

Mother Dairy gears up to deliver amid spike in demand

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The roads were unusually empty. So much so that the lonely drive in the night unnerved 34-year-old Sahil Khan. He had started late morning on Saturday from Maharashtra's Satana town in Nashik district. By 5pm, Sunday, when thousands across India came out to their balconies to applaud frontline health workers amid a worsening Covid-19 outbreak, Khan was about to reach Guna in Madhya Pradesh, covering 640km. Driving a truck loaded with 25 tonnes of

fresh onions, Khan noticed the tell-tale signs of a country readying for a lockdown. Petrol pumps were shut, roadside eateries were functioning surreptitiously, and the police were stopping vehicles, even thrashing truck drivers who dared to ply on a day the entire country was supposed to stay at home.

CASE STUDY

"I am not sure I will be allowed to enter Delhi tonight," Khan said over the phone, while taking a break. That the truck reaches its destination on time is more of a worry not for Khan, but Nashik-based Manish Singh, an assistant manager with Mother Dairy Fruit and Vegetable Pvt. Ltd, a



The 304 Safal stores in NCR saw sales of 379 tonnes of produce on Saturday, up from 160-170 tonnes on an average day. MINT

leading supplier of perishables produce in the national capital region (NCR) sold under the Safal brand. Over the past week, Singh has faced grinding challenges to meet the sudden spike

in demand from Delhi as panicked consumers hoarded onions and potatoes, fearing a shortage. The panic purchase meant Singh had to procure additional onions from farmers

in Nashik, arrange trucks and casual labourers (to load the produce) who were in short supply, many on their way to home states. "From an average two trucks (each carrying 25 tonnes of onion) we are now sending between three to four trucks every day. Availability of trucks for transporting the produce (transporters are now charging an extra ₹2 per kg to ferry the produce) and arranging casual labour is the biggest challenge," Singh said over phone from Nashik, the onion hub of Maharashtra. On Saturday, the 304

Safal stores of Mother Dairy in NCR registered sales of 379 tonnes of fresh produce, up from around 160-170 tonnes on an average day. The footfall increased to about 70,000 customers from the regular 50,000 for these stores.

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The reason is a mix of factors: while consumers are buying more of vegetables like onions and potatoes which can be stored in the kitchen for a week, the larger footfall is also driven by Safal's fair pricing model. "I prefer Safal

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stores to push carts and other retailers because they do not overcharge even during a scarcity," said Nivedita Roychowdhary, a resident of Vasant Kunj in south Delhi.

But how does one ramp up supplies at short notice? "A direct connect and long-term relationship with farmers and our own grower's associations gives us the leverage," said Pradita Sahoo, business head at Safal. Sahoo explains there is an inbuilt flexibility in the system that factors in demand trends three to four days in advance.

This also allows on-demand harvesting for crops like potatoes from Agra in Uttar Pradesh and tender coconuts from Mysore in Karnataka. But a spike in demand does not always guarantee profits. The perishables business is risky for Safal. For instance, during the 'Janata Curfew' on Sunday, Safal still supplied its stores with 200 tonnes of fresh produce. If unsold, some of it will have to be dumped by the retail stores. While the worsening spread of the virus infections have alarmed customers, for Safal, this means taking additional precautions. At its Mangolpuri plant in north-west Delhi, where 1,500 people work to sort, grade and package fresh produce arriving from 15 states, the company had to ensure the produce is not contaminated. "We started preparing 10 days back," said Safal's plant head Vinod Kumar. From daily indents, or orders, for onions and potatoes, Kumar had to additionally arrange for masks, gloves and sanitizers, not just for plant workers but also for the retail stores. On Monday, as Delhi went under a lockdown by shutting all public transport, it was an additional challenge for Kumar to ensure that work did not stop. "We arranged vehicles for picking up casual workers who stay nearby," Kumar said. Meanwhile, Manish Singh had a long night to make sure all the nine trucks from Maharashtra reaches 1,200km away at Delhi's Mangolpuri.

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