

FRESH FRUIT & VEGETABLE SHOP

1. INTRODUCTION

Uttarakhand, located in the Himalayan foothills, is a state with spectacular natural beauty and significant agricultural resources. With the state's unique topography and temperature, a vast range of fruits and vegetables grow here. Apples, pears, peaches, apricots, cherries, and plums are among the primary fruits grown in this region, and the state is well-known for its high-quality apples. Other vegetables such as potatoes, tomatoes, capsicum, cauliflower, cabbage, and carrots are commonly cultivated. Leafy greens including spinach, fenugreek, and mustard greens are also a common crop grown across the lands of Uttarakhand. With its fertile soil and moderate temperature, the location is excellent for establishing a fresh fruit and vegetable shop.

2. PRODUCT & ITS APPLICATION

Uttarakhand's diverse range of fruits, vegetables, and herbs provides numerous opportunities for fresh produce businesses that promote health, sustainability, and culinary creativity. Apples, the region's trademark fruit, is used in both fresh consumption and the production of apple-based products such as jams and juices. Potatoes are a versatile ingredient that can be found in everything from parathas to samosas. Tomatoes, which are high in flavour, are the foundation of many Indian cuisines, while leafy greens add to salads and traditional Indian cooked foods. Aromatic herbs like basil and mint have therapeutic effects in addition to being culinary ingredients.

3. DESIRED QUALIFICATION FOR PROMOTER

A promoter wanting to open a fresh fruit and vegetable shop in Uttarakhand does not necessarily require any desired qualifications. However, a rudimentary understanding of agricultural farming, procurement, and quality control can aid in inventory and sales management. Furthermore, knowledge of the local market dynamics is required for the establishment and operation of a successful shop.

4. BUSINESS OUTLOOK AND TRENDS

Uttarakhand is well-known for its distinctive crops, such as apples, cherries, and medicinal herbs. Promoting these unique specialties may be a big lure for both tourists and locals. In many regions, the trend towards organic and locally sourced fruits and vegetables is gaining traction. Furthermore, as consumers become more mindful of their health and the environment, they are more likely to purchase fresh, chemical-free products. Focusing on sourcing and marketing organic and local items as a retailer can be a big selling point. Another factor is the growing consumer interest in the origins of their food. Building partnerships with local farmers and promoting a "farm-to-table" experience can help the community while improving the shop's reputation.

5. KEY BUSINESS ELEMENTS

There are several key elements for the success of the store;

- Location & convenience: Considering a residential location for the setup of a fruit and vegetable store and also offering online ordering and home delivery services for convenience can strategically benefit the business.
- Quality Products: Fresh, high-quality, locally obtained produce must be sourced and offered for greater traction of people.
- Variety and Seasonal Offerings: The promoter must ensure to offer a wide range of selections, including seasonal and unusual things to keep customers engaged and excited.

- Keeping Store Clean and Inviting: Keeping the shop clean and organized is a reflection of quality and focus on customer satisfaction.
- Competitive Pricing: Providing reasonable and competitive prices is a golden ticket to buying loyalty from customers.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

Uttarakhand's fruit and vegetable industry can be fiercely competitive. The need for fresh, nutrient-dense vegetables is growing, particularly in light of the growing emphasis on health and wellness. The promoter must set themselves out with their product offerings by emphasizing quality, variety, and service to see an increase in foot traffic. The high topography and weather fluctuations of Uttarakhand can make logistics difficult. To prevent stockouts and preserve customer happiness, it will be essential to guarantee a consistent supply of fresh products. Online ordering and home delivery services have many advantages, but they also present several difficulties, including making sure that online transactions are secure and that delivery operations are efficient. Creating an intuitive application or website and running a productive delivery network will benefit the business immensely.

7. SUPPLY OF RAW MATERIAL

Given Uttarakhand's strong agriculture industry, it is advisable to purchase as many goods from regional suppliers and farmers as possible. Having a solid rapport with nearby farmers can help guarantee a steady and fresh supply of fruits and vegetables. The promoter must diversify their raw material sources by depending on several farms and providers. The Uttarakhand region of Kumaon is well known for its fruit orchards. Fruits like apples, pears, peaches, plums, and cherries are grown in towns like Nainital, Almora, and Haldwani. Other cold-climate crops like potatoes, cauliflower, and high-altitude vegetables in the Garhwal region should be obtained from districts like Chamoli and Uttarkashi.

8. BUSINESS MODEL

The fresh fruit and vegetable store should prioritize product display, customer ease, and operational effectiveness. It starts with a welcoming entrance followed by products displayed with properly labeled price tags that are set strategically along the perimeter of the store. This is followed by showcasing seasonal and colorful things on the front desk. Some vegetables/fruits must be kept in a refrigerated section. The layout must also incorporate a weighing station, storage space, and trash disposal facilities. Lastly, the checkout counter should be located closer to the exit.

9. BUSINESS PROCESS

The business process involves the following steps;

- Purchasing and Sourcing: Purchasing fresh products from nearby farmers and suppliers.
- Quality Control: Examining each product to make sure it is of the highest quality and is fresh.
- Inventory control: Reducing wastage, rotating products, and keeping stock levels stable.
- Labelling and Pricing: Giving goods a legible label and an exact price.
- Store Display: Organising goods into eye-catching and easily navigable displays.
- Customer service: Assisting and interacting with clients, offering guidance and support.
- Checkout and Payment: Taking care of business, keeping track of money, and handling payments.
- Cleaning and upkeep: Maintaining the store's safety, order, and cleanliness.
- Marketing & Promotion: Creating marketing plans to draw in and keep clients.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Unskilled	2	12	0.12	2.88
	Total				2.88

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	0.5
2	Construction (if applicable)	-
3	Procurement & installation of Plant & Machinery	1.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	0.5
6	Total time required (some activities shall run concurrently)	2

12. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.04
2	Equipment and Furniture Exp.	1.84
3	Working Capital	2.62
	Total Project Cost	4.51

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	1.80
2	Bank Finance	2.71
	Total	4.51

14. EQUIPMENT AND FURNITURE

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Display Shelves and Racks	5	0.20	1.00
2	Refrigerated Displays	1	0.30	0.30
3	Shopping baskets	8	0.01	0.05
4	Weighing Scales	2	0.01	0.02
5	Basic Furniture & Lighting	-	0.25	0.25
6	Waste bins	2	0.01	0.02
7	Display Bins and Baskets	4	0.02	0.08
8	Wire Baskets	5	0.02	0.08
9	Check out & Packing Station	1	0.05	0.05
	Total			1.84

Local suppliers in India offer a wide range of furniture and fixtures. The entrepreneur can avail office furniture after thorough research and analysis. Below are the tentative suppliers in India. Besides these, online platforms such as India Mart, Trade Mart, etc. can also be explored for ordering online.

1. Climate Screw Co.
37/38, Khizrabad,
New Friends Colony-110025,
New Delhi, India
2. Swastik Systems & Services
A-12/3, Gali No. 3,
Hardevpuri, 100 Feet Road,
Shahdara-110093,
New Delhi, India
3. Aadwin Refrigeration India Private Limited.
H. No. 702,
Gali No. 4-110046,
New Delhi, India

15. SALES REALISATION

Sr. No.	Product	Sales in Percentage
1	Vegetables(potatoes, tomatoes, capsicum, cauliflower, cabbage, carrots, spinach, fenugreek, mustard greens etc.)	47.0%
2	Fruits (Apples, pears, peaches, apricots, cherries, plums, etc.)	34.0%
3	Organic Produce	12.0%
4	Pre-cut & Packaged Fruits/Vegetables	4.0%
5	Exotic Produce	3.0%
	Total	100.00%

16. PROFITABILITY CALCULATIONS

The basis of profitability is;

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	20.63
B.	Cost of production	
i)	Raw materials	13.41
ii)	Utilities	0.63
iii)	Manpower Cost (Salaries/wages)	2.88
iv)	Administrative expenses	0.06
v)	Packaging Cost	0.07
vi)	Material Lost Cost	0.07
vii)	Selling & distribution expenses	0.72
viii)	Repairs & maintenance	0.00
ix)	Rent	0.20
x)	Interest	0.48
xi)	Misc. expenses	0.00
	Total (B)	18.51

	No of Unit production	28000
	Cost of Goods Sold per unit	Rs. 66 (Rupees Sixty-Six)
	Gross profit/loss (A – B)	2.12
	Less: Depreciation	0.19
C.	PBIT	1.92
D.	Income-tax	0.38
E.	Net profit/loss	1.54
F.	Repayment (Annual)	0.17
G.	Retained surplus (E-F)	1.37

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.20
Depreciation	0.19
Interest	0.48
Manpower	0.86
Total Fixed cost	1.74
Variable cost	
Raw materials	13.41
Utilities	0.63
Manpower	2.02
Administrative expenses	0.06
Selling & distribution expenses	0.72
Total Variable cost	16.84
*Variable cost per Unit	Rs. 60
Revenue per unit	Rs. 74
Margin per Unit	Rs. 14
Number of Units for Break-Even Point	12816
Actual Capacity	28000

*Variable cost, revenue, and margin per unit is in Rupee value and not lakhs

18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with food safety and business regulations before starting a fresh fruit & vegetable shop.

1. The business is required to secure a trade license from the local municipal corporation, which grants permission to conduct commercial activities within a specific area.
2. Obtaining an FSSAI-Food Safety License is a mandatory step for businesses involved in food sales to ensure compliance with legal regulations. The Food Standards and Safety Authority of India (FSSAI) is the primary governing body responsible for overseeing food safety standards, making FSSAI Basic Registration a legal requirement.
3. Shop and establishment license is necessary for operating a provision store wherein working hours, employment conditions, and other regulatory requirements are stipulated.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun- 248001,
Uttarakhand, India
2. Indian Institute of Entrepreneurship(IIE)
NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.