



Baba P.S. Bedi
Chairman



THE KARNATAKA PLANTERS' ASSOCIATION

NEWS LETTER - 1

Dear Members,

May I wish you all a very Happy Vasant Panchami !

It is with humility that I thank the General Body for electing me for the great honour and responsibility to serve as Chairman of this August Association.

We are privileged to be part of the inimitable world of coffee plantations and even though we face challenges, we are stronger when we work together and it is my priority to identify and expand the benefits of being a member of this organization.

Plantations have unparalleled biodiversity with complex symbiotic relationships and are excellent examples of ecological balance that provide a haven for wildlife conservation. They sustain a unique ecosystem of endemic flora and fauna that can only be found at plantations. Coffee plantations provide corridors for migrating birds to move from forest fragments, attract and support economically valuable pollinators, provide an environment for eco-system services such as stabilizing and replenishing soil nutrients, storing carbon and a haven for wildlife.

Given the fragility of the production systems and that coffee is a globally traded commodity, subject to cyclic upswings and down turns, it exposes the producers to enormous risks. Planters however continue to develop on a system of modern labour management for migratory labour as well as for workers that are tied to families for generations as permanent workers. They bear the social costs and provide workers with shelter at the plantations, sickness and maternity benefits, health, entitlement for leave with wages and Provident Fund. Women are employed along with men at plantations and there is no gender based discrimination in wage payments.

I would like to take you through various activities and developments since I took over as the Chairman of the Association. I have added select web links in the hope that we are all on the same page on the progress in the industry.

1) The Office bearers of the Association are as follows:

a) The KPA Trustees for the year 2015-16:

Mr. Baba P.S. Bedi,
Dr. M.M. Chengappa,
Mr. H.T. Pramod,
Mr. K. Kurian.

b) The KPA Executive Committee for 2015-16:

Mr. Baba P.S. Bedi (Chairman),
Dr. M.M. Chengappa (Vice-Chairman),
Mr. H.T. Pramod,
Mr. Shirish Vijayendra,
Mr. Mahesh Shashidhar,
Mr. A. Arvind Rao,
Mr. A.A. Ponappa,
Mr. M.B. Ganapathy,
Mr. N. Ramanathan,
Mr. V. Murali,
Mr. Rohan Maxwell Colaco.

c) Members Co-opted on to the Executive Committee:

Mr. Anil Kumar Bhandari
Mr. C.N. Nataraj
Mr. Peter Mathias
Mr. D. Vinod Sivappa
Mr. Cherian Philip
Mr. A.S. Shankare Gowda
Mr. AL. RM. Nagappan
Mr. Jeffry Rebello
Mr. C.M. Pemmaiah
Mr. Ajoy Thipaiah
Mr. Sahadev Balakrishna
Mr. Marvin Rodrigues
Mr. Nishant R. Gurjer
Mr. D. Govindappa Jayaram
Mr. K. Kurian
Mr. Shaji Philip
Mr. Ashok Kuriyan
Mr. N. Bose Mandanna
Mr. P.B. Chengappa (Kishore)

d) KPA Sub - Committees:

The following are the various Sub-Committees of the Association and their Conveners for the year 2015-16:

- | | |
|--|---------------------------------------|
| 1. Scientific Committee: | Convener - Mr. A.A. Ponappa. |
| 2. Negotiation Committee: | Convener - Mr. N. Bose Mandanna. |
| 3. Coffee Research Committee: | Convener - Mr. Nishant R. Gurjer |
| 4. Land Matters Committee: | Convener - Mr. A.S. Shankare Gowda. |
| 5. Environment Awareness Committee: | Convener - Mr. Marvin Rodrigues. |
| 6. Taxation Committee: | Convener - Mr. V. Murali. |
| 7. Tea Committee: | Convener - Mr. Rajkumar Wilson |
| 8. Public Relations Committee: | Convener - Mr. D. Govindappa Jayaram. |
| 9. Membership Drive Committee: | Convener - Mr. H.T. Pramod. |
| 10. Sports Committee: | Convener - Mr. N. Ramanathan. |
| 11. Website Committee : | Convener - Mr. Sunil P. Rasquinha |

2) 43rd Annual Session of the International Pepper Community (IPC) - 22nd to 25th November, 2015

I attended the global conclave of the International Pepper Community (IPC) held at Mysore along with several members of KPA and Past Chairman Mr. Nishant R. Gurjer.

There was a representation of distinguished delegates from IPC Member Countries of India, Brazil, Indonesia, Malaysia, Sri Lanka and Vietnam. Other pepper growing countries were also represented, namely, Thailand, Cambodia and Micronesia.

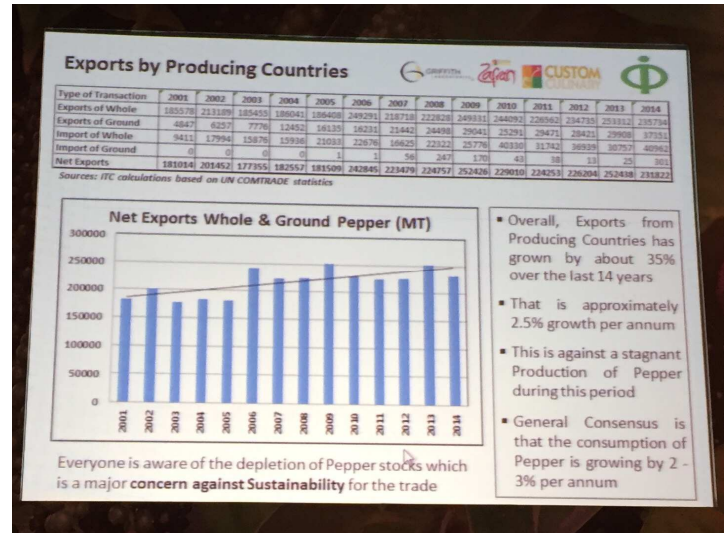
The presentations / specialized talks by delegates were on the recent advancements in pepper cultivation, on techniques of production, exports, trade, quality improvement, research and were substantiated with interesting statistics from their respective countries.

Dr. Anandraj, Director-ICAR, Dr. V. Srinivasan, Principal Scientist-ICAR and Dr. Giridhar Rao, Griffith Laboratories Pvt. Ltd., Bangalore, made presentations on the Pepper Industry in India.

The highlight of the Conference was clearly, Black Pepper from Micronesia, an island nation of approximately 250 kilometers in the Pacific where the pepper song is surely an anthem! Micronesian Black Pepper is being sold for \$ 180 per kilo (Approx. Rs. 11,700 per Kilo!).

Useful links:

- I. <http://www.ipcnet.org/n/map/?path=map&page=cmp>
<http://www.ipcnet.org/n/ipc/index.php?path=ipc&page=song>



3) Press Meet - 30th November 2015.

A Press Meet was held at the KPA Office in Chikmagalur and was attended by forty members from the print and media fraternity.

Mr. A.S. Shankare Gowda and Mr. Ajoy Thipaiiah Past Chairmen of the Association were also present.

KPA highlighted the prospects and headwinds faced by the plantation industry which was subsequently covered in the local and State Newspapers which are as follows:

- I. The media was informed that it is imperative that the office of the Chairman of the Coffee Board is a full time and regular appointment.
- II. We discussed the mutual benefits of the utilization of the projected fund of Rs.950 crores over five years specified for the ICDP scheme in the 12th Plan of the Coffee Board and the inclusion of large and Corporate growers in the Schemes.
- III. We informed the media of the vulnerability of the plantation sector and its dependence on nature, the havoc of climate change and particularly the extent of the damage caused to the standing coffee crop due to un-seasonal rains in November 2015 caused by cyclonic storm in the Bay of Bengal.

- IV. The draft notification dated 04-09-2015 on implementation of the Dr. K. Kasturirangan Report on ESA in the Western Ghats has clarified that there will be no displacement or relocation of local people in the ESA and practicing of agricultural and plantation crops will not be affected. The KPA has filed objections to the notification to ensure that plantation cultivation is not adversely affected in any way.
- V. We discussed the astronomical rise of over a 100 % in the cost of the essential agricultural inputs like fertilizers, spray chemicals, essential crop nutrients, labour wages and other social costs of maintaining the plantation workforce.
- VI. It is a requisite that the Central and State Governments provide relief in Corporate Tax, viz., Central Income Tax & Agricultural Income Tax.

To allow input credit of VAT on Fertilizers, Pesticides, Chemicals, Nutrients, Petroleum Products and Capital Goods to be adjusted against output VAT during sale of coffee, tea and rubber to overcome the overwhelming burden of inflation and for a healthy sustenance of the Plantation Sector.

- VII. The plantation sector has to independently bear the load of providing gratis social costs of housing, medical, sanitation, water, education, healthcare etc. to its workers under the Plantation Labour Act. We urge the implementation of the report of the Inter Ministerial Committee recommending sharing costs to a ratio of **30:20:50** by the Union, State Governments and Plantation Managements to be executed without delay.
- VIII. To restore the reward rates under the new Foreign Trade Policy 2015-2020 (FTP) from 3% to 5% as existed earlier and the scheme be simplified for implementation immediately.
- IX. To improve on the essential infrastructure of power and roads network in the plantation areas and Electricity Tax imposed on the self generating of power.
- X. We shared the success of the scholarship schemes implemented by KPA to meritorious students, children of workers working in member estates to maximize their ability to contribute to their communities.



- XI. We discussed the united representation of KPA and its regular knowledge sharing activities among members through field visits, Conferences, Seminars, Symposiums and Interaction with Scientists and Experts in the Plantation Industry.

Useful links:

- II. <http://www.financialexpress.com/article/markets/commodities/coffee-planters-want-extension-of-icdp-scheme-to-corporate-growers/167063/>
- III. http://www.business-standard.com/article/news-ians/heavy-rain-hits-coffee-output-in-karnataka-tamil-nadu-115111701321_1.html
<http://ecofriendlycoffee.org/the-impact-of-climate-change-on-coffee/>
- IV. http://envfor.nic.in/sites/default/files/HLWG-Report-Part-1_0.pdf
<http://www.clearias.com/gadgil-report-kasturirangan-report-western-ghats/>
- V. <http://taxguru.in/dgft/salient-features-foreign-trade-policy-20152020.html>



4) Spices Board Conference - 2nd December 2015

The Secretary, Mr. Anil Savur attended the Spices Board Conference on 2nd December 2015 at Kalasa, Chikmagalur District. Presentations were made by Dr. M.N. Venugopal, (Retd. Principal Scientist, ICAR) and Dr. K.A. Saju, Scientist Plant Pathology, Indian Cardamom Research Institute. This was followed by a field visit to a Pepper growing Estate.

Useful Link:

- VI. <http://indianspices.com/sites/default/files/Major-spice-state-wise-area-production-web-2015.pdf>



5) Field Day at Central Coffee Research Institute - 7th December, 2015:

The Central Coffee Research Institute Balehonnur, Chikmagalur District, organized a 'Field Day' celebrating 90 years of its formation.

While visiting the field blocks, it was observed that the physiological aspects of the coffee plants in Clonal and other research blocks looked substantially improved from our visit to CCRI last year. This was followed by presentations on various technical aspects related to the growing of coffees.

Useful link:

VII. http://www.chikmagalur.nic.in/htmls/ccri_main.htm

6) Tea Seminar on XII Plan Scheme Guidelines of Tea Board – 8th December 2015

A half day Seminar on the XII Plan Modalities and Scheme Guidelines of the Tea Development & Promotion Board was held at the KPA Office in Chikmagalur.

The officials of the Tea Board, Gudalur made presentations on the new Scheme guidelines which was circulated to the KPA Tea members.

Useful links:

VIII. <http://www.teaboard.gov.in/pdf/schemes/Modalities-and-scheme%20guidelines-12th-Plan.pdf>



7) Reconstitution of the Coffee Board - 15th December, 2015

The Coffee Board has been reconstituted for another three years vide its notification dated 15th December 2015.

In the large grower representation to the Board, two membership seats remain vacant and in the small grower representations to the Board, five membership seats remain vacant and the Curing Establishments hasn't been represented as yet.

We have requested the Commerce Ministry to expedite the process in appointing members to the various categories which remain vacant.

Useful links:

IX. http://www.indiacoffee.org/CoffeeBoard/Board%20member%20address_for%20web_Dec15.pdf

8) Electricity Tax - December 2015

The Karnataka State Government has reintroduced Electricity Tax on generators used for personal consumption above 250 KVA.

We had earlier met the Minister of Energy Sri. D.K. Shiva Kumar and Principal Secretary, Energy Department Sri. Ravi Kumar and requested the exemption granted previously for smooth work flow.

Thereafter, in the month of December 2015, Convener Public Relations Committee Mr. D. Govindappa Jayaram and I met Mr. Jawaid Akhtar, M.D, Karnataka Power Transmission Corporation Ltd., (Former Chairman of the Coffee Board) to discuss the impact of the imposition of Electricity Tax.

Useful Link:

X. <http://www.thehindu.com/todays-paper/paying-tax-for-power-from-own-captive-generator/article7406173.ece>

9) CASS VIII, 1st Chapter at Sakleshpur - 10th Jan. 2016

The Scientific Committee under the Convener-ship of Mr. A.A. Ponappa had conducted the 1st Chapter of the VIII edition of CASS at M/s. Srinidhi Plantations and M/s. Kogravally Estate.

The Symposium was designed to provide insights to:

1. Setting up a new plantation on marginal land using drip irrigation.
2. Understanding the science of drying coffee.
3. Mechanical drying of Coffee and modern pulping facilities.

The Symposium was inaugurated by Mr. Hemanth Kumar, Joint Director (Extension) Coffee Board.



10) WSB Steering Committee Meeting held on 10th January 2016 at the Coffee Board, Bangalore.

At the request of KPA, the Ministry of Commerce and Industry invited us to the 3rd meeting of the WSB steering committee on 10th January 2016 at the Coffee Board, Bangalore.

The Association was represented by our past Chairman Mr. Jeffery Rebello at this meeting.

The meeting was initiated to follow up on further research done by the Coffee Board since its last steering meeting held on 22-6-2015 at New Delhi.

The following are some of the highlights on the methodology being adopted by this committee to combat White Stem Borer:

1. Short Term:

- i). CCRI to work with IISc to take up Bio Metrics of boring and development of minimally invasive detection techniques.

- ii). To engage with the National Centre for Biological Sciences (NCBS) in understanding the Ecology and Ethology of ESB.
- iii). To work with Tata Chemicals Innovation Centre (TCIC) for evaluation of new chemical formulations to be used against WSB of duration of 2 years.

2. Medium Term:

CCRI and M/s Jain Agritech will work on the identification of sources of resistance against Coffee WSB.

3. Long Term:

CCRI and M/s Jain Agritech will work on breeding of Arabica varieties of coffees which are WSB resistance.

11) Meeting with Chairperson, Coffee Board Mrs. Leena Nair at Kochi.

I met Mrs. Leena Nair, Chairperson, Coffee Board on the 11th of January 2016, and discussed the following issues:

1. Non-availability of Clonal and Tissue Culture Plant Material.
2. To expedite the disbursement of Funds under ICDP.
3. White Stem Borer and the Dwindling of Arabica Plantations in Karnataka.
4. Pre-Budget Memorandum submitted by the KPA to the Government of Karnataka.
5. Non-availability of Broca and Pheromone Traps during the flight periods of both White Stem Borer and Berry Borer.
6. Re-constitution of the Coffee Board.

12) UPASI Meeting

I had attended the UPASI Trustees Meeting, Coffee, Spices & Environment Committee Meetings and the Executive Committee Meeting on 11th and 12th of January, 2016 at Kochi.

13) KPA Sub-Committee Meetings

- A) The first Scientific Committee Meeting was held on 1st December, 2015 at Bamboo Club, Pollibetta.

The Schedule of events for the year 2015-16 were finalized and restructuring of the KPA Website was discussed in detail.

- B) The First Website Committee Meeting was held on 14th December 2015 at Bangalore and the Second meeting was held on 8th February, 2016 at KPA Office, Chikmagalur.

At the first meeting, the Convener presented a proposal on the restructuring and the development of the KPA Website which would provide services to our member and the Plantation Industry.

At the second meeting, it was proposed to restructure and develop the KPA Website in two phases. The first phase would entail the addition of the Directory Listing Extension and the Trade Exchange Platform to the existing website.

The second phase would be upgrading the existing website into a flexible and responsive format using the latest technology and design architecture available.

- C) The first Taxation Committee Meeting was held on 4th January, 2016 at Bangalore, to finalize the Pre-Budget Memorandum to be submitted to the Government of Karnataka.
- D) The first Tripartite Meeting of the Scientific Committee, Website Committee and Coffee Research Committee was held on 9th January, 2016 at Munzerabad Club, Sakleshpur, to discuss the restructuring/developing of the KPA Website, and to empanel Scientists under the following heads:
- 1) Soil Scientist.
 - 2) Agronomist.
 - 3) Plant Physiologist
 - 4) Horticulturist
 - 5) A Specialists in Coffee, Tea Spices, Rubber and Areca
 - 6) List of accredited Scientist/Qualified Persons who could provide visiting services.

14) Labour Matters:

- ❖ The Vice-Chairman Dr. M.M. Chengappa and IRO Mr. B.G. Kushalappa attended the Meeting of the Minimum Wage Advisory Board on the 26th of November 2015 to follow up on half yearly VDA and Service weight age to workers in Schedule industries.

The Hon'ble Labour Minister, Government of Karnataka Mr. Parameshwara Naik, was present at this meeting.

- ❖ Mr. Anil D Savur, Secretary of the Association had attended the Minimum Wage Advisory Board Meeting held on the 2nd January 2016 at Chikballapur, to

discuss the revision of wages for the category of Security Personnel and employees working in Urban and Local bodies.

- ❖ The Payment of Bonus Amendment Act 2015 was passed by the Loka Sabha on 22nd December 2015 and by the Rajya Sabha on 23rd December 2015. The President gave his assent on 31st December 2015. It was published in the official Gazette on 1st January 2016. The provisions of the Amendment have come into force from 1-4-2014.

The amendment has raised the salary ceiling for coverage from Rs.10,000/- to Rs.21,000/- per month and salary ceiling for computation of bonus from Rs. 3,500 to Rs.7000 Per month or the minimum wage for the scheduled employment as fixed by the appropriate Government whichever is higher.

UPASI has filed Writ petitions before the Hon'ble High Court of Karnataka in W.P. Nos. 5944 & 5945/2016 and High Court of Kerala in W.P. No. 3025/2016.

The respective High Courts have stayed only the retrospective part (To pay Bonus from 2014-15).

- ❖ The Directorate of Economics and Statistics, Government of Karnataka, Bangalore has published the State Average Consumers Price Index for the year 2015 as 6537 points (Base 1960 = 100, Linking Factor = 8.5) which is 332 points more than the previous average.

In view of this, the total wage payable to the Plantation Workers from 1st April 2016 to 31st March 2017 is Rs. 263-29.

The details circular in this regard will be sent shortly.

15) Final estimate 2014-15 & Post Monsoon forecast 2015-16 of the Coffee Board:

The Coffee Board has estimated the production as follows:

1. Final estimate : 2014-15 - 3,27,000 Tons (Arabica 98,000 tons and Robusta 2,29,000 tons)
2. Post Monsoon forecast of 2015-16 – 3,50,000 tons (Arabica 1,07,800 and Robusta 2,42,200)

In our view, the un-seasonal rains in November of 2015 caused considerable damage to the Arabica crops, and therefore a short fall to the tune of approximately 25% in Arabica production is expected.

16) India International Coffee Festival – 21st – 23rd Jan. 2016

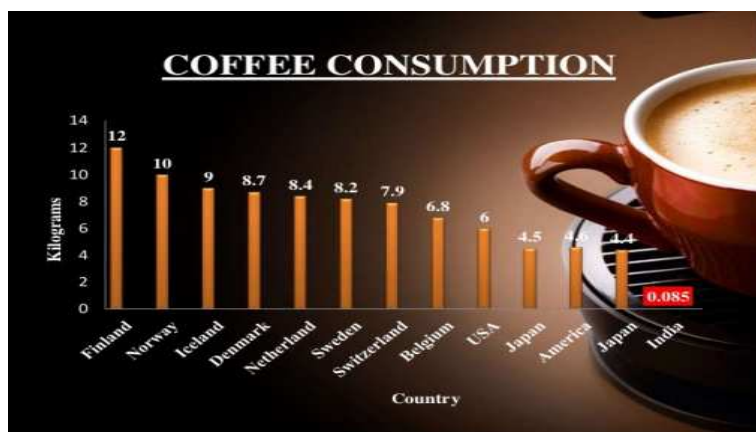
The 6th edition of India International Coffee Festival held in Mumbai was an extremely rewarding experience. There were information focused presentations on trends, advances and new ideas in marketing of coffee designed to give insight into the intercultural experiences of the problems facing the Coffee Plantation Industry.

The Coffee industry benefits immensely from Conferences and Festivals such as this, and on behalf of the KPA, I congratulate the Coffee Board and Mr. Anil Kumar Bhandari for a successful IICF.

Useful Links:

XI. <http://www.iicf.in/pdf/IICF-2016-Conference-Brochure.pdf>

XII. <http://www.slideshare.net/vijaykumarvuriti/plan-for-setting-up-coffee-powder-manufacturing-business-47808930>



17) Meeting with Mrs. Rita Teotia - Secretary Commerce and Mrs. Leena Nair, Chairperson Coffee Board at Mumbai.

The following matters pertaining to the Plantation Industry were highlighted:

- 1) Integrated Coffee Development Plan
- 2) Constitution of Coffee Board
- 3) Additional Soil and Leaf Analysis laboratories in Saklespur and Coorg
- 4) Research on Clonally Propagated Tissue Culture plant material
- 5) Dwindling of Arabica Plantations
- 6) Mandatory routing of Tea through Auctions
- 7) Import of Pepper from Sri Lanka

18) Meeting with Coffee Board Officials - January, 2016

The Convener Public Relations Committee Mr. D. Govindappa Jayaram and I met Mr. M. Chandrasekar Secretary of the Coffee Board and Director of Finance Mrs. Aarati Diwan Gupta in January 2016 and discussed the methodology adapted by the Coffee Board in estimating production, the disbursement of funds in the Integrated Development Coffee Plan, the growing of coffees in non-traditional areas and various other matters relating to the Coffee Sector.

19) KPA Circulars:

The following circulars were sent by the KPA office by e-mail and post. I request members to go through the same.

- Compulsory Contribution to the Karnataka Labour Welfare Fund.
- KPA Office Holidays - 2016.
- Variable Dearness Allowance to Staff from 01-01-2016 to 31-03-2016.
- Simplified UAN based withdrawal Claim Letter.
- Member's Representatives - Second Schedule.

20) KPA Sports Club : Golf Tournament - 2016

The Sports Committee of the KPA conducted a Golf Tournament on 13th February 2016 at the Chikmagalur Golf Club.

29 Golfers including two ladies had participated in the Tournament.

The following are the Winners :

- | | | |
|-------------------------|-------------|---------------------------------------|
| 1. Stable ford Open | Winner: | Mr. I.M. Sharath |
| | Runners Up: | Mr. A.R. Rohan |
| 2. Stable ford Handicap | Winner: | Mr. Uday Pai, |
| | Runners up: | Mr. N.G. Malleth |
| 3. Stable ford Doubles | Winner: | Mr. A.R. Rohan & Mr. Abhijeet Pai |
| | Runners Up: | Mr. A.C. Santhosh & Mr. Michael Peris |



I thank Mr. N. Ramanathan, Convener, Sports Committee for successfully organizing this Tournament.

21) Feedback

If you have any ideas, information, queries or suggestion that will help us serve you better, please contact either our office or myself because we would like to hear it.

I thank the KPA Executive Committee and the Vice Chairman - I understand the Association could not have experienced these accomplishments without their support and guidance.

I want to convey special thanks to all who have assisted the Association in our efforts to date and in particular my colleagues in the office of the KPA.

With best wishes & warm regards,

Yours sincerely,

BABA P.S. BEDI
Chairman

19th February, 2016