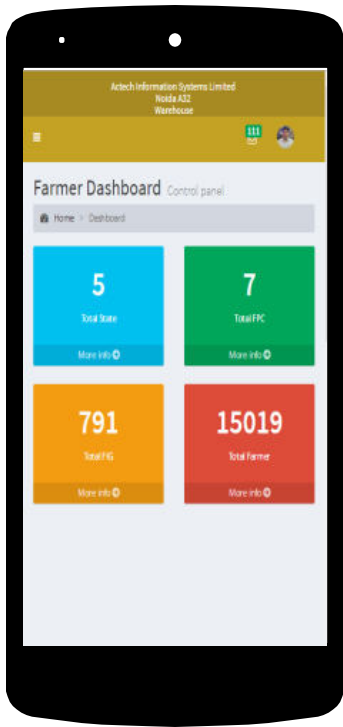
Entering the produce purchased into **Inventory**, real-time inventory **tracking**, **multi-location** inventories. **Warehouse** management on **FIFO** principle

#### Accounting

Manage farmer **accounts**, online purchase & sale **transactions**. Real-time tracking of **expenses** and **incomes** accruing.

#### Other

Other modules include **HR Management**, **Project Implementation**, Produce **Forecast** etc.



***Screen of the ERP adjusts according to the size and type of screen***