

Session Sub-Theme: **Challenges in Marketing for Meeting the Surging Fertiliser Demand**

Topic:
Augmentation of Fertiliser Distribution Infrastructure

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Augmentation of Fertiliser Distribution Infrastructure

Preface

- *Surge in Fertiliser Demand – Painstaking efforts pay off.*
- ▲ Imports of Fertilisers and Food Grains
- ▲ Pressure on Distribution Infrastructure: Ports, Transportation, Warehousing, etc.
- ▲ Gap between Evacuation & TPTN.Capacity and Market Need.
- Economic growth has a direct relationship with infra. development. Double Digit Growth ?
– A unit ▲ in GNP = ▲ 1.5 times in Freight Tpt (WBank)

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The Present Position

- Cargo Handling: Ports to ▲ .7% p.a.CAGR/ 2011-12.
- Containerised - ▲ 15.5%(CAGR) over next 7 yrs.
- 12 Major Ports handle 75% of total traffic.
- Timely Evacuation from VIZAG, PRADEEP, NEW MANGALORE, KANDLA AND MUNDRA?
 - Long waiting for ships
 - Non-availability of night navigation facilities
 - Virtually non-existent mechanization
 - Higher Turnaround time
 - Higher through Port Costs (>Colombo, singapore, Bangkok)
 - Badly maintained road links to Ports.

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The Present Position (2)

- Heavy dependence on Railways.
- National and State Highways only 2 and 4 % of total roads.
- Weaker Roads, Single Lanes, and Lighter Load Vehicles

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Government Awakened : PORTS

- Infra. Dev. the Priority in 11th Plan.
(> Doubling of Freight Tpt. Output Reqd.)
- Ports to be integral components of Global Logistics & TPTN Chain.
- Ports Cap. ▲ 1002 Min.MTs from 456 MTs
- Over Rs.50,000 Crore Investment – National Maritime Dev Program : 276 projects identified, incl at Minor Ports
- 64% PPP
- 100% FDI- Automatic Route: PSA-SICAL, APM Terminals, DP World, Maersk and ABG

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Government Awakened : Railways

- Railways in Pink Health. Impressive Turnaround
- Freight a thrust area in 11th Plan (esp. Bulk freight)
- Infra. Dev. the Priority in 11th Plan.

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Government Awakened : Railways

- **Infra. Dev. the Priority in 11th Plan.**
 - 77 new railway line project;
 - 52 gauge conversion projects;
 - 108 doubling line projects;
 - **Setting up of freight terminals and Logistics Parks**
 - Construction of Dedicated (East and West) Freight Corridors separating freight traffic from passenger traffic on trunk routes;
 - Running of 25 tones axle load trains;
 - Dedicated rakes to transport long rails; and
 - Single / double line rail connectivity to Ports besides technology up-gradation.
 - Freight Operations Information Systems and Terminal Management Systems for better interface with customers.

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Government Awakened: Railways (2)

- Single / double line rail connectivity to Ports besides technology up-gradation.
- Freight Operations Information Systems and Terminal Management Systems for better interface with customers.
- In-house Capacity Expansion:
 - ▲ 4500 cars from 2500
 - ▲ 700 Locos from 350
 - ▲ 240,000 wagon wheels from 200,000
- **Bombardier, GE, Mitsubishi, Toshiba, Siemens, Alstom, Kawasaki and Itochu**

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Government Awakened: Roads

- **Launch of an ambitious National Highway Development Programme (NHDP), involving a total investment of US\$ 54.1 billion up to 2012.**
- **Programme in 7 Phases:**
- **Phase-I - Construction of**
- **(i) Golden Quadrilateral [5,846 km.] & (ii) Port Connectivity. [1,133 km.]**

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Government Awakened: Roads(2)

- **Phase-II - Construction of (i) North - South Corridor & (ii) East - West Corridor. [7,300 km.]**
- **Phase- III - Connecting high-density corridors, places of tourist and economic importance. [10,000 km.]**
- **Phase- IV - Conversion of single lane highways into two lanes. [20,000 km.]**

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Government Awakened: Roads(3)

- **Phase-V - Upgrading four lane highways. [5,000 km.]**
- **Phase-VI - Connecting major commercial and industrial townships. [1,000 km.]**
- **Phase-VII - Improvements in city roads to enable easy connectivity with national highways.**

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Government Awakened: Roads (4)

- **Bharat Nirman programme (cover village > 1000 population; and > 500 hilly and tribal areas with an all-weather road.**
 - Tgt. 1,46,185 kms of road length by 2009.
- **100 %FDI under the automatic route**
- **100% tax exemption for 10 years for marginal projects;**
- **Tax exemptions and duty-free import of road-building equipments and machinery**

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Government Awakened: Roads

- **Toll Collect Roads**
- **BOT based on either toll or annuity basis.**
- **Weigh-in motion bridges for checking the cases of overloading.**
- **320 Automatic Traffic Counter-cum-Classifiers (ATCC) at certain stretches of National Highways**

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The Challenge of Fertiliser Distribution Infrastructure

- Never before such holistic and integrated initiatives by GOI
- Macro Level and End-of-period situation seems promising.
- Micro and Point-of-time + Seasonality issues need efficient management
- Initiatives more a Reaction than futuristic in orientation.

***Marketing during era of
Surging Demand***

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Surging Demand***

- Efficient Management of Production & Dispatches
- Value added Products
- Niche Markets
- Reward Loyal Customers
- Meet Social Obligations
- ▶ **Value Added Marketing is the Lever**

**Value Added Marketing
is the Lever**

5 Maxims for Success

**# Maxim 1
Market Value Differentiated
Fertiliser Products not a mere
Commodity**

Maxim 1: Market Value added Differentiated Fertiliser Products not a mere commodity

- End of commodity era.
- Farms / Farmers need differ in:
 - Soil properties
 - Nutrient status & requirement of crop
 - Irrigation needs
 - Weather conditions, etc.
- ▶ Build a Basket of Differentiated Products
- ▶ Needs Bottom Up Planning

**#Maxim 2:
Gear up Market Research,
Listen with your Eyes**

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Listen with your Eyes**

- Focus on Authentic Research at Farms and Farmers
- Listen to and not feed farmers
- Locate ***“JUGADS” in usage.***
- ***Overcome Inhibitions***

**# Maxim 3:
Innovate Distribution Channels into
One Stop Shops**

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Channels into One Stop Shops**

- ITC's Chaupal
- Tata Kisan Sansar
- Shriram's Kisan Hariyali Bazaar
- Godrej's Adhaar and Manthan
- Mahindra's Shubhlabh
- Warna Bazaar (Kohlapur and Sangli)
- Kasti Society (near Ahmednagar)
- ▶ Localised Product Mix- vet medicines, feed, seed, implements, loans, advisory services

**# Maxim 4:
Reorient Farmer Services to provide
Solutions and build Customer Relationships**

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build Customer Relationships**

- Field force and agronomist to
Become New AVATARS to make farmers
realize their dreams.
- Partner their Increase in farm Productivity
- Enable them to adopt best farming
practices
- ▶ Customer Service for Enhancing
Satisfaction not reducing Dissatisfaction

**# Maxim 5:
Build Brand Equity**

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- Focused Marketing
- Integrated Marketing Communications
- Combine with CSR and CER
- Grow on Carbon Credits

Commitment Based Management is the Key

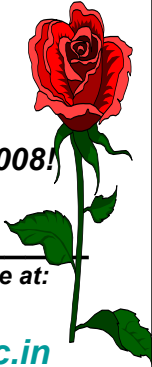
**Commitment Based Management
is the Key**

- Passion
- 212°

CONCLUSION

- Infrastructural inadequacies don't
come in the way of Efficient Orgns.
- Value Added Marketing is the Lever
of prosperity during era of surging
demand.
- Passion is the Key.
- 212 degree the Right Attitude.

**Thank you
&
Best Wishes for a
Happy & Prosperous 2008!**



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