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The Business of Food

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Processed foods' consumption is growing as fast as the interest in organic produce in India. Now to some that would seem conflicting; either you eat healthy or not, right? And the latter is certainly positioned as being healthier. So which way will Indian consumers go?

I believe both paths will become full-blown trends in India. And that is the incredible complexity -- and opportunity -- of this marketplace. To some foreign food brands, deciphering these seemingly contrasting trends is confusing. But there is a logic to the confusion: there are simultaneous consumer lifestyle trends are happening. On one side is the rising need to look and feel healthier; on the other side in an increasing shortage of time, especially among the urban working class and youth. The former is getting consumer to gravitate toward natural, organic foods, while the latter is generating demand for pre-made, convenience foods. The optimal outcome would obviously be a merger of the two -- healthy, value-added convenience foods. Can our processed food industry get to this next, higher level?

The example of Amul is of course the stuff of legend in India. And in some ways, it also showcases what I say above. Over the years, Amul has innovated cleverly to introduce several value-added dairy products, which remaining true to image as a healthy food brand. At India Food Forum last month, we were honoured to host RS Sodhi, the brand's managing director, in a special chat with Sadashiv Nayak of Future Group. Read some excerpts from that riveting conversation inside, to discover how enduring food brands are created and nurtured.


Amitabh Taneja
 Editor-in-Chief

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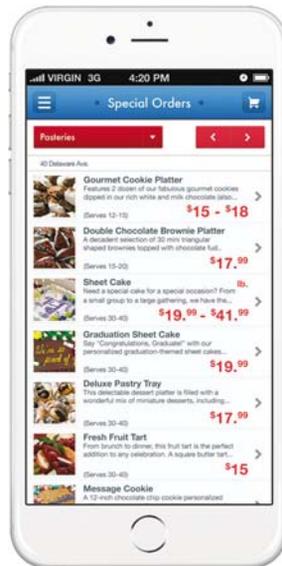
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An Australian Series

Senator Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture, represented Australian agriculture as part of the Australian Business Week in India (ABWI) in January. Speaking to Nupur Chakraborty on the sidelines of a stopover at India Food Forum in Mumbai, he outlined the possible routes to lucrative partnerships between Indian and Australian food businesses



Senator Richard Colbeck

What range of partnerships is your delegation scouting for in India?

We are looking at a broader level of engagement with specific responsibilities around agriculture and food. We are also looking at different elements of agriculture and as to how we might build relationships. Dairy is one category we are focusing more intensely on. We visited the Amul factory in New Delhi and also met an innovative dairy farmer who is providing organic products in the market as a niche producer with around 50 cows of his own.

We've also had conversations around productivity and what services and opportunities there might be for Australia to offer information around logistics, cold chain, systems and animal husbandry, to lift the productivity of the dairy industry in India. We have a team of about 60 delegates from the agricultural and food sectors with us who all are either already conducting business here or have an interest in beginning some form of partnerships with India – from lamb to wine. For some, it is a first visit and is all about how they might grow as the market enlarges.

India has a strong Make in India campaign. Are you looking at both knowledge and financial investments?

Yes, absolutely. Australia has, for instance, a very robust system of research and development.

There is a lot of knowledge that can be used as part of the relationship. We had conversations with your government here on wool and cotton, for instance. So, the use of Australian products here as input for the textile industry is very much part of the thought. We've had talks on how the two countries can work together, how reducing barriers to the entry of our products as input for your manufacturing sector, actually makes your end products more competitive in the global market. Both Prime Ministers Modi and Abbott have said they'd like to develop a free trade agreement between our countries by the end of this year. And I have to say that the influence of Prime Minister Modi is evident in how Indian businesses are now viewing investment from other countries.

How does Australia gain from such partnerships?

Well, any genuine relationship has to deliver benefits for both parties. Australia too gains as a result of this association, with Indian businesses also investing in Australia. We'd like to see two-way investments. This could take the form of Indian businesses investing in Australia and bringing products back to India. Or could be by way of Australian businesses coming here to partner with Indian companies and developing two-way trading relationships. The responsibility of governments is to make the frameworks for these things to happen. I know that Prime Minister Modi's vision is to lift Indians into a higher standard of living; a strong and open trading relationship is part of lifting the affluence of an entire country, by creating products that are more affordable. I think that the percentage of income that an Indian on average spends on food is much higher than in other countries like the United States. As opposed to about 20 per cent in the latter, in India that figure is approaching 30 per cent.

What is your initial impression of food retail in India?

Well, I've been to Foodhall at Palladium Mall and Nature's Basket so far. On first impression, of course, they were very impressive businesses; both had a significant proportion of imported foods in

The Big Takes: **Technology, Transformation and Trends**



In signature fashion, India Food Forum 2015 threw up wide ranging but equally applicable market intelligence to drive the future of food consumption in India.

India Food Forum 2015, the premier knowledge and networking platform of Indian food retail and foodservice sectors, highlighted unique concepts and business modules to boost the scale and quality of food branding, marketing and retailing in India in January. Comprising a major exhibition, conference, panel discussions and an awards ceremony, the three-day event was attended by business heads and leading professionals from food manufacturing, retailing and foodservice sectors.

The theme for this year's edition – eighth in the series – was to harness the future of food retail through ground-breaking concepts, powered by knowledge and insights into consumption drivers, technology innovations and best-practices sharing, for profitably growing the food businesses to reach their true potential of serving a billion-plus consumer market.

Unlike China, which underwent a dramatic diet change, Indian food habits are seen changing gradually with proportional increase seen in both fresh dairy products as well as protein foods. Food expenditure is perceived only second to health expenditure in India.

Speaking at the conference, BCG Principal, Rohit Ramesh said, "Market size for food in India currently at Rs 22-23 trillion in 2014 is set to reach Rs 40-42 trillion by 2020 coupled with three time increase in average household income from 2010-2020. Premium chocolates are gaining share just like premium biscuits, as structural income is supporting the consumption."

With the rising urbanisation, the Indian food market constitutes 41 per cent of fresh perishable dairy, 34 per cent staples and 15 per cent from beverages and foods. Participating in a panel discussion, Devendra Chawla, Group President, Food and FMCG, Future Group, noted: "Customer is evolving faster than ever before as he continues to innovate with his food with multi-grain, multi-vitamin and low-diet foods, much beyond to merely satisfy his hunger."

While supermarkets have come to the aid of the Indian housewife, retail trends indicate that convenience is gaining momentum while health and hygiene has gained prominence in the food segment.

Among the emerging trends, Chawla pointed out while the nuclear family has boosted food retail, the rising singles' population has also, interestingly enhanced the pet-keeping culture and thereby increased consumption of pet food.

“The customer is evolving faster than ever before as he continues to innovate with multi-grain, multi-vitamin and low-diet foods, much beyond to merely satisfy his hunger

– Devendra Chawla, Group President, Food and FMCG, Future Group



Coca-Cola Golden Spoon Awards-2015

The eighth edition of the Annual Coca Cola Golden Spoon Awards recognised excellence in food retailing and foodservice in India, through the presentation of multiple honours for the country's most progressive and innovative companies, brands and professionals associated in these fields.

The Coca Cola Golden Spoon Awards 2015 selection process involved inviting entries from the nation's leading foodservice and food & grocery retailers across multiple categories.

During the nomination process, contenders were asked to provide data relating to their performance for the calendar year 2014 across three main Parameters – retail expansion, business performance and the same store sale growth percentage. All submissions for Coca Cola Golden Spoon Awards 2015 were independently judged by a jury comprising, Amit Lohani, MD, Max Foods, Anuj Puri, Chairman & Country Head, JLL, Harish Bijoor, CEO, Harish Bijoor Consults Inc, Seema Chandra, Editor-Food, NDTV, Jyoti Bhasin, Country Manager, NFS and Amitabh Taneja, Chief Convenor, India Food Forum



Market Protocol

Foreign food brands must be prepared to sift through the noise to make sense of India's massive opportunities

By Helen Blackburn



Helen Blackburn
Manager, Daioni

I am the export manager for Daioni organic milk from Wales in the UK, and we are in the early stages of our planned entry into India. After gaining positive feedback from our market research we decided to take a stand – literally! – at the India Food Forum last month. This proved to be the perfect networking event for us to meet with key retailers and distributors, and to confirm their interest.

We are proud of our products and committed to promoting organic milk and organic farming. As an independent family-run business, based at our 2,000 acre organic dairy farm in Pembrokeshire, our approach to export is a personal one, so I appreciate the warmth and enthusiasm I have received on my visits and look forward to developing long term partnerships.

We have been growing and selling organic milk since 2001, certified by the Soil Association, the

biggest organic certifiers in the UK, equivalent with Ecocert. Once our fresh milk achieved national distribution, we developed a flavoured organic milk using all natural ingredients, and the recipe has won many awards. Moreover, this drink puts the fun into organic, steering children away from unhealthy fizzy drinks. This, coupled with friendly bright packaging are two positive ways to connect with consumers in India.

Daioni drinks (meaning 'goodness' in the Welsh language) are packed in 250ml sterile Tetra Paks, with a shelf life of 14 months, so they can travel far afield. So began our export story, continuing further with our UHT 1ltr whole and semi skimmed milk. After two years of initiating distribution, Daioni is increasingly popular in Hong Kong China and Dubai, where we are the first UK company to supply organic milk.

One Retailer's Digital Journey

Price Chopper evolves from value-driven to experience-driven grocer, thanks to a new digital strategy

By Lynn Petrak

Ironically enough, the impetus for one retailer's innovative deployment of a new digital strategy to more directly and effectively connect with customers came after a simple but serendipitous conversation.

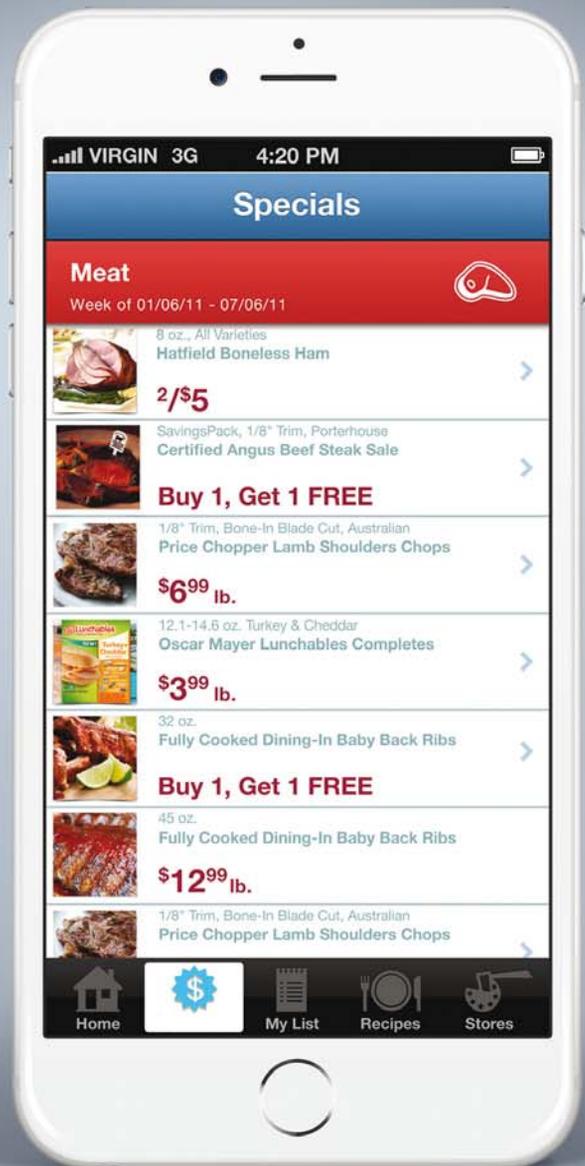
"I was on my way to meet with Glen Bradley, of Price Chopper, who I went to interview for a blog post I was writing on Big Data," recalls Sylvain Perrier, president and CEO of Mercatus Technologies Inc., a Toronto-based organisation that helps North American grocers integrate with multiple technology patterns to improve shoppers' in-store and online-shopping experiences. "I had shared my thoughts on personalisation and Big Data, and how personalisation can drive a retailer to operate well against existing parties in the market. We were going back and forth on a whiteboard with ideas, and he said, 'Have you ever met the guys at Datalogix? Let me introduce you.'"

From there, the group went to a brainstorm dinner and came away with even more ideas. "It was very organic," Perrier remembers. "At no point did we ever say, 'Can we do this?' It was more like, 'How do we do this and make it measurable?'"

Over the next several months, Price Chopper Supermarkets, a chain of 130-plus stores in the Northeast that is a subsidiary of the Schenectady, New York-based Golub Corp., and Mercatus, along with Price Chopper's analytics partner, Datalogix; digital coupon partner, Inmar; and e-mail management partner, Informz, embarked on a collaborative process that led to a new digital strategy for the grocery chain. The strategy included a digital platform that would allow for new mobile applications and a new website, among other elements.

Moving to digital in a different way wasn't done just for the sake of using advanced technologies, but to better connect with shoppers to deliver what they want, fitting Price Chopper's stated intent to move from being primarily a value-driven grocer to an experience-driven one.

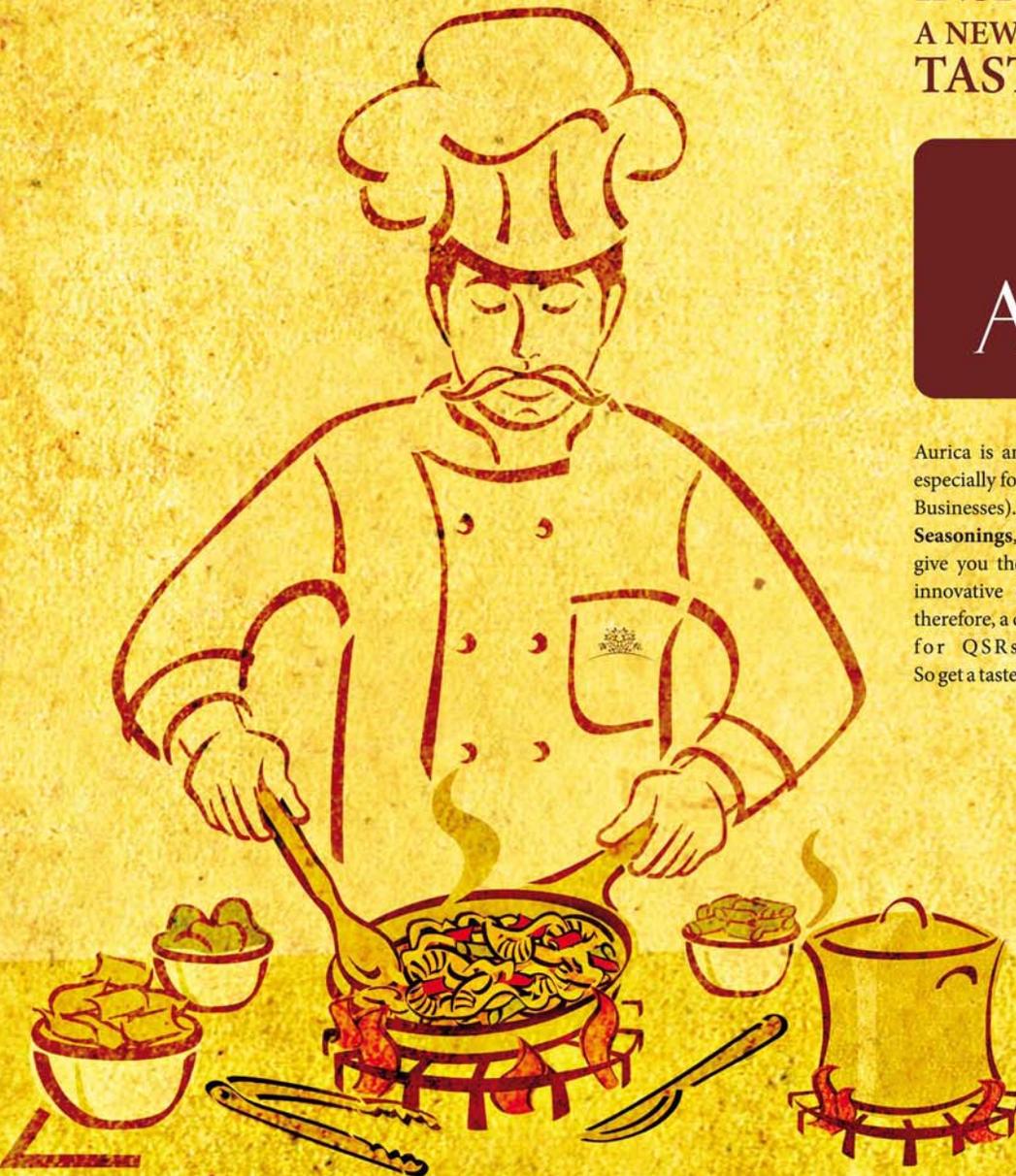
"Price Chopper knows that the digital space is where our customers are trending towards for convenience and value. Therefore, we are working to transform our commerce, merchandising and advertising platforms to support a ubiquitous digital experience for our customers," remarks Thom Riley, senior applications architect and digital strategist for Golub Corp./Price Chopper. "It's no longer a



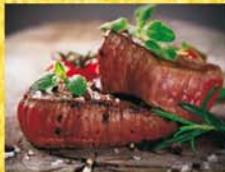
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