



## **A boost for fresh produce marketing in India**

To establish a significant presence in the Indian fresh produce market, global fruit marketer Capespan and agri-business giant Mahindra ShubhLaabh Services Ltd (MSSL) have signed a Memorandum of Understanding to investigate forming a joint venture company in India. On 1 April this year, the 12-month pilot project will be rolled out with a team drawn from MSSL to develop sufficient knowledge about the organised retail industry, build knowledge about Indian product supply dynamics, determine a brand strategy and develop a five-year business plan for a possible future joint venture.

Capespan Fruit Division CEO Louis Kriel outlined the respective responsibilities in the pilot project. "MSSL will be primarily responsible for executing the pilot plan and arranging resources needed. Capespan will provide the technical commercial support and expertise for grapes, citrus and apples; develop imports into India from South Africa and other source countries; and engage with retailers to determine their long-term needs." Both parties also will be responsible to further develop export opportunities for Indian produce. He said if the pilot plan proved successful, the two companies would enter into a mutually exclusive 50/50 joint venture in India. This JV would establish itself as a receiver, handler and distributor of selected produce into the emerging retail and food service sector.

MSSL, a subsidiary of the Mahindra Group, currently procures fruit and vegetables from Himachal, Punjab, Maharashtra and Madhya Pradesh in India for the domestic and export market. The company also provides farm management services to 9 000 farmers who provide fruit and vegetables for domestic sales and exports. Set up six years ago, MSSL focuses on rural development and is scaling up its presence at the farm gate aggressively. The company is also upping investments to boost its presence in more agri-produce categories.

Capespan is an international leader in delivering world-class product and service solutions to global fruit trading partners throughout the year.

Kriel said both MSSL and Capespan were interested in expanding their respective presence in India jointly. "India and China have become priority markets with tremendous investment potential. Therefore, MSSL and Capespan want to lead the way in that country's fresh produce market."

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