



PROFILE OF A STARTUP ENTERPRISE IN ORGANIC FOOD

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Abstract: To promote growth and development of the economy, a number of benefits are being offered to entrepreneurs for establishing startups. Startup India campaign drew applause from all its stakeholders. The tax exemptions, patent reforms, and incubation programs were rolled out in an effort to encouraging budding entrepreneurs who were highly skilled, imaginative and had a zeal to succeed. It offers funding, mentorship programs, and stronger IP rights. The Startup India hub, a virtual online platform, has been successful in establishing a ONE point contact/connect for entrepreneurs, thus creating the world's third-largest startup ecosystem.

The government set up a fund with a total corpus of Rs 10,000 crore (\$1.6 billion) as venture capital to support startups over the next 4 years which was meticulously disbursed by the Small Industries Development Bank of India (SIDBI). DIPP has so far recognized over 5,350 startups in India. It was projected by Assocham that by 2020 there will be 11500 firms from 3100 startups in 2014. The biggest factor being consumer growth backed by a revolution in telecommunications and internet. India will produce atleast a dozen billionaires by 2020 says Assocham. Assocham also forecasts an increase in organic food market to grow from \$402 million in 2015 to \$965 million in 2016.

Key Words: Startup enterprise in organic food, 'Vanjana Organics', healthy food.

Introduction: *Good food is paramount to safeguard society's health.*

The idea behind this startup was to improve the

health of agricultural land by encouraging farmers to adopt traditional farming techniques and create a healthier society by providing organic food to customers. The startup designed and developed a mobile application to not only provide update information to customers about the available products, but also provide them with a single portal to procure products for their monthly requirement. Once a customer places an order, the algorithms determine the availability

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of the products at any of the storage facilities, estimate the total delivery time and provide the final cost. Customers will have the option of paying via e-wallets, cards or net-banking. Vanjana Organics checks product samples periodically to ensure that they maintain the quality of products.

The organization seeks to ensure that better quality of food is made available for posterity in India. Vanaja Organics works towards ensuring that the farmers return to their agricultural values by embracing organic farming and exit the use of chemical fertilizers and pesticides completely. The organization provides a minimum support price for the farmers by procuring their agricultural produce. The outcome is better quality food being available through the well-established e-commerce network. The entire product range is certified as organic by accredited agencies; post elaborate chemical analysis of the produce. This ensures that the customer is assured of authenticity in receipt of the delivery to his home.

This startup has a 3-fold objective –

- To educate farmers on the importance of organic farming,
- To procure organic products from the farmers and
- To deliver them to the customer's doorstep.



Founders – Ms. Vandana Chhabra and Ms. Jaya Srivastava

www.vanajaorganics.com

It is an all-women's organization where promoters and workers are women.

Name of Startup – Vanaja meaning – 'Van' is forest and 'Ja' means born out of

(Forests are the only place where natural products are available)

It also is the names Vandana & Jaya combine

Preamble – “Vanaja Organics is run by a bunch of ‘heartpreneurs’ who work towards the wellness of the farmers, consumers and earth. We acknowledge that organic foods are far more painstaking to produce and hence cost a little more than conventionally grown produce; we strive to achieve an honest, non-monopolistic pricing on our products, thereby sharing part of our profits with the farmers as profits and the end consumers as promotions – so that all stakeholders working towards the wellness of the planet feel rewarded.”

Vision – Through business leadership, Vanaja Organics envisions a safer, stronger, physically and mentally healthier India. That farmers return to agricultural values by embracing organic farming; by making organic food widely accepted and appreciated amongst all strata of society thus calling for a lifestyle and lifelong change.

Mission - Work towards promotion and consumption of organic foods in India, making it a mutually beneficial for all its stakeholders. The organization is a forerunner in promoting women empowerment by facilitating jobs for urban and rural women. This gives them courage, confidence and financial independence in establishing small home-industries.

Goals & Objectives-

- To bring health and nutrition back into the Indian kitchen
- To make the consumption of organic foods a national habit.
- To harness the benefits of organic farming for helping the farmers of India
- To negate the harmful effects of Genetically modified consumables.
- Regulate & check the harmful toxins in the body and keep it under control
- Increasing the green health of the customers
- To provide Nutritious and wholesome food for vitality, vigor and longevity
- To meet the domestic demand of the second largest population in the world

- Growing food organically without the use of chemical fertilizers, pesticides and insecticides.
- To provide quality food at affordable prices
- Bringing about a sea change in eating and consumption habits.
- Providing sustainable growth to agriculture ecosystem.
- promote ecological balance, and conserve biodiversity.

Purpose –

Organic Food is good for OUR heart -

Rapid use of chemicals and fertilizers have forced people to find a healthy way of living. This is where the significance of organic markets comes into consideration. Increasing use of synthetic chemical fertilizers and pesticides in non-organic products leads to various health issues.

The organic food industry is currently booming. India's organic food market is anticipated to grow at a CAGR of over 25% during 2016-2021{ SOURCE "India Organic Food Market By Product Type, Competition Forecast and Opportunities} Organic food is produced by methods that comply with the standards of organic farming.

"When it comes to meat and milk, organic products can have about 50% more omega-3 fatty acids, a type of unsaturated healthy fat, that conventionally produced products. It is believed that switching from conventional to organic products would raise consumers' omega-3 intake without increasing overall calories or saturated fat."

Organic Food preserves NATURE -

Since organic food production strictly avoids the use of all synthetic chemicals, it does not pose any risk of soil and underground water contamination like conventional farming which uses tons of artificial fertilizers and pesticides. Conventional farming methods involves heavy use of artificial chemical fertilizers, insecticides and pesticides. This poses a threat of not only soil degradation but also contaminates the underground water.

Organic farming helps in curtailing and eliminating contamination in food, soil & water. Using "Organic fertilizers" derived from living or formerly living materials makes the venture commercially viable by adopting "organic agriculture" and "environmentally friendly" plantation methods.

Organic Food improves overall HEALTH –

There is a changing opinion among Indian consumers that Organic food is healthier than conventional food. This is revealed by the increase in demand for the same. Research also shows that Organic foods have a higher nutritive value than conventional food. With the absence of Pesticides and harmful fertilizers, plants increase their output of Phytochemicals (A combination of Antioxidants and Vitamins), which strengthen the plants' resistance to Bugs and Weeds. It can be surmised that a growing organic food Consumption culture is being created.

Reason Why Organic Products Have Come of Age -

- Boom in organic Brands due to consumer literacy, awareness & marketing.
- Growth in organic entrepreneurship
- Increase in demand for organic food
- Consumers willing to pay extra for nourishing food
- Demand for natural, chemical – free products
- Trends in health consciousness among consumers
- Organic Food is now a Full-fledged industry with high growth potential
- Farmers are turning to organic farming to retain the health of the soil.
- E - Commerce has made the order & delivery easy.
- Widespread public opinion that organic food is safer, nutritious and tastier compared to conventional food

BEST PRACTICES -

- Through allies in the social development sector, this StartUp trains and empowers

housewives of farmers and other underprivileged class to participate in the sanitizing and packaging processes of food products. This generates a supplementary income for the farmers' family. This capacity building initiative among poor women in rural areas is also extended to the urban poor, thereby promoting cottage industries and extending the same empowerment to the urban women who are at the bottom most strata of the society.

- The startup liaisons with an NGO, Prodigee Foundation, that aides and mentor's farmers towards organic farming along with other NGOs in similar function.
- Vanaja Organics has completely eliminated the middlemen in the supply chain, by directly dealing with the farmers' (a non-profit social initiative). This enables the farmers to gain better price margins and also allows the consumers to buy organic foods at affordable prices.

Work Flow Process Of Vanaja Organics -

Procurement of organic food is directly done through pre or post agricultural contracts, where minimum support prices are agreed upon for the same. The farmers are trained and encouraged through groups of NGO's engaged in improving the state of farming in the country. They advise the farmers on usage of bio fertilizers, crop rotation, drip irrigation and soil management to maximize the yield. This initiative addresses the plight of the farmers, and improves their standard of living and quality of life.

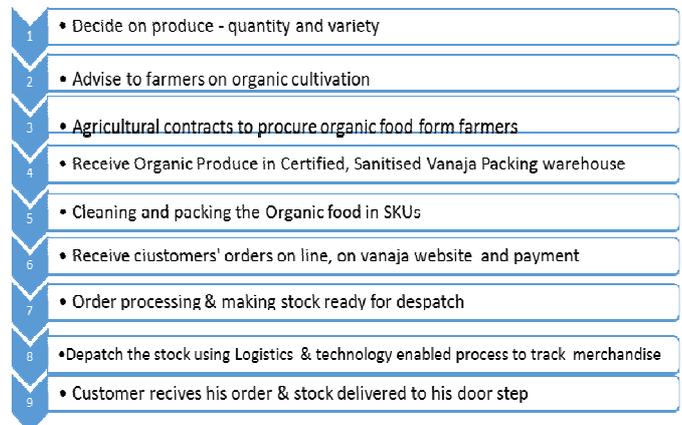
All the middle men are eliminated from the supply chain. The produce is taken to the certified warehouse, where packing is done in sanitized conditions.

The packing centers employs women from under privileged communities, and trains them to adhere to specific quality processes laid down by the certification authorities. The food, received is cleaned and transferred into special storing units under careful supervision. The entire area is clean and devoid of any harmful

and disease causing environment The Packaged Organic food is stored in certified approved warehouses. The produce received form the farmers is thoroughly checked for, physical particles and impurities before being approved for quality.

Once the customer browses through the menu and selects from a wide range of products, he adds all products into the cart and goes forward for payment using various payment options. In 3 working days the order is delivered to the customer's doorstep.

Supply Chain Process of Vanaja Organics



Product Categories - The array of products include chutney & Jams, Dry fruits, Flours, Spices Powder, Spices Whole, Tea & Coffee, Salts & Sweeteners, Masala Mixes, Oils & Ghee, Pickles & Vinegars, Pulses, Rice, Papad, Poha, Seviya, Vadi, Corn Flakes, Pasta. The focus is on grocery products. The startup plans to add dairy products, fruits and vegetables in the near future.

Challenges -

1. Price - It is certainly a cause for concern in this segment. In a country where there is price elasticity of demand, the organic products are more expensive than the conventional products. The health conscious consumer will be willing to pay a premium ranging from 50% to 100% at least, but the middle class may take time to accept it.
2. Certification - The certification process is elaborate, and stringent. The certifying

agencies, which follow international standards, keenly scrutinize the soils, produce and packing centers to test for hygiene, chemicals and harmful bacteria.

3. Trust - Consumers still do not have any proof, that a product is organic or not. Many companies sell natural products under the guise or organic foods, inviting mistrust among the discerning consumers. The certification printed on the packing is proof for authenticity, but the consumer is still not aware of the same.
4. Accessibility- Organic food availability is restricted and not many shops continue to sell in at the retail level. Many of the malls stock limited levels of organic foods and the rest sell it online only.
5. Including the word organic in our daily menu- Indians have still not become fully aware of Organic food and its benefits to include it in the daily menu. Though there is no negative sentiment, the necessary shift from conventional to organic food is an ongoing process.

Conclusion - Committing to healthy eating marks the beginning of a healthy life. Nutritious and wholesome food, coupled with the benefits of organic living creates a power house of health and wellness among people.

Organic food, improves not only our health but also the health of the soil and a clean

environment. Every stake holder will be affected positively by organic food. The project's emphasis is on sustainable growth, and living in harmony with nature.

*“If diet is wrong,
medicine is of no use.
If diet is correct,
medicine is of no need.”*

.....An Ayurvedic proverb

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