



Baba P.S. Bedi
Chairman



THE KARNATAKA PLANTERS' ASSOCIATION

NEWS LETTER - 2

Dear Member,

It is my pleasure to bring you all up-to-date with the activities at the KPA since February, 2016.

The KPA is honoured to participate in the deliberations leading to the landmark legislation in the abolition of Agricultural Income Tax in Karnataka. This exemption will have important implications and will ease the liability of climate change, rising costs, giving the plantation sector the much needed support and encouragement.

Plantation crops are of high value and even though agriculture is ancient, the complex world of agribusiness is relatively new which makes the future of the plantation sector a fusion between the influences of globalisation, internal and external markets dictates, environmental change, crop protection procedures, State and National legislative initiatives and incentives, and importantly, implementation of the legislation.

What will it take for these forces to converge, and how significant is the role of the KPA as an apex decision making body in that convergence?

I truly believe that we are on the edge of transformative change and are indeed fortunate to have a responsive leadership.

The KPA thanks the present Government for its commitment in strengthening the industry and has submitted its views on the proposal to repeal Coffee Act, 1942 and Enactment of Coffee Bill, 2016 which will reflect the present realities and objectives of the Plantation Industry.

Coffee plantations support multi / inter crop farming and these managed landscapes, rich in natural resources are rightfully of interest to environmentalists, historians, economists, and politicians. It is noteworthy to educe the huge importance they hold in the ecological balance that they provide and the enormous quality biodiversity within its boundaries. Plantations are our unique natural heritage.

It has been an active three months and the KPA's influence in engaging through dialogue both the State and Central Governments on matters relating to the plantation industry has been significant.

Useful Link:

<http://www.deccanherald.com/content/545637/coffee-board-chairman.html>

<http://phys.org/news/2009-02-coffee-cultivation-good-diversity-agrarian.html#nRlv>

1) Pre-Budget Meeting with the Honourable Chief Minister on 24th Feb. 2016:

The Honourable Chief Minister convened the Pre-Budget Meeting with the representatives of Industry and Trade organisations at the Vidhana Soudha, Bangalore.

Although many initiatives have been taken and many challenges remain to be realised, we made a presentation on the KPA's Pre-Budget Missive for the year 2016-17 seeking support and relief for the Plantation Industry.

It was pointed out that the plantation industry functions in three key economic sectors that add to the value chain and contributes to the State and National economic growth.

- Primary Sector - generates direct income and employment
- Secondary Sector -used as an input in the processing industry (eg. roasting)
- Tertiary Sector - covers wholesale and retail marketing for domestic and exports

The Government of Karnataka very kindly considered our submissions and repealed / abolished the KAIT Act, 1957 which was notified on 31st march 2016.



2) Sustainability Standards in the Indian Coffee Sector on 26-27 Feb. 2016:

The Trustee and EC member of the KPA, Mr. H.T. Pramod attended the Conference on "Sustainability Standards in the Indian Coffee Sector" at the Coffee Board, Chikmagalur and shared his experience in coffee cultivation. The conference was organised by IIPB in association Western Ghats Sustainable Farming Consortium from Arehalli, Hassan District.

3) KERC Public Hearing on 27th and 29th February, 2016:

The Secretary of the KPA Mr. Anil Savur attended public hearing in Mysore and Mangalore of the Karnataka Electricity Regulatory Commission (KERC) with regard to the revision of the electricity tariff.

He apprised the KERC on the irregular supply of power in the plantation areas and requested for consistency in power supply.

4) Meeting with the Additional Secretary and Director of Plantations, Ministry of Commerce & Industry on 4th March 2016:

The Vice-Chairman and I had met Sri. Rajani Ranjan Rashmi, Additional Secretary (Plantations) and Mrs. Anitha Karn, Director (Plantations) in New Delhi and submitted a dossier bringing to their attention the concerns and consternations of the Plantation Sector.

1. Integrated Coffee Development Plan:
2. Constitution of the Coffee Board:
3. Additional Soil and Leaf laboratories in Sakleshpur and Coorg:
4. Research on Clonal Propagation and Tissue Culture:
5. Arabica Plantations:
6. Tea:
7. Import of Sri Lankan Pepper:
8. Reward for maintaining Biological diversity, Ecological harmony and preservation of water bodies

5) Meeting with the Additional Chief Secretary Mrs. Rathna Prabha, IAS., on 9th March, 2016.

At the meeting with Mrs. Rathna Prabha, Addl. Chief Secretary, Karnataka Commerce & Industry Department, I submitted a Memorandum with the constraints and requests of the Plantation Industry and presented the UPASI Coffee Research Proposal.

1. Research in Coffee
2. Eco Pulpers and Effluent Treatment Plants
3. Mechanization of Coffee Estate operations
4. Incentives for providing green cover under Krishi Aranya Protsah Yojane
5. Agricultural Loans from Co-operative Societies
6. Shortage of Fertilizers
7. Improving Infrastructure - Roads and Power Situation
8. Exemption of Electricity Tax
9. Export Promotion and Incentives
10. Coffee Park at Chikmagalur
11. Railways
12. Promotion of Coffee
13. Airstrip at Chikmagalur.



6) The 58th KPA Budget General Meeting on 11th March, 2016:

The unique aspect of the KPA has been its ability to remain true to its founding objectives and continue as the single apex plantation decision making body in Karnataka looking after the interests of the plantation industry.

a) Members Subscription:

At the Budget General Meeting of the KPA held at Munzerabad Club, Sakleshpur, it was decided that even though the KPA has a strong core of loyal members, we need to include newer and younger members for fresh ideas and verve.

The existing rates of subscription for all categories of Membership therefore were retained, which are as follows.

Ordinary Membership	Rs.145/-
Acreage up to 9hects.	Rs.1,500/-
Firm Membership	Rs.3,000/-
Personal Membership	Rs.500/-
Associate Membership	Rs.3000/-
Association Membership	Rs.1000/-

*Payable with Service Tax @ 14.5%. (As on 11-3-2016)

b) Replacement of the existing KPA Secretariat Roof with an 'A' Roof

The General Membership approved the replacement of the Secretariat's Roof with an "A' Roof.

I thank the Members and the Member Estates who have generously contributed towards this replacement.

Work on replacing the Roof will commence post the 15th of August, 2016.

The Secretariat will be moving to alternate premises for the time being.

c) Man -Elephant Conflict:

Karnataka is perhaps the richest state in India in terms of flora and fauna with over 20% of the total geographical area under forest cover supporting 25% of India's elephant population and 15% of India's tiger population in its 5 national parks and 18 wildlife sanctuaries.

Coffee plantations provide buffer zones around protected areas provide corridors for a rich pool of wildlife species that require connectivity between forest fragments. In my interaction with fellow planters, I can safely say that estate owners are ready and happy to made partners in the initiative to conserve biodiversity.

It was decided to follow up with the State Forest Minister and other Forest Officials to discuss the delicate philosophical and practical differences played out in the arenas of animal and earth advocacy.

The Forest Department has proposed to acquire coffee and tea plantations in areas around Hassan, Kodagu and Bhadra Reserve with the aim of possibly restoring traditional elephant migration trails.



Useful Link:

<http://timesofindia.indiatimes.com/city/bengaluru/Forest-encroachments-Govt-order-may-invite-Supreme-Court-wrath/articleshow/51103321.cms>

<http://timesofindia.indiatimes.com/city/bengaluru/Govt-plans-to-buy-plantations-to-restore-elephant-corridors/articleshow/51103274.cms>

<http://graphics.straitstimes.com/STI/STIMEDIA/Interactives/2015/11/feature-ecolink-BKE-national-parks/index.html>

d) UPASI's Proposal on Coffee Research:

A presentation on “UPASI's Proposal on Clonal Propagation, Grafting and Tissue Culture to the Coffee Board / Commerce Ministry” was made by Dr. N. Surya Prakash Rao, Divisional Head, Plant Breeding & Genetics, CCRI, Balehonnur, Chikmagalur District.



e) Micro Nutrients required in the growing of Pepper

A presentation on “Micro Nutrients required in the growing of Pepper” was made by Mr. K.N. Harsha, Agronomist, ICRI, Donigal, Sakleshpur, Hassan District.



f) Phytophthora in Pepper:

A presentation on “Remedial Measures to be adapted for control of “Phytophthora in Pepper” was made by Dr. K.A. Saju, Scientist C, Plant Pathology, ICRI, Spices Board, Donigal.



The Budget General Meeting is a great opportunity to network with fellow planters, become familiar with developments in the plantation sector and show your support for the KPA. Thank you everyone who was able to attend.

7) Meeting with MESCOM Officials on 24th March, 2016:

The Secretary attended a meeting organised by MESCOM to hear the grievances of High Tension Consumers at Hotel Serai, Chikmagalur. He submitted a memorandum and addressed the MESCOM Officials on the shortage of electricity in the plantation areas.

The KPA Tea Estate members and High Tension consumers (above 65 HP) also attended the meeting and spoke on the occasion.

8) Meeting with the Member Secretary, KSPCB on 11th April, 2016

At a meeting with the member Secretary of the KSPCB Mr. S. Shanthappa in Bangalore, I had discussed the objections filed by the KPA on 19th December, 2014 to draft standards and parameters sent by CPCB to KSPCB relating to revision of Coffee standards and parameter.

The Member Secretary said that he would convene a meeting of all coffee stakeholders to discuss the draft notification.

9) Meeting with the Chief Secretary on 26th April, 2016

A delegation of the KPA Members led by me met the Chief Secretary Mr. Arvind Jadhav in Bangalore to thank the Government of Karnataka and the Chief Secretary for abolishing / repealing the Agricultural Income Tax Act, 1957.



10) Coffee Area Scientific Symposium (CASS) VIII, Chapter - 2

The Scientific Committee of the Association successfully organised the Coffee Area Scientific Symposium (CASS) VIII, Chapter - 2 at Hosahally Estate, Koove, Mudigere Taluk, Chikmagalur district.

The Symposium was inaugurated by Dr. Y. Raghuramulu, Director of Research, CCRI, CRS.

The session included a field visit to Hosahally Estate owned by Mr. Anantharam Hebbar. The plantation is famed for its high yields in Arecanut and is intercropped with C x R variety of Robusta Coffees.

Unlike typical Arecanut plantations where Arecanut is grown in ravines and paddy fields, Arecanut was grown on coffee slopes in this plantation.

Thereafter, presentations were made on the following topics:

- **“Practices to be Adopted in Arecanut Cultivation”** by Dr. Nagaraja, N.R., Scientist – Plant Breeding from Commercial and Plantation Crops Research Institute, CPCRI, Vittala.
- **“Fruit Drop and other Diseases”** by Dr. Suresh Bhat, High Tech Agri Services, Bangalore.

It was very gracious of Mr. & Mrs. Sunil J. Gowda, to host the lunch for the delegates at their scenic resort “Villa Urvinkhan” in Niduvale, Chikmagalur District.



11) Minimum Wage Advisory Board Meeting on 13th May, 2016

Mr. N. Bose Mandanna, Convener of the Negotiation Committee of the Association and the Secretary Mr. Anil Savur had attended the Minimum Wage Advisory Board Meeting at Bangalore.

The objections filed by the Management and Trade Unions to Draft Notifications issued regarding 16 Schedule Industries were heard and the Board sent recommendations to the state Government to notify final notifications. The KPA members and other management leaders present opposed the revision of wages.

Useful Links:

http://articles.economictimes.indiatimes.com/2016-04-17/news/72397266_1_minimum-wage-contract-workers-contract-labour

12) Meeting with Mrs. Shobha Karandlaje on 21st May, 2016

Mr. H.T. Pramod and myself met Mrs. Shobha Kharandlaje, Member of Parliament - Udupi - Chikmagalur and discussed the hurdles faced by the Plantation Industry where the challenges go beyond damaging weather, pests and disease.

13) Convocation – 2016 at IIPM on 26th May, 2016.

The Vice-Chairman Dr. M.M. Chengappa attended the Convocation – 2016 of IIPM, at IIPM Campus, Bangalore where the Governor of Karnataka Sri. Vajubhai Vala was the Chief Guest.



14) Meeting with Mr. Rajiv Chawla on 27th May, 2016

The Vice-Chairman Dr. M.M. Chengappa and myself met Mr. Rajiv Chawla, Principal Secretary, Horticulture Department, Bangalore, to follow up and re-submit the KPA-UPASI Coffee Research Proposal.

15) Delhi Visit from 6th to 8th June, 2016

The KPA delegation comprising of the Vice-Chairman Dr. M.M. Chengappa, Trustee & Executive Committee Member Mr. H.T. Pramod, Past Chairman & Convener of the Environment Awareness Committee Mr. Marvin Rodrigues and myself visited Delhi on the 6th of June 2016 to submit memorandums to the Central Pollution Control Board and the Commerce Ministry.

7th June, 2016 -The delegation met with the Additional Secretary (Plantations) Sri. Binoy Kumar and submitted Memorandums on Repeal of Coffee Act, 1942 and Enactment of Coffee Bill, 2016 which was finalised at the UPASI Coffee Committee Meeting held on 3rd June, 2016, and on other matters pertaining to the industry which is listed below:

1. Coffee Effluent Treatment:
2. Integrated Coffee Development Plan:
3. Additional Soil and Leaf laboratories in Sakleshpur and Coorg:
4. Research on Clonal Propagation and Tissue Culture:
5. Arabica Plantations and White Stem Borer
6. Tea:
 - i). Mandatory routing of 50% Tea through tea auction Centers:
 - ii). Mandatory Export of Tea under QUPD Scheme:
7. Import of Sri Lankan Pepper:
8. Change Coffee Board Export Nomenclature to avail MEIS Incentive.
9. Marketing Development Assistance (MDA) Scheme:
10. Foreign Trade Policy 2015-2020 (FTP) :

The delegation Met with Dr. Akolkar, Member Secretary and Mr. A.K. Vidyarthi, Scientist E and Sr. Environment Engineer, CPCB and submitted our comments to the revised draft notification dated 18th March 2016 on standards and parameters for the Coffee Industry uploaded on CPCB website, which is listed below:

1. Coffee is Organic
2. Re-classification of 'Coffee Pulping' from 'Red' to 'Orange'
3. Coffee Growers & Environment
4. Studies made by reputed institutions in effluent treatment in Coffee:
5. Coffee Pulping and fermenting a seasonal Industry
6. Representations by KPA before the MoEF, CPCB and KSPCB
7. Comments to draft notification Dtd. 18th March 2016
8. Other Comments
9. Eco-Pulpers
10. Treatment of Coffee Effluent by using Bio-Enzymes
11. BIO REACTORS
12. Evolving economical and reliable methods of treatment of trade effluents.

Thereafter, the following submissions were sent by KPA to Mr. A.K. Vidyarthi under letter dated 8th June, 2016 in lieu of the Memorandum being discussed with the Member Secretary and the concerned Officer.

- a) The drying of coffees (Cherry Coffee) where coffee does not go through the process of pulping and washing be exempted from the applicability of the notification.
- b) The distance of lagoons from the nearest stream / Water bodies be made 50 Meters.
- c) Any pulping and washing unit which does not generate any coffee effluent be exempted from the applicability of the notification.

16) KPA Sub-Committee Meetings:

- a) **Scientific Committee Meeting** - 5th March, 2016 at Bamboo Club, Pollibetta to discuss on holding CASS - VIII, Chapter - 2 and KPA Study Tour.
- b) **Website Committee Meeting** - 15th March, 2016 at Ivy Works, Bangalore to discuss about the upgrading and revamping of the KPA website.
- c) **Building Committee Meeting** - 7th April, 2016 at KPA Office, Chikmagalur to discuss installing of 'A' Roof to the KPA Secretariat Building.
- d) **Scientific Committee Meeting** - 29th April, 2016 at KPA Office, Chikmagalur to finalize the CASS-VIII, Chapter-2 programme and organizing KPA Study Tour of Thailand and Vietnam.
- e) **Scientific Committee Meeting** - 21st May, 2016 at KPA Office, Chikmagalur to discuss the itinerary for the KPA Study Tour and organizing CASS VII, Chapter 3 at Kodagu.
- f) **Meeting on Repeal of Coffee Act, 1942 & Enactment of Coffee Bill, 2016** - 26th May 2016 at The Chancery Pavilion, Bangalore. The meeting was well attended by the E.C. Members and Past Chairmen of the KPA.
- g) **Scientific Committee Meeting** - 13th June 2016 at KPA Office, Chikmagalur to decide the KPA Study Tour and CASS VIII, Chapter 3, Kodagu.
- h) **Building Sub-Committee Meeting** - 15th June 2016 at the KPA office to further discuss the commencement of construction of the 'A' roof to the KPA secretariat.
- i) **Tea Committee Meeting** - 15th June 2016 at the KPA Chikmagalur to discuss revision of tea plucking incentives, factory job differentials, etc.

17) UPASI Meetings at Coonoor:

I attended the following meetings:

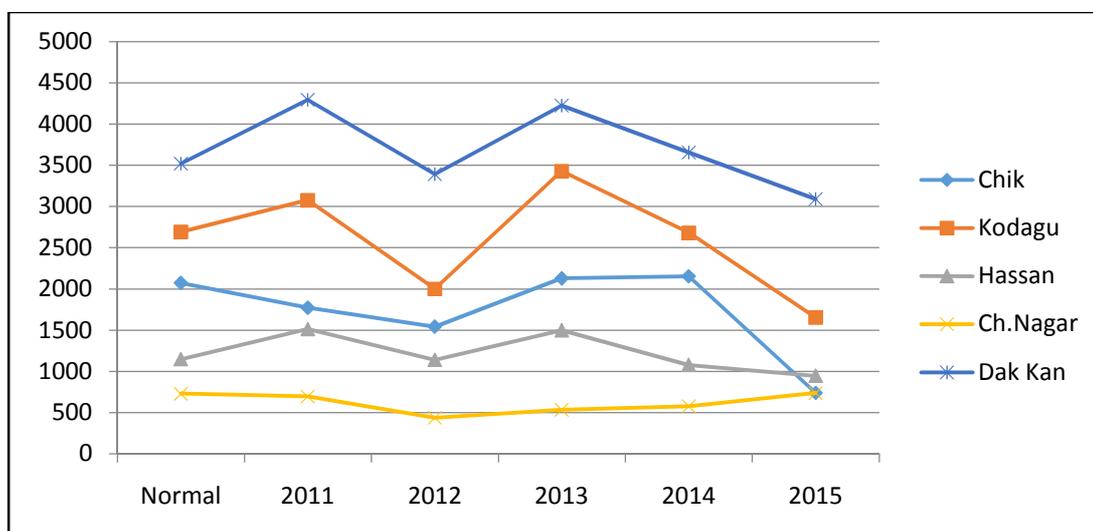
- ❖ 18th March, 2016 -UPASI Budget General Meeting
- ❖ 19th March, 2016 -Trustees and E.C. Meeting
- ❖ 3rd June 2016 - Combined Coffee & Spices Committee & Trustees Meetings.
- ❖ 4th June, 2016 -Environment Committee & Executive Committee Meetings.

18) Market Analysis:

The dry spell in Karnataka has been continuous for the last two years and the paucity of rains has drastically affected the agricultural produce in Karnataka and other parts of the country. India is facing its worst water crisis and has reached alarming proportions where the ground water is receding and the moisture in the soil is fast evaporating.

- 91 of the major reservoirs are below 30% of their capacity.
- 246 districts in 10 states are drought affected.
- 2 consecutive below-par monsoon seasons in Karnataka.
- 25% of India's population is reeling under drought.

The graph below is indicative of the rainfall in Karnataka in the last two years.



There are lessons to be learnt by the resourcefulness of the community in Navalgund Taluk of Dharward District that have with the help of NGO's dug up farm ponds in low lying areas that has stored the occasional rain water and used it to provide timely irrigation to their crops.

Another example is Channapatna Taluk where there is no sign of drought. A project was undertaken in December 2014 to recharge the groundwater by filling up 65 water tanks from the Bangalore barrage on a tributary from river Cauvery.

Higher temperatures, droughts punctuated by unexpected intense rainfall have reduced coffee supplies dramatically and the prices as indicated below:
(Data by Coffee Board)

Raw Coffee Price (Karnataka) as on 20-06-2016 in Rs./50 kg

Ar. Pmt.	Ar. Chy.	Rob. Pmt.	Rob. Chy.
7775 - 8000	3500 - 3550	5625 - 5650	2800 - 2850

Export update: From 01st January 2016 to 16th May 2016 (in metric tonnes)

Export update: From 1 st January 2016 to 16 th June 2016 (in metric tonnes)									
	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	27946	7797	14703	92143	18	85	11045	153737
2	Provisional exports corresponding period last year	22074	7738	19223	68413	15	139	10350	127952
3	Provisional re-exports	0	0	0	0	0	48	37842	37890
4	Provisional re-exports corresponding period last year	0	0	0	0	119	96	31006	31220
5	Total provisional exports (1+3)	27946	7797	14703	92143	18	132	48887	191627
6	Total provisional exports corresponding period last year (2+4)	22074	7738	19223	68413	134	234	41355	159172

Useful Links:

http://www.moneycontrol.com/news/economy/india-coffee-output-to-fall-to-lowesttwo-decades_6675781.html

<http://af.reuters.com/article/ethiopiaNews/idAFL3N18E2GD>

<http://www.pressreader.com/india/the-hindu-business-line/20160420/282102045848482>

<http://apps.fas.usda.gov/psdonline/circulars/production.pdf>
change-2016-6/?utm_medium=social&utm_campaign=social-share-click-thru&utm_source=whatsapp&utm_content=lower&utm_term=mobileweb

19) Website:

The KPA Website is in the process of being restructured and we hope to have this ready by the 1st week of October, 2016.

Through this website, we hope to make progress in satisfying that need for immediate information and by doing so, support the work of those who are innovating on behalf of our plantation sector.

Useful Link:

<http://news.kpa.org.in/>

<https://www.facebook.com/coffee.expert.world/videos>

20) Circulars:

There have been several circulars sent by the Secretariat; I hope you have had the time to go through them.

- o The energy minister D.K. Shivakumar has been most receptive and sympathetic to the KPA's request for exemption from paying the electricity on captive generation of power for self-consumption up to 500 kilowats.
- o Highlight of the Budget 2016
- o Delisted firms that have not furnished the Bank Guarantee.
- o Abolition of KAIT Act, 1957.
- o KPA Whatsapp Number
- o Supply of Robusta Clones by CCRI
- o Krishi Kalyan Cess (KKC)
- o Correspondence through e-mail/post.
- o VDA to Staff from 1st July, 2016 to 30th September, 2016

Useful Links:

<http://news.kpa.org.in/wp-content/uploads/2016/05/Mechanisation-Delisted-firms-.pdf>

http://www.indiacoffee.org/Schemes/Empanelled_extension.pdf

<http://www.deccanherald.com/content/542747/industries-get-duty-exemption-captive.html>

21) Feed Back:

The committee members and I are interested in ensuring that the KPA remains a vibrant and relevant organization. If there is anything that you feel the KPA should be doing to ensure its efficiency, then please let me know. Also contact our office for any information and we will provide it to the best extent possible.

In the last three months I have been able to spend more time with the KPA staff and the leadership team and I am reminded of not only what an outstanding portfolio we have but how impressive our management team is. Their unrivalled ability to add value is unparalleled! Thank you for your unanimous support and immense encouragement.

With best wishes & warm regards,

Yours sincerely,
BABA P.S. BEDI
Chairman

20th June 2016