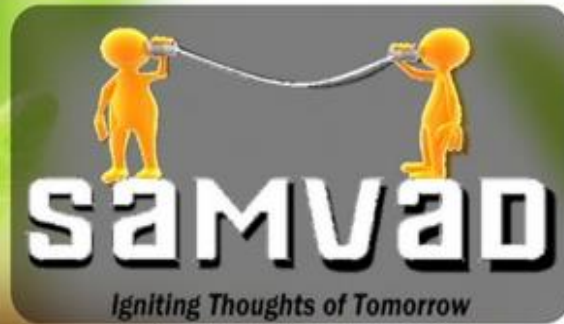


AGRI BUSINESS

SEPTEMBER ISSUE 2016



WE CHAT

Manager - Rural & Agri
Business Group at HDFC ERGO
General Insurance

**FEATURED
ARTICLE**

BUSINESS NORMS FOR
FOOD PROCESSING
INDUSTRIES

we school
S.P. MANDALI'S
Welingkar Education

ABOUT US



OUR VISION

“To nurture thought leaders and practitioners through inventive education”

CORE VALUES

Breakthrough Thinking and Breakthrough Execution

Result Oriented, Process Driven Work Ethic

We Link and Care

Passion

“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind’s eye needs to be nurtured and differently so.

We school has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

MESSAGE FROM THE DIRECTOR

Dear Readers,

It gives me great pride to introduce Samvad's edition every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.



Prof. Dr. Uday Salunkhe
Group Director

As we begin a new journey with 2016, I sincerely hope that Samvad will reach new heights with the unmatched enthusiasm and talent of the entire Samvad Team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

Wishing everyone a very happy and prosperous new year.

Prof. Dr. Uday Salunkhe,
Group Director

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the September Issue of Samvad for the year 2016!

As we step into 2016, we promise to bring you the best that Samvad has offered till date. The response to Samvad has been overwhelming and the support and appreciation that we have received has truly encouraged and motivated us to work towards bringing out a better magazine every month. With renewed vigor and passion, we bring to you the September Issue of Samvad which revolves around the theme of "Agrobusiness".

With WeSchool having courses pertaining to all spheres of management, it was natural for us to cater to all kinds of readers. And that has made us one of the few magazines in the country which invites articles from all spheres of management giving a complete holistic view.

We work on the platform of "***Igniting Thoughts of Tomorrow***" and we will constantly strive to provide articles which are thought provoking and at the same time adding value to your management education.

We hope you stay with us, read with us, share with us and grow with us!

Hope you have a great time reading Samvad!

Best Wishes,

Team Samvad.

*"For last year's words belong to last year's language
And next year's words await another voice."*

T. S. Eliot.

ACKNOWLEDGEMENT

Team Samvad would like to extend their heartfelt thanks to certain key members of the WeSchool family for their special efforts towards the making of this magazine.

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by **Prof. Deepa Dixit**. Her insight and expertise is our driving force to ensure the sustainability of our magazine.

We appreciate **Prof. Indu Mehta** for help in selecting the best marketing articles.

We thank **Prof. Vandana Sohoni** for her help with choosing the best finance articles.

We would also like to appreciate **Prof. Jyoti Kulkarni** for her help in selecting the best articles on general management.

The Human resources article was scrutinized by **Prof. Rimmi Joneja**. We thank her for choosing the best articles.

We would like to thank **Ms. Yashodhara Katkar**, General Manager - Liaison, WeSchool and her PR team for helping us to reach out to our readers. Also we thank **Ms. Shilpa Kadam** and her team for helping us with the website updates of Samvad.

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.



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WE CHAT

MR. AJINKYA NAKHALE

MANAGER RURAL AND AGRI BUSINESS, HDFC ERGO GENERAL INSURANCE

Team Samvad

1. Please tell us about your journey of becoming the Manager Rural and Agri Business Group at HDFC ERGO General Insurance.

Having being born and raised in small town, I always had an inclination towards agriculture and allied businesses. I received my graduation from Sydenham College of Commerce and Economics, Mumbai. So that course of three years was full of learning where you come from small town to the city of Mumbai, stay alone and away from home, mold into new culture.

When I joined Welinkar, I opted for the course of Rural Management where we studied and talked a lot about innovative tools to solve the problems at grass root level, various programs such as exploring the grass roots, AURUM, six months long rural research projects etc. added a lot of insights from rural ecosystem. I think the important lessons came from three months long summer internship venture which I pursued with Yes Bank Ltd. During this tenure I visited 9 districts in Maharashtra, 3 in Gujarat and 2 in Karnataka. These visits were full of interactions with farmers, APMCs, local panchayats etc.

Experience of interacting with stakeholders at root level helped a lot to acquire empathy towards farmers which was again quite helpful during placement seasons and professional journey at HDFC ERGO GIC LTD.

2. How has Demonetization affected the agro business sector?



Cash is the primary mode of transaction in agriculture sector which contributes over 17% to India's total output. Formal financing in many parts, especially Punjab, Uttar Pradesh, Odisha, Maharashtra, Gujarat and Kerala is significantly from cooperative banks, which were barred from exchange-deposit of demonetized currency. Notably, this was the time of kharif harvest and start of rabi sowing, partly explaining why this period is dubbed the 'busy season' from a standpoint of credit demand, the other being bunching of festivals and weddings.

Agriculture and allied businesses are impacted through the input-output channels as well as price and output feedback effects. Sale, transport, marketing and distribution of ready produce to wholesale centres or mandis, is dominantly cash-dependent. Disruptions, breaks in the supply chains feedback to farmers as sales fall, increased wastage of perishables lowered revenues that show up as trade dues instead of cash in hand and when credited into bank accounts with limited access affected the sector.

Currently, many of these networks are operating sub-optimally or altogether at a standstill, depending upon location, market links and other item-specific factors. The input side is equally affected as many payments/purchases, such as seeds, fertilizers, implements and tools, are outright in cash. Borrowing-financing operations of larger farmers and organized producers are also cut off or severely clipped.

Production in 2016-17 could drop if sowed acreage (rabi) reduces for want of enough seeds on time to exploit the adequate soil moisture. Yields could fall from late sowing and subsequent exposure to rough spring weather, the lack of sufficient or timely application of fertilizers, pesticides, etc. Farm labour, vital for this period, is reported to be unpaid as farmers had no cash. Many of them were reported to be returning from some northern parts to homes in UP and Bihar. Labour shortages and wage-spikes may follow with a lag.

Price and output effects will reflect all the above listed factors. This means considerable fluctuations, increased uncertainty and risk.

3. To what extent would the GST help in rewriting the story of Indian agro business?

The main issue in the application of GST to food is the impact it would have on those living at or below subsistence levels (bottom of the pyramid). For those at the bottom of the income scale, it doubtless accounts for an even higher proportion of total expenditures and incomes. Taxing food could thus have a major impact on the poor. By the same token, a complete exemption for food would significantly shrink the tax base.

In India, while food is generally exempt from the CENVAT, many of the food items, including food grains and cereals, attract the state VAT at the rate of 4%. Exemption under the state VAT is restricted to unprocessed food, e.g., fresh fruits and vegetables, meat

and eggs, and coarse grains. Beverages are generally taxable, with the exception of milk.

In the rural sector, the predominant distribution channel for unprocessed food would be either a direct sale by the farmer to final consumers or through small distributors/retailers. Even where food is within the scope of the GST, such sales would largely remain exempt because of the small business registration threshold. Given that food is currently exempt from the CENVAT, the GST under a single-rate, comprehensive-base model would lead to at least a doubling of the tax burden on food (from 4% state VAT to a combined GST rate of 8%). The alternative of exempting food altogether (or zero rating) would not be any better as it would have an adverse impact on Revenue Neutral Rate.

GST is supposed to help the idea of National Agriculture Market (NAM) whereby restrictions on interstate trade of agri commodities directly by the farmers will be relaxed (as per govt. sources) but possibility of bringing into reality of such market is still doubtful keeping in mind the current agri scenario in India.

Thus, prices of the agricultural items and services are expected to rise after the implementation of the GST, although the overall inflationary impact of the proposed indirect regime will be negative.

4. What are the current global trends which can impact the agri business scenario?

1. Shift in demography and economic power globally:

Population growth is a given; same time, the buying power of a growing global middle class qualifies as a megatrend. The rising need for food will increase faster than the rate of growth of the global population. The global population is set to increase by 18 percent by 2050, but the projected increase in global food consumption is expected to grow by 35 percent. Forecasted 2050 GDP of seven

emerging economies (Brazil, China, Russia, India, Indonesia, Mexico, Turkey) will nearly double that of the G7, i.e. United States, Canada, France, Germany, Italy, Japan and the United Kingdom.

Geopolitical issues aside, multinational companies are increasingly investing in emerging economies. The economic power of these economies will drive investment in agribusiness as local governments focus on being able to feed their citizens. Secondly, economic development is increasing faster than expected in most countries, most significantly in China and India. With economic growth, we see rapidly changing food preferences, increasing purchasing power, and demand for high standards of food quality. Food-consuming nations — those who do not produce enough and have to consume product produced outside their country — will pursue investments in food-producing nations to better control the food value chain. Hence keeping all of it in mind, the Indian economy stands for huge scope in the agri business sector.

2. Accelerating Urbanization:

For the first time ever, more than 50 percent of the world's population lives in cities. The vast majority of global population will live in urban areas by 2030. In China, for example, an additional 300 million people will move to cities. To put this in perspective, that's equivalent to the relocation of the entire population of the United States. Such change will require new means of agricultural production and distribution to deliver food into city centres.

3. Growing Bio - Fuel Demand:

The third trend is the growing biofuel driving demand for grain crops (corn and oil seeds) and sugar cane. The rise of biofuels presents a serious issue since it takes over arable land and diverts resources from food production. It is estimated that by 2020 we will be burning 400 million tonnes of grain a year —

equivalent to the entire world rice crop — just to keep our cars on the road! Billions of dollars have been poured as subsidies into developing sugar and grain-based ethanol and biodiesel to help wean rich economies from their addiction to carbon-blenching fossil fuels, the overwhelming source of human-made global warming. As soaring prices for staples bring more of the planet's most vulnerable people face-to-face with starvation, the image of biofuels has suddenly changed from climate saviour to a horribly misguided experiment.

4. Resource Scarcity & Evolving Innovation based Technology:

In order to feed a global population of 8.3 billion and its aspirations, the world will require 50 percent more energy, 40 percent more water and 35 percent more food. Now how will this be accomplished with limited natural resources is the real question. Resource scarcity caused or accentuated by climate change will require improved crop technology, producing higher yields with fewer inputs. The rapid increase in development and acceptance of technology will be utilized to meet food demands, i.e. better yield through genetically modified (GM) seeds and limited use of resources.

5. **The Indian agriculture is still majorly dependent on the monsoon. Has the time come to start looking at game changing reforms like interlinking of rivers (suggested by Dr. KL Rao: National Water Grid)?**

Well I am little skeptical about this idea. ILR project is an idea to transfer water from surplus river basins to overcome the water shortages in western and southern India. It comprises of 30 links to connect 37 Himalayan and peninsular rivers. Keeping in mind the required huge investment, local issues involved such as displacement of tribal and fishermen community, disruption in ecology and biodiversity, tenure of completion of the

project, we should rather adopt other local methods of water conservation such as farm ponds, Jalyukta Shivar (as successfully run by Govt. of Maharashtra in Vidharbha Region) etc. National Water Grid is very ambitious project but the completion itself will take half a century. As of now we have only one link completed i.e. rivers of Krishna and Godavari which is still under review. So to call it game changing reform will be too hasty.

6. Finally, kindly share your career advice to our Weschool students, hoping to pursue a career in the Agro business industry.

If someone is really much keen to pursue career in any rural and agri sector, empathy towards farmers and rural ecosystem is the key. This empathy will come with experience and passion. So my advice to fellows in Weschool is to travel a lot to villages, spend time with farmers, study dynamics of rural economy and ecosystem, take your internships very seriously, go for rural projects. At the same time keep update of trends in agro industry at global level because whatever changes that happen at policy level for agriculture are consequences of such trends. Various agri related journals available with WeSchool library are good sources for such info. My last advice would be – while you do all of it, never worry about final placements because final placements are full of surprises. All the best to everyone out there!

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OPERATIONS

BUSINESS NORMS FOR FOOD PROCESSING INDUSTRY

Sagarika Jain, PGDM E-Biz (2016-18), WeSchool, Mumbai.

Overview

The Indian food industry, which is currently valued at US\$ 39.71 billion is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$65.4 billion by 2018. Food and grocery account for around 31 per cent of India’s consumption basket. It contributes around 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India’s exports and six per cent of total industrial investment [1]

With the influx of high amounts of foreign investment, and the growth in organized retail, the food processing industry is set to witness an exponential growth.

Supply chain

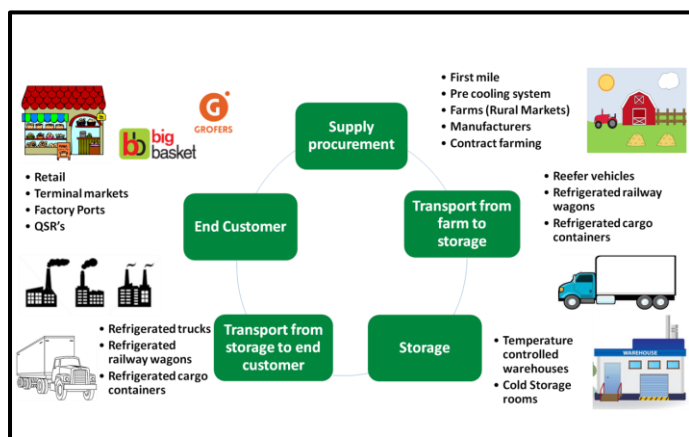


Figure 1: Supply chain of processed foods

One of the most interesting factors of the food processing industry is the supply chain which not only involves procurement, manufacturing and transport but the added **cold storage requirement**. Processed foods require

Temperature controlled warehouses and cold storage rooms. Also, during transit it is important for them to be transported in **reefer vehicles** which maintain the temperature requirement of the produce. Maintaining the temperature is vital to retain the quality of the produce/ food items like potato patties.

With the involvement of cold chain, it poses further challenges of cost, technology and the adaptation by companies.

On the basis of the supply chain highlighted above the various stake holders affected by the food processing industry are represented below:

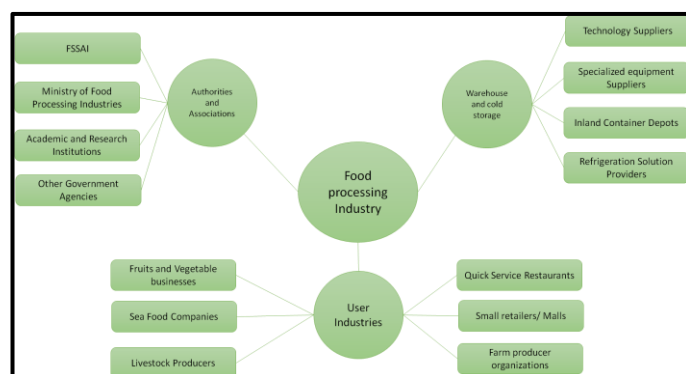


Figure 2: Stakeholders in the food processing industry

Key business norms

The key business norms in the food processing industry are as follows:

Rapidly emerging quick service restaurants

The money rich and time poor consumers are driving demand for Ready-to-eat items, thereby boosting demand for several preserved products and benefitting the industry whose services are utilized by leading fast food chains like Mc.

Donald's, Burger King, and Subway. "The demand for McDonalds will always stay but providing **variety** is key"- Hardik Chauhan, Deputy manager, Supply Chain at Hardcastle Restaurants Pvt. Ltd

Rising penetration of organized retail and preference for processed food

Growing urbanization and the rise in per capita income is spurring growth of the organized retail industry as consumption patterns have moved in favor of frozen meats and fresh vegetables in malls or retail outlets. Almost half of an average Indian's household expenditure is on food items. Food & grocery forms one of the largest verticals for organized retailers (accounting for 15-20%), comprising fruits, vegetables, milk and other dairy products, staples, cereals, processed foods, ready-to-eat meals, spices and other edible products

Spurt in export of processed foods and meat

India exports a wide range of processed foods, including fresh and processed fruits and vegetables, meat products, cereals, and products such as jaggery, confectionery and guar gum. Processed fruits, vegetables and meat products- the main users of cold storage facilities- form about half of India's total exports. Processed fruits and vegetables contribute to 16% of the India's total exports. [2]

Support from proposed policies and government schemes:

The Government of India allocated Rs 1,500 crore (US\$ 225.7 million) and announced various measures under the Merchandise Exports from India Scheme (MEIS), including setting up of agencies for aquaculture and fisheries in coastal states and export incentives for marine products. [3]

Ms Harsimrat Kaur Badal, Union Minister for Food Processing Industries, Government of India inaugurated the first of its kind Rs.136 crore (US\$ 20 million) mega international food park at Dabwala Kalan, Punjab. She has also expressed

confidence that the decision to allow 100 per cent Foreign Direct Investment (FDI) in multi-brand retail with 100 per cent local sourcing condition, will act as a catalyst for the food processing sector, thereby controlling inflation, uplifting the condition of farmers, and creating more jobs in the country. [3]

The Ministry of Food Processing Industries announced a scheme for Human Resource Development (HRD) in the food processing sector. The HRD scheme is being implemented through State Governments under the National Mission on Food Processing. The scheme has the following four components:

- Creation of infrastructure facilities for degree/diploma courses in food processing sector
- Entrepreneurship Development Program (EDP)
- Food Processing Training Centers (FPTC)
- Training at recognized institutions at State/National level [3]

The Food Safety and Standards Authority of India (FSSAI) has issued new rules for importing products, to address concerns over the entry of sub-standard items and simplify the process by setting shelf-life norms and relaxing labelling guidelines [3]

References:

[1]<http://www.ibef.org/industry/indian-food-industry.aspx>

[2] Agricultural and Processed Food Products Export Development Authority (APEDA)

[3]http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/337/1

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FINANCE

EFFECT OF GM SEED LICENSING POLICY ON AGRO INDUSTRY

Jaikishan Kankani, MMS (2016-18), WeSchool, Mumbai

Genetically Modified crops i.e. GM crops have been in use since the late 1980s. GM crops are crops or plants that have their DNA modified for better production and to introduce a new trait to the crop. This helps in better resistance to diseases, pests, and to harsh environmental conditions. India adopted its first ever GM crop in 2002 when Mahyco Monsanto Biotech (India) Pvt. Ltd. developed Bt Cottonseed and commercialized it. But since then, no other GM crop has been approved, apart from the roll out of other GM crops to assess the safety of these crops in 2009. This has had a huge effect on the agricultural production in the country because India has a fairly low seed replacement ratio.



An agriculture ministry official said the seed industry is resorting to pressure tactics and Monsanto withdrawing its application on second generation cotton technology was part of that.

Source: www.economicstimes.indiatimes.com

According to ICRA, licensing of patents for Bt Cottonseed will impact the GM seed industry as this may further restrict the research and development of more GM crops. The introduction of GM seed licensing policy in May 2016 has been strongly opposed by the agro-tech industry including various seed companies and biotech licensees. The guidelines which have introduced compulsory licensing for patented technology is said to hamper the innovation and investments in farm technology. According to Michael Keller of International Seed Federation,

if such a regime is put into place, it will greatly decrease the investments in India by interested seed companies.

The Hindu Business Line has mentioned in one of its articles that it takes 10+ years along with hundreds of crores of rupees of investment for developing one single new GM seed. And not just MNCs, but even Indian companies like Tatas, JK, etc. and other public institutions have invested in this space. And if the legislation prevails, it is difficult for them to recover their investments.

The National Seeds Association of India (NSAI) also believes that there is no need for compulsory licensing for companies to invest, develop, and patent GM seeds. NSAI definitely appreciates the effort of the department of Agriculture for guidelines as it will help in bringing more clarity and order in GM trait licensing and value fixation. But, it says that the monopoly in Bt Cottonseed trait licensing has led to not only the seed industry being affected adversely, the area under cotton plantation has come down under 100 hectares due the same.

But as there are long issues with the licensing, there are also some major benefits. The main aim of the licensing is to tackle the monopoly which is almost eminent in the Bt Cottonseed commercial market. Around 90% of cotton farmers use GM seeds. Also, guidelines have helped to cut the royalty fees by 74% as of March 2016. Price of Bollgard BII cotton seeds have come down to Rs.800 per 450 gm packet, whereas the royalty fees have come down to Rs.43 per packet from Rs.163. While this move has benefited around 8 million cotton farmers, it is rising the concern about country's intellectual property rights regime.

The Jury Is Out

WHAT PROPOSED POLICY SAYS...
 GM technology providers can't deny licence to any willing domestic seed co
 Royalties can't exceed 10% of the maximum sale price
 Efficacy of tech to determine royalty payment
 Last date of public comments was 24 August

NSAI backs the norms, but says licensing according to existing laws
 GM seed developers including Monsanto and Bayer say norms restrict innovation, R&D
 Agriculture ministry says they will review all petitions before introducing norms

Source: www.economicstimes.indiatimes.com

Some clauses in the GM seed licensing guidelines have been said to be even anti-competition and against global IP policy. One such clause is payment of trait fee for technology effectiveness and capping the royalty value or GM trait value to maximum sale price at 10% for the first 5 years and then a decrease of 10% every year.

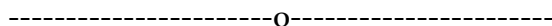
In terms of Agro industry and economy, there are some more clear advantages. Over the years, the prices of food will remain stable and food inflation will remain in check. The seed replacement ratio will increase in India which is fairly low. Final benefit will also be passed in to consumers. And, even for next 5-6 years, if the investments are affected, its being predicted that regulations and guidelines will help in eliminating inequalities in opportunities for everyone in the industry.

The effect of licensing of the GM seeds has been both fruitful and adverse for our economy. But we are just starting to feel the real impact of the same. With lower prices, decreasing area under cultivation, current price fluctuations, and the strained global intellectual policy issues its difficult to say what will happen in future. We can only hope that our economy and agro industry is benefited.

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www.economicstimes.indiatimes.com

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MARKETING

TOURISM MARKETING IN INDIA

Namrata Shahane, PGDBM (2016-18), SIMSREE, Mumbai.

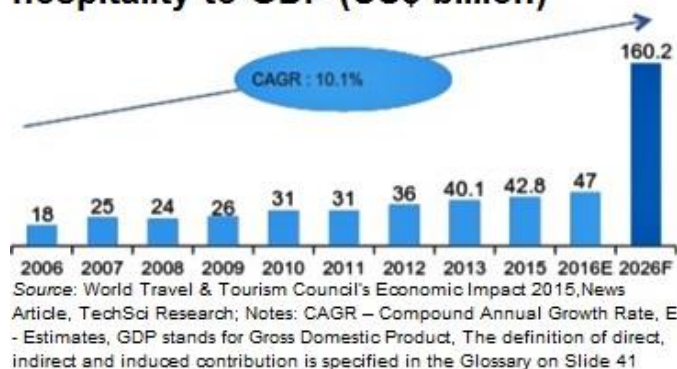
“Tourism marketing is the discipline of attracting visitors to a specific location outside their usual environment for leisure, business and other purposes for not more than one consecutive year.”

-UNWTO

Tourism Sector in India

Tourism in India accounts for 7.5 % of GDP and is the third largest foreign exchange earner for the country. It has contributed US\$47 billion to GDP in 2016, & is expected to further grow to US\$ 280.5 billion by 2026.

Direct contribution of tourism and hospitality to GDP (US\$ billion)



Types of Tourism Marketing

Location:

In many cases, tourism marketing centers on attracting people to a specific location without recommending specific sites or accommodations. Madhya Pradesh tourism board uses ‘Hindustan Ka Dil Dekho’ as a slogan to attract tourists to the destination & tourism ministry uses ‘Atulya Bharat’ as a slogan to promote India itself as a location worth coming to.

Activity:

Some areas market themselves based on their attractions. Uttarakhand promotes its river rafting activities. Kerala draws attention to its backwaters for banana boat rides, motor boat rides, kayaking etc. Each place leverages its uniqueness to garner more crowd.

Environmental/Eco:

This attracts persons who are nature lovers, or want oneness with nature. India woos these persons with its yogic ashrams in Rishikesh, Mysore & Trivandrum. They are easily available online and have tie-ups with yoga centers abroad. Kashmir, Coorg, Uttarakhand, Arunachal Pradesh & the Seven Sisters of the East project no human intervention as their Unique Selling Point.

Historical:

Tourists visit heritage locations, temples, churches, museums, forts etc. Rajasthan with its innumerable palaces & Delhi with forts like Lal Quila etc. provide huge potential for this form of tourism, which is also specially highlighted on the Incredible India website.

Ethnic:

Goa with its romantic beachline & Jaipur flaunting its magnificent palaces are prime spots for destination weddings. The industry is valued at over ₹100,000 crore and is growing at 25-30% annually.

Health:

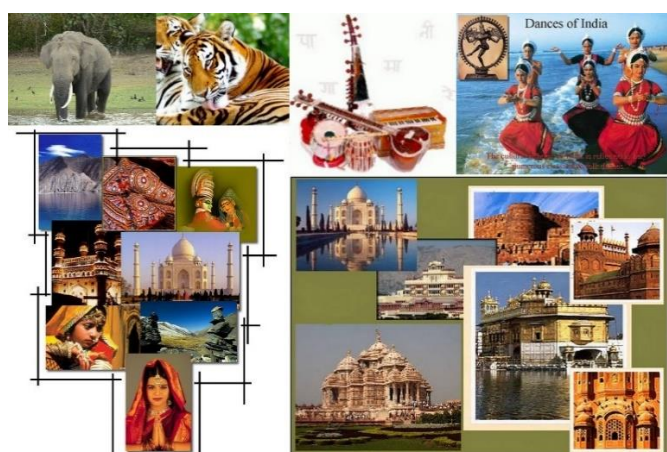
India's medical tourism market is expected to more than double in size from USD 3 billion at present to around USD 8 billion by 2020, a report says. As per a CII - Grant Thornton white paper, cost is a major driver for nearly 80 per cent of medical tourists across the globe. Lot of persons from Africa & Mauritius travel to India for better medical facilities.

Religious:

India represents multi-religious composition of population. Various package tours are organized to enable people to attend the religious duties and visit places of religious importance. E.g. Char Dham Yatra. Amritsar with its Golden Temple, & Andhra Pradesh housing its famous Tirupathi temple are other places of worship in India.

Rural:

The development of a strong platform around the concept of Rural Tourism is useful for a country like India, where almost 74% of the population resides in its 7 million villages. Alongside, the stresses of Urban lifestyles have led to a “counter-urbanization” syndrome. Under this Scheme, thrust will be to promote village tourism as the primary tourism product to spread tourism and its socio-economic benefits to rural and its new geographic regions.



Wildlife:

Wildlife tourism is growing rapidly in India ~ average growth rate is 15%. Tourist numbers range from more than 5000 people per year in Bhadra to more than 500,000 people per year in

Periyar. The majority (80%) of tourists visiting parks are Indian.

Initiatives by The Government

Several branding and marketing initiatives by the Government of India such as ‘Atithi Devo Bhava’ have provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical or M visa, to encourage medical tourism. Luxury trains such as Maharajas’ Express have been introduced on popular tourist belts like Jaipur-Delhi-Agra. It is taking efforts to boost investments in the sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4-star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). The investment is expected to be US\$ 12.4 billion in the 12th Five Year Plan; of these, private investments are likely to total US\$ 9.2 billion.

Means of Marketing

A convention center might purchase advertisements in trade magazines for meeting planners and send direct mail materials to corporations that hold events. Destinations build websites like Incredible India and place advertisements in consumer publications read by their target customers. Chambers of commerce are involved in promoting their areas generally and the businesses within their areas specifically. Australia tourism markets itself through MasterChef Australia a show very famous in India. Also, in-film promotions like in the movie ZNMD where Spain was woven into the film. Advertising is done through lifestyle channels like Travel & Living. Tie-ups with airlines for cheaper ticket fares for certain destinations. Distributing brochures at travel fairs & exhibits is another method.

Aids to Tourism Marketing

The destination should deliver all promises. The connectivity of regions via various modes of transport & comfort of travel should be focused on. For this road, sanitation, cleanliness & other developmental projects should be undertaken. People should be sensitized towards tourists & stricter laws should be enforced so visitors have pleasant experiences.

Future of Tourism Marketing in India

Adventure tourism marketing:

Government is now considering promoting activities like mountaineering and rappelling - a move that could increase the pulse rate of the adventure travel and extreme sports industries. But adventure tourism remains a relatively small market in India as compared to the West. According to a survey by a trade body, the global market is pegged at USD 89 billion, while in India it's estimated to be under USD 75 million.

With India's overall tourism sector set to grow at an average annual rate of 7.9 % till 2023, there is plenty of potential to expand marketing activities.

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HUMAN RESOURCES

THE ROLE OF HR IN AGROBUSINESS SECTOR

Arushi Nanavati and Stuti Shrivastava, PGDM (2016-18), WeSchool, Mumbai.



Source: Google Images

Introduction-

Agribusiness management is the business related to the agricultural produce. It involves all the activities related to the farm produce which finally trickle down to the end consumer. All the activities right from sowing, cultivating to harvesting and then marketing and advertising about all the entities involved in this sector, namely the equipment, seeds and related things come under the agribusiness sector.

In an ever booming agrarian economy that India is, there is a huge amount of workforce that is turning into the agriculture sector as their career option. With courses like rural management and agriculture engineering on the roll, there are growing opportunity spaces in this sector when it comes to the human resources field.

Recruitment and Selection in Agribusiness-

The recruitment in the agribusiness sector includes hiring specialized professionals, semi-

skilled labourers and also the unskilled professionals. There are various labour-intensive and technical activities which require the Human Resource department to conduct proper workforce planning requirements.

Forecasting the Human Resources needs of the Agribusiness-

The HR teams works in close connection with the operations management team to analyse the requirement of the specialized workforce and farm support labourers for increased productivity and farm produce. HR department makes sure that the personnel requirement for all the technical activities is met.

Retaining and Recruiting Personnel-

The HR department collates with various department heads because there is a special requirement of skillset.

Managers of areas such as horticulture, livestock breeding, milk production, milk processing and marketing are in the best position to determine the minimum requirements and suitable remuneration packages for the specialized agricultural workers of their respective departments.

Implementing HR policies-

The compensating, motivating and promoting employees is taken care of in the established policies in the farm departments and in the production sections. They ensure that the employees participate and fully benefit in the growth activities and research and development of animal breeds and crop species.

Managing the specialized agribusiness and knowledge skills-

Managing knowledge involves facilitating employees to enhance their agricultural skills and work capabilities through employee mentoring programs, research and development in new animal breeds and crop species and education advancement opportunities in agricultural fields of specialization such as agricultural engineering. Human Resource department keeps track of the knowledge management initiatives so that professionals are exposed to learning opportunities in the work processes and agricultural technological developments.

Impact of demographic changes on the agribusiness sector-

With the advent of climate and global changes in the agribusiness sector, it has faced the most turbulence with respect to the response time taken by various departments for adapting or rejecting a change, mainly in the HR sector. It is not enough just to improve the technological aspects of organizations and individual manufacturers by buying new mechanization and equipment, it is also necessary that these improvements are accompanied by the development of human resources.

Succession planning in Agribusiness-

The current situation-

- The rising skill gap between upcoming family farmers.
- Aging class of farming leaders unprepared to gracefully exit their business.

The young generation should not look at farms just for the sake of succeeding the business but they should consider it their sole bread and butter. The capital requirements, the process run to be effective and efficient and financial freedom is to be known in the correct terms. The next generation lacks financial literacy and needs to be educated regarding the same.

With swarms of people from the Indian population involved in this sector, the Human Resource department is in the shackles of work and performance pressure to which justice needs to be done.

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GENERAL MANAGEMENT

FUTURE OF RURAL MARKETING IN INDIA

Abhilasha Kumar and Kiran Gupta, MBA(2015-17), SMS, Hyderabad.

For the last two decades, the Indian market has been abuzz with the activities of the missionaries of the rural market, though their holy grail has varied from the earlier “real market where majority of India lives” to the “bottom of the pyramid” recently. From fast moving consumer goods (FMCG) like biscuits, shampoo, lipstick, edible oil, tea to durables like two-wheelers, the rural share of the pie has surpassed the urban share since the mid-1990s.

India’s rural population is around two thirds of its total population, and the Indian economy’s big bet is possibly its consumer market, not its global exports; the importance is obvious for both corporations and policymakers. Indeed, during the recent global economic downturn, experts attributed India’s resilience not only to financial firewalls, but also to the rural consumption growth, seen even in areas like rural construction.

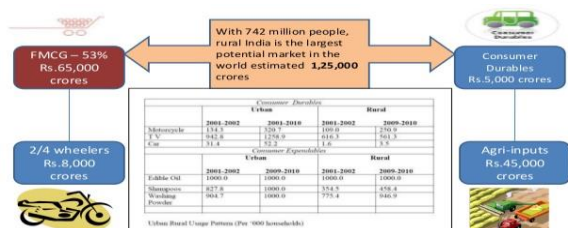
initiatives, across over 40,000 haats, a few thousand “mandis”, agri-outreach centers, etc. across states and regions. Promotional programs included “video on wheels”, bullock cart-borne teams performing street plays, wall paintings, “chaupal” events, “mela” stalls. Product strategies such as the “sachet-ization”, and pilfer-proof single use packs; larger stock keeping units (SKUs) for vendors used for “loose” sales of non-standard (often daily/one time use) quantities; both at lower “rural” prices. Distribution programs involved even bicycle-borne teams distributing micro quantities, on stipend cum commission, touring large villages/haats on a carefully worked out route.

These initiatives evolved to unique models like Shakti project of Hindustan Unilever empowering women through sales of FMCG within their immediate social community, twining livelihood (income generation) and consumption. Mahindra’s ShubhLabh retailing venture, Hariyali Bazaar, Tata Kisan Vikas Kendras, all developed highly specific programs around specific rural segments, to the extent that entire business models changed. Rural entrepreneurs and craftsmen are saving time, travel and effort because of Information and Communication Technology.

Greater benefits will be felt when wired micro-credit accounts come into use for online or distance transactions between or within village communities.

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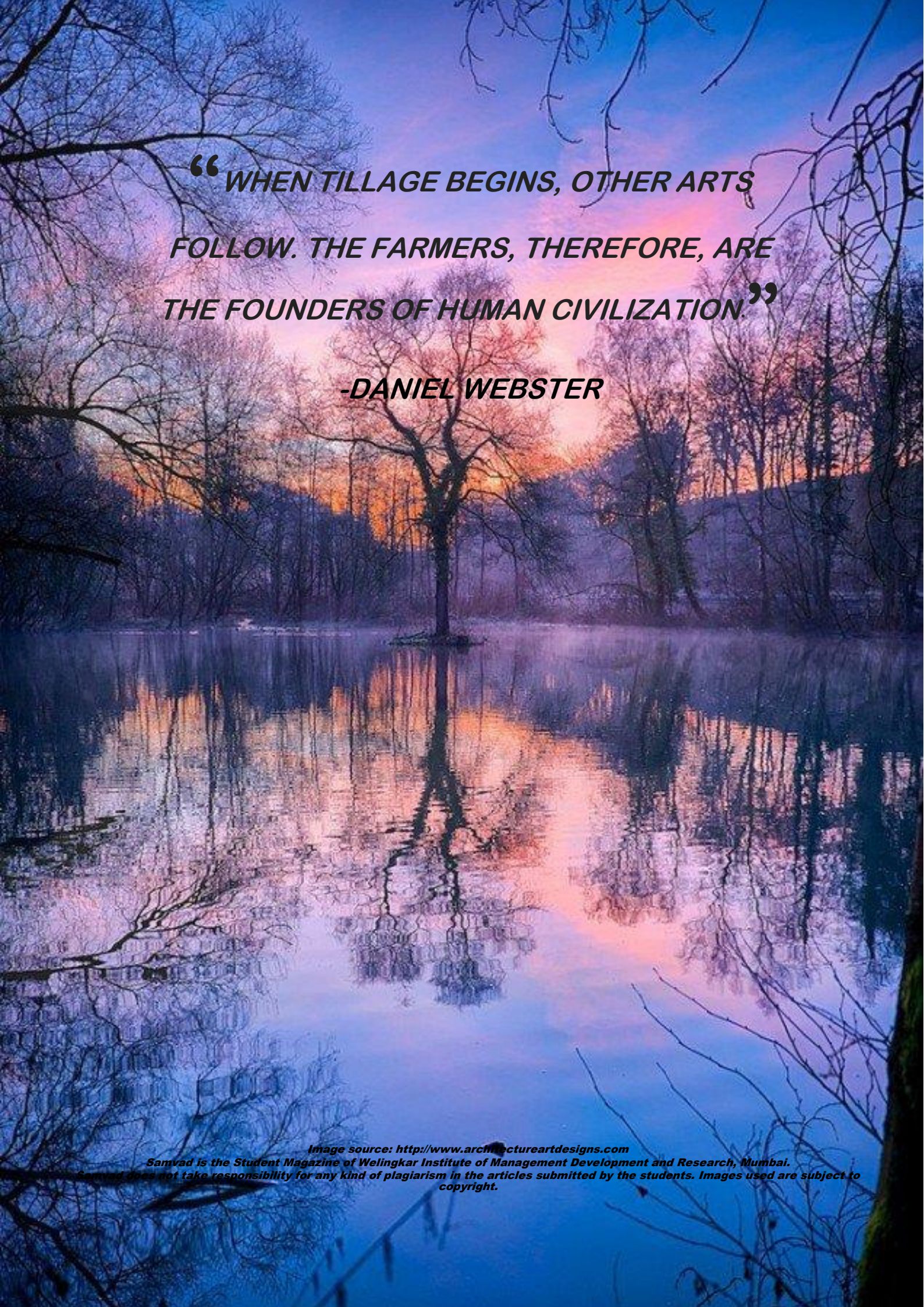


Source: Google Images

The significant stream of achievements in rural outreach involved both households and small traders/shops. Beverage majors adopted “micro” distributors and innovative local logistics/transport methods. ITC had already breached the rural reach barriers through them often cited “e-chaupal” initiative. Strategies revolve around rural “markets” –pockets of revenue potential defined by villages with a certain population (creating access to “one thousand populations” villages being a typical frontier), punctuated by “rural retail presence”

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***“ WHEN TILLAGE BEGINS, OTHER ARTS
FOLLOW. THE FARMERS, THEREFORE, ARE
THE FOUNDERS OF HUMAN CIVILIZATION.”***

-DANIEL WEBSTER

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