

Marketing Strategy of Sahyadri Farms during Covid-19

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ABSTRACT

Purpose: Since, India have a very poor infrastructure related with the logistics and supply chain management and farmers are small having very low resources, these are obstacles in the way of farm development, creating after harvesting losses and declining in the profits for agricultural producers. Hence, on the part of farmers there is a need of responding collectively to the market demand in order to solve these problems on long term basis. The methodology is creating a strong network of farmer producers which will be responding collectively to the market demand by forming an enterprise of farmers and agriculture producers. In this way one such example is there, in the form of Sahyadri Farms, Nashik. In Nashik district of Maharashtra State in India. This was established in the year 2010, currently having about 18000 farmer registered members and covering about 252 villages in the district. Every farmer member is able to take part in supply chain management of the company and enjoying economy of scale, despite cultivating an average just 1.25 Hectares land. The functions of processing of food further enable the farmers with other collectives for diversifying, hardening and enhancing the supply chain. **Methodology:** In this research paper author reviewed the literature in relevance with the marketing strategy adopted by the Sahyadri farms during Pandemic of Covid-19. **Implication:** With the help of associations the problem of processing, marketing, technical and finance management are solved. Markets can also be tapped effectively as well as economies of scales can also be created. **Findings:** Sahyadri Farms in Nashik is one assembly, registered as company, working for the betterment of farmers in Nashik District of Maharashtra State of India. About 8000 farmers are registered members of this company which is working in about 119 villages of the district. There is a need of creating awareness among the people regarding the effective working of this company and as an ideal example for new starts. **Originality:** This research work is an original work and is a part of on-going PhD research work by author and based on the review of relevant literature.

Keywords: Agriculture, Agro-Processing, Agro-industrial, Marketing Strategy, Supply Chain

INTRODUCTION:

The approach of the agriculture sector after independence was production centric because, there was need to fill the gap of shortage of food as compare to production in India. But, India achieved a lot of experience and moved towards the agriculture commercialisation and diversified in horticulture and cash crops also. The vital concern for Indian farming sector was challenge of marketing for the farm production. (Shroff Sangeeta, 2021)

There is also a vital role played by the agro industries in generation of employment. The agricultural products are sold in the market by farmers in raw and unprocessed form and generally these agricultural products are processed in urban localities. There are chances of enhancing the market value of agricultural products produced by the farmers, in case of doing the function of processing these agri-products at the farms by the farmers themselves, ultimately it will effect into a significant growth in the incomes of the farmers. The combination of opportunities related with domestic market value increasing and participation and enhancement in export of the agricultural products provides for the unification of regular agricultural practices into an effective agro-industrial supply system, ultimately resulting in strategically providing an opportunity of further increase in the employment opportunities and enhancing income level and standard of living of the farming people. (Jaybhaye RV, Vengaiah PC, & Srivastav PP, 2009)

LITERATURE REVIEW:**Agro-Processing Industries:**

In, nations having lower incomes, the agro processing industries have about 50% of the total manufacturing sector. In agricultural based nations, they contribute about 61% to manufacturing sector and in urbanized developing nations it is about 37%. (Jaybhaye RV, Vengaiyah PC, & Srivastav PP, 2009)

Requirement of Modifications in Regular Practice:

As the agriculture sector in India drastically face many problems but the problem of marketing of the agricultural products may be the largest among them. Studies show that more than 85 percent of the total farmers are marginal and small category, operating on their own and all the allied activities including marketing of the products are also to be handled by themselves. They are not master enough to handle and exploit the market opportunities, ultimately their margins get affected by this menace. The agriculture sector requires continuous utilization of newer technologies and ideas for enhancing the economic prosperity of the farmers. (Ashok M.V. & Pandey Himanshu, 2017). For making marketing system high effective for the farmers, the farmers must be provided correct and timely information understandable to farmers regarding how much to produce, where and when to sell his produces. Small farmers face many challenges like this, but farmer producer organizations and companies like Sahyadri farms help the farmers in solving these problems by making available supply chains as well as processing of their products.

The situation in the Covid-19, hampered the agricultural production as well as supply chains. Since Indian agricultural sector mostly rely on labour intensive procedures for agricultural production, the products like non-staple foods require use of labour works viz, for weeding, planting or/ and harvesting. The Covid situation required modification in the regular practice, for the avoidance of interaction between labours and even restring concentration of labours in the field in order to decline the risks related with the transfer of disease. Even seasonal labourers cannot come to work, due to lockdown restrictions. This affected the agricultural and food production and had adverse effect on the food availability. (David Laborde, Will Martin, Johan Swinnen, & Rob Vos, 2020). The Sahyadri farms production during Covid-19 was also affected by the lockdown and Covid restrictions.

Connectivity with Housing Societies:

In Maharashtra small farmers joined hands and for taking the fruits and vegetables at the doorsteps of consumers due to non-functioning of markets during lockdown. In some places, administration connected farmers with housing societies, in result farmers were getting entire profits instead of sharing with wholesalers or middlemen or intermediaries and consumers also enjoyed lower price benefits. (Radheshyam Jadhav, 2020)

Sahyadri farms started selling and delivering their agricultural products directly in the retail urban markets of Nashik, Mumbai and Pune. (Parthasarathi Biswas, 29, march 2020)

Direct Selling Model:

During lockdown due to outbreak of Covid, the farmers adopted direct selling methods in order to reaching to their customers for selling their products. The direct selling method proved very profitable for farmers leading them earning in crores as middlemen were chopped out from the system. About 1200 farmers of Sahyadri farms Nashik, formed a direct supply chain consisting of 57000 customers spread across Nashik, Pune and Mumbai during the period of lockdown and ultimately in a single month, sold fruits and vegetables valued at about 4 crore rupees. According to Mr. Shinde Vilas, director of Sahyadri Farms, each day about 25 tonnes of vegetables and fruits consisting of above 3000 boxes of about 6 kg to 10 kg were sold during lockdown. Not deterring by the lockdown, Sahyadri Farms took the advantage of technology for marketing and supply of its products. About 70000 boxes were delivered by using ways of Mobile App and E-commerce. There were about 5000 downloads of mobile app. The company made tie ups with partners working in logistics at Pune as well as Mumbai for facilitating the service to be provided to customers. (Nanda Kasabe, 2020)

Table 1: Sahyadri Farm's Direct Marketing Model data during lockdown

Farmers in the Direct Supply Chain model	1200 farmers
Direct Supply Chain Customers Connected	57000 customers
Goods Sold	Rs. 40000000 (Rs. 4 Crores)
Daily Boxes Sold	3000 Boxes
One Box approx. weight	6 -10 Kg
Total Weight	25 tonne
Total Boxes delivered during lockdown via E-Commerce & Mobile App	70000 Boxes
Mobile App downloads	At least 5000 downloads

Source: Author's own elaboration of data from different sources

SUPPLY CHAIN DISRUPTIONS:

Supply chain disruptions were also observed during Covid-19. As many studies highlighted the scenario and discussed four features. (i) Government emphasised on staple foods, but some examples of disruptions were observed due to high and strict restrictions and social distancing requirements. Even China reduced disruptions with creation of "Green Lanes", which granted exemptions for the distribution, process, production and transport of agricultural products. (ii) Most value chains are traditional and labour intensive, mainly in poor countries, this affected the smooth supply of agricultural products, inputs and vegetables. (iii) Closure of International air travel has affected the supply chains of products which are transferred through airway, like African exports of horticultures. (iv) farmers faced difficulties in finding market outlets, resulting in wastage of food and nutrients. Public food distribution system were also affected as due to shutting of schools, children were deprived of food. Nutrition programs for lactating mothers and pregnant women were also got affected during Covid -19, (N. Bhalla & E. Wuilbercq, 2020), (S. Tamru, K. Hirvonen, & B. Minten, 2020), (M. Hidrobo, N. Kumar, T. Palermo, A. Peterman, & S. Roy, 2020).

ROLE OF AGRO-PROCESSING:

Some studies write in same vein as the Sahyadri Farm is playing vital role in growth of Indian economy as a food processing company. An effective food processing sector plays a vital role in the assortment of agricultural affairs, development of value addition chances and pilling surplus of agro food products for exporting to other nations with the objective of higher returns to farmers and foreign exchange for the economy. India on one hand is one important consumer and producer of food products and on the other, developing as a sourcing axis for processed foods, which includes soya products, plantation, grain processing, fisheries, milk products, spices, vegetables, beverages, mineral water and chocolates. Food processing plays a vital part in overall development of economy as a chain is created between industry and farming sector with the emergence of food processing industry. After China, it is India who produces largest food in the world. But, in India a large portion of agricultural product goes in wastage for producing small amount of food product. (Sharma Neha, 2015)

Table 2: Sahyadri Farms at a Glance

Registered Farmers	18000+
Acres of Land	30000+
Villages Covered	252+
Countries Served	42+
Customers Worldwide	110+
Years in the Industry	12+

Source: <https://www.sahyadrifarms.com/>

CONCLUSION:

The analysis of Indian agricultural sector at macro level shows an encouraging picture of the achievements like self-sufficiency regarding the production of food grains, horticulture etc. But, micro level analysis instead of achievements farming sector faces some challenges specially, with regard to management of affairs after the harvest, poor infrastructure, unavailability of easiness in accessing local and international markets, lack of economies of scales and ruptured value chains. These challenges can be overcome by the setting up of organized system of supply chain management by putting emphasis on marketing of the agricultural and allied products. Many time government is trying to set up institutional mechanism for solving such problems, but such mechanisms have solved the problems to some extent and many times confined to specific localities. (Gummagolmath K.C. & Lakshmi S.B. Ramya, 2022)

Gathering of farmers by way of forming farmer Producer Organizations is proved as an effective platform for addressing some issues of farmers. Sahyadri Farms in Nashik is one assembly, registered as company, working for the betterment of farmers in Nashik District of Maharashtra State of India. About 8000 farmers are registered members of this company which is working in about 119 villages of the district. There is a need of creating awareness among the people regarding the effective working of this company and as an ideal example for new starts. With the help of associations the problem of processing, marketing, technical and finance management are solved. Markets can also be tapped effectively. Uniting farmers at such a large scale leads to economies of scale which result in reducing cost and enhancing bargaining power of farmers, which results in their further growth and self-sufficiency.

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