

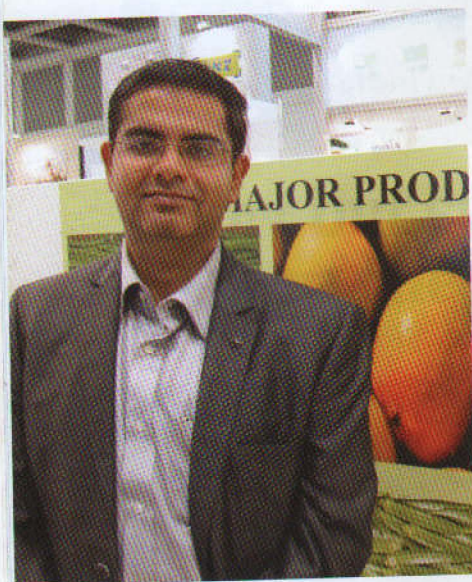
REPORT

—Fruit Logistica

New direction for Kay Bee

BERLIN—Kay Bee Exports plans to capitalise on India's growing domestic market for top-quality produce and focus more on the homefront.

by Luisa Cheshire



Indian fresh produce marketer Kay Bee Exports is shifting its focus away from exports to producing fruit and vegetables for the domestic market.

Company CEO Kaushal Khakhar says the firm is planning to expand its own production of mangoes, pomegranates and okra to supply Indian produce retail outlets.

"We feel there's more money in farming than trading," says Khakhar. "This is due to growing local demand for top-quality produce from India's expanding super-rich and upper-middle-class population."

The domestic Indian market now offers better prices for certain fresh produce items than developed Western export markets, he says.

"We are seeing a notable trend in a quest for quality in India," Khakhar explains. "The domestic market likes superior quality. This is new: now top-quality product is demanded and being appreciated by Indian consumers."

This trend is being backed up by strong improvements in cold-chain logistics in India, as well as the developing modern retail sector, he adds. "There are a lot of investments and incentives to invest in cold-chain logistics."

As for the forthcoming mango deal, Kay Bee expects it to be a tale of two seasons, with production in the Gujarat area starting much earlier than usual – March instead of May – while elsewhere harvesting will be delayed.

"This year there has been weather disruption, with extreme cold followed by heat causing mangoes in certain areas to mature early," says Khakhar.

"Elsewhere, because of the extreme winter, the harvest will be delayed. These contrasting elements make it a unique season."

A water shortage due to poor monsoon rains, meanwhile, has had an impact on India's pomegranate production this year, with many orchards strugg-

TOP LEFT—Kaushal Khakhar, CEO of Kay Bee Exports

gling to offer good-quality fruit, he says. The crop is 30 per cent down on last year in some areas.

Indian okra exports to Europe are also in difficulty this year due to pesticide residue checks on 50 per cent of all shipments. **A**