

Management's Outlook Towards Food Sourcing

“Sourcing strategy is a critical issue for sustainability of Food processing sector”

JISL strives to incorporate the food sector specific sourcing aspects which are material to us into our sourcing strategies and process. The organization has started the sustainable agriculture initiative of JAINGAP in order to improve and implement good agricultural practices. Since 2001, the organization has formulated and implemented raw material sourcing policy for onion. 2379 farmers are covered under this and almost 30% of total raw onion is purchased under this sourcing policy. Through this contract farming and JAINGAP initiative, JISL ensures market price and good agronomic support to the farmer. In turn, the farmer ensures price for the raw material.

We are also looking toward the implementation of JAINGAP for the mango plantations.



Attempt to cover maximum agriculture sourcing under JAINGAP

Food Processing Performance Measures

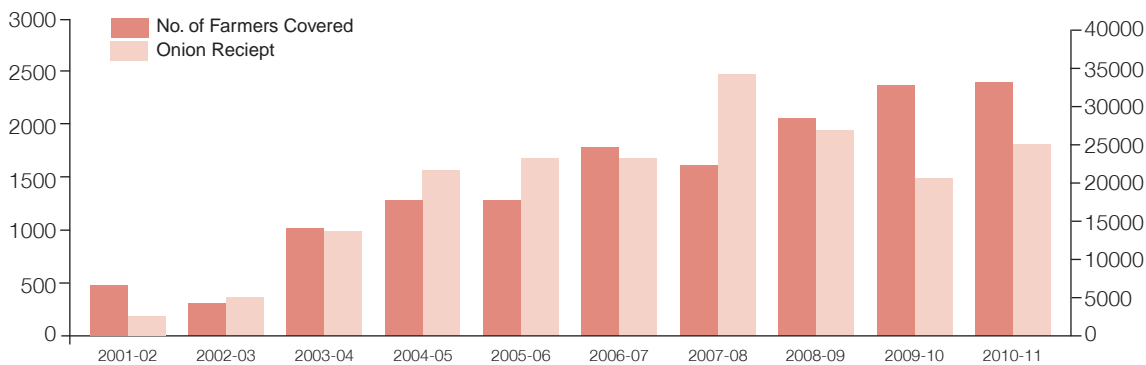
Farm Fresh

The organization understands that sourcing is an issue of critical importance to the sustainability of food processing sector. As this sector depends on agriculture for its raw material, it carries inherent material risks such as child labour, water scarcity etc. which can affect food processing companies, the society and the environment at large.



Also the primary product i.e. the raw material of this sector is often outside the direct control of the food processing organization. Therefore it is necessary to consider and drill down the concept of sustainability throughout the sector's supply chain. As part of this effort, the organization has formalized and implemented the raw onion purchase policy. The following graph shows the quantity of raw onion purchased and the number of farmers covered under this sourcing policy.

Year wise Onion Receipt & No of Farmers covered



Cascade Specialties, Inc.

This subsidiary of JISL has been committed to producing quality dehydrated onions since its establishment in 1993 and continues to produce quality products from seed to harvest. The organization accomplishes this by working with local growers, monitoring crop development, using optimum harvesting and production techniques and cutting-edge climate-controlled storage facilities. The work is completed only upon satisfactory delivery of products to the customers. At Cascade, 100% raw material, i.e. onion, is procured through the organization's local sourcing policy.



Year	Standard used	Name of Material	% Raw material purchase under Organic-Oregon Tilth-NOP/COR	Geographical Origin
FY 2010-11	Organic-Oregon Tilth-NOP/COR	Onion	100%	Pacific northwest USA

Formula used = (Purchased volume according to relevant standard / Total purchased volume) x 100

Under the supplier engagement initiative, the organization will identify and report on the material sourcing issue of critical suppliers.

JAINGAP is practice is based on the internationally recognized GLOBAL GAP (Good Agricultural Practices) standard. Now we are implementing JAINGAP along with SAC. Following tables show the percentage of raw material purchase volume which is verified as being in accordance with credible internationally recognised responsible production standards.

Year	Standard used	Name of material	% Raw material purchased under JAINGAP	Geographical origin
FY 2009-10	JAINGAP	Onion	3.7	India
FY 2010-11	JAINGAP	Onion	17.1	India

Investment made on JAINGAP

Food Sector specific Community investment	FY 09-10	FY 10-11
Investment made for JAINGAP (INR million)	5.3	8.3



Onion under sprinkler irrigation



The best bottom line is a farmer's smile.