

M&M Looks to Enter Organic Foods Market

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Mumbai: Tractor-to-software conglomerate Mahindra Group is studying the possibility of introducing its own brand of organic food to tap into the growing urban market for pesticides-free products.

Mahindra Agri Solutions, a group company, may leverage the Mahindra brand to overcome the lack of consumer trust in the authenticity of organic food products.

Developing consumer trust in the authenticity of an organic product and the stark price difference between organic and regular food are the two barriers to the market in India today, said Ashok Sharma, managing director of Mahindra Agri Solutions. The entry of a brand like Mahindra can help develop that trust, he said.

The price differential will narrow as the business scales.

The company has already invested in Mera Kisan, an organic food manufacturing startup, to explore this opportunity. It is aiming to scale to a supplier base of 25,000 farmers over the next three-four years to source at least 2 lakh tonnes of organic food. Presently, it has about 8,000 certified organic farmers in its fold, Sharma said.

“India itself is a big opportunity,” he said, pegging the domestic organic food market at Rs 1,000 crore annually. “There is also demand in export markets and there also we want to contribute.”

It presently sells its products through partners such as Haiko Supermarket and online retailers such as Big Basket, Amazon and Flipkart. Mera Kisan on Wednesday signed cricketer Ajinkya Rahane as its brand ambassador.