

Food Handling

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PROGRESSIVE GROCER

April 2020 • Volume 14 Number 4 • Rs 100 • www.indiaretailing.com

INDIA EDITION



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FOOD & GROCERY RETAIL IN TIMES OF COVID-19:

TIME TO RESET "WHAT'S NORMAL"

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At a time when the Covid-19 scourge continues its rampage unabated, consumers have certain expectations from the food industry: Access to an abundance of safe, affordable, healthy food, neatly merchandised in clean stores, is an expectation we all have, much like running water, electricity and reliable internet. So when something happens to upset the rhythm of our lives, we want a quick return to the normal and the way things were.

But defining normal is extremely challenging because COVID-19 is still upon us, among us. Shopper expectations are still being reset in potentially dramatic ways. For example, COVID-19 brought a new era of SKU rationalization and reduced hours? And what role will prepared foods and self-serve departments play in food retailing's future?

At this point, we just don't know what's on the other side of the COVID-19 nightmare. But there are a couple of things we can be certain about, though: There will be no return to normal for retailers. Retail is in a constant state of change and advancement and readjustment to customers' expectations. Sometimes those expectations are set by a forward-looking competitor that sees what others don't and gets there first to serve customers in new ways. Other times, as in the current situation, an external force resets shopper expectations.



Amitabh Taneja
 Editor-in-Chief

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Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Modest Print Pack (P) Ltd., C-52, DDA Sheds, Okhla Industrial Area, Phase 1, New Delhi - 110020 and published by S P Taneja from S-21 Okhla Industrial Area Phase - 2, New Delhi. 110020 Editor: Amitabh Taneja

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ROUNDTABLE: KEEPING THE FOOD BUSINESS TICKING IN THE SHADOW OF THE VIRUS AND THE WAY AHEAD

Leading players in Indian food retail industry talk about what their brands are doing to pull together their operations out of the shadows of the coronavirus pandemic and their strategies to navigate the shifts in the industry landscape.

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FSSAI guidelines on Covid-19 to be the Rosetta Stone for Food Business Operators in the post lockdown phase

By Sanjay Kumar

The Food Safety & Standards Authority of India recently came up with a guidance note titled “Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic. The guidelines cover the best practices to be followed by food handlers for maintain high standards of personal hygiene, safe food practices, implementation of GHP and GMP practices as per Schedule 4 of FSS Act as well as for ensuring the necessary protocols of social distancing.

The FSSAI guidelines, spelled out in a 14-page exhaustive note various suggests measures that need to be taken by the food business operators (FBOs). “These specific measures, detailed in the document, include maintaining high levels of personal hygiene; excluding COVID-19 infected persons from the operations; practicing social distancing; and appropriate cleaning/sanitisation of the food operations’ premises, food contact materials etc,” FSSAI said in a statement.

As per the guidelines, food business owners or employers should have a COVID 19 screening protocol in place to screen all personnel entering the premises. Those with temperature more than 99

degree Fahrenheit and/or flu like symptoms should not be allowed to enter establishments. Large food businesses have been asked to set up a local emergency response team to handle suspected coronavirus case.

The document is primarily intended for all types of food businesses including food service, transport and retail operations. The guidance has been developed based on the best practices currently recognized and adopted internationally.

Although there is currently no evidence that food is a likely source or route of transmission of COVID-19 virus, it is important to take all precautions to prevent any possibility of person to person spread of COVID-19 infection during food business operations, the statement said.

Around 85 percent of the retail costs are fixed costs, which is putting retailers under severe financial stress. The cash inflow of the industry has come to a standstill, while the fixed operating costs remain intact.



Impact of lockdown on the FMCG Industry:

Disruption in supply chain and labour force

By **Amrinder Singh**, Director, Bonn Group of Industries

The coronavirus lockdown has forced FMCG companies to step out of their comfort zones, as manpower shortage and shutting down of stores has brought the traditional distribution mechanism to a grinding halt.

The coronavirus pandemic and the 41-days lockdown have already had a big implication on global trade and commerce as countries have banned imports and exports and even shut down production of non-essential commodities. India has already taken plenty of robust steps to

ensure that coronavirus doesn't cripple its economy like it has done to some countries across the world. The coronavirus lockdown has forced FMCG companies to step out of their comfort zones, as manpower shortage and shutting down of stores has brought the traditional distribution mechanism to a grinding halt.

Adopting Digital Practices:

How SMEs in Food Sector can succeed by taking their businesses online in the post-COVID world



By Sandip Chhettri, COO, TradeIndia

SMEs have remained a critical part of India's growth engine and their role will be extremely crucial in the post-COVID-world. However, the bigger question now is: how will they survive the pandemic?

Currently, 68% of SMEs in India still operate offline with no digital presence while completely relying on traditional methods.

India's SMEs sector is a vibrant arena that employs 40% of the country's workforce and contributes 30% to its GDP, is one of the biggest victims of the viral outbreak. Companies under this segment are significantly facing a slowdown in their operations mainly in the form of low liquidity and lack of workforce. To ensure sustainability, unfortunately, many players have strictly started taking survival measures like layoffs and salary deductions.

To help SME players sustain their businesses during this hour of crisis, the government has come forward with some much-needed measures. For instance, Long Term Repo Operations (LTRO) worth INR 100,000 crore rolled out by the Reserve Bank of India has enabled banks to increase their lending to SMEs at cheaper rates.

Along similar lines, the incumbent government has also come out with an economic package of

INR 1.70 lakh crore under the Pradhan Mantri Garib Kalyan Yojana. This aims to help migrant workers and those below the poverty line by providing them with free foodgrain and cooking gas for the next three months.

The government has also extended the income tax return filing date for FY 2018-19 to June 30, 2020, from March 31, 2020. Moreover, it has even extended the deadline for GST returns filing for March, April and May to June 30, 2020.

However, the SME segment calls for more concrete initiatives; perhaps a digital push to revive from the current crisis and become future-ready at all times.

The need for a digital push

By taking their businesses online, SMEs can add efficiency, innovation and accuracy to their existing operations and eventually reduce the turnaround

Decoding Suraksha Stores:

The government's retail initiative to fight Coronavirus

Like many other different sectors of our economy, the food retail supply chain has also been impacted by the current lockdown though the food sector happens to be one of the few industries to remain relatively unscathed by the on-going lockdown.

By Charu Lamba

The government plans to set up a chain of 20 lakh retail shops called 'Suraksha Stores' across India which will provide daily essentials to citizens while maintaining stringent safety norms. The Suraksha Stores' initiative will convert neighbourhood kirana stores into sanitised retail outlets selling daily essentials while adhering to safety norms such as social distancing and sanitisation to control the spread of the novel coronavirus.

According to Suraksha Stores' website, "Suraksha Store is a public-private initiative to ensure that we can create a safe and secure environment for our consumers and shop owners at our kirana stores. A Suraksha Store is a store (kirana, pharmacy, consumer touchpoint) that follows 100 percent Suraksha safety norms. These stores shall be educated, certified and validated to follow all common minimum health standards as well as safety checklists. Some companies have adopted states."



How to keep the morale of retail personnel buoyed up in times of COVID-19

By **Barkha Bhatnagar Das**

In tough times like these, it is imperative for all business owners to be compassionate and empathetic towards their staff and employees. Timely salary pay-outs to staff members and an advance payment of wages to the workers in unorganised setups will go a long way in securing their livelihoods and ensuring their loyalty in the long run.

The COVID-19 crisis is proving to be a test for businesses with the government announcing a complete nationwide lockdown. While it is hard to predict what the ultimate economic impact of this crisis will be, retail businesses will have to safeguard themselves on three key parameters – disrupted supply chain, delayed or unfulfilled customer orders and safeguarding internal stakeholders.

On the supply side, with manufacturing coming to a standstill, not only are ancillary businesses like those supplying buttons, trimming etc., feeling the heat but also the large number of workers employed in this sector. Manufacturing units are struggling with unprocessed orders and this will further impact future deliveries. Most often, orders are dispatched through surface or sea, which means that it may take months before they are fulfilled, and the real impact of this delay be ascertained.

For brands and retailers, the need of the hour is to ensure safety of their staff, manage cash flows, adjust sales forecasts, revise inventory projections, examine marketing strategies and introspect how operations will be carried out.





Roundtable:

Keeping the Food Business Ticking in the Shadow of the Virus and the Way Ahead

Progressive Grocer brings you the thoughts and views of leading players in Indian food retail industry on what these brands are doing to pull together their operations out of the shadows of the coronavirus pandemic and their plans and strategies to navigate the complexities brought about by the ongoing lockdown and the onerous shifts in the industry and consumer landscape.

By Sanjay Kumar



How do you assess the impact of the lockdown on your business?

Angelo George, CEO, Bisleri International Pvt. Ltd.: These are unprecedented times. COVID 19 has impacted us in more ways than we have ever imagined. Our families, our work and the way we conduct business – all have been impacted. It has been a testing period for companies like Bisleri

– the crisis has tested the resilience of our supply chain and distribution network. It has been also a period that has tested our ability to adapt and respond dynamically to the constraints and how we keep evolving to these challenges and constraints on almost a daily basis.

In response to the Covid crisis, and as a provider of essential services, we have transitioned to a

Mintel: COVID-19's impact on food and drink markets in Southeast Asia

In a new research from Mintel, the experts talk of what consumers want and why, revealing the changes in consumer sentiment and behaviour surrounding food and drink categories as a result of the spread of COVID-19 across Southeast Asia.



“The global spread of COVID-19 is forcing Southeast Asian consumers to cope by changing their eating habits and embracing new shopping practices. The threat of infection is reinforcing the importance of having a healthy immune system, unlocking new opportunities for brands to innovate around immunity to ward off future diseases. The online grocery sector is seeing a surge in activity due to the fact that many shoppers are staying home, presenting huge opportunities for grocery retailers to better engage with consumers through measures that bring added value and convenience. We’re also seeing growing interest in at-home cooking, which presents challenges and opportunities for brands looking to engage with those preparing and enjoying tasty meals at home.”

— Tan Heng Hong
APAC Food and Drink Analyst, Mintel

Messages reinforcing immune support across food and drink innovation

Given today's consumer climate, food and drink categories with strong immunity claims can drive home the importance of immunity to protect wary consumers. According to Mintel Global New Products Database (GNPD), growing-up milk (one-four-years) (16%), meal replacement drinks (6%), and drinking yogurt/liquid cultured milk (6%) make up the largest share of food and drink product launches in Southeast Asia that carried an immunity claim between March 2017 and February 2020.

“Manufacturers of immunity-boosting food and drink products are actively promoting the importance of immunity to strengthen the body during the pandemic. These immunity-enhancing products include vitamin-fortified food and drinks, as well as spoonable yogurt, drinking/cultured yogurt, and nutritionally-complete drinks,” continued Heng Hong.

eCommerce thrives as consumers avoid the outdoors

More and more consumers are turning to the convenience of ordering their groceries online as people choose to stay indoors to minimise their exposure to COVID-19. As a result, online grocery vendors have witnessed a surge in orders.

“Online grocery players can maximise the current situation and gain new users by showcasing the benefits of shopping for groceries online, including having sufficient stock of popular items during the pandemic, safe handling and delivery of parcels, free delivery, promotions, and use of e-payments,” Heng Hong went on to say.

Opportunity to make at-home meals tasty, convenient and nutritious

Preparing healthy food that tastes good can be a real challenge for many people, including those who are new to cooking. According to Mintel research, nearly three-quarters (72%) of consumers in Vietnam cook meals from scratch all or most of the time. Still, 52% say it is difficult to prepare healthy food that tastes good.

As more consumers dine at home to avoid crowds, food manufacturers can step in to provide them with a more convenient, tasty and healthy meal solution.

“With the rise in cases of COVID-19, Southeast Asian consumers are changing their food and drink habits. Even after the current situation calms down, given the scale of the outbreak, and depending on the duration of lockdown measures, the pandemic is likely to leave an indelible mark on consumer lifestyles. Key behaviours such as vigilance around immunity and hygiene will stick around for the long term, as will dependence on online grocery shopping and, possibly, even the habit of at-home cooking,” concluded Heng Hong. **PG**



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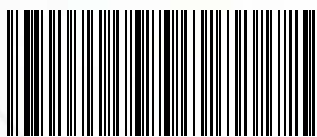
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