

Linking Rural Fruit & Vegetable Farmers to Global Market

An extensive and proven Agri-Food Supply Chain
that bridges the gap between Rural Farmers and Global Market

by

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of

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HAYLEYS GROUP

Sri Lanka

Session – Fruits & Vegetables

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Content

- **The Company**
- **The Supply Chain**
 - Introduction
 - Beginning - *late 1980s*
 - Moving into Value Addition - *mid 1990s*
 - How the SUPPLY CHAIN works...
- **Achievements**

Hayleys – Agri Products Sector



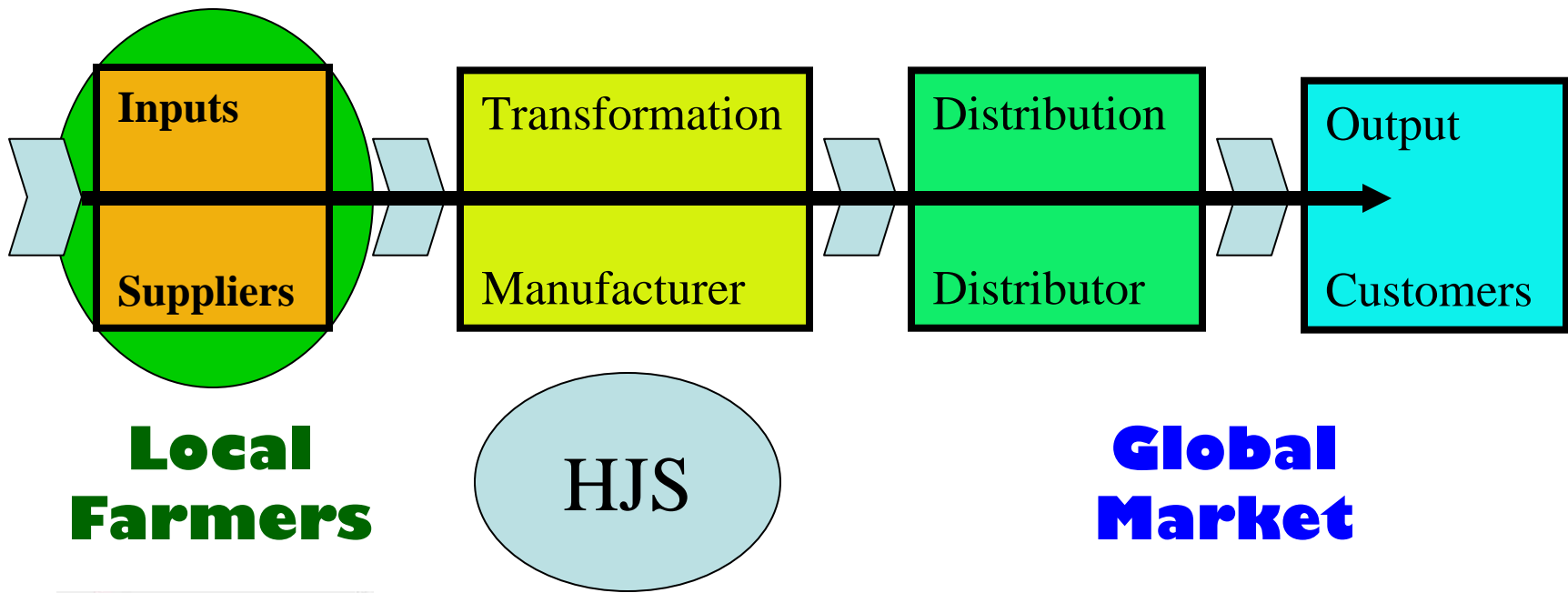
- **Hayleys Group**
 - **Core business: fibre, environment, rubber, agri. products, plantations, transportation, inland marketing, knitted fabrics, and resorts.**
 - **3.7% of SL Export Income, 1.9% of SL GDP, 3.5% of Domestic Value Addition**
- **Agri products - Sunfrost Limited (1988)**
 - » **Initial focus on Gherkins & other semi processed pickles**
- **- HJS Condiments Limited (1993)**
 - » **Value Addition in pickles & Diversifying into other vegetables & fruits**

HJS Accounts for 22% of Sri Lanka's Fruit & Vegetable Exports

Introduction

- how organizations (suppliers, manufacturers, distributors, and customers) are linked together

The Supply Chain



Local Farmers



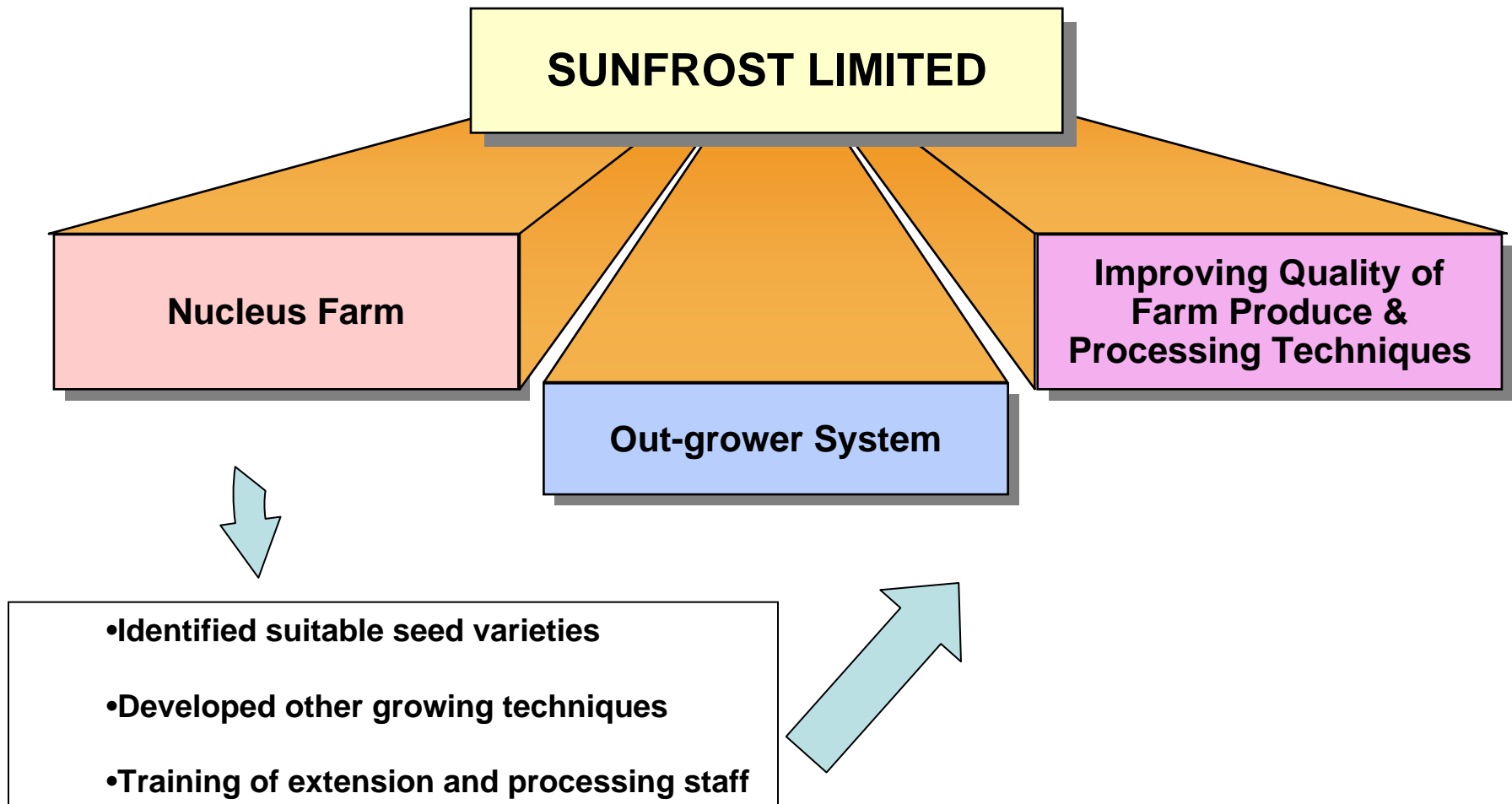
Global Market



Beginning – Late 1980s: Formed Sunfrost Limited

Motives: Maximizing Profit + Helping Farming Community

The Supply Chain



Moving into Value Addition - mid 1990s

formed
HJS CONDIMENTS LIMITED



**Focus on
Finished Product**

**Quality Systems :
HACCP,
ISO 9001,
ISO 14000**

**Diversification –
adding value to wide range
of fruits & vegetables**

**New Product
Development**

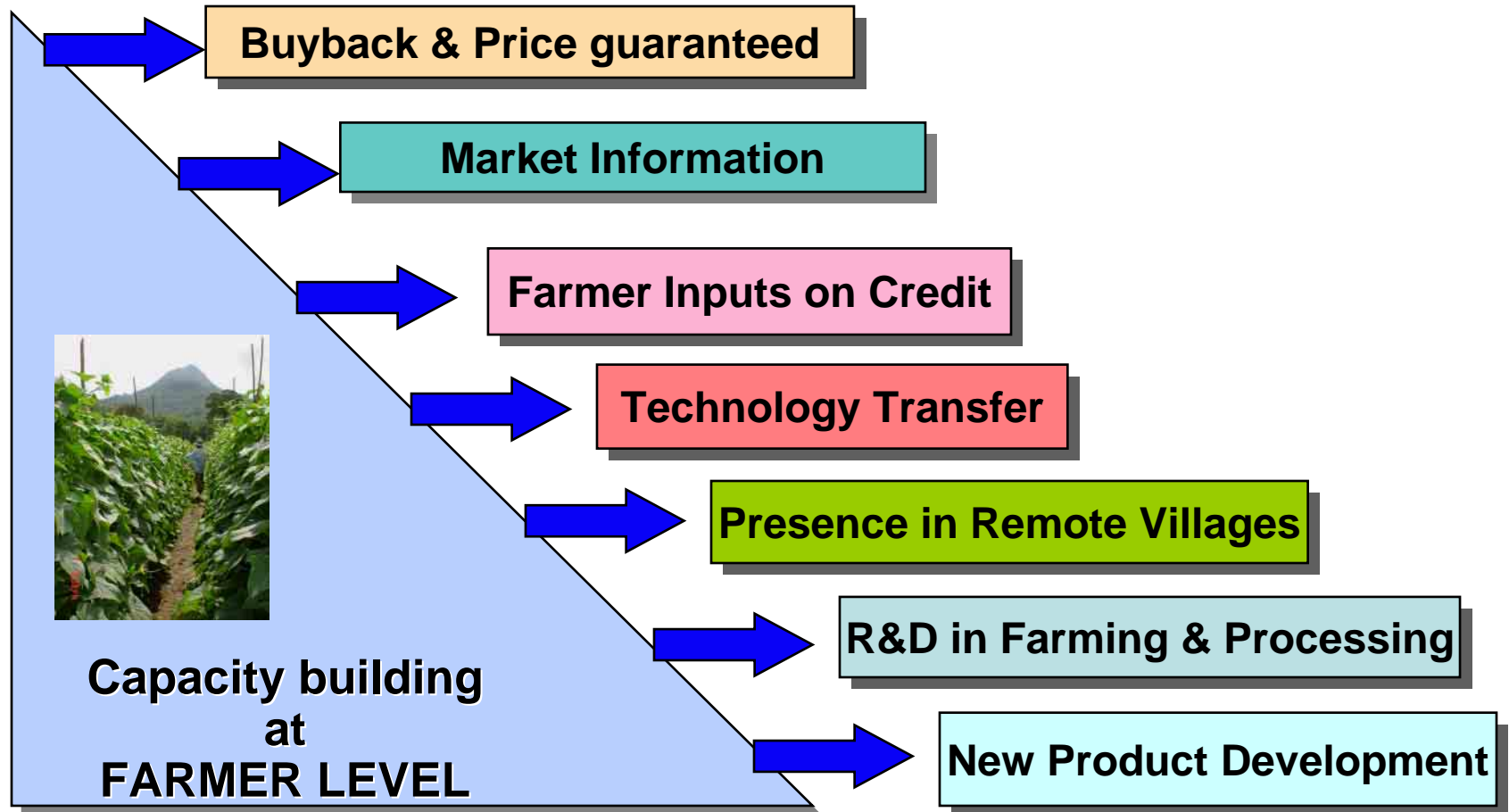
**Market Links with
Food Wholesalers,
Food Retailers,
Food Manufacturers**

**Improved
Product Quality**

The Supply Chain

How the SUPPLY CHAIN works

The Supply Chain



Buyback & Price guaranteed

- A Supply Chain pulled by Buyer
- Planting program to meet Customer Order
- Weekly payments through Farmer Bank Accounts

Market Information – *increased Manuarability*

- Farmer awareness in their position in supply chain
- Discuss market trends at Farmer Training Classes



Technology Transfer

- Field Extension staff - Agric. Graduates & Diploma Holders
- Extension staff trained by Experts from Dept. of Agric., Universities, Factory staff
- Farmer Training
 - *Training Classes*
 - *On farm training during regular farm visits*



Farmer Inputs on Credit

- Seeds, Fertilizers, Pesticides on Credit
 - *Quality and correct dosage of Inputs*
 - *Traceability & Timely use*
- Easy & reliable source of Credit to Farmers
- No security on Credit, Settlement once harvest is delivered



Presence in Remote Villages



The Supply Chain



New Product Development

- New products to add value to local Fruits & Vegetables
- Products that are popular in the market, new to local growers



R&D in Farming & Food Processing

- On farm Productivity & Quality improvements
 - Effectiveness and efficiency of Inputs use (Seeds, Fertilizer, Pesticides)
 - Labor efficiency
 - Post harvest handling
 - Improving Quality of Farmer Produce



- Upgrading Manufacturing Process
 - Best Management Practices: 5S, QCC, Kaizen, Lean Manufacturing
 - Cost Effectiveness
 - Quality of Finished Product



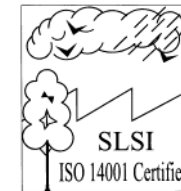
- **Supplier**

- *Employment generation : 16,000 (Farm + off-farm)*
- *Farmer living standard improved*
- *Farming techniques improved*
- *Quality and productivity concepts established*
- *Awareness of global market forces*



- **Manufacturer - HJS Condiments Ltd**

- *Accreditations Quality, Safety & Environmental Management Systems*
- *Recognition*
- *Customer Confidence*



- **Customer, Consumer**

- *High quality **Product** at competitive **Price** at a **Place** convenient to them at right **Time***





Our SUPPLY CHAIN is a coordinated system that links Rural Farmers to Global Market

to provide

- Value added foods to consumer
- Steady & reasonable price to suppliers/farmers

through

- Research in crop management, postharvest operations & processing
- Enhanced farm productivity through better inputs utilization and innovative farm practices
- Continuous New Product Development.

Thank you