



LAST FOREST

5th ANNUAL REPORT

2014 -15




last forest



Coffea'

Milgiris Filter Coffee



Last Forest has completed 4 plus years as an independent institution. The last one year has been challenging and a surprise for the team when we were declared one of the winners for 2014 SEED Global award under the Low Carbon category. These accolades have been possible only with a dynamic team that is committed to everyday learning new ropes for addressing business and delivery with an eye at the triple bottom line.

Last Forest as a marketing platform has an intrinsic desire and mandate to ensure that more and more producers, producer companies and informal groups are committed to revive, develop the local crafts and capitalize on their rich natural resources, in the process empowered through market mechanism. This mandate is ambitious and we are reminded when informal groups and well-meaning individuals, approach us regularly for showcasing their products that are chemical fertilizer free, local crafts and local weaves in our retail stores under Last Forest. For a multiplier impact it requires a conducive eco-system, of sensitive investors, public leaders that can champion for social enterprises and enabling policies for realizing this “Make in India” dream.

“The woods are lovely, dark and deep. But I have promises to keep, and miles to go before I sleep” - Robert Frost.

TasnimKhorakiwala
CEO
Last Forest Enterprises Pvt Ltd



last forest

Coffea'
Pure Nilgiris Filter Coffee
100g

100% Arabica

PRIMARY PRODUCER GROUPS - SUPPLIERS



AADHIMALAI PRODUCER COMPANY

This year has been exciting times for the Producer Company, since it has developed an identity of its own, a pride and growing ambition - Aadhimalai has been registered with 1609 indigenous tribal members, and allotted shares to 775 women members and 834 men members. Every member has been allotted 30 shares value of Rs.100 each, sum up to Rs.3000 per head. This was undertaken by organizing series of meetings with community and farmers across the region. Explaining the mandate, clarifying the vision and purpose of the company and campaigning for the overall benefit to farmers and forest collectors across the region for being shareholders. The indigenous communities are both owners and sellers of their produce to Aadhimalai. The management team of Aadhimalai has focused on training the shareholders as well as the board members and have started focusing on developing sound business practices and processes at the production centre and the Aadhimali head-office.

Aadhimali and Last Forest has strategically partnered in strengthening the Producer Company, its value chain, product development and business with support from Rabo Bank Foundation for its focus on top products notably Honey, Bees-Wax products, Coffee, Millets and Amla. This additional finance to the Producer Company has boosted and sharpened the focus on the markets. The Producer Company has extended its support and procurement at higher market prices to more producers and Honey Hunters across the region.



CASE STUDY

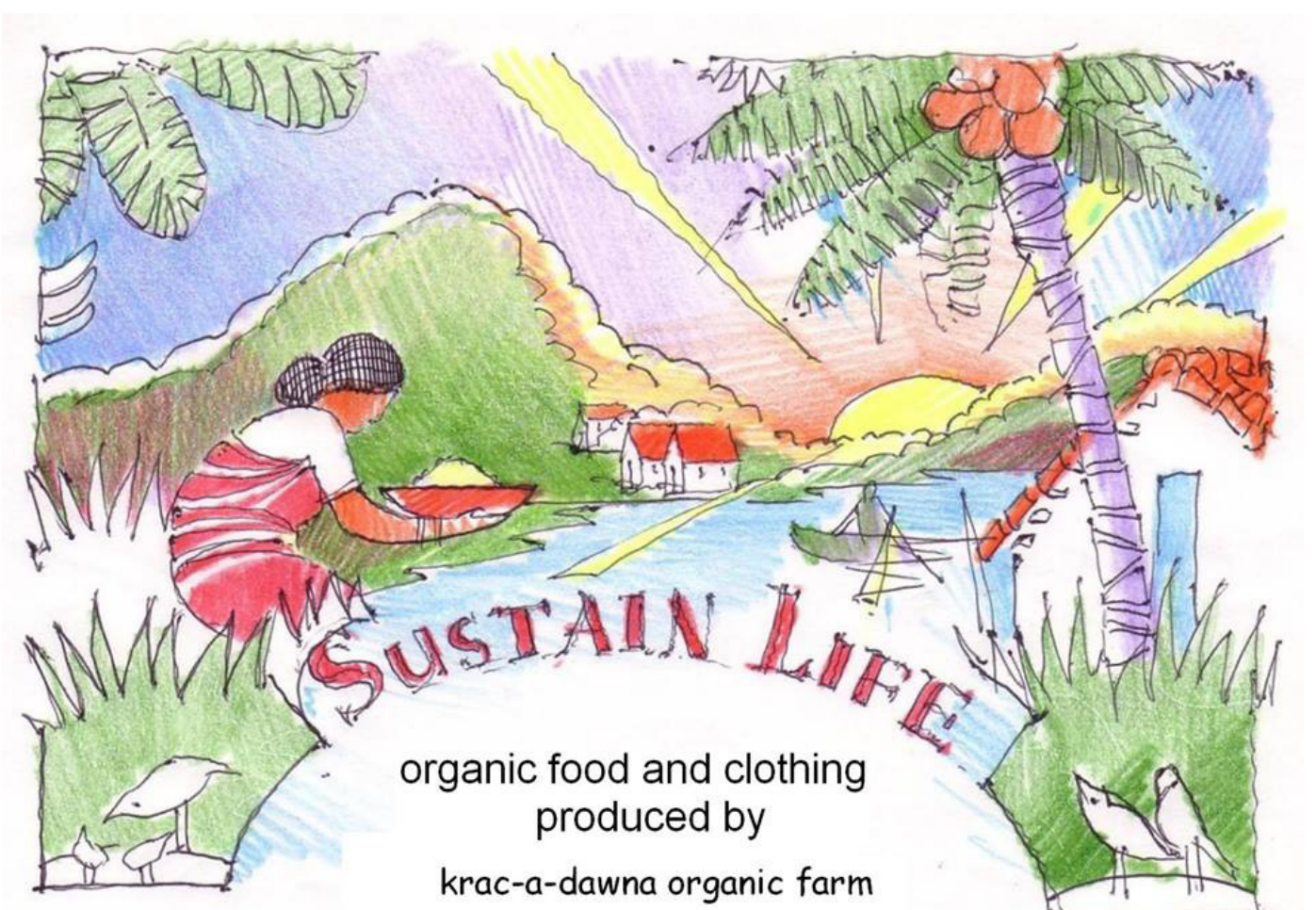
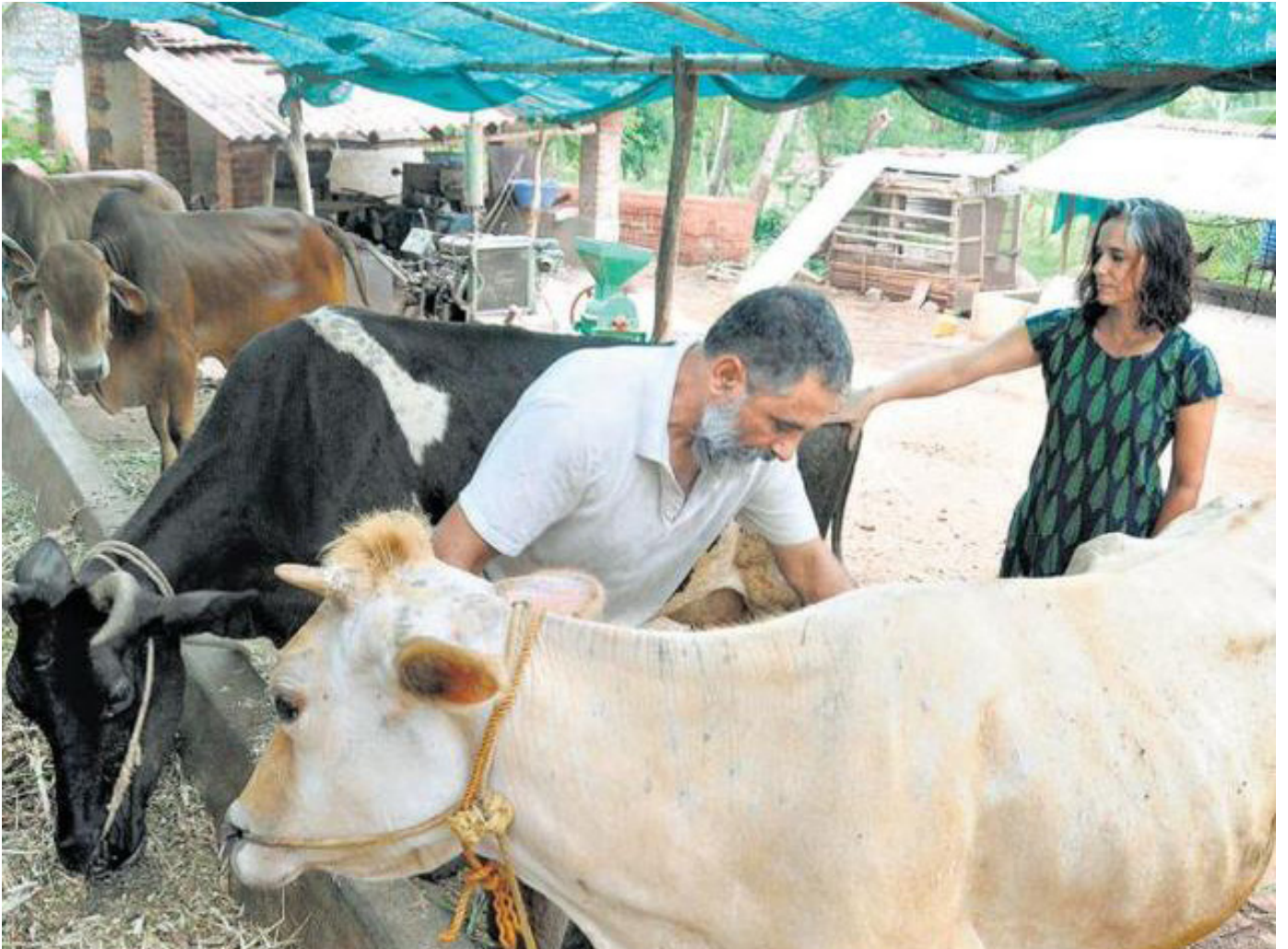
Janakiamaal is from the Kurumba community and is a denizen of Vellarikombai, also traditionally called Doddakombai. She was associated with Keystone as a community mobiliser. She became a widow two years back and has been responsible for her children's upkeep. She is a marginal farmer with 2.5 acres of land, which is in the Semmanarai production centre. Here she grows coffee, oranges, silk cotton, pepper, chillies and yam and also rears goats. She is an important figure in revival of culture, with focus on mainstreaming traditional food recipes and is a member of Slow Food Festival . She is dynamic and on being elected a Board Director, she has taken her role seriously by attending all the Board meetings, directly interacting in procuring products on behalf of the Aadhamali producer company, and talking about its vision and ambition to make it one of the top community owned enterprise in the Nilgiris.



KRAC-A-DAWNA ORGANIC FARMS

15 years ago, Vivek and Juli walked away from the concrete jungle to discover that the Earth still had many promises to keep. They were the Vanguard in late 80's even before Organic became a fashionable word and an industry that has spawned around it. Their three children Azad, Suku and Kabir, as well as KRAC-A-DAWNA a certified organic farm makes life one beautiful storm for them. The river valley in which it is located is quiet and peaceful and depicts life in its true myriad colours from the hot dry summer through the long green monsoon: global warming does its share to keep them awake and aware of their responsibilities in protecting wild areas, planting trees, organic crops and building community that is gainfully employed around it.

KRAC-A-DAWNA is an evolving farm that searches long and hard for practical solutions to daily problems. From home-schooling to manure-teas and bio-gas there are no hard and fast rules. Their solutions are not universal as they maintain that there is strength in diversity. According to Vivek the lesson has been to re-learn how to believe in ones instincts and defy a modern developmental process that relies too heavily on mass production and a rigid definition of "civilization". Self-reliance figures in all their thinking processes to be enabling; they have been passionate advocates both in their personal choices and public lives on issues from GM seeds to alternative markets, from child education to small-farm organic certification.



SHALOM SELF HELP GROUP

Shalom, which in Hebrew means “peace”, is one of the underlying principles of the small, vibrant and focused work that is developing a market value for Toda embroidery. The work was started by Sheela Powell who is from Ooty, growing up with the fascination with Toda men and women who would come to the hill town for livelihoods from remote villages, dressed ceremoniously on everyday basis. This fascination and awe of the heritage led to her and her team working with this elusive and proud community for the past decade in a cluster of Thamilagam Mandu village, which is the heart of the Toda community cluster. This passion was formalized in 2005 into a Self Help group, working with Toda women on product development and using their traditional skills and embroidery techniques for crafting contemporary fabrics and products. At present, Shalom has been able to balance the demands of markets and the community’s own intrinsic needs to value its culture and community cohesiveness, that makes them special. Investment with support from government has led to infrastructure development. The focus has been on training and capacity-building of Toda women in development of new products. At present Shalom is proud to have with them the active membership of 120 Toda women working full-time with them. This is home-based, valuing the needs of the community, leading to some degree of financial freedom that the Toda women relish. As we discussed with Sheila, she beamed and said that the group has done a business of Rs 10,00,000 only from sales of Toda Embroidery products this year. Last Forest has established a strong working relationship with them and we have been retailing their products, inspired by the story and grit of Shalom.

CASE STUDY - SHALOM



Shanti, aged around 35 years old is from village ThamilagamMandu that is around 5-10 kms from Ooty has been associated with “Shalom” from the past 15 years. Through her association with Shalom more than 50 women in the village (mund) have joined the team and become members of the group. Since she is one of the eager, skilled and disciplined craftswomen, she has been promoted as the leader in her group. Her work focuses on quality-control of the products and providing finishing to them before they move out to market place. This has created regular source of income that is home-based. The elusive Toda community and its women have gained self-confidence and esteem in being appreciated of their traditional skills and craftsmanship through participation in fairs and exhibitions in nearby towns and cities. This collective economic benefit has led to visible changes in their homes and sustainable living for them and their families.





SURAIYA

This year we have partnered with Suraiya. The organization started in early 80's by legendary Suraiya Bose Hassan in the old town of Hyderabad. She is fondly called as Suraiya Appa and has established a weaving unit located a few kilometres from the bustle of Hyderabad. This unit started in 1985, after her husband passed away. She had worked with the government on textiles prior to moving to Hyderabad. She started by setting up a small Himroo unit with two retired weavers and one loom. Slowly, they started employing widows as the men didn't want to leave their homes to work here. She has been instrumental in reviving some of the age old dying techniques of Mashroo, Himroo, Jamavar and Paithani and have been working with weavers and artisans from past couple of decades. Her work with artisans and craftsmen have been appreciated by the likes of Pierre Cardin, Hanae Mori and Fabindia. Today, they have about sixteen weavers, two on each loom. The English-medium school they built next door educates 600 students and the women who work at the loom educate their children for free. Her signature and passion has been ably inherited by Dominic Hassan with whom Last Forest has collaborated for a range of signature stoles in vegetable dye Kalamkari of Machalipatam – Andhra Pradesh. The stoles use contemporary fabric of Linen and silk cotton and the techniques and design are age-old and quintessential.





WOODY'S

Last Forest attempts to source products either from community groups and individuals that have taken the road less travelled. Those who have similar values, associations to do with their holistic relationship with its immediate environment, believe in fair trade and appreciation of local and community knowledge of that eco-system.

Last Forest has been sourcing its museli from Woody's. The Museli is a big hit in our stores as well as the retailers of Last Forest products in cities like Coimbatore, Chennai, Pondicherry and Salem. The journey of us procuring Woody's museli is as interesting as it's founder. Woody's museli is named after its owner "Woody Pumpernickel" he came to India in the 70's established enterprises in Nepal, Goa and then Pune the well known "German Bakery" in Koregaon Park in the 1980s . Tired of city lights, he moved to Larankelo in Kullu in the 90's. Here he has been working with the community in sourcing local grains like buckwheat, rye and barley. With his skill and discipline, he has value-added these humble but nutritious grains into rich honey coated museli with dried local fruits in it. All of his products are free from pesticides and chemicals. His consistence and limited inventory has led to a formidable reputation, and we have in turn benefitted by committed customers for his products.



MARKETING

Formalising the Informal “The Ethical Middleman”

RETAIL

Last Forest marketing has strategically shifted with focus on developing geographic concentration and saturation in the South Indian States of Tamil Nadu, Karnataka and Andhra Pradesh. The present team is focused on market development and understands who the customer is both at the Retail and Dealer ends. Every month sales and product data is used to analyse extensively and strengthen this linkage. The team has been engaging with the dealers and a relationship is being established with our top dealers. Our three Green Shops where we retail Last Forest products, our sales and marketing teams are regularly trained on the various products its unique and distinctive characteristic and from which part of the country and its producer we source from. We want our stores to also be places where story telling of the various producers, craftsmen and weavers across the country is show cased linking the product to the community. For that each store is equipped with audio-visual platform where streamlining of these stories with commentaries are played for the walk-in customer to our store, for them to appreciate the rich Indian palette.

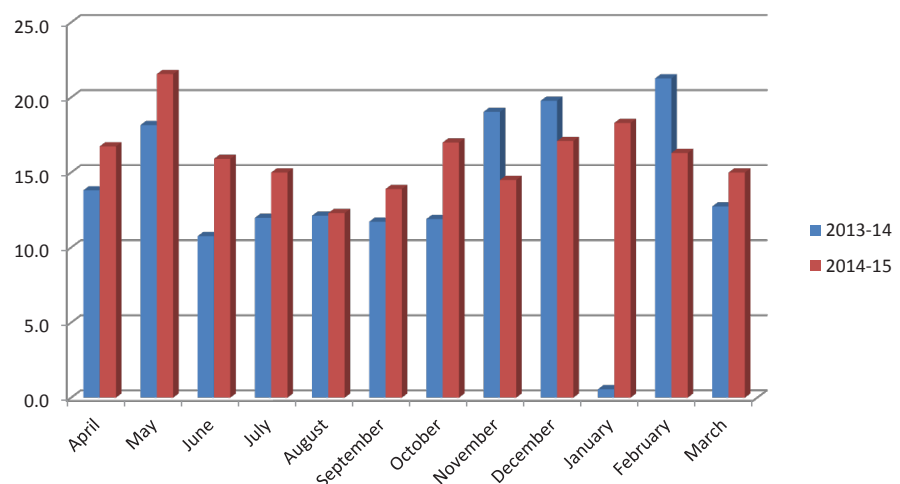
To broad-base our markets we have participated in the various fairs and exhibitions as well, notably the Green Haat, Isha Crafts and Bio-Fach. This also gives us live feedback of customers from different parts of the country, a forum to meet our peers and interact with them, study the market in detail and build networks.

We have partnered with Go-Coop, an e-commerce portal that is committed to provide a platform to all the cooperatives and producer groups working on Indian Crafts and Weaves. Our hand-woven and hand-crafted stoles and the Toda Embroidery product line is being showcased through this platform. On our own home page we are piloting with display and product selling of our Honey, spices and bee-wax range. For the Financial year 2014-15 the total sales is ₹1,80,77,283, of which Green shops have contributed ₹1,04,10,102 and Hive ₹76,67,181.

FINANCIALS

The company’s foot print started with Retail and our Dealer networks are emerging. Below, the Financial captures the sales from both the avenues.

The Company’s performance in comparison to 2013-14 (in lakhs):

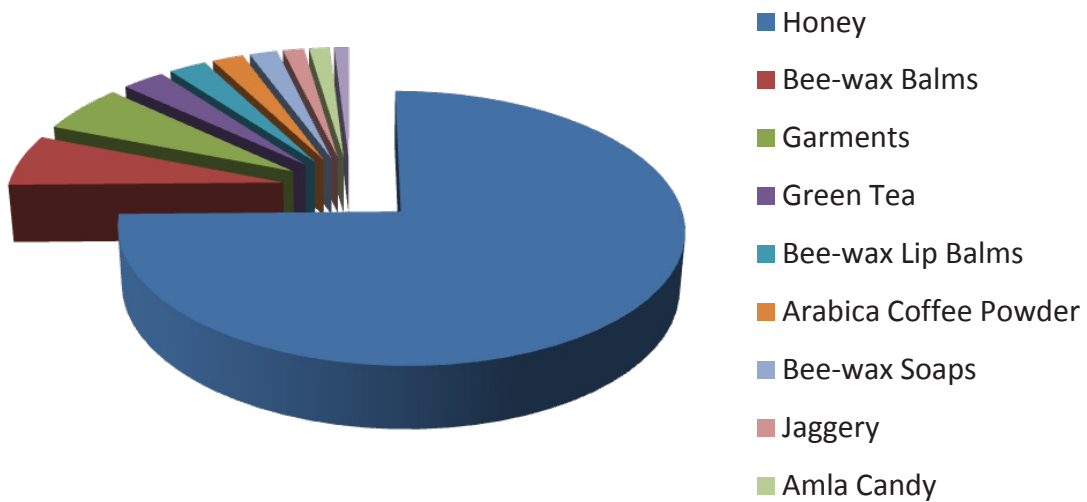




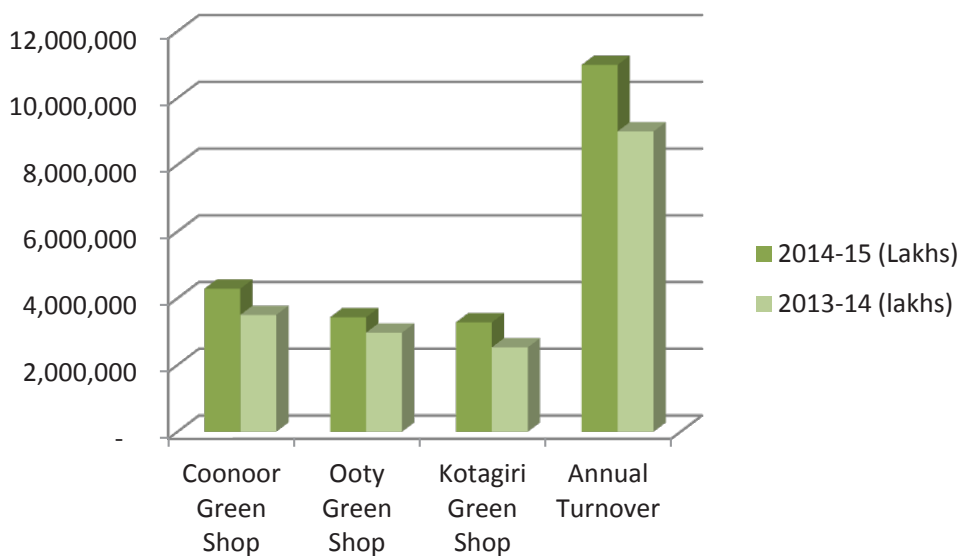
TOP SELLING PRODUCTS

TOP 10 PRODUCT SALES OF LAST FOREST (2014-15)

Value (lakhs)



RETAIL GREEN SHOP REVENUE





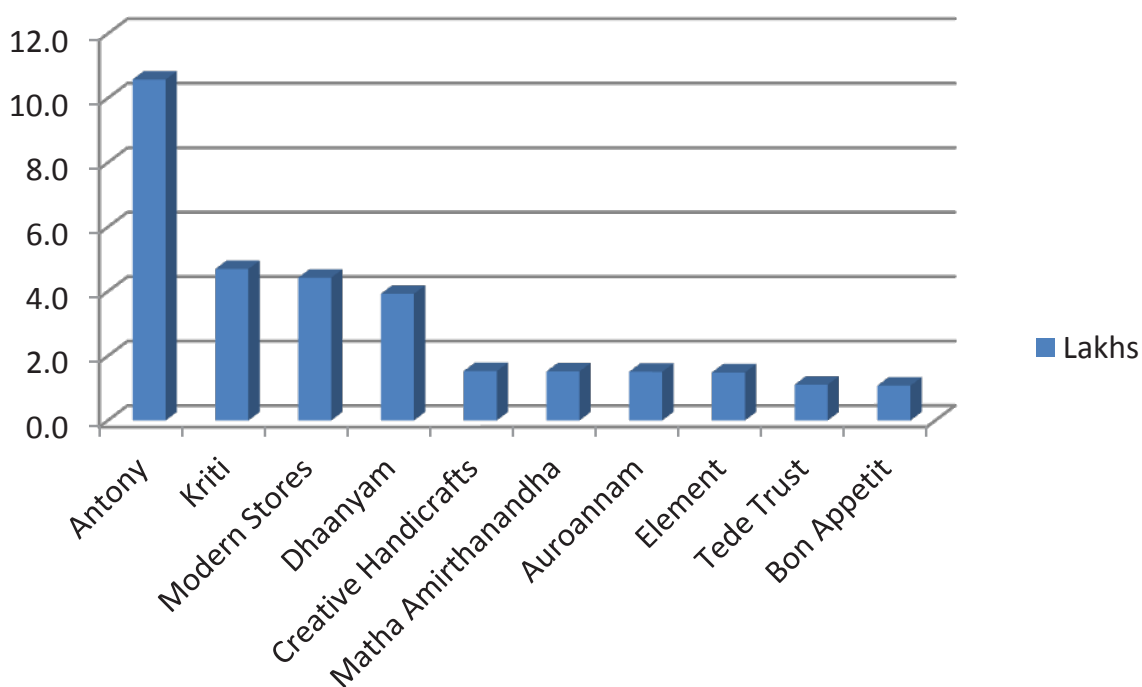


DEALER NETWORKS

Our dealer network is going from strength to strength, apart from our old partners and its strong commitment to Last Forest products and its sales. In 2014-15 we started focusing on corporate and gifting solutions as a strategy for hospitality industry and corporates during the festival seasons. This led to Axis Bank purchasing Last Forest honey for all their branches in the South, as well as Taj Savoy Ooty purchasing our honey bottle packed in Toda print as a souvenir for all their customers who come to stay with them. Casablanca, the high end food store in Pondicherry owned by Hidesign Group, featured our honey is part of their table top spread. We are building a sustained partnership with dealers that are interested to cater to Middle East, South East Asia and New Zealand markets as these are the markets, due to high Indian diaspora. Our wellness products on the first trials have shown promising results. The total sales from dealers for the financial year 2014-15 has been ₹84,20,992.

TOP DEALERS

Top 10 Dealers





GIFTING IDEAS

BY LAST FOREST

Any special occasion, whether it is an anniversary, birthday or just a reason to celebrate, spread joy with Last Forest's unique gifting solutions that are organic, healthy and handcrafted in the Nilgiri mountain ranges.

HEALTHY

Every gift combo includes a choice of honey, spices, dry fruits, coffee and other healthy and nutritious food products.

ECO-FRIENDLY

Each product, whether food or textiles, is free from any chemicals and artificial substances, especially ones that are harmful to the environment.

UNIQUE

The products not only have a distinctive taste or style, but also carry the story of a community that works to develop them.



Flip through the next few pages to explore the gift combos we have put together for you.



SPICE AROMA PACK

Cinnamon	25 gm
Clove	25 gm
Nutmeg	25 gm
Cardomom	25 gm

PARTNERSHIP AND ALLIANCE



GREEN HAAT

Small Grant Programme (SGP) of UNDP/CEE hosted a mela in Delhi this month, this was focused on showcasing the natural resources and the value-added work that primary producer institutions are undertaking across India. The mela was aptly called Green Haat. Last Forest was invited to participate, the sales response was mixed, but for the team the highlight was visiting New Delhi and Taj Mahal!



EXIM BANK

A growing business like ours need access to capital especially working capital. Export and Import Bank of India (EXIM) under the GRID programme has tailor made financial access for a small but growing SME . We went through the complete process of review and have been able to access 10 lakhs loan from the Bank from 2015 onwards.



RABO BANK FOUNDATION

Rabo Bank Foundation has committed towards strengthening the value chain in Nilgiri region on Honey, Bees-Wax products, Coffee, Amla and Millets. A three year project has been sanctioned in partnership with Aadhimali Producer Company, Keystone Foundation and Last Forest. All the institutions will be focusing on their core strengths, ensuring capacity-building of the producer enterprise leading to social impact.



PAY FOR THE ECO-SYSTEM

Keystone Foundation in collaboration with Last Forest Enterprises, undertook a study to see whether consumers are willing to pay a premium amount to recognize the ecosystem value of the product they consume within the geography. This was tried with honey from the Hasanur Area. This is also the site for the NTFP study in the CEPF (Critical Eco-systems Partnership project).

In all our retail stores, Apis-dorsata honey under the Last Forest brand was placed on a special counter with a higher price denomination. While a nearby counter had regular priced honey. This increase in prices was explained with a detail poster explaining the usage of the additional cost of the bottle. They are -

1. Trees like Ficus, wild mango, terminalias and Albizzias.
2. Promoting beekeeping with communities in the region to increase honey production for the increasing market demand
3. Conduct training and knowledge exchange for the younger generation of adivasis to imbibe traditional values and sustainable harvesting methods.
4. Undertake Ecological monitoring in these forests with barefoot ecologists.

From the sales of these bottles we have raised additional capital of Rs 54,720 in the past 6 months from December 2014 to May 2015. Showing the potential for eco-entrepreneur to use the market mechanism to maximize the value of natural capital and its goods.

PATHWAYS FOR ENGAGING WITH THE SECTOR

Establishing and strengthening connects between marginal farmers, forest dwellers and policy makers.
Mathew John, the Managing Director of Last Forest, plays an important role in these spaces.

IFOAM

Being part of the IFOAM World Board meant that Mathew had his share of World Board meetings – in place of the normal two, in fact there were three of them – Bonn, Istanbul (during the Organic World Congress) and then at the Biofach in Neurenberg, Germany.

The Bonn meeting involved a visit to the Botanical Garden of the University of Bonn. That was followed by a great dinner with the IOAS team as well as the IFOAM staff. It was also the last meeting of the present WB – the great news is that Mathew was re-elected to the World Board for a second term, in Istanbul. The Organic World Congress had a unique flavour being held in Turkey – the walks, the sea cruises and bus rides across the Asian and European continents had most participants excited and thrilled. The most exciting and most anticipated event was the bid for hosting the next Organic World Congress with all the BRIC countries putting up bids. India walked away a handsome winner. It is a challenging task but OFAI brings its experience and wide network to the table and we hope to have a great event in 2017.

Sam was elected to the INOFO Capacity Building Programme – he was able to attend two training programmes, in Bangalore and Istanbul. An excellent opportunity to network, learn and share his experiences.

The FAO organized International Symposium on Agroecology for Food and Nutrition Security in Rome, in September 2014 was an important step by the FAO in bringing together experiences from different parts of the world as well as promoting dialogue between such groups. Mathew was able to present Keystone's experiences in using agroecological methods on a day to day basis at the community level.





PARTICIPATORY GUARANTEE SYSTEM

International: At the international front, the PGS movement continues to grow with so many groups around the world adapting the examples. It is encouraging that these things are happening with absolutely no support from anyone. Groups are reading and hearing about different efforts and they are making their own decisions. The IFOAM team regularly brings out updates through its newsletter and the online database has been a great support to many

National: At the national level, there was a project from Welthunger Hilfe (WHH) which supported quite a few activities – training programmes, participation in exhibitions, printing of newsletters, promotional materials, etc. This provided a much needed boost for the activities as many new groups could become part of the PGS Organic Council. Mathew is stepping back from the Council, as a Treasurer and Samraj will be nominated as a representative from Keystone. As a team, the PGSOC was very visible at the Biofach in Kochi where it shared space along with IFOAM & IFOAM Asia. It was an opportunity to explain to many interested people.

In May 2014, Sam and Mathew attended a programme organized by TEDE Trust to give the share certificates to their Local Groups. It was exciting to welcome a whole new bunch of groups who are primarily paddy growers. Many of these farmers have been farming organically for many years and the PGS label gives them an opportunity to put their product out into the market with an organic label.

The PGS Organic Council AGM took place in Kotagiri in Aug 2014. It is always an exciting time for all members to come together and benefit from the intense discussions. The future possibilities are immense. Fair Trade Alliance Kerala and TEDE Trust were welcomed as new members.



FAIR TRADE FORUM INDIA

In early June, 2014, there was a follow up workshop with many retail managers from different Fair Trade India branded shops. This was held in Bangalore and was very well moderated by Mr. Vijay Rego – there were presentations by Stanley & Archana (from Via Media) and a visit to the Ants store.

Frango and Revathi participated in the workshop. It was an opportunity to meet many of the other retail shop managers to exchange notes and understand where many of the challenges – many issues are not unique but are common to many other retail spaces. Also, it helped to connect with potential partners in the fair trade network. This shop During the National Convention & AGM in Sept 2014, Revathi & Frango could join Mathew to be part of the meeting. B. Narayanswamy, who is a well known figure in the world of advertising and branding, gave an opening presentation on Branding & Market Access where he challenged the gathering to start looking at markets with `new eyes` to access `new markets`. Revathi was one of the panel speakers in one of the sessions as to how Last Forest has grown over the last few years.



SLOW FOOD

Terra Madre in Turin, always a place to be – the energy which flows through the event is immense and this time, Leo, Sam & Selvi were representatives from this end. It was an honour for Selvi to be one of the few to speak at the opening ceremony about her experiences as an indigenous community person.



WFTO CERTIFICATION

With an eye for expansion of our marketing operations, we have undertaken concrete steps for certification of WFTO (World Fair Trade Certification). This accreditation by WFTO to Last Forest, will help us in strengthening our systems and policies for making it a robust institution that practices the 10 principles related to ensuring trade and business that is fair for BOP (Bottom of the pyramid).



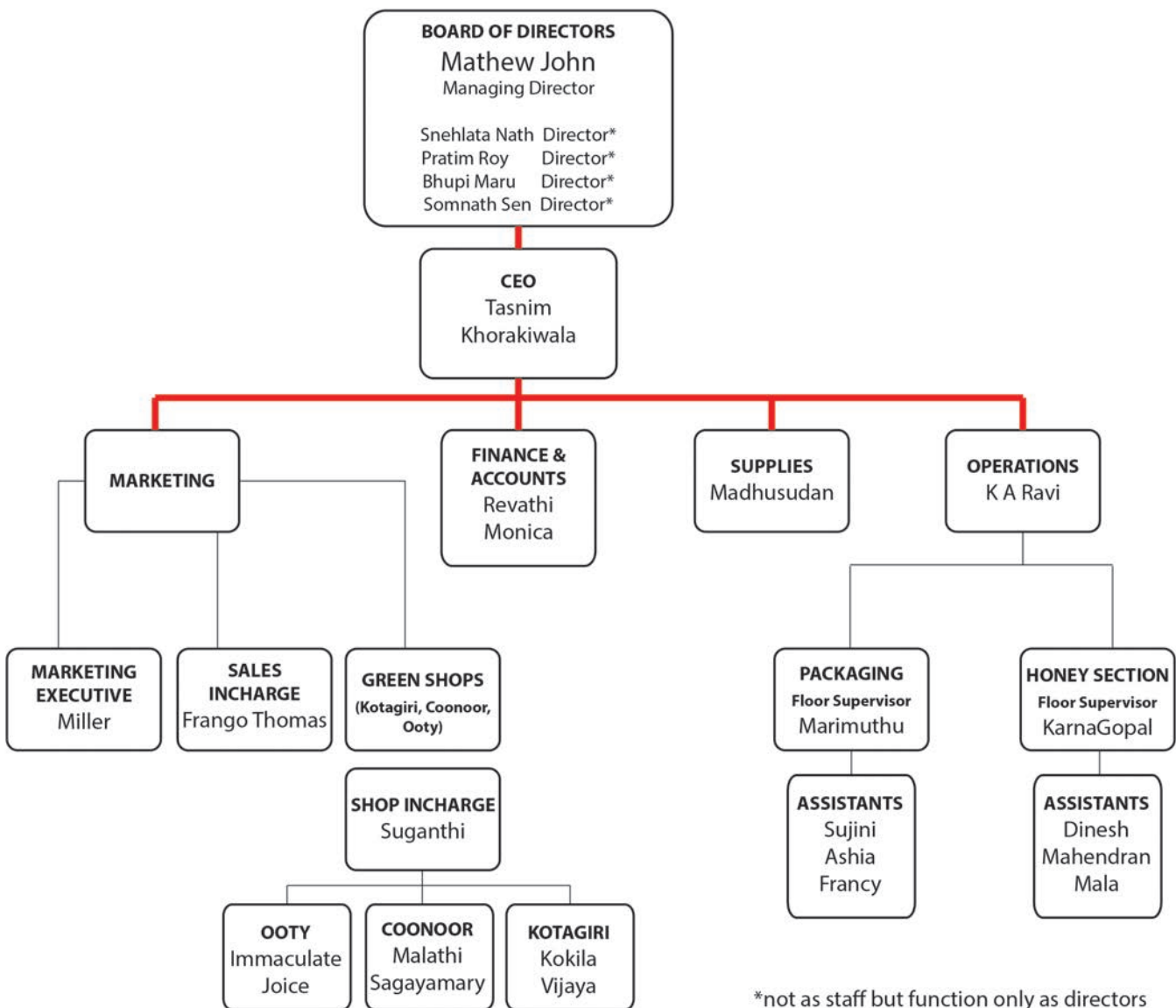
SEED AWARD AND MENTORSHIP :

Last Forest Enterprises was the recipient of SEED (promoting entrepreneurship for sustainable development) Award 2014 under the low carbon category . This award is promoted by UNDP, UNEP and IUCN as well as the Ministry of Environment and Forests –Government of India. 41 Social enterprises were SEED winners for 2014 from 9 countries under categories of SEED Africa, SEED South Africa, SEED Gender Equality and SEED Low Carbon., with 79% from Africa, 18% from Asia and The Pacific, 7% from Latin America and Caribbean 7% and Europe and EU countries 1%.

The awards gave impetus to Last Forest and its team for deepening the social impact and also ensure that the business model is sharp. To help with that SEED mentorship was undertaken post the award. Regain Paradise Consultancy was the agency deputed to support the Indian Winners. A field visit to Last Forest Enterprise this entailed understanding the team, business model, future plans and discussion with the promoters followed by a 3 day workshop and 1 day symposium in Bangalore. Here all SEED Winners as well as the Last Forest team and its partners Aadhimalai Producer Company and Samarthak Samiti participated to detail out the Enterprise Framework and its analysis in the context of Last Forest.

THE TEAM

Last Forest started with 8 and now we have grown into dynamic 22 member strong team. The challenge for a social enterprise like ours is “How” to keep the heart of the community balanced with the efficiency of corporate, that balance keeps us ticking.





BALANCE SHEET AS AT 31.03.2014

EQUITY AND LIABILITIES (in '000s)

		2014-15	2013-14
1	Capital Funds	1,979	2,000
2	Non-Current Liabilities	6,439	1,374
3	Current Liabilities	6,052	3,973

ASSETS (in '000s)

		2014-15	2013-14
1	Fixed Assets	406	549
2	Other non current assets	0	6
3	Current Assets	8,269	6,792

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2014

		2014-15	2013-14
1	Revenue from Operations	18,289	16,561
2	Other Income	577	483

EXPENSES (in '000s)

		2014-15	2013-14
1	Purchases	11,944	10,199
2	Changes in Inventories	826	757
3	Direct and indirect Expenses	7792	6,272

		2014-15	2013-14
	Profit Before Taxation	-43	-184
1	Tax	-30	- 13



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Coffea

Pure Nilgiris Filter Coffee



100g

Last Forest Enterprises Pvt Ltd

41/111 E, Groves Hill Road,
Kotagiri, The Nilgiris - 643217

Phone : +91 4266 272266

E mail : response@lastforest.in

Website : www.lastforest.in

Facebook : www.facebook.com/lastforest

Green Shops

Sargan Villa, Club Road,
Opp. Hill Bunk (Petrol pump)
Ooty - 643001 | Ph: 0423 2441340

Jograj Buildings, Bedford Circle,
Coonoor - 643101 | Ph: 0423 2238412

Johnstone Square (Kamraj Square),
Kotagiri - 643217 | Ph: 04266 273887



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