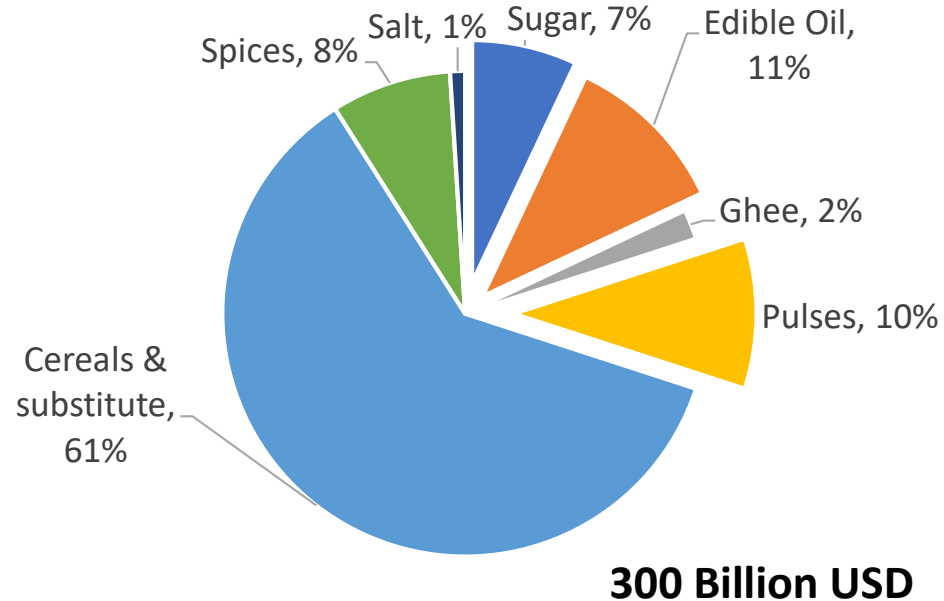


Pulses Retail Packing and Branding - Challenges Opportunities



Importance of Pulses--

Grocery Consumption Pattern in India



- Main source of protein for vegetarian population
- Critical for Food Basket (Dal-Roti or Dal Chawal)
- Helps in Diabetes
- Can be grown in drought prone areas
- Helps in improving soil fertility by nitrogen fixation



Modern Trade --

Pulses are considered as flagship category –

| Category | Volume (MT) | Margin % | RGM Ranking |
|---------------|-------------|-------------|-------------|
| Edible Oil | High | Low | 5 |
| Rice | High | Medium | 3 |
| Flours | High | Medium | 6 |
| Sugar | High | Medium | 7 |
| Pulses | High | High | 1 |
| Wheat | Low | Medium | 9 |
| Spices | Low | High | 2 |
| Salt | Low | High | 8 |
| Dry Fruits | Low | High | 4 |

1. Delivers highest RGM
2. It determines grocery division profitability



Pulses in Modern Trade --

- Dal Varieties we buy – 70
- No. of SKUs - 276

Pack wise sales distribution

| Pack Size | % Share |
|-----------|---------|
| 500 gm | 39% |
| 1 Kg | 30% |
| 2 Kg | 26% |
| 5 Kg | 5% |

Recent trends in Pulses

- Share : **Loose – 56%; Packed – 44%**
- **Loose** is growing @ **16%** while **packed @ 27% - 30%**
- Consumer pays **27% premium** (e.g. loose Rs. 85 / pack Rs. 108)
- **Regional brands** dominate in GT while in Modern Trade is dominated by **Private Label**



Price Comparison (PL v/s Brand)--

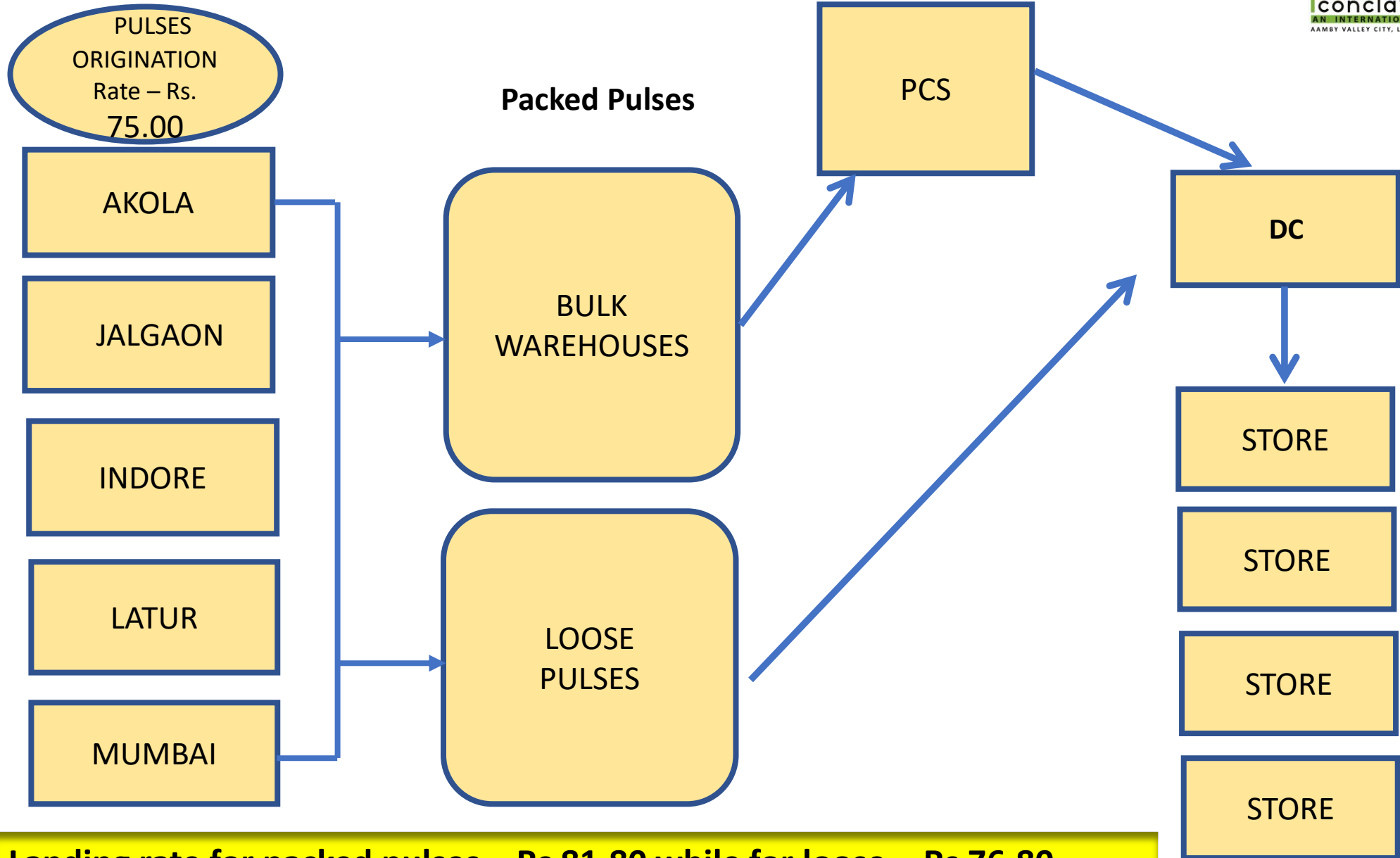
| Particulars | PL(Rs/Kg) | Brand(Rs/Kg) |
|-----------------|-------------|---------------|
| Bulk Cost | 75 | 75 |
| Primary Freight | 1.8 | 1.8 |
| Processing Cost | 3 | 3 |
| PM Cost | 1.5 | 1.5 |
| Sec. Freight | 0.5 | 0.5 |
| Brand Margin | --- | 2 |
| Advertisement | --- | 2.5 |
| Total | 81.8 | 86.3 |

Benefits of PL –

- 1) They are designed to compete against brands, offerings customer a cheaper alternative
- 2) PL margins are higher
- 3) Win-Win for both retailer and consumer



Value Chain--

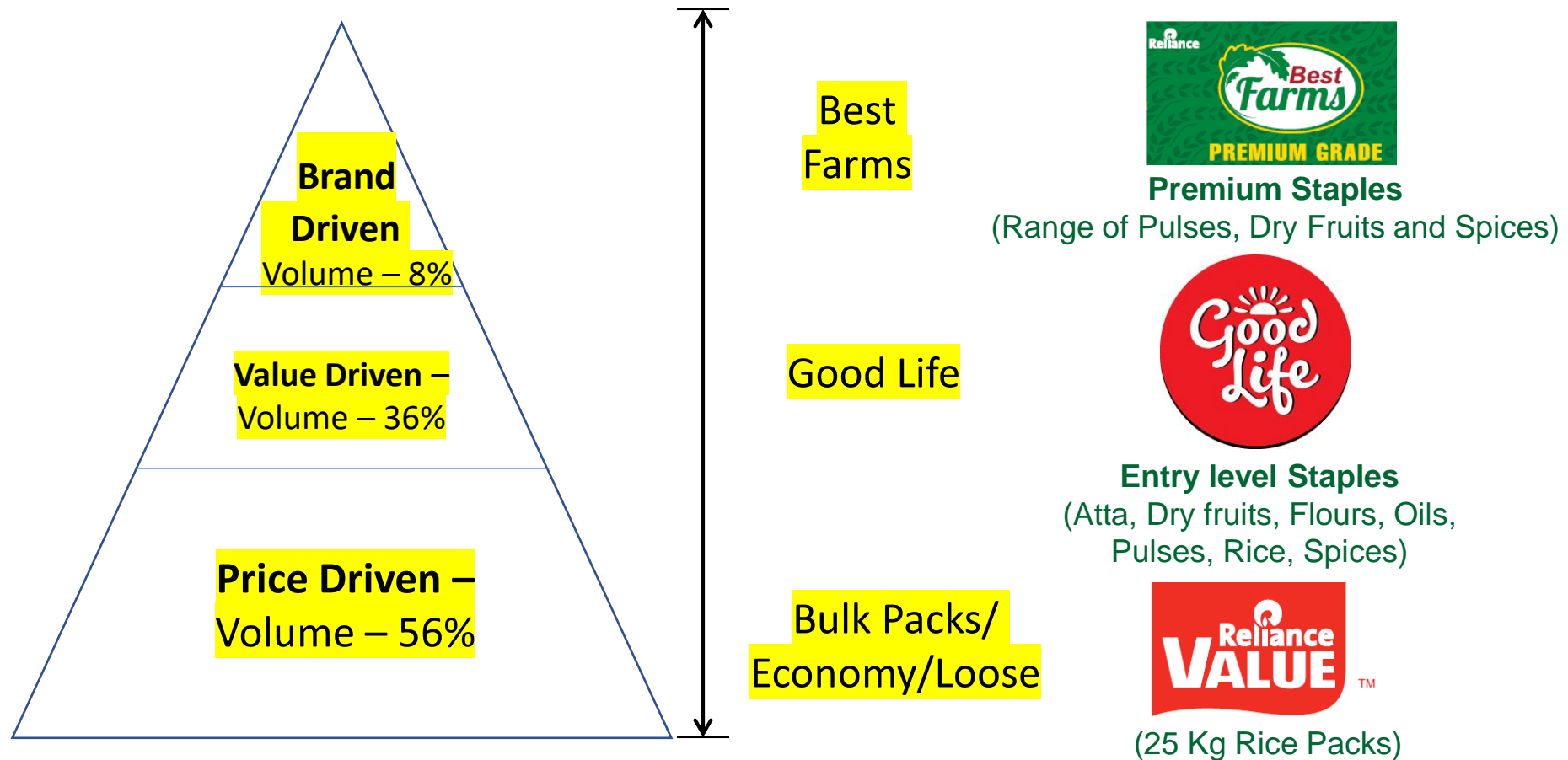


Landing rate for packed pulses – Rs 81.80 while for loose - Rs 76.80



Consumer Segmentation --

- Consumer Universe: Who do we serve?



Branding in Staples --

| Category | Retail Brands % | Wholesale Brands % | Total Brands % |
|-----------------|-----------------|--------------------|----------------|
| Edible Oil | 55 | 25 | 80 |
| Salt | 33 | 40 | 73 |
| Atta | 40 | 30 | 70 |
| Rice | 3 | 60 | 63 |
| Spices & Masala | 40 | 20 | 60 |
| Pulses | 15 | 25 | 40 |

- When Consumed directly without washing, Consumers prefer Brands.
- When consumed after cleaning / washing consumer buys loose.



Strategy for Commodity Branding --

A) Branding based on

- Convenience (Loose to pack)
- Premiumization
- Origin (Gujarat Tur dal)
- Health benefits (Organic / Non polished)

B) How do you brand

- Need to benchmark – **National** or **Regional brand**
- Offering **Good Quality** and **Superior Value Proposition**
 - **Quality** – Equivalent
 - **Packing** – Better or equivalent
 - **Price** – Value for money
 - **Availability** – Always
 - **After Sales Service**




Opportunities--

- 1) Share of **branded pulses only 15%**, No National brands
- 2) Better Quality of Processing, Premium Product, **Easy to Brand**
- 3) **Life Style changes**
 - Increase in disposable income
 - Paucity of time
 - Health consciousness



Challenges--

- A) Branded Pulses **Price Comparison** with APMC price.
 - B) Maintaining **quality consistency** throughout the year.
 - C) Regional **taste, choice** and **preferences**
 - D) **Price fluctuation** : Problems.
 - Once the price goes up.
 - When the Price goes down---- > Sales return, Expiry
 - E) Frequent **changes in Food laws** :
Artwork ----→ Cylinder making----→ Laminate Manufacturing
 - F) Problems –
 - General Trade** :
 - Highly unorganised
 - Credit to distributor
 - Poor infrastructure and storage conditions
 - Modern trade** :
Entry Barriers – Listing, Registration, shelf space,
Promotions
-  **GST impact** of 5% on Branded Pulses.



Thank You

