

Торговый Дом Ярмарка (Torgovõi Dom Yarmarka)

TD Yarmarka

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Who is Yarmarka?

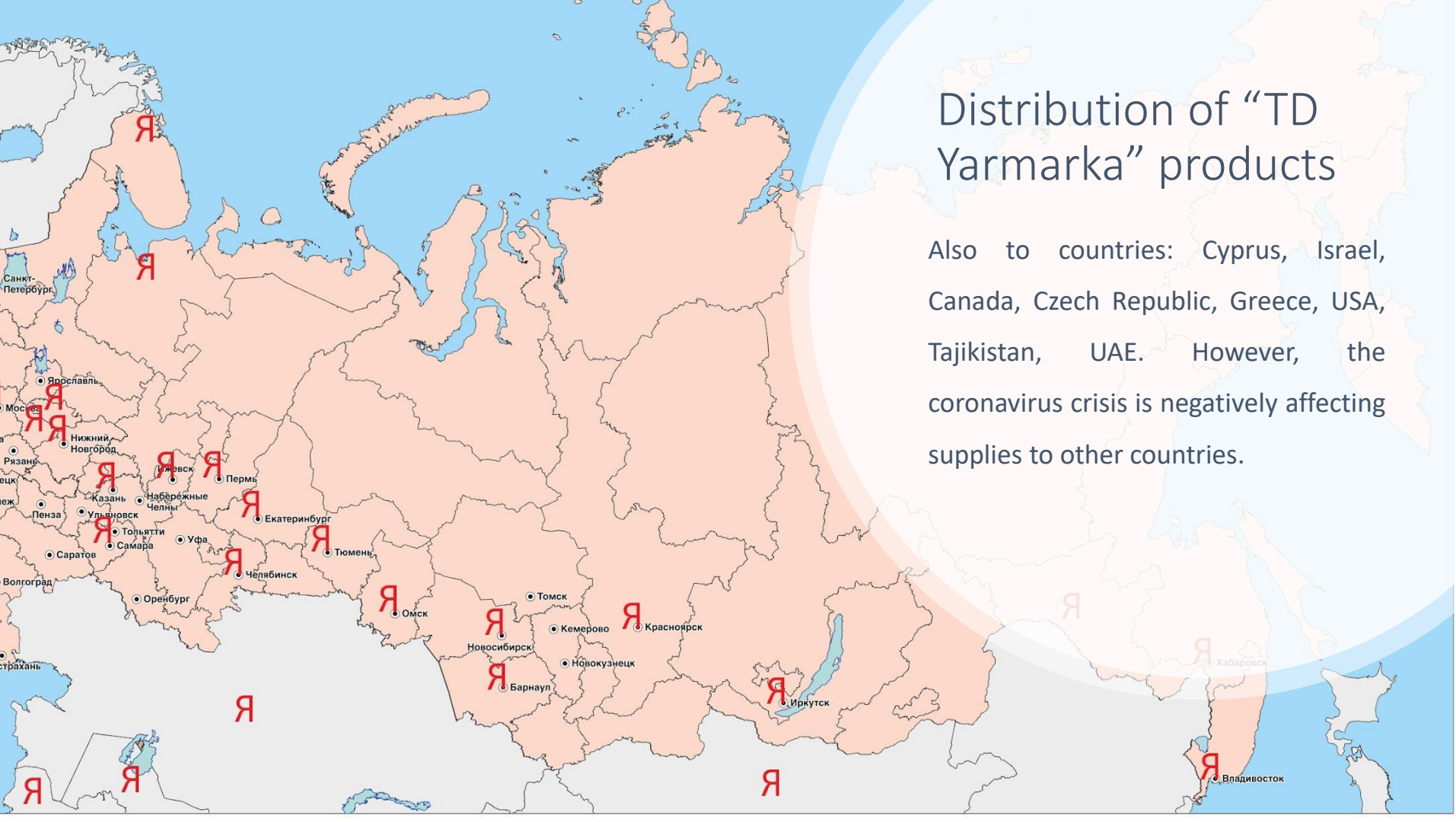
“TD Yarmarka” is one of the leading companies in the Russian grain market. The company established itself in 1995 and currently holds a stable position in the food industry. It specializes in the production of high-quality natural products for proper nutrition. The company produces such collections of cereals and soup mixes as:

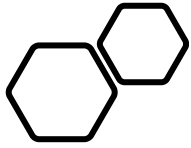
- Bravolli!
- Ярмарка
- Yelli
- Готово!



Distribution of “TD Yarmarka” products

Also to countries: Cyprus, Israel, Canada, Czech Republic, Greece, USA, Tajikistan, UAE. However, the coronavirus crisis is negatively affecting supplies to other countries.

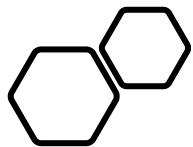




Store presence

In Russian chainstores:
“Magnet”, “Pyaterochka”
and "Dixie" cereals are not
supplied, the focus is on
grains and soups





Competitors' store presence





Competitor analysis

ELDORADO



- Operates in Norway
- Part of NorgesGruppen AS, a grocery wholesaling group
- Direct deals with store chains, which belong to the same group
- One of many similar brands belonging to the same company





- Operates in Estonia
- 100% Estonian capital and production
- Exports its products to Finland and Latvia
- Promotes itself as a sustainable and eco-friendly brand





- A Swedish company that operates in Scandinavia and Finland
- Specializes in gluten-free food and baby products
- High focus on sustainability and eco-friendliness



Potatismos & torsk
6 månader



Grönsaker & kyckling
Ekologisk produkt, 6 månader



Stroganoff med biff & ris
6 månader



Spagetti & köttfärsås
6 månader

Ready to eat meals, usually

meant for children:



Lasagne 6 mån
Ekologisk produkt, 6 månader



Couscous med kyckling &
basilika
6 månader

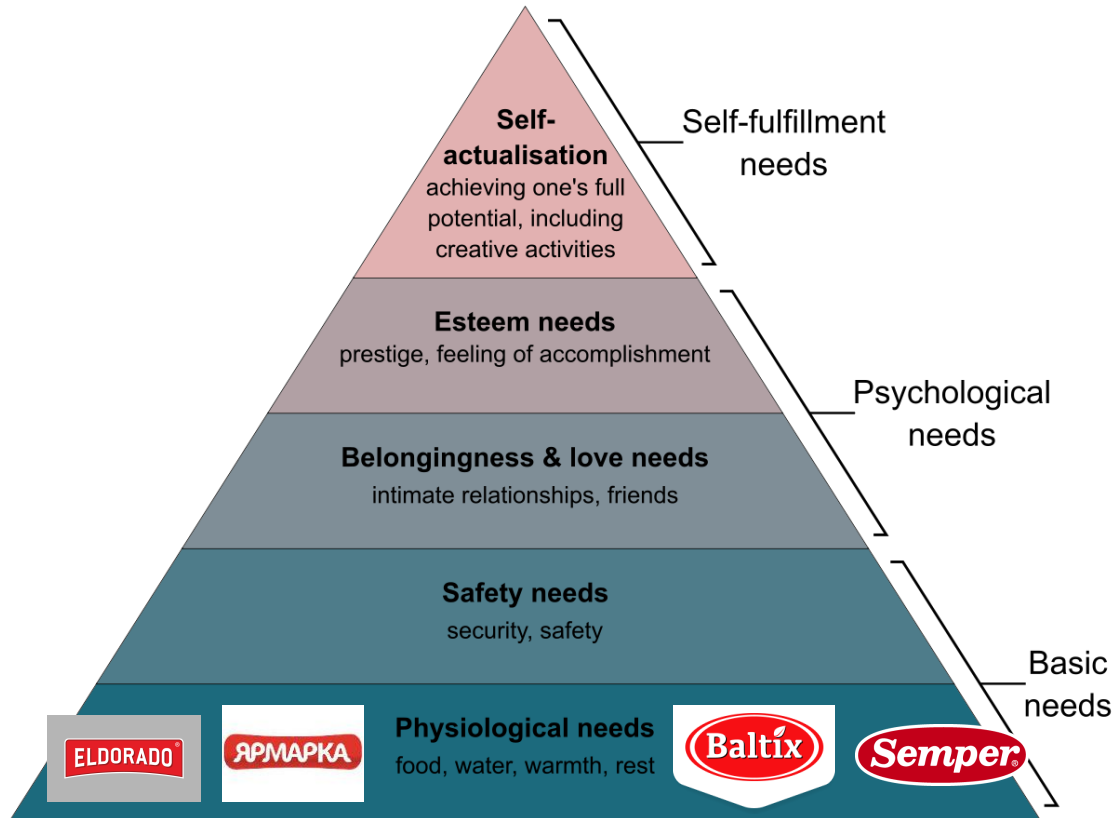


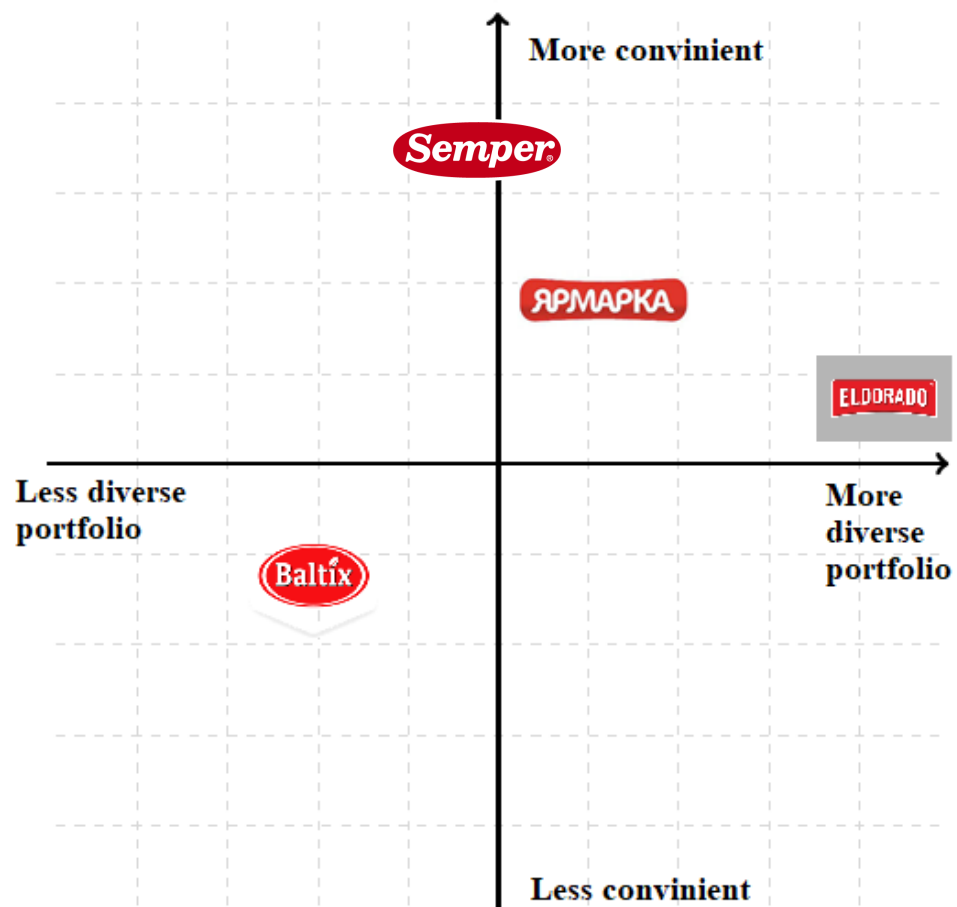
Fruktsmoothie Mango
6 månader



Fruktsmoothie Päron och
katrinplommon
6 månader

All the companies belong to the lowest level of the Maslow's Hierarchy of Needs







Competitors' websites

- Semper – a selection of products organised by categories, recipes, fully dedicated webpages for each market they are in
- Baltix – recipes in three languages, selection of products

Basic set up is similar

Eldorado webpage has very little information for an individual purchaser. It is meant for a reseller.

Improvements



Online shopping option for foreign customers in the markets where Yarmarka is already present



Recipes in other languages, also with the video format



Showcasing the range of sales and grocery stores, that sell Yarmarka's products

Macroeconomics: Purchasing power by region

The difference in purchasing power between Karelia and the average in the Russian Federation is quite large: for millet flour 59.3%, for chifon rice 49.1%, for peas and beans 56.9%, and so on. If you compare it with Moscow, the difference will be more than 100%.

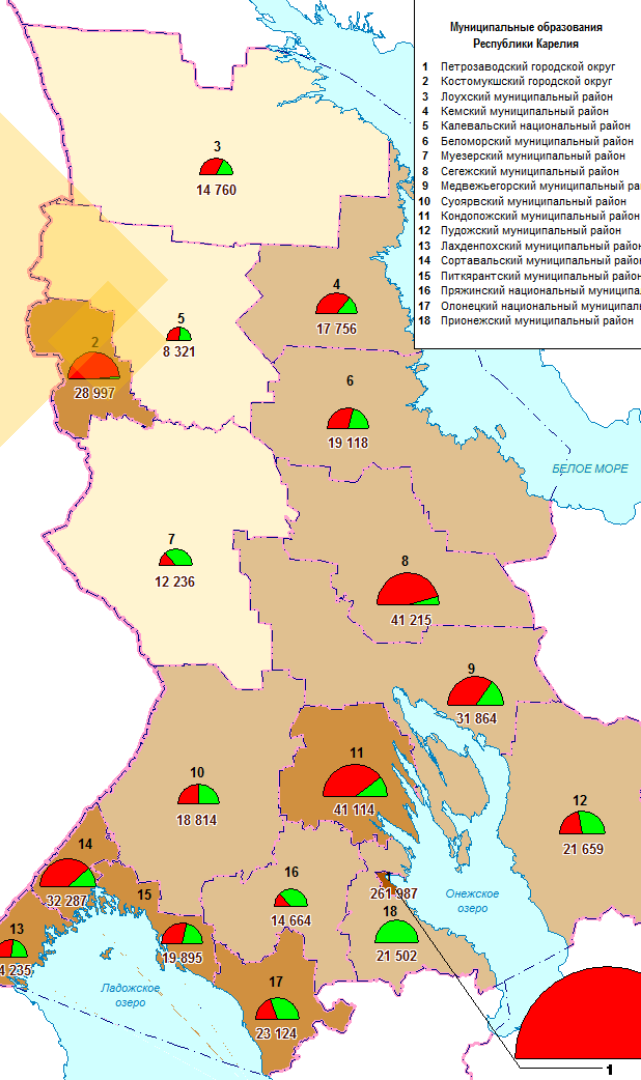
Region	Wheat flour, kg	Ground rice, kg	Peas and beans, kg	Buckwheat groats-kernels, kg	Semolina, kg	Oatmeal and pearl barley, kg	Millet, kg
Russian Federation	1 033,3	528,2	622,1	664	876,8	1 103,4	823,1
Karelia	648,6	354,3	396,4	370,6	547,9	839,4	573
Moscow	1 718,2	759,3	744,9	872,8	1 447,6	1 655,8	1 373,2
Saint Petersburg	1 094,6	495,	831,2	661,4	866,7	1 533,2	913,9

Macroeconomics: Age distribution of the population

	2020
Younger than working age	112800 (18 %)
Working age	336932 (55 %)
Older than working age	164332 (27 %)

The elderly (171.1 thousand people) receive a pension, the average value is equal to 20283 rubles, which is why they are buy goods relative to their price, not quality.

People younger than working age will probably not spend money on buying cereals. **As a result, “TD Yarmarka” has 330164 potential customers scattered throughout Karelia.** It is also worth considering that the average available resources per person is 26,847,7 rubles, **and the average resident of Karelia spends 5857,7 rubles (64 euros) on food.**



Macroeconomics: Population density

It need to be taken into account that the population is scattered all over Karelia. In other words, the logistics load for covering the entire territory will be quite high. If we consider that the most solvent audience is located in Petrozavodsk, the circle of potential buyers is reduced to tens of thousands of people, because Federal store chains refuse to take cereals "TD Yarmarka". "TD Yarmarka" could spend a lot of resources on marketing, logistics, and other related expenses for the sake of a small number of customers.

What to do?


Yarmarka should choose a way of development to increase regional sales

1. To reduce the cost of production

OR

2. Completely switch to the operation of a rich buyer in a large city, who will be willing to pay an additional fee for quality and convenience.





Sale of products in paper cups/take-away

This idea implies having a pop-up store or stand in cities independently or during street food festivals/trade shows. Products could be conveniently carried in hands and eaten with a spoon. We believe that people will prefer to eat warm steamed porridge rather than buns, because porridge is associated with a healthy lifestyle. To ensure that the healthy lifestyle does not taste bitter, we should offer to supply a portion of porridge with toppings in the form of syrups, berries, fruits, and so on.

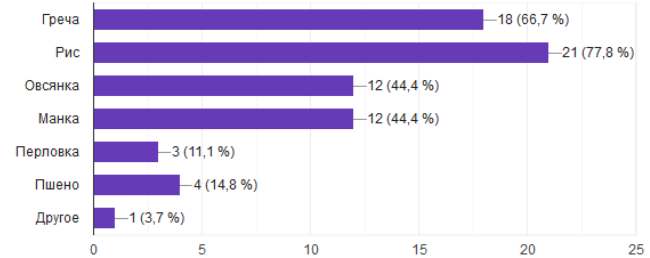
Survey conducted

Three questions were asked in the questionnaire:

- the First question was to determine the taste preferences of potential consumers (rice and buckwheat are the most preferred)
- The second question is to find out the respondents' opinion about the idea (more than half of the respondents liked the idea)
- the Third question is to determine the average price that the respondents will be willing to pay (80 rubles or 0,88 euro).)

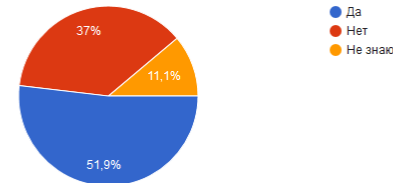
Какие крупы Вы предпочитаете?

27 ответов



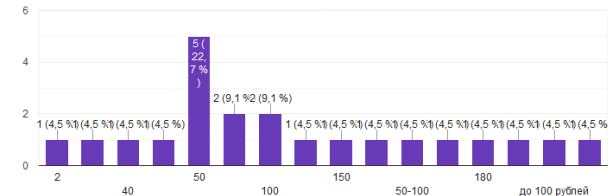
Хотели бы Вы иметь возможность купить приготовленную крупу в стаканчике как кофе в кафе/ресторанах/ киосках шаговой доступности (например, по пути на работу/учебу)?

27 ответов



Какую максимальную цену Вы готовы заплатить за один такой стакан (в рублях)?

22 ответа



Resource cost prediction

According to our survey, the average price at which you are willing to buy a cup of porridge is 80 rubles. Example of semolina porridge:

Note: The price for the final product may be increased in large cities due to increased solvency.



	200 gram	300 gram	400 gram
Spoon	1	1	1
Cup	8	9	10
Cereal	4,5	6,75	9
Milk	7,5	11,25	15
Cost price	21	28	35

Exports in Russia

- The Russian economy depends on exports of natural resources and commodities. The Federal Statistics Service reports that these accounted for half a trillion dollars in 2013, or 93% of all export revenues.
- 2019 : Total exports exceeded US\$420 bln, meanwhile goods and services imported to Russia amounted to US\$250 bln. **Trade Cycle:** Soft Commodities



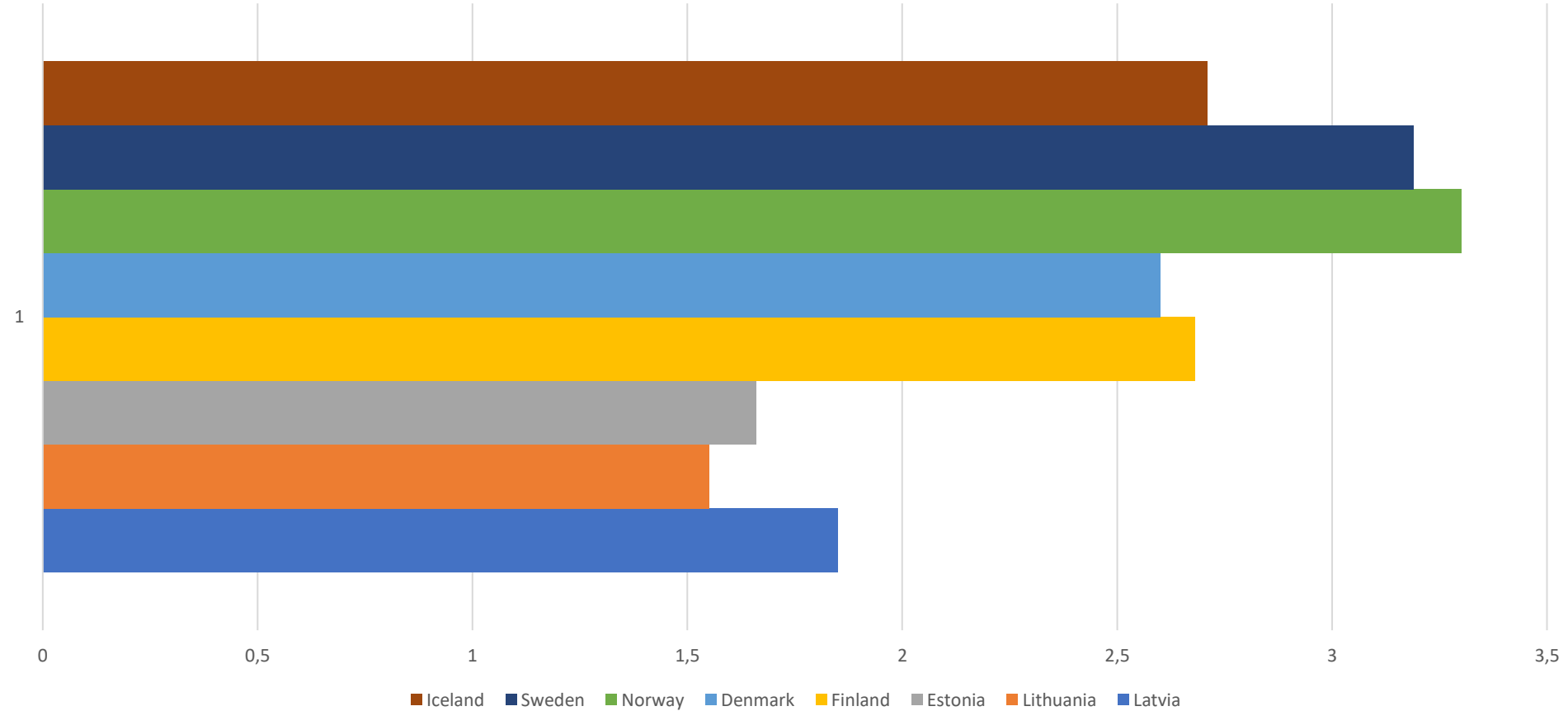


Exporting to Scandinavia and Baltic Region

- Do you have the resources and capacity ready to export ?
- Does your product
- have potential foreign demand ?
- Will you integrate exporting into your business plan ?

Once the above questions have been answered, YARMARKA will be ready to build a comprehensive export plan.

Average Price of 1KG of White Rice in Capitals





Find Foreign Buyers

- Development of global web presence
- Increase attending or exhibiting at industry trade shows

Industry Trade Show : An exhibition for companies in a specific industry to showcase and demonstrate their new products and services. Trade shows are sponsored by trade associations for specific industries.

Steps Required for Exporting

1

Determine if the products need an Export License

2

Review appropriate Documentation and Shipping Options

3

Research foreign Standards, Certifications, Regulations for the products

4

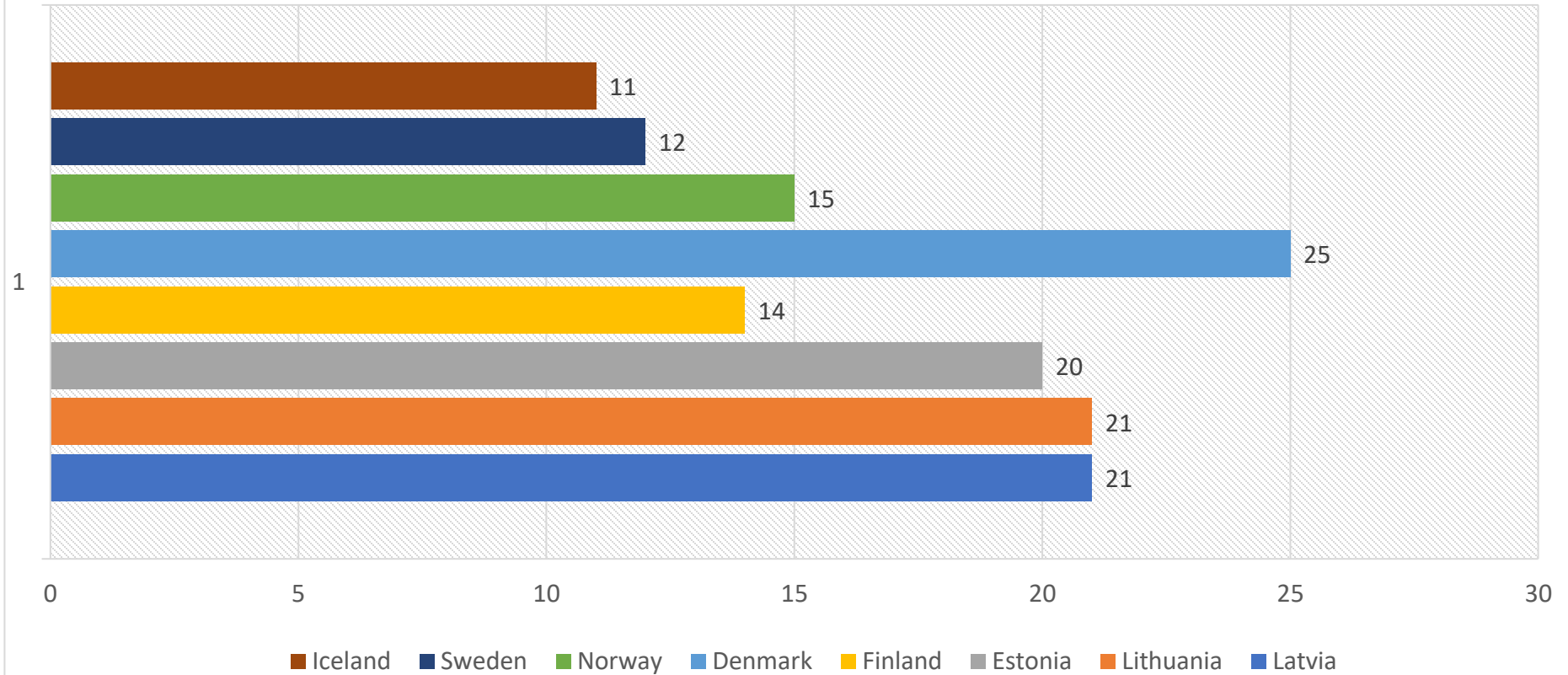
Confirm Duties, Taxes, Shipping and Insurance Costs



Considerations

- Become familiar with the Extended Terms
- Money to Expand
- Insurances from Banks (Guarantee payments from foreign buyers)
- Discover options for Export Financing Options in Russia

Vat %



Source list

- Purchasing power of per capita monetary income of the population <https://www.fedstat.ru/indicator/31326>
- Dynamics of the average size of assigned pensions <https://krl.gks.ru/storage/mediabank/tPmz2KIU/74313.pdf>
- Budget of the Karelian family https://krl.gks.ru/storage/mediabank/h45CtHAr/76193_348418.pdf
- The population of Karelia <https://численность-населения.рф/республика-карелия>

VAT sources

- Latvia: VAT is 21% is the Standard and for all products (<https://www.vid.gov.lv/lv/pievienotas-vertibas-nodokla-likmes>)
- Lithuania: VAT is 21% (<https://www.avalara.com/vatlive/en/country-guides/europe/lithuanian/lithuanian-vat-rates.html>)
- Estonia: VAT is 20% (<https://www.avalara.com/vatlive/en/country-guides/europe/estonia/estonian-vat-rates.html>)
- Finland: A reduced VAT rate of 14% on all foodstuffs, barring liven animals (<https://www.avalara.com/vatlive/en/country-guides/europe/finland/finnish-vat-rates.html>)
- Denmark: VAT is 25% (<https://www.avalara.com/vatlive/en/country-guides/europe/denmark/danish-vat-rates.html>)
- Norway: Reduced VAT rate on foodstuffs of 15% (<https://www.avalara.com/vatlive/en/country-guides/europe/norway/norwegian-vat-rates.html>)
- Sweden: Reduced VAT rate on foodstuffs of 12% (<https://www.verksam.se/web/international/running/vat>)
- Iceland: Reduced VAT rate for foodstuffs of 11% (<https://www.avalara.com/vatlive/en/country-guides/europe/iceland/icelandic-vat-rates-and-compliance.html>)



THANK YOU FOR
YOUR ATTENTION