

Indian Start-up *Farm Harvest* in the journey of attaining inclusive growth through sustainable Employment

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This brief case study focuses on inclusive growth and social entrepreneurship. The product line selected by the entrepreneur is American variety of Sweet Corn covering farming and agro-processing activities. He selected the American sweet corn as a new and novel idea which is get to become popular in India and promoted the processing enterprise with beginnings in cultivation.

*The enterprise known as **Farm Harvest** has joined hands with farmers and facilitated redistribution of income and accomplished inclusive growth; providing large scale employment largely to women of low income category.*

Rajesh farms now 128 acres of land, using drip and flood irrigation to harvest sweet corn, baby corn, tomatos and other vegetables and struggled to popularise american sweet corn among local farmers. Particularly for processing corn. He also manages a food processing unit for canning vegetables and engages in contract farming among 3500 other farmers. He has recently opened a sister concern in Mauritius. The sweet corn producer, seller and processor has struggled hard over years to reach inclusive growth by creating entrepreneurship among women by empowering them and providing sustainable employment through various approaches.

The signal contribution of the enterprise is long term perspective by facilitating productive employment rather than direct income redistribution as a means of increasing incomes of the excluded groups, particularly women.

Introduction

Rajesh, a native of Salem which is a part of Tamilnadu, recognized the potential of growing sweet corn on Indian soil. He set out to Iowa in the United States of America to find the best sweet corn farmers in the world and learn their trade. He came back from his venture and bought a 5-acre land to sow his first sweet corn seeds and created a history in helping the farmers. Over the years, Rajesh Kumar has been able to source and sell fresh sweet corn to foodies across India. He now farms in 120 acres of land using drip and flood irrigation

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to harvest sweet corn, baby corn, tomatoes and other vegetables. He also runs a food processing unit for canning vegetables and engages in contract farming among 350 other farmers. At the moment, in India, from policy makers at the parliament to farmers on the field think, perceive and debate about inclusive growth over any other issues. In fact, the central government's initiatives like Make in India, Start-up India, Stand-up India and various others schemes are directed towards making entrepreneurs who can offer jobs to the present and future generations thereby reaching inclusive growth. In line with the objective of the Government to create millions of jobs in the years to come, it is also a significant need to see energetic entrepreneurs who are conscious about generating jobs for the future generations as a means to reach inclusive growth. Let us see in this case study, how an Indian Start-up Farm harvest- a sweet corn producer and seller has put his heart and soul to reach inclusive growth by creating small entrepreneurs, empowering women, and providing sustainable employment through various ways and means.

Inclusive growth

According to Elena Ianchovichina and Susanna Lundstrom, PRMED-World Bank, Inclusive growth is often used interchangeably with a suite of other terms, including 'broad-based growth', 'shared growth', and 'pro-poor growth'. Traditionally, poverty and growth analyses have been done separately. This paper describes the conceptual elements for an analytical strategy aimed to integrate these two strands of analyses, and to identify and prioritize the country-specific constraints to sustained and inclusive growth.

Defining Inclusive Growth Rapid and sustained poverty reduction requires inclusive growth that allows people to contribute to and benefit from economic growth. Rapid pace of growth is unquestionably necessary for substantial poverty reduction, but for this growth to be sustainable in the long run, it should be broad-based across sectors, and inclusive of the large part of the country's labour force. This definition of inclusive growth implies a direct link between the macro and micro determinants of growth. The micro dimension captures the importance of structural transformation for economic diversification and competition, including creative destruction of jobs and firms.

Inclusive growth refers both to the pace and pattern of growth, which is considered interlinked, and therefore in need to be addressed together. The idea that both the pace and pattern of growth are critical for achieving a high, sustainable growth record, as well as poverty reduction, is consistent with the findings in the Growth Report: Strategies for Sustained Growth and Inclusive Development (Commission on Growth and Development, 2008). The commission notes that inclusiveness – a concept that encompasses equity, equality of opportunity, and

protection in market and employment transitions – is an essential ingredient of any successful growth strategy. Here we emphasize the idea of equality of opportunity in terms of access to markets, resources, and unbiased regulatory environment for businesses and individuals. The Commission on Growth and Development (2008) considers systematic inequality of opportunity “toxic” as it will derail the growth process through political channels or conflict. The inclusive growth approach takes a longer term perspective as the focus is on productive employment rather than on direct income redistribution, as a means of increasing incomes for excluded groups. In the short run, governments could use income distribution schemes to attenuate negative impacts on the poor of policies intended to jump start growth, but transfer schemes cannot be an answer in the long run and can be problematic also in the short run. In poor countries such schemes can impose significant burdens on already stretched budgets, and it is theoretically impossible to reduce poverty through redistribution in countries where average income falls below US\$ 700 per day. According to a recent OECD study, even in developed countries, redistribution schemes cannot be the only response to rising poverty rates in certain segments of the population.

K.C. Chakrabarty, Deputy Governor of RBI clarifies the meaning of inclusive growth

Inclusive growth as the literal meaning of the two words refers to both the pace and the pattern of the economic growth. The literature on the subject draws fine distinction between direct income redistribution or shared growth and inclusive growth. The inclusive growth approach takes a longer term perspective as the focus is on productive employment rather than on direct income redistribution, as a means of increasing incomes for excluded groups. Inclusive growth is, therefore, supposed to be inherently sustainable as distinct from income distribution schemes which can in the short run reduce the disparities, between the poorest and the rest, which may have arisen on account of policies intended to jumpstart growth. While income distribution schemes can allow people, to benefit from economic growth in the short run, inclusive growth allows people to “contribute to and benefit from economic growth”.

The ‘inclusive growth’ as a strategy of economic development received attention owing to a rising concern that the benefits of economic growth have not been equitably shared. Growth is inclusive when it creates economic opportunities along with ensuring equal access to them. Apart from addressing the issue of inequality, the inclusive growth may also make the poverty reduction efforts more effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society. Inclusive growth by encompassing the hitherto excluded population can bring in several

other benefits as well to the economy. The concept “Inclusion” should be seen as a process of including the excluded as agents whose participation is essential in the very design of the development process, and not simply as welfare targets of development programmes (Planning Commission, 2007).

Like any other entrepreneur, Rajesh has also had all his turbulent times and some of his experiences are narrated here.

Customer Education: When Rajesh nurtured the idea of American sweet corn business, it was a herculean task for him to make the people accept sweet corn as altogether a different product than the normal Indian corn. Customer education was a major challenge in those time of establishing the company. The obvious question in the minds of customer was that when the corn is available for as cheap as Rs. 5 per cob, why one should buy spending Rs. 25 to 30 for a cob. In fact the persistent efforts in making customers accept this product later helped to sell corns not only in domestic markets but also export to various countries. They also set up a plant in Mauritius, an East African country this year and are going to start the operations

Start-up Struggles: Like any other Indian start-up Farm Harvest has also crossed several obstacles especially the quality and hygiene of the product. When customers perceived that the American corn was a Genetically Modified Organism (GMO), the company had to take necessary steps to make people believe that it is not so and it is fit to be consume

External Issues: hailed from a moderate vysical family, Rajesh had initial problems of investment and land for cultivation. He then aggregated 2000 farmers to cultivate corn in their land and make them feel that they are also part of his business

Internal Issues: Rajesh’s family members were not in favour of corn business and they resisted initially to support him to take up this business. Later, they have agreed to his line of thinking and doing corn business

Sustainable Employment for Inclusive growth

At Farm Harvest, the objective of accomplishing inclusive growth through sustainable development starts from recruitment of people or identification of farmers. There are over 2000 agricultural farmers, 40 processing employees and 10 administrative staff attached to farmers, in which over 90% are women as they wanted to empower women. In fact, deciding to be in SIDCO-Women Industrial estate itself shows their concern for women empowerment so as to reach inclusive growth

The farmers who wanted to be business partners with positive attitude are given the opportunity to grow American corn and generate income.

Productive employment rather than on direct income redistribution: one of the important aspects in determining inclusive growth is income redistribution and productive employment. Farm harvest ensures productive employment to the farmers while offering redistribution of income to them. The income earned through their cultivation has always been redistributed to the farmers

Inherently sustainable as distinct from income distribution schemes: More than income distribution for inclusive growth, farm harvest also consciously offers sustainable income to farmers. If the income is seasonal and not through the year, then, that cannot be inclusive growth. Hence, they ensure that farmers who are attached to farm Harvest get sustainable income for their livelihood

Inclusive growth- Mantra of Farm Harvest

In order to achieve Inclusive growth, Farm Harvest follows three simple mantras, they are,

- Agricultural farmers are suffering due to lack of income- provide sustainable business opportunities by cultivating American Sweet corn
- People are suffering due to unemployment - Create employment opportunities to ensure continuous flow of Income.
- Women are underpowered due to male dominated society - Empower women by giving them employment and farming opportunities

Growth is inclusive when it creates economic opportunities along with ensuring equal access to them: Equal access is also emphasized in the process of ensuring inclusive growth. All the farmers have equal access to the support of Farm Harvest in the sense the manpower, finances and other administrative support.

Farm Harvest- Evolution and Growth

“People should wake up in the morning and say I am not a job seeker, I am a job creator”

- Muhammad Yunus, Nobel Peace Laureate

Farm Harvest was germinated in year 2011 with an aspiration to create a high standard of living for farmers and with the core philosophy of providing healthy and nutritional farm products, both fresh & processed, by developing entrepreneurs and closely working with farming community by providing them updated technologies.

The country's need of the hour of inclusive growth through sustainable employment has been implanted by K.M.S. Rajesh Kumar, (herein addressed as Rajesh in this case) and given shape for his entrepreneurial spirit through sweet corn.

"the excess money that I earn is not mine so I give back to the society from where the money is gained"

- K.M.S. Rajesh Kumar, Founder, Farm Harvest



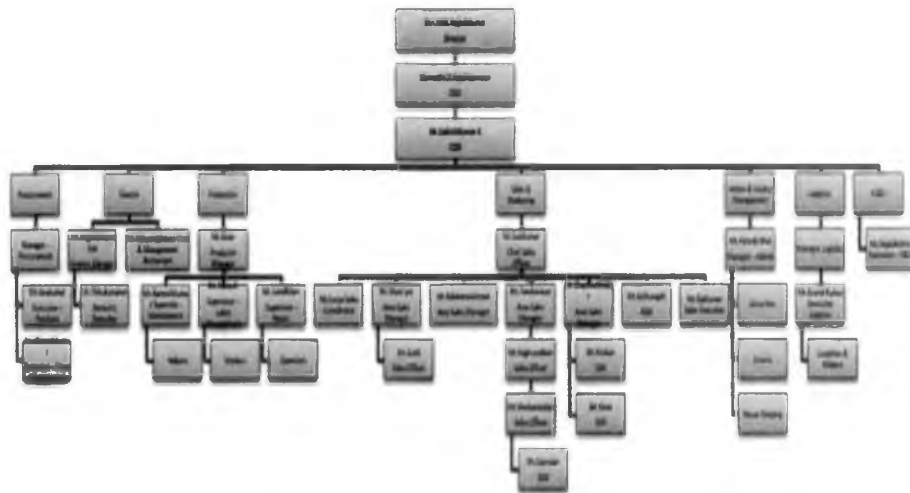
As a business management graduate from the prestigious PSG College of Arts and Science, Coimbatore, Rajesh Kumar has been constantly striving to upscale farming in India. He was nominated as the Chairman of Confederation of Indian Industry, Salem district council for 2015-16, and won international acclaim as the recipient of the 2012 Kleckner Trade & Technology Advancement Award.

According to a news published by The Hindu on May 06, 2016 that the Labour Bureau has compiled statistics for job creation in labour-intensive sectors in the country each quarter since the 2008 global financial crisis. The latest figures show that 1.35 lakh jobs were created in 2015, the lowest figure by far of any year since then — lower than the 4.9 lakh new jobs in 2014 and 12.5 lakh in 2009. In fact, the last quarter of 2015 recorded job losses. A report outlining the NDA's vision, *Transforming India*, released by the Department of Administrative Reforms last month, says 175 million new jobs could be created by 2032 if the economy grows by 10 per cent annually; the figure is 115 million if it grows by 7 per cent. To create jobs on such a scale, it proposes tax incentives and interest subsidies for firms creating jobs and some blue-sky interventions to invigorate sectors.

The massive task of job creation in the largest democratic country like India is not just possible only by the Government, in fact people with burning aspirations need to step forward to start their own businesses and create as many jobs as possible. Also, government schemes like Make in India, Start-up India and Stand-up India and other relevant schemes can be appropriately used.

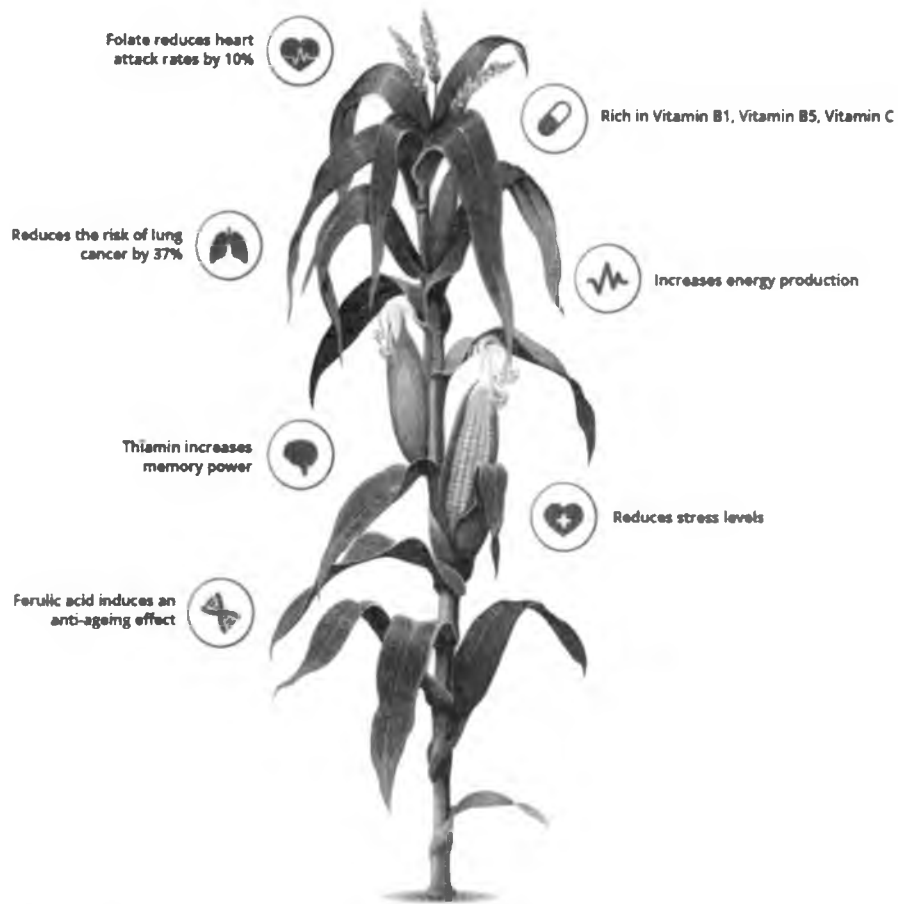
Today, Ideas are considered as one of the biggest assets and there are umpteen number of Venture Capitalists, Investors, PE Funds, Seed Capital to nurture and support the ideas in seeing the light of the day.

Organization Structure



Why Corn?

Rajesh felt that the present generation is excessively addicted to the fast food culture and inculcated the habit of having pizzas, burgers, fried chickens as their food/snacks. He also thought it is the responsibility of the food based entrepreneurs to provide healthy food especially to this younger generation. When people are struggling with diabetic and obesity oriented issues, it is imperative to be socially conscious when dealing with food products. The significance of corns are portrayed in the below picture.



Farmers' Welfare

Farm Harvest provides opportunity and advanced agricultural technology for over 1,500 farmers. It has a unique business model that allows the company to share profits with the farmer community for their welfare. Farm Harvest works holistically with the farmers from distributing seeds to harvesting sweet corn, so that the fresh produce is procured with no intermediaries.

Touching the lives of over 1500 farmers

High quality seeds and technology provided

Best practices shared between these farmers adding to collective growth

No intermediaries between farmers and Farm Harvest guarantees maximum returns to farmer

A portion of the retail profits shared with farmer

Technology and Processes

The cutting-edge manufacturing facility ensures fresh produce processed in a clean and hygienic environment. Farm Harvest uses latest Japanese Retort technology with temperature control so sweet corn stays fresh without any added preservatives.



Fresh Corn

Juicy corn cobs fresh from the farm.

Go back to basics with a corn on the cob. Each and every one sweet corn is hand-picked from fields to satisfy the customer's taste buds. Customers can pick these up from their local supermarkets and gourmet outlets.

To most of the customers, a day isn't done without a tasty treat of American sweet corn. It's high nutritional content paired with its great taste makes it a winner all the way. This powerhouse of a grain can do much more than satisfy the hunger and these are just a few of its benefits.

Franchisee Model- Creation of micro entrepreneurs

Farm Harvest encourages marketers to take corn to their customers by providing a grander scope for franchisee. Whether they are just starting their journey as a novice or a full-fledged professional, Farm Harvest tailors business opportunities that fit the bill. They also give a chance to run own franchisee and operate kiosks among other lucrative offers.



Empowering Women

Women working tirelessly in the farm fields are the reason why farmers are called the backbone of our nation. Farm Harvest takes extra care in ensuring women are encouraged and empowered to earn a living for themselves.

Corn is grown on 1000 acres of land and hand-picked for harvest.

Fresh corn harvest arrives at the processing plant for quality check.

Corn is processed in a hygienic temperature -controlled environment

Corn is packaged and distributed without preservatives using Japanese Retort technology.



Recruitment and Development of employees

The Recruitment and Development plan of Farm Harvest was also one of the major elements in accomplishing sustainable employment.

Recruitment: When candidates are recruited for Farm Harvest from ITIs, Polytechnics or Business Schools, the objective is not to get the highest ranked or high performing students. Instead, people with right attitude and urge to learn are preferred. Once the candidates with the right attitude are on board, then they are moulded as per the requirements of the company. This recruitment strategy has been an important belief of the company.

Learning and Development: The Company invests consistently in Learning and Development of employees. In order to constantly upgrade the skills of the employees, annually 8 to 10 training programmes are sponsored to the employees by the company especially in the areas of ISO, Six sigma, TQM, JIT and other quality related areas. Many training programmes of CII Institute of Logistics are sponsored to employees to learn about production and logistics strategies. Being an ardent learner, Rajesh attends many training programmes of IIMs, leading trainers and transmits the knowledge to his employees.

Grooming of employees: Employee grooming has been embedded in the culture of Farm Harvest and internally employees were groomed. One high performer was identified and groomed to head the operations of Mauritius. Also, identified an employee to be the COO of the company and sponsored him for a training programme in Japan costing 5 lakh equally funded by Japan and the company.

Employees cum Distributors: Farm Harvest had introduced a model called Employees cum Distributors, i.e availing the salary as employees from the

company, they can also get the opportunity to share the profits as distributors. In a few places, employees cum distributors are deployed and they are successful in this endeavour till date

Communication: Rajesh was quite impressed with the way whatsapp had democratised the communication across the globe. He felt that there was complete democracy in sending and receiving information in the age of social media. Hence, he uses Wonder List for internal communication and in which all the functions and employees are integrated. As a result no task or information is omitted by any chance.

SWOT Analysis

<p style="text-align: center;">Strengths</p> <p>Eco-system for end to end corn cultivation and maintenance</p> <p>Providing inputs, manpower and finance for farmers</p> <p>Sustainable relationship with the farmers</p> <p>Strong bonding</p>	<p style="text-align: center;">Weakness</p> <p>Crops yield is highly dependent on nature</p>
<p style="text-align: center;">Opportunities</p> <p>Country-wide expansion of business</p> <p>Opportunity to venture into other related products</p> <p>Adding value to products or Value chain</p>	<p style="text-align: center;">Threats</p> <p>Growing competition</p> <p>Customer perception of American corn compared to Indian corn</p>

The Way forward

Rajesh in all possible means to be considered as a social entrepreneur having started a company keeping in mind the health of the people. Essentially, there are lucrative avenues like Pizza outlets, burger points, cake shops, ice cream parlours so on and so forth to woo the young crowd and mint huge money, he has zeroed it down to corns as a business idea keeping the objective to provide healthy snack at an affordable price. The ambitious plans to make the company grow along with people who believe in the company’s philosophy lead to poised growth. American sweet corn is a new and novel idea in India and 50% of Indians are yet to know about this product and benefits of the same. Hence, Farm Harvest is all set to fire all the cylinders to join hands with farmers, redistribute income and accomplish inclusive growth.

Acknowledgement

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