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In many places around the world, grocers are among the few businesses that remain open during the Covid-19 shutdown, providing truly essential services, which has resulted in booming sales. Demand for online grocery is going through the roof as evidenced from the rising number of online grocery orders reported by retailers and also thanks to the steep bump in delivery app downloads.

The surge in online grocery penetration isn't just a fluke due to the pandemic. Sales were already trending more toward online ordering, with various studies and estimates already projecting a healthy growth in online grocery sales.

COVID-19 will spark a long-term shift toward online grocery, which will prove to be a sticky sales channel. As more consumers get a firsthand taste of the convenience of this service, as well as the cost-effectiveness compared with getting restaurant takeout or delivery, they'll want to continue ordering groceries online even after the pandemic ends.

So, even when this health care nightmare ends, online grocery penetration will likely remain far higher than anyone previously forecasted, but not every retailer will win out. That will be determined in part by what grocers do to earn customer trust and improve the financial sustainability of online orders, both now and in the coming months.



Amitabh Taneja
 Editor-in-Chief

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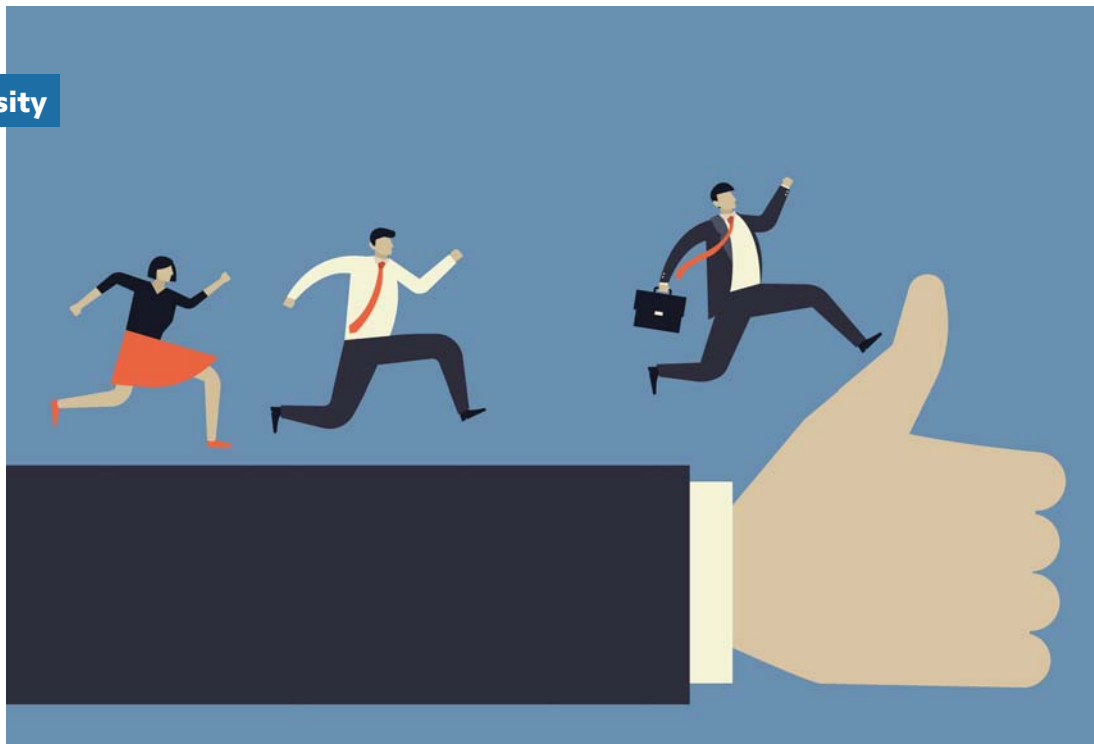
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What Covid-19 lockdown can teach Indian Food Retailing Startups

At a time when markets are dry, and the venture world is busy re-evaluating the valuations and company founders the value of their ventures, there is more than just capital that can help established firms and startups to successfully wade through the uncharted waters of the current crisis.

By **Sanil Sachar**, Cofounder - Huddle Incubator

Not only founders, but mid and entry level team members took a unanimous decision to cut their salaries to a sum that is suitable for everyone's sustainability in order to ensure business doesn't come to a standstill.

There is a lot in common between how great writers, philosophers, and entrepreneurs in our country think about and tackle calamities. Since the lockdown, it's safe to say that not only have the deck of cards we were playing with shuffled, but we're dealt a completely new deck. As a country that has over the past few years seen a rash of first generation entrepreneurs, startups, investors and incubators, managing this febrile eco-system requires going back and visiting the great minds of history and channeling their wisdom during this lockdown.

Here is what startups, including those in the Food Retailing space, can learn from the savants and apply their leanings in these bleak times.

“*Every calamity is to be overcome by endurance*
— *Virgil (Roman Poet)*

The Virgil viewpoint – Endurance has become the universal goal. Endurance means one point

and one point only; maintain cashflows. The only trick is to spend less, while revenues have reduced beyond the worst-case scenarios, and soon those who first recognized each other as competitors became companions. In truth, the startup universe is one large huddle. In the past couple of weeks, ventures have begun providing their capability to solve for shortcomings of other ventures. Startups in the new-age retail space like 'The New Shop' began providing access to riders beyond their own product categories as a means of distributing essential products for other brands, at costs that wouldn't result in burning a hole for these startups. We've seen founders lending a hand to their competitors to be able to use their factories, and even raw materials in order to maintain their supply. Companies like Wellversed Health have utilized their know-how of maintaining a seamless production unit, to support younger startups with access to material, and expertise, and immediately, there is hope and reinstatement that great founders look out for each other.

Flying High on Wings of Ambition

Regional supermarket numero uno Ratnadeep to cross 100 stores this year and 200 over the next 3 years

Sanjay Kumar of *Progressive Grocer* conferred with the top management deck of the Hyderabad-based supermarket chain on how it has taken up the cudgels against the Covid pandemic and worked around the challenges of the lockdown to make its products and services easily and safely accessible to its customer base by introducing out-of-the box solutions and innovations in terms of its private label and merchandising strategy, which has helped it to grow its business even during these tough times and also given it the fodder to expand its wings ambitiously in the months and years ahead.



Grocery sales of retail stores has spiked to a new higher level. However, a spike in prices has also been seen. The retailers are selling the grocery for prices higher than normal. This could also be because of the exceeding demand vis-à-vis the available supply.



How Has the Lockdown Affected Food Retail Supply Chain

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 **Luve Oberoi**, Marketing Manager, Asahi Kasei Pvt Ltd.



While many of us had huge plans for the year 2020, the year apparently had a different plan for us. This realization comes as we face the Covid-19 pandemic and are under lockdown. The biggest loss is coming in the form of human loss and fear of many more succumbing to it. Next to this is the economic loss which has already started unfolding itself and is going to be affecting us more in the times to come.

Economic experts are constantly deliberating to understand the magnitude of impact Covid-19 will cause to different sectors of our economy. Retailer supply chain happens to be one of the most crucial

ones to be impacted by the pandemic and the on-going lockdown.

As per KPMG's latest report, the market size of retail and consumer industry is US\$ 950 billion (2018-2019). However, as we hit the coronavirus pandemic and the lockdown, the economic activity has come to a standstill and is expected to affect investment, consumption and external trade – the three important contributors to GDP.

Some impact of lockdown has already been seen on the retailer supply chain. This includes:

- **Supply of Raw Materials and Price Difference:**
Since everyone has been asked to stay inside under



Demand for glass packaging in F&B industry hots up as players focus on hygiene, sanitation, and environment

The growth of glass packaging is expected to be witnessed across different beverage products, like juices, coffee, tea, soups, non-dairy beverages and others.

By Rajesh Khosla, President and CEO, AGI glaspac



CCOVID-19 has created a growing necessity for industries in the F&B sector to focus more on hygiene and sanitisation and given the current situation, people, nowadays, are opting for a healthy and sustainable lifestyle.

As most of the products in the F&B sector are included in essential services, it becomes crucial for the packaging sector to follow conservative practices.

While we have let plastic invade our lives, because of the convenience it brings us, there is a whole

Deep Freeze

A resurgent category attracts new fans, and manufacturers and retailers work to keep them buying.

By Lynn Petrak

A funny thing happened when folks thought the frozen food category was stagnant and outmoded: It received a new lease on life.

It wasn't that long ago that sales across many frozen food segments were flatlining, leading some to believe that such products would be out in the cold as the fresh perimeter took off.

While the fresh sector continues to thrive, however, many frozen products are performing well and capturing interest across a broad spectrum of shoppers.

Cold Cash, Warmer Sales

First, the big picture.

According to the 2019 "Power of Frozen" report from the American Frozen Food Institute (AFFI) and FMI — the Food Industry Association, both based in Arlington, Va., sales of frozen foods have topped \$57 billion annually. The more revealing statistic is growth, and to that end, the report finds that both dollar and unit sales grew in 2018, up 2.6% and 2.3%, respectively.

The Harrisburg, Pa.-based National Frozen & Refrigerated Foods Association (NFRA) just released its annual "State of the Industry" report showing a second consecutive year of sales growth, reaching \$54.6 billion. Several segments within frozen experienced "solid" growth in the past 12 months,

including pizza, vegetables, seafood, prepared potatoes and desserts, with increases between 3.7% and 5.1%.

Beyond sales figures, other research confirms consumer interest in frozen foods and the reinvigoration of segments within the category. In its daily tracking of U.S. consumer eating behaviors, The NPD Group, based in Port Washington, N.Y., found that frozen foods were included in the 9.8 billion at-home eating occasions last year, a 2%



Key Takeaways

- ▶ Although the fresh sector continues to thrive, many frozen products are performing well and capturing interest across a broad range of shoppers, with particular interest shown by younger consumers.
- ▶ The bounce in frozen over the past few years is largely attributable to product innovation, including better-for-you items, plant-based offerings, snack products and even greater convenience, aided by industry campaigns.
- ▶ Production improvements such as nitrogen flash-freezing also have helped boost frozen category.



Learnings for the food industry from the corona outbreak

The Covid outbreak holds out lessons for upgrading our businesses and practices to be in a position to be better equipped for a future calamity.

By Dr Varuna Kandpal



Personal protective equipment (PPE), such as masks and gloves, can be effective in reducing the spread of viruses and disease within the food industry, but only if used properly.

We exploited nature, our resources, privileges and knowledge to the fullest until this outbreak hit us. It was as if after enough warnings, nature took charge and changed the pace and course of things to teach us all to be empathetic, cognizant and mindful of our blessings.

This event has been a once-in-a-century event and if we are fortunate and if we have learnt our lesson, we will not see it again in our lifetimes. But, never say never.

Apart from affecting lives at a micro level, this outbreak has had a macro level effect too, with businesses and economies being impacted tremendously.

What we should be thinking about and planning towards is how we can upgrade our businesses and practices to be in a position to be better equipped for a future calamity. Below are some important steps and measures that most of us should adopt – both at an individual level or as standard business practices.

1. **Handwashing:** Handwashing has found a new meaning and importance. Something as basic and standard which we have been brought up with is undoubtedly the most important aspect we cannot ignore as individuals, food processors, handlers, restaurant employees, and others. Handwashing is, and has been for many years, an integral

element in a processor's food safety program. This pandemic has again reiterated the importance and we must ensure to highlight that it is mandatory in worker orientations and refresher sessions, and make sure that the handwash stations are all properly supplied with warm water, soap, sanitizer and a means to dry hands. Processors need to promote frequent and effective handwashing and sanitation at each stage of food processing, manufacture and marketing. These measures will protect staff from spreading COVID-19 among workers, maintain a healthy workforce, and detect and exclude infected food handlers and their immediate contacts from the workplace.

2. **Personal hygiene:** "Cover your nose while sneezing and coughing!" We have been taught these basic self-hygiene practices since kindergarten days. These standard protocols as "Do not touch your face; sneezing and coughing etiquettes, etc" should be highlighted and enforced as critical preventive measures. Food processing being a sensitive industry should take a look at how their programs currently address personal hygiene and expand it if needed to include the elements that have been emphasized with virus control. Personal protective equipment (PPE), such as masks and gloves, can be effective in



Technology trends that will shape India's food processing industry in the post Covid world

In order to keep our food processing industry on a cutting edge and in step with the latest developments, adoption of and adaptation to new technology is an imperative. This has become all the more urgent in light of the exploding demand seen for packaged food and drinks in the wake of the prolonged home lockdown in response to the Covid-19 pandemic.

By **Saujanya Suman**

Various start-ups in India have introduced healthy snacks such as vacuum frying and freeze-dried snacks. Companies like Frubites, Wayanad Organic Research, Crimz, Orbela Agro Foods etc. have introduced vacuum fried fruit snacks in India.

The Indian food processing sector was valued at USD 328 billion in 2018 and is expected to reach USD 535 billion in 2025-26. India processes only about 10% of its agri-output while most of the processing is classified as primary processing. The rise in India-based start-ups in the past five years is also driving the food processing industry. Food processing companies account for 30% of the overall food start-ups in India.

In order to keep our food processing industry on a cutting edge and in step with the latest developments, adoption of and adaptation to new technology is an imperative. This has become all the more urgent in light of the exploding demand seen for packaged food and drinks in the wake of the prolonged home lockdown in response to the Covid-19 pandemic. Many of the new technologies in food processing to have come into the market provide innovative solutions, address the needs of the market and assist in managing the costs effectively. In addition, technology also helps to transform and progressively evolve the consumer behaviour.

Below are some technology trends in food processing whose adoption can help the industry establish its strong footing in a post Covid world:

Rising Interest in High Pressure Processing among companies

High-Pressure Processing (HPP) is a non-thermal food preservation process that kills harmful microorganisms with the application of intensive pressure in the ranges of 400-600Mpa. In addition to its high pressure, the HPP has minimal effects on flavor, appearance, and nutrition value. The pressure technology is more suitable for liquids and high moisture content solid foods. HPP in the food sector is widely used in the preservation of fruits and vegetable products such as jams, puree, juices, meat products, and fish products. However, in India, the application of HPP is limited to some products such as fruit and vegetable juice and RTE meals. The concept of HPP in fresh natural juice in India was first introduced by Raw Pressery in 2013. Slowly, the HPP technology has now expanded to RTE segments in India as well. For example, in Jan 2020, NuTy, a venture of Tulita Ahara,

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HIGHLIGHTS OF THE NEXT THREE ISSUES

JUNE 2020 FROZEN FOOD: Frozen food is undergoing a rapid transformation with the consumer looking for value-added stuff like ready-to-cook/bake/grill products. Frozen food companies can break through with innovation across different levels.

JULY 2020 SNACKS: The future of India Snacks Market can be judged from the fact that this industry is expected to grow with double digit CAGR for the time frame of 2018 to 2024. The market is being driven by many factors such as lifestyle changes of consumers, rising urbanization and many other drivers.

AUGUST 2020 PACKAGED FOOD: Shift from unpackaged to packaged food is driving growth but small pack sizes and economy options are becoming more popular in the wake of the Covid pandemic.

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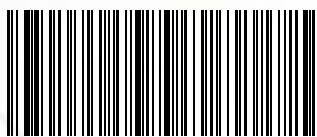
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