

A healthy growth option

Apis India plans a new strategy with a diversified product basket around honey

The Delhi-based Apis India Ltd (AIL), one of the largest exporters of honey from India, sells more than 80 per cent of its annual production of about 12,000 tonnes of honey to the US, North Africa, Latin America, the Middle East, etc. The company is one of the pioneers in exporting high-quality honey from the country.

Having established overseas markets, the company is now all geared up to explore domestic opportunities. The Indian market has seen big growth in demand in the last decade or so. Health-conscious consumers are increasing their intake of honey, which was, till recently, restricted to religious and medicinal purposes. The company entered the domestic market early last year with its Apis Himalaya brand honey, having roped in Rio Olympics' badminton silver medalist P. V. Sindhu as its brand ambassador.

In a limited span of time, Apis honey is now available pan India in general and modern trade chains, and has evoked an encouraging response particularly in the South Indian markets of AP, Telangana, Karnataka and Tamil Nadu. The company, has also recently launched packed tea (brand: Himalaya tea) and preserves such as ginger garlic paste (brand: Vedic kitchen) for the domestic market. The company has also added cookies (brand name: Baker's Factory) and is looking to diversify further going forward. Though AIL has now decided to tap the domestic market under its own brand, for several years it has been supplying privately-labelled honey to various chains like Metro Cash & Carry, Reliance, Apollo and VLCC.

"The Indian food and kitchen space has seen a big transition in the last one decade in particular," says Ujjwal Sinha, DGM, modern trade, Sri Sri Ayurveda. "The consumers are more aware and are looking for products



Vimal: exploring opportunities

that are more organic and traditional in origin. Apart from convenience, the new generation of youngsters is also highly health-conscious and discerning in nature. We have big plans for this market." The FMCG arm of Sri Sri Ravi Shankar's Art of Living Foundation, Sri Sri Ayurveda has devised a major plan for the domestic market, where it hopes to scale up its presence across various categories – such as health drinks, honey, ghee, cereals and other food and beverage products.

Perhaps he hopes to follow Baba Ramdev's Patanjali products which have disrupted domestic markets significantly. In just over two years, Patanjali has been able to capture about 15 per cent share of the domestic honey market, while Dabur's has fallen from a high 75 per cent to 55 per cent now. Smaller players include Jhandu and Lion Honey. In exports, along with Apis India, Kejriwal Bee Care India and Shakti too are major players. India produces about 70,000 tonnes per annum of honey and exports some 36,000 tonnes. Though the domestic market has grown in the last few years, the per capita honey consumption of 8-10 gm per annum in India is still low, when viewed against Europe's 2.8 kg.

"We are seeing a paradigm shift as far as consumers' approach towards

food products is concerned," says Vijay Sardana, a leading agribusiness and bio-economy expert. "Wellness and health have become prime issues that are impacting the buying decision. A whole new category has emerged to cater to the need of such consumers, and companies are desperately trying to get into this space".

"While honey will be our core product, we would like to build a much-diversified offering around this in the domestic market," says Vimal Anand, 45, managing director, Apis India. "We are keen to leverage our Apis Himalayas honey brand and have put up a comprehensive roadmap to explore the opportunities in the food and kitchen space." AIL has targeted reaching a turnover of ₹500 crore by 2020. The BSE/ NSE listed company, which clocked a turnover of ₹154 crore in 2015-16, is all set to achieve a revenue of over ₹200 crore for the current fiscal year. It got listed on capital markets in 2008 (through reverse merger process; company: eWeb Univ Ltd). The promoters hold over 71 per cent stake in the company.

Expanding domestic market

The company, which has been growing at a CAGR of 20 per cent over the last five years is planning to step up its presence in the domestic market, which is expected to contribute about 50 per cent of its revenue from the 20-odd per cent at present. Non-honey products like tea, cookies and preserves will have a share of about 40 per cent in the domestic basket of the company, going forward.

A graduate in commerce from Kirori Mal College, Delhi University, Anand is a third generation entrepreneur, who joined his father (and chairman, Apis) Deepak Anand, 67, in his trading business in 1990. His grandfather had come down to Delhi from Peshawar, Pakistan, during the partition. The family had a shop in Delhi's famous Khari Baoli street, known for its wholesale grocery & spice market, selling all kinds of spices, nuts, herbs and food products like rice and

tea. But even then, the family was into honey trading.

It was Anand who realised the growing potential in the honey business in the post-liberalised domestic market and decided to focus on it, with spices and other products gradually taking a back seat. He is also one of the few traders to have received a formal training in bee-keeping, honey testing and honey processing (from the University of Warmia & Mazury, Olsztyn, Poland). Driven by his passion and conviction, in the early 1990s, he put up a basic processing facility (200 tonnes per annum) in Rajpura, Punjab. In 2008, it put up a modern processing facility in Roorkee, Uttarakhand (investment: around ₹17 crore), which they say ranks among the best honey processing facilities, following global parameters and standards.

Initially the company started its journey in the honey business (processing, bottling and selling) in the domestic market, supplying to various Indian brands (private labels), including Dabur, Charak and others. However, by early 2000s, it had decided to shift its focus to the export markets, which were gradually accepting Indian honey.

“Though exports have been our thrust area, we are not new to the domestic market, since we started our business in the local market and have continued our presence (though in a limited manner) in the last decade,” says Amit Anand, 43, joint managing director, AIL, and younger brother of Vimal. “Now, we have decided to renew our interest in the domestic market with a diversified offering.”

“For over one year now, we have been making all necessary preparations to increase our presence in the domestic market under our own brand,” says Vimal. He is also spearheading the strategy for the domestic market, with a sales and marketing team of 200 people. “Being a successful player in the export market is also a big validation of our quality and other aspects of business,” he adds. “We would like to leverage these elements in the domestic market.”

Apis offers its global customers a wide range of honey from diversified flora, including rape, acacia,

eucalyptus, himalaya, lichee, sunflower and wild flowers. The company also offers specialised honey, comprising ginger and lemon, as also organic honey, with nuts and honeycomb.

Over the years, the company has created a large base of beekeepers, spread across a much-diversified geography (such as UP, Himachal Pradesh, Uttarakhand, Punjab, Bihar, West Bengal and MP), to meet its qualitative as also quantitative requirement of honey. Apis has also created a separate base of about 2,000 beekeepers, with whom it has entered into a contractual agreement much like contract farming, under which it provides financial and other assistance to them and buys back the produce. This, apart from providing control over the supply chain, also helps the company maintain the quality of its offerings.

World class

Its processing facility (three units) in Roorkee meets all EU phyto-sanitary standards and has the capacity to process 100 tonnes per day, with a homogenisation capacity of 120 tonnes. The bottling plant is equipped to handle the whole range of packs (20 gm to 4.5 kg packs), while also catering to bulk buyers' packing requirements from 25 kg to 230 kg. It has the capacity to hold 5,000 tonnes of honey in controlled climatic conditions. The company, which employs 400-plus employees, annually deals in more than 12,000 tonnes of honey.

AIL boasts a world class laboratory for quality control assurance to meet international standards. Its entire supply chain (from procurement to processing and till final delivery) is aligned to the ISO 22000: 2005 food safety management standards. “Being in the exports business and, that too, in the food category, calls for following stringent quality and safety norms,” says Amit Anand. “We have put forth a robust QC procedure, with a well-documented process that ensures traceability till the beekeeper level. Our global buyers have reposed full faith in us”.

“Our long search for a good honey company led us to Apis India, and our 10-year journey with them has been satisfying. The bedrock of our



Amit: stringent quality norms

relationship is the consistency in their product quality, as also their higher involvement in our business and quick turnarounds. We cite them to our other associates as an example and as our chosen business partner,” says Mathias Leitner, president, Ecotrader International, Arizona, USA, one of the global buyers of Apis honey.

“We have been associated with them for the last eight years,” says Mohamed Rafiuddin, general manager, Al Saudia Al Shamiqa Est for Trading, Jeddah, Saudi Arabia. “What began as a small partnership has become a wise business investment for us. We are fully satisfied with their product quality, which is a winner in our market.”

With a strong base in place, Apis is set for its next phase of growth. Having proved its mettle in the export market, the company is now preparing to explore the domestic market, which presents massive potential. The Indian food and beverage market has undergone a big change in the last 15 years. With increased consciousness about wellness and health issues, consumers are increasing their consumption of natural products like honey. While demand is growing, the supply is also gearing up to meet the requirements both in terms of quantity and quality.

The production and marketing of niche products like honey are becoming more organised with the entry of bigger players. All this will help the market grow in an orderly manner. Against such a backdrop, players like Apis can expand their business.

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