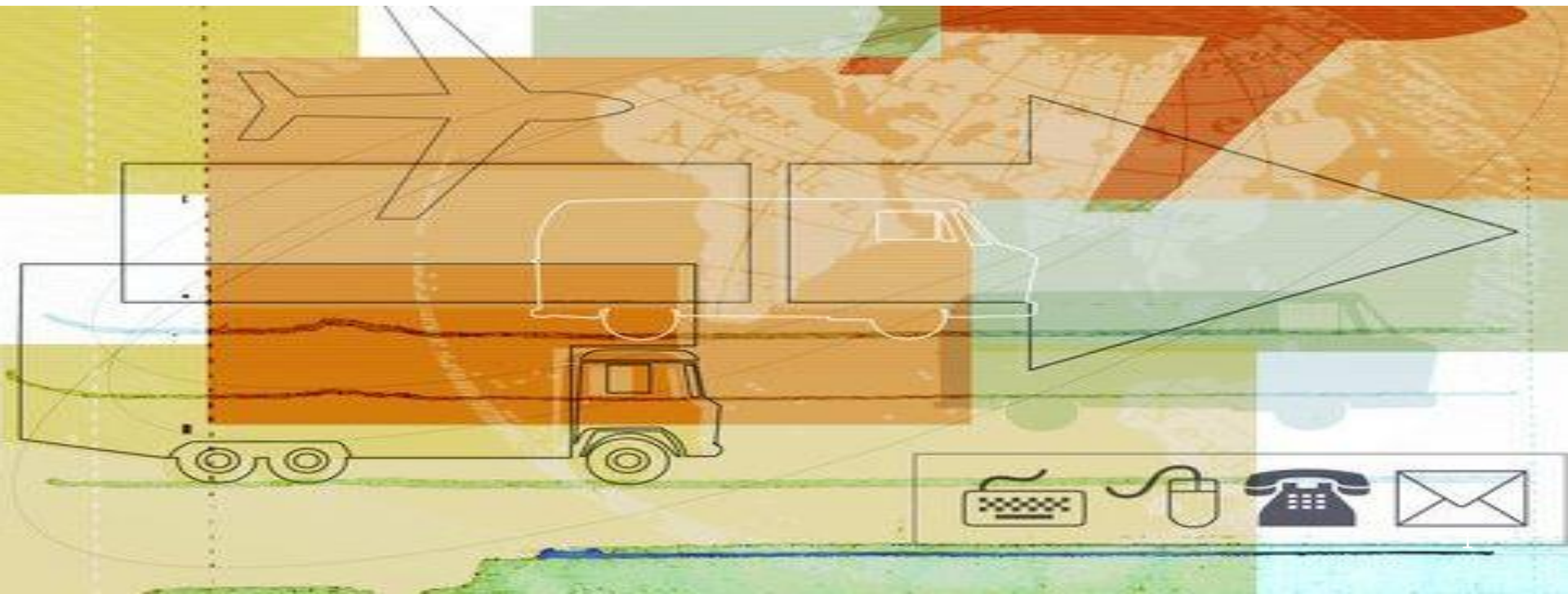
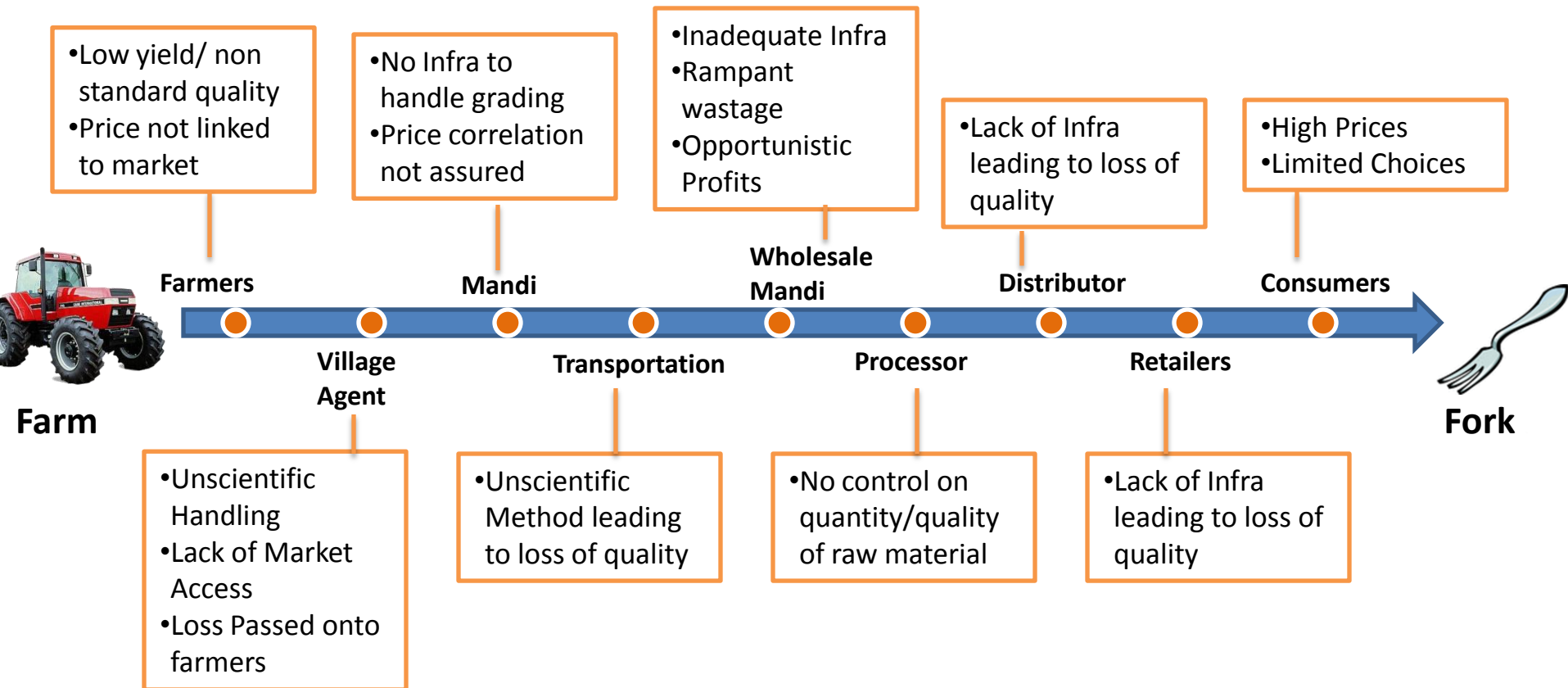


Food World India 2010

Bottlenecks for Food Supply Chain in India



Incoherent Food Supply Chain in India



- Too Many Intermediaries
- Lack of End to End logistics solution providers
- Underdeveloped Cold Chain Infra - Food products are prone to temp abuse

Need to be Quality Conscious

Increasing need for stakeholders to adhere to quality standards for both domestic as well as export market

Increasing
Globalization

Stringent Safety
Norms

Rising Customer Awareness on
Quality and Health

- Unlike the much organized SCS available in other segments, food supply chain is still unattended and this becomes a threat to wastage / spoilage / diseases
- With world class QSR coming to India in various segments it has become further more important for us to upgrade and live to the expectations
- Manpower is not trained – beyond the plant (manufacturing) nobody is quality conscious.
- Food products are prone to temperature abuse making temperature monitoring by ways of GPS and data logger even more important

Underdeveloped Infrastructure

Infrastructure plays a big role development of the food supply chain ensuring efficient and waste free operation

Government
Measures

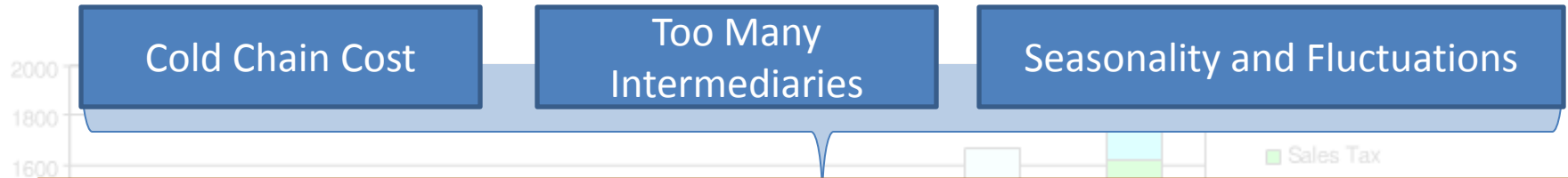
Investment by
Stakeholders

Latest and upcoming
technologies

- Inability of giving good roads and good infrastructure acts as a major deterrent into the food supply chain area from where we are unable to encash the timely harvest. Hence the same going as a waste or being sold at lower rates.
- Storage and managing inventory at the right place and under right conditions (handling / hygiene) is critical component. This is restricted to major cities / towns. Penetration to 2 / 3 tier cities is required
- Only 13 Mn tonnes storage capacity available in India for production of nearly 140 Mn tonnes for Fruits and Vegetables

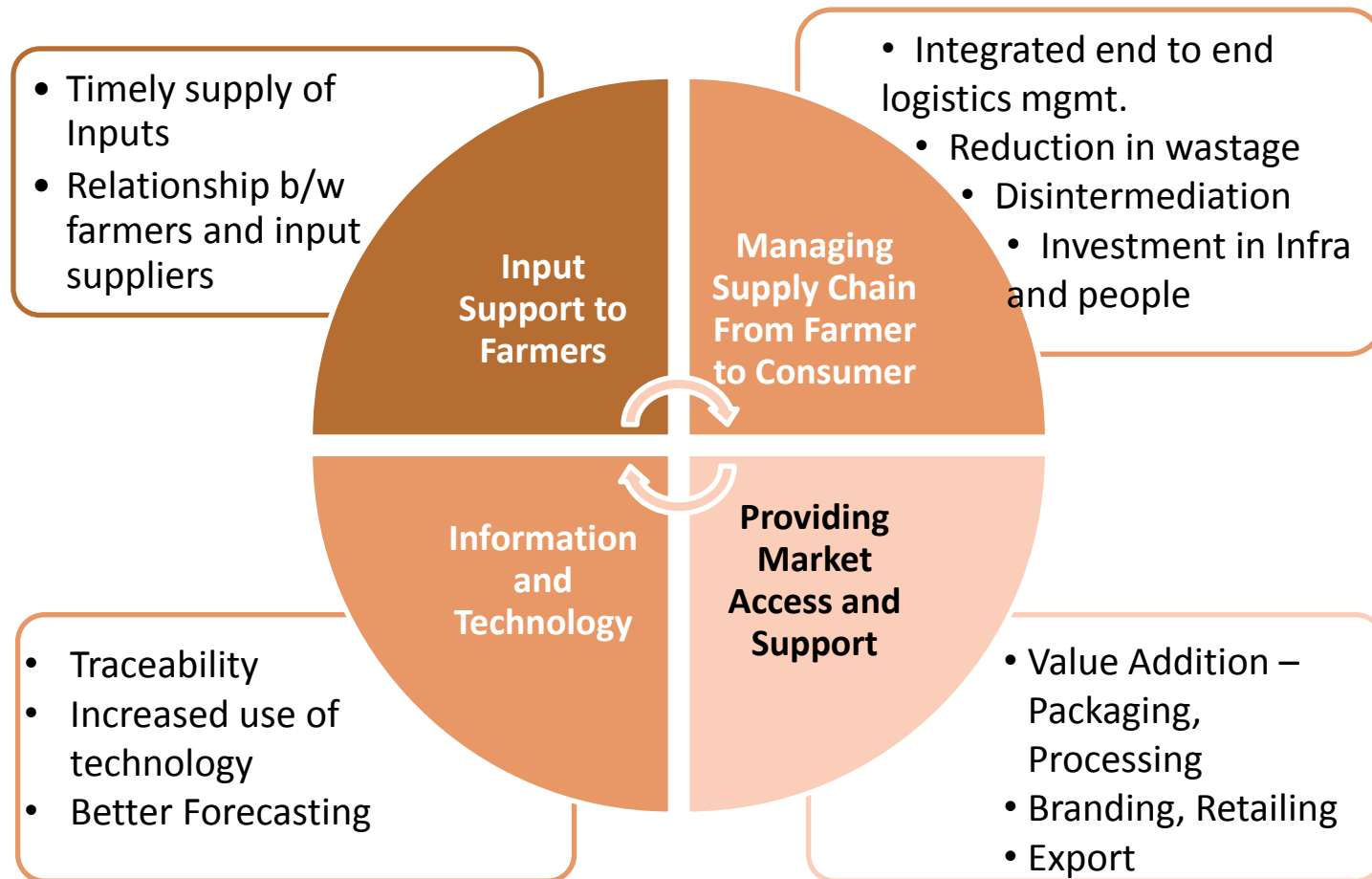
High Cost of Supply Chain

High cost of Supply Chain is a major hindrance to the development of Food Supply Chain in India



- The major challenge lies in the last leg / distribution – this is costly and also has lesser volumes
- The manufacturers are not able to penetrate to virgin territories. If they manage to do so then the costs goes up with the additional logistics costs. Hence they are trying to remain more region specific. They might have influence or advantage in a particular region but competing in the global market remains distant as it requires the ability to move fast and safe with minimal cost.
- The costing of a product goes for a toss as a single upward price trend in essential commodity like diesel / oil can shake the whole chain. vulnerable to such hikes sometimes makes the manufacturer retrieve his growth.
- Return cargo is also a major factor contributing in either higher logistics costs to those areas or inability to reach out to such areas.

Today's challenges, tomorrow's opportunities



Group TCI was established in India in **1958** as a “One Man, One Truck, One Office” company



INR 16 Billion
Turnover in FY 09-10



20,000
Shareholders

Awards and Accreditations



1200
Company Owned Branches



Best 3PL '07, '08 & '09
Indiatimes in association with MIEBACH Logistics



Best 3PL 2007
(Knowledge Services)
CII



CSR Silver Awards 2007
Pegasus and India Today Group



Moves 2.5%
By Value of India GDP



Own Offices in Singapore, Indonesia, Shanghai
Agents in 200+ Countries



THANK YOU