

JUST ORGANIK REVAMPS BRAND, EYES EXPANSION



Pankaj Agarwal with a farmer

FC BUREAU
New Delhi

NCR-BASED startup Just Organik is planning a revamp in its branding and logo – calling it Just Go Organik – as it readies for new round funding.

The brand is so far self-funded and is eyeing an organic growth as well as a venture funding.

Launched in 2013 by Pankaj Agarwal and wife Richa Agarwal, Just Organik wanted to create a holistic awareness among people for organic food that is free from chemical fertilisers.

"As a brand when we started in 2013, the whole idea was to reach directly to the consumer and the approach was the e-commerce. However, we found that e-commerce was not ready to handle perishable grocery. The only way ahead was to take the traditional route – go to retail distribution network. We are however realising that this path may not help grab the scalability we want to achieve. We also are trying to innovate some of our delivery models," he says.

The brand is packing private labels for Big Basket as BB Organik and is ready to join hands with other players like Grofers and Aditya Birla Group. As Pankaj reiterates, "When the enemy is very powerful it is best to make friends. At this juncture we should rather ride on their success story and customer base to sell our products."

In 2011, Pankaj decided to leave the corporate world and get into the business and started a mobile payment company. However, a life-changing situation compelled him to slow

down the pace of his life and agro was an obvious choice as the couple wanted to do something for the society at large – and an inception of Just Organik.

"My wife Richa, who has earlier worked with Shri Ram Foundation for executing social impact projects, joined me," he recalls.

Today he is on an expansion spree in south and west India.

"We are very strong in north and east India. In international market, we have already launched in Oman and will soon launch in Singapore. The distribution is in place," says Pankaj.

Everything is procured out of India. "In the organic segment the export market itself is Rs 3000 crore. There is a very big push from the government to export farm produce," he adds.

The brand primarily sources its produce from Uttarakhand. "We have our farmers group, whom we support with the education and training and audit. We have the first right of refusal for any produce. We compensate them for the loss in the produce – when we convert a conventional produce in organic as there is bound to be a loss for 2-3 years in the production capacity," he explains.

The brand is also keen to create awareness about organic food and has partnered with NGOs based in Uttarakhand to help farmers obtain organic farming certification and training. Just Organik also sources some of its produce from Rajasthan, Madhya Pradesh, Maharashtra, Orissa, North East and Kerala.

While from financial



perspective it may not match with what he has earned in corporate world, but the whole experience is extremely satisfying, he agrees. Talking about the holistic experience he recalls how they started a farmer group in the Kumaon Garwal belt where all young men in the village has migrated to Delhi in search of sundry work. "When we visited the village, we found not much production. As we investigated we found that only elderly people along their daughters in laws and grandchildren live. They complained they could pro-

duce very little. We started working with them helping them with training and certification. Now they are prospering and earning much more. This gives us a lot of satisfaction."

Currently, Just Organik offers products across a range of categories, including pulses, millets, cereals, spices, sweeteners, oils and tea among others. The brand has been certified by India Organic, USDA and EU organic standards.

However, the biggest challenge today is entry barrier of huge margins, retailer demand to place organic products in their stores. "While big giants can afford to pay 45-50 per cent margins to these retailers, we face the crunch as for us the maximum margin we must pay is not more than 25 per cent, otherwise the price of the product spikes up.

Hence we have started using the e-commerce route where we have tied up with Amazons and Big Baskets," argues Pankaj, adding, "There e-commerce giants are our supporters as they

are growing the market, which can grow to Rs 10-15000 cr very soon. They are helping us expand the market. They also heavily discount the produce."

On a packet of rice or pulse a 45-50 per cent margin makes the product very costly. This grows the gap between conventional and organic products and hence the consumer connect is affected.

"At the end of the day, we could go through our own brand and also give it them. From our sustainability and profitability point of view it doesn't matter. Only valuation gets affected," he says.