



**Dr. M.M. Chengappa**  
**Chairman**



**THE KARNATAKA PLANTERS' ASSOCIATION**

**NEWS LETTER - 1**

Dear Members,

A very Happy and Prosperous New Year to you all.

It is a great honor and privilege to be elected as Chairman of the Karnataka Planters' Association. Thank you all for giving me this opportunity to serve you.

Keeping in view the changing global scenario my focus will be on climate change, better plant material, tax laws affecting the coffee industry, gender equality and maintaining the ecological balance. The way forward is to adopt a systematic scientific approach to increase yields without destroying the flora and fauna and degrading the bio-diversity with optimal utilization of the natural resources available to the grower. Reforestation and water harvesting is the need of the hour. Proper waste management and pollution control methods will safeguard the sanctity of our land forests and water bodies. All these measures will ensure that our sons and daughters will retain the plantations that our forefathers have bequeathed to us for generations to come.

I now wish to bring to your attention the various events and developments that have transpired after I took over as Chairman of the Association as follows.

To begin with while constituting the Committees, I have made a sincere effort to be inclusive of the younger generation who are our future, the Ladies who are the back bone of our homes and all sections of growers namely small, large and corporate. I firmly believe that the problems faced by all sectors are the same and this can be solved only if we stand united.

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

**a) The KPA Trustees for the year 2016-17:**

Dr. M.M. Chengappa  
Mr. H.T. Pramod  
Mr. M.B. Ganapathy  
Mr. Baba P.S. Bedi

**b) The KPA Executive Committee for 2016-17:**

Dr. M.M. Chengappa (Chairman)  
Mr. H.T. Pramod (Vice-Chairman)  
Mr. M.B. Ganapathy  
Mr. Shirish Vijayendra  
Mr. A. Arvind Rao  
Mr. Yeshwant R. Gurjer  
Mr. N. Ramanathan  
Mr. Salil Chaturvedi  
Mr. S. Appadurai  
Mr. M.G. Devaiah

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

Mr. D. Vinod Sivappa  
Mr. AL. RM. Nagappan  
Mr. A.S. Shankare Gowda  
Mr. Sahadev Balakrishna  
Mr. Baba P.S. Bedi  
Mr. N. Bose Mandanna  
Mr. Mahesh Shashidhar  
Mr. A.A. Ponappa  
Mr. Chacko P. Thomas  
Mr. Rohan Maxwell Colaco  
Mr. Nirad Muthanna  
Mr. K.G. Rajeev  
Mrs. Asha Shashidhar  
Mrs. Radhika Yathiraj  
Mr. M.M. Thimmaiah (Chairman CPA)

**d) KPA Sub - Committees:**

The following are the various Sub-Committees of the Association and their Conveners for the year 2016-17:

- |  |                                   |
|--|-----------------------------------|
| 1. Building Committee  | Convener - Mr. N. Ramanathan      |
| 2. Tea Committee   | Convener - Mr. Rajkumar Wilson    |
| 3. Website Committee   | Convener - Mr. Sunil P. Rasquinha |
| 4. Lady Planters' Committee:   | Convener - Mrs. Asha Shashidhar   |
| 5. Environment Committee for Land Matters<br>Forests, Wildlife and Pollution | Convener - Mr. A.A. Ponappa       |
| 6. Public Relations & Membership<br>Drive Committee                          | Convener - Mr. Shirish Vijayendra |
| 7. Committee for Scientific Session  | Convener - Mr. N. Ramanathan      |
| 8. Committee for Plantation Crops<br>(Coffee, Pepper & Spices)               | Convener - Mr. Shirish Vijayendra |

9. Negotiation Committee
10. Taxation Committee
11. Sports Committee

Convener - Mr. N. Bose Mandanna  
Convener - Mr. P.S. Satyanarayana  
Convener - Mr. Sameer Gurjer

**e) Lady Planters' Committee:**

In my endeavour to be inclusive, for the first time the Karnataka Planters' Association will have a Lady Planters Sub-Committee. They will show case their Plantations and other income augmentation schemes that they have implemented successfully. They can also involve themselves in ecological and community service activities.

On the lines of the **Coffee Sante** organized by WASI, the K.P.A. Ladies Committee can take the initiative and organize a Coffee Fair with the joint participation of the Sub-committees for Plantation and Scientific Sessions.

We are in the process of establishing a corpus fund to provide for the education of a meritorious girl child of a plantation worker studying in any Professional course like Agriculture, Engineering, Medicine etc. For instance a years fee in a Government Medical College is only Rs.9,000/-. A larger Corpus will ensure that more girls are eligible for the scholarship.

Providing for the education of a girl child is against the mind set of most plantation workers thereby destroying the girl child's dreams and aspirations.

**f) Panel of Past Chairmen and Senior Members:**

The Executive Committee has formed the "Panel of Past Chairmen and Senior Members." acknowledging their selfless service and the contributions to the K.P.A and the Plantation Community as a whole.

This distinguished panel was formed to make them inclusive and keep them informed about the activities and developments taking place at the KPA.

Their valued opinion would be sought when required on important issues during the course of the year either individually or collectively.

01. Mr. U.K. Lakshman Gowda
02. Mr. M.L. Gurjer
03. Mr. K.A. Ayappa
04. Mr. A. Ramesh Rao
05. Mr. I.J.J. Rebello
06. Mr. D. Mohan Dasappa
07. Mr. M.S. Vittal Rau
08. Mr. T.W.V. Rasquinha
09. Mr. H.D. Rame Gowda

10. Mr. Anil Kumar Bhandari
11. Mr. C.S. Machia
12. Mr. M.S. Channakeshava Gowda
13. Mr. K.P. Uthappa
14. Mr. Shireesh Gurjer
15. Mr. S.A. Mohsin
16. Mr. C.N. Nataraj
17. Mr. Peter Mathias
18. Mr. A.S. Muthanna
19. Mr. Cherian Philip
20. Mr. Jeffry Rebello
21. Mr. C.M. Pemmaiah
22. Mr. Marvin Rodrigues
23. Mr. Nishant R. Gurjer
24. Mr. D. Govindappa Jayaram
25. Mr. K. Kurian

## **2) Press Meet – 24<sup>th</sup> October, 2016.**

The Vice-Chairman, H.T. Pramod and I on behalf of the KPA held a Press Meet at the Chikmagalur Press Club, Chikmagalur. Thirty three members from the print and electronic media attended the meet. A press note both in English and Kannada was circulated to the press, which highlighted the various issues faced by the Plantation Industry. The interview was aired on the local TV Channels.



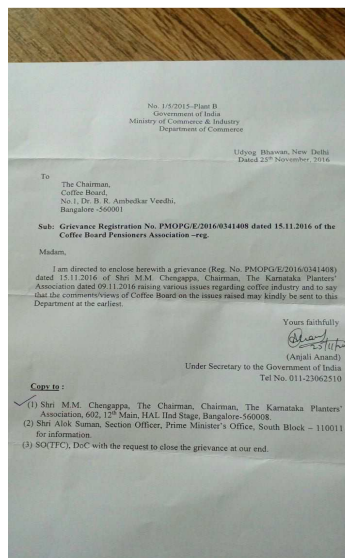
## **3) Training programme on Coffee White Stem Borer and Role of Micro Nutrients in Coffee held on 8<sup>th</sup> November, 2016.**

The above programme was attended by me along with Mr. H.T. Pramod, Mr. Baba P.S. Bedi, Mr. Marvin Rodrigues, Mr. Joshua Amirtharaj, Mr. I.S. Umesh Chandra and other KPA Members. The Training Programme on 'Coffee White Stem Borer' and the presentation on the 'Role of Micro Nutrients in Coffee' were held by the Coffee Board at Coffee Center, Coffee Board, Chikmagalur.

The presentations were circulated to all Members by e-mail.

#### **4) Meeting with the Central Minister, M.Ps, MLAs on 12<sup>th</sup> November, 2016:**

The Vice-Chairman and I had a meeting on the morning of the 12<sup>th</sup> of November, 2016 at The Serai Resort, Chikmagalur with the Hon. Union Minister for Chemicals and Fertilizers, Shri. Ananth Kumar, Sri. B.S. Yeddyurappa and Ms. Shobha Karandlaje, Members of Parliament from Karnataka, Sri. C.T. Ravi, MLA, and Sri. M.K. Pranesh, MLC and submitted a Memorandum on "The Challenges faced by the Coffee Growers and the road map for the future." The memorandum was forwarded to the Commerce Ministry by the Ministry of Agriculture with a note. This was then forwarded from the Commerce Ministry to the Coffee Board.



This meeting was facilitated by Shri. C.T. Ravi the Hon'ble M.L.A. from Chikmagalur.

#### **5) World Pepper Conference held on 12<sup>th</sup> and 13<sup>th</sup> November, 2016:**

The World Pepper Conference organized by B.G.L was held on the 12<sup>th</sup> and 13<sup>th</sup>. It was attended by the UPASI President Mr. D. Vinod Sivappa, Mr. H.T. Pramod Vice Chairman K.P.A. and me. I had also chaired a session on Pepper Trade on the 13<sup>th</sup> at the Serai Resort.

About 3000 growers had attended the Conference. The worldwide interest in Indian Pepper was due to the fact that Indian Pepper is shade grown using sustainable eco sensitive inputs and of excellent quality in terms of size weight, flavor & pungency compared to the pepper from Vietnam, Sri Lanka & Brazil.

Ms. Shobha Karandlaje while addressing the gathering invited the Vice-Chairman and me to visit Delhi during the Parliament Session and said that she would facilitate a

meeting with the Hon. Minister of Commerce & Industry. This was all due to the rapport that the Vice-Chairman has with the Hon'ble M.P.

**6) Delhi Visit from 6<sup>th</sup> to 8<sup>th</sup> December, 2016:**

The Vice Chairman Mr. H.T. Pramod and I had visited Delhi from 6<sup>th</sup> to 8<sup>th</sup> December 2016 on the invitation of the Hon. M.P. Shoba Karandlaje.

Shri. Bykere Nagesh, Advisor to the Agriculture Ministry too had personally invited us to Delhi to meet the Hon'ble Minister for Agriculture, Fertilizers and Parliamentary Affairs during the same time. Mr. Bykere Nagesh arranged a meeting with the Minister on the 6<sup>th</sup> of December, 2016. The Hon. Minister listened to us patiently and accepted our memorandum highlighting the challenges faced by the Plantation Sector, IT Rule-7 (1) B of the Income Tax Rules and the G.S.T.

The meeting with Smt. Nirmala Sitharaman, Hon'ble Minister of State (Independent Charge) for Commerce and Industry was arranged by The Hon'ble M.P. Ms. Shobha Karandlaje on the 7<sup>th</sup> December, 2016 at the Parliament. At the meeting were present, the Hon. M.P. Shri. Yeddyurappa and the Additional Secretary for Commerce and Ms. Shoba Karandlaje. We presented our memorandum to the Hon'ble Minister. She informed us that she had already received a copy of the same.

She asked me to explain to her in detail the intermediary stages of coffee from the plant to the cup. She accepted that our demand on Rule-7 (1) B of the Income Tax Rules and the G.S.T were valid and just. She then asked Shri. Alok Vardhan Chaturvedi, Addl. Secretary of Commerce to take up the matter with the Finance Ministry and that if there was a need she would accompany him to meet the Hon'ble Finance Minister.

We also highlighted the drought situation in the Plantation Districts of Karnataka and requested the Hon'ble Minister to rephrase the loans availed by the coffee growers and waive the interest for the current year.

A request was also made for the Spice Park at Chikmagalur which the Hon'ble Minister for Agriculture had promised at the Pepper Conference. The Hon'ble Minister said it was possible if the State Govt. could grant the land required for the Spice Park.

We also met Mr. A.K. Vidyarthi, Deputy Director, Central Pollution Control Board, New Delhi. He informed us that there was no change in the 2008 norms except that now any material that is locally available could be used to make the effluent treatment tanks impervious.

On the evening of the 7<sup>th</sup>December, 2016 we met with Shri. Atul Kumar Tiwari, IAS., Principal Secretary & Resident Commissioner of Karnataka. He assured us that he would speak to the Addl, Secretary of Commerce on behalf of the KPA as he had a good rapport with him. He also asked us to meet the State Agriculture Minister and the Commissioner for Commercial Taxes as both were in the G.S.T. panel.

We then met Prof. Rajeev Gowda, Hon'ble Congress M.P from Karnataka at the Parliament. He promised to help the K.P.A with any interaction that was required with the State Govt. He graciously took us around the Parliament on the 8<sup>th</sup> December morning. We were fortunate to witness the proceedings of the Rajya Sabha.



#### **7) Minimum Wage Advisory Board Meeting on 15<sup>th</sup> December, 2016:**

The Secretary had attended the Minimum Wage Advisory Board Meeting on 15<sup>th</sup> December, 2016 at Bangalore. The meeting was held to fix Minimum Wages of Doctors working in Government Hospitals and Asst. Engineers of PWD Department. Sri. M. Muniswamy had taken over as charge as new Chairman of the Board.

#### **8) VI Evaluation Committee Meeting held on 23<sup>rd</sup> December 2016:**

I had a very fruitful meeting with the Evaluation Committee on 23<sup>rd</sup> December 2016 at the Coffee Research Station, Chettalli. Notable among those present at the meeting were Dr. P.G. Chengappa, Dr. Y. Raghuramulu, Director of Research, C.C.R.I and KPA Member and member of the Evaluation Committee Mr. N. Bose Mandanna. The general consensus was that the Coffee Board and the KPA should in future embark on a more mutually beneficial route. An increase in interactions between the two organizations was mooted for the benefit of the growers.

Dr. Raghuramalu said that the talks with Nestle are going in the right direction and that the plant material would be brought into India with no obligatory requirements from Nestle. The mandatory quarantine period and field trials would have to be completed before the plant material is released to the growers. He also informed me that M/s. Jain Irrigation has partnered with C.C.R.I. to produce tissue culture based plants. They have produced and supplied 4000 tissue culture coffee plants for field trials to C.C.R.I. this year. The plants were being tested for vegetative growth and gene stability.

The Chairman of the Evaluation Committee also suggested that the Coffee Museum at Chikmagalur be utilized by the K.P.A for its various activities. The possibility of establishing a Coffee Park at Coffee Research Station was also discussed.



I stressed on the need for soil and leaf analysis labs at Kodagu, Hassan and Chikmagalur. Scientific application of nutrients after soil and leaf testing would definitely increase yields dramatically without increasing the input costs. I cited the example of the estates run by the “Caretakers Group” in Kodagu of which Mr. N. Bose Mandanna is a participatory partner. The Committee unanimously agreed on this submission. I also requested the committee to facilitate the supply of moisture meters and mini test hullers to the growers so that the moisture and out turn could be assessed at the farm gate.

**9) Meeting with the State Agricultural Minister and Secretaries on 2<sup>nd</sup> January, 2016:**

The Vice-Chairman Mr. H.T. Pramod and I had met Mr. Krishna Byregowda, Hon’ble Minister for Agriculture, Shri. Rithvik Pandey, Commissioner of Commercial Taxes and Shri. I.S.N. Prasad, Finance Secretary, Government of Karnataka on 2<sup>nd</sup> January, 2016 and submitted a Memorandum on GST. Mr. Krishna Byregowda and Shri. Rithvik Pandey are members of GST council the decision making body on GST formed by the Government of India.

This meeting with Hon’ble Minister was facilitated by Shri B.L. Shankar.



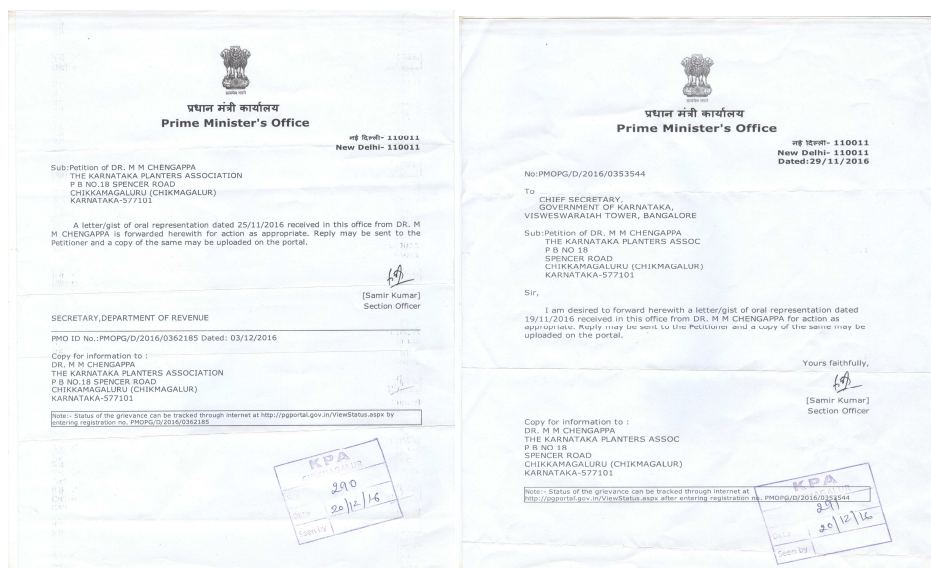
**10) The following are the memorandums that K.P.A. had submitted:**

**a). Demonetization: The impact on the Plantation Sector:**

A memorandum was sent to the Hon’ble Prime Minister, Union Finance Minister, Union Labour Minister, Hon’ble Chief Minister & the State Labour Minister highlighting the difficulties faced by Plantations in disbursing of wages to the daily rated workers. A request to grant Special Permission to the Deputy Commissioner of the Plantation Districts to disburse the wages to the Managements as permitted in Assam, Bengal and Kerala was submitted.



The letters received from the Hon'ble Prime Minister's Office is attached below.



**b). KPA Pre-Budget Memorandum 2017-18:**

KPA had sent its Pre-Budget Memorandum 2016-17 to the Hon'ble Prime Minister, the Union Finance Minister Sri Arun Jaitley and Secretary, Finance Dept., Government of India on 25<sup>th</sup> November, 2016.

Submissions included in the Memorandum were on the following subjects :

- G.S.T.
- 7(1) B of the Income Tax Rules.
- Increasing re-planting allowance given by the Coffee Board and Tea Board by 50%,
- Providing grants for water augmentation and conservation projects,
- Expenses incurred by the Plantation Companies to its employees to be considered part of 2% mandatory CSR expenditure,
- To continue subsidy provided to Urea and
- Exemption of Customs Duty on import of Agricultural implements and Equipments.

A Pre-Budget Memorandum will be prepared and submitted to the State Government in due course.

### 11) KPA CSR Activity:

Discussions were held with & letters were sent to M/s. Fossil India, K.P.M.G. The Brigade Group Yara Fertilizers & Trade Fairs India requesting them to contribute to the corpus fund for educating the meritorious girl child of a plantation worker. Replies were received from them informing their willingness to support the activities.

### 12) Interactive Meeting on 8<sup>th</sup> January 2017 with Department related Parliamentary Standing Committee on "Trade in association with ASEAN Nations":

Mr. P.S. Sathyanarayana, Convener of the Taxation Committee, KPA, Mr. H.T. Pramod Vice-Chairman and I had attended the above meeting at The Hotel Shangrilla, Bangalore. The invitation was only for the sessions on coffee and pepper. We presented a memorandum on Pepper an extract of which is as below:



#### Note on Pepper Imports : Need for Protection

1. Pepper is imported into India through the following routes/schemes
  - a. Under Free Trade Agreement (FTA) with Sri Lanka at Nil duty with a cap of 2500MT per year.
  - b. Import under SAARC agreement at 8% import duty without any qualitative and quantitative restriction.
  - c. Import under ASEAN agreement at 56% import duty without any qualitative and quantitative restriction.
  - d. Import under normal duty @ 70% from all countries.
2. Since, most of the pepper producing countries is in the ASEAN region, there is a possibility of pepper produced in ASEAN Countries including Vietnam is routed through the SAARC and/or Sri Lanka for availing the lower import duty. To avail the benefits of the preferential import duty, there are reports that irrespective of the source of the pepper, the country which exports to India issue their country of origin

certificates and avail the benefits under these schemes .Countries are taking advantage of this duty concession available to Sri Lanka either under Bilateral FTA or under SAARC. This calls for immediate intervention of the Government to control the plausible misuse of imports taking advantage of the FTA route and also on account of under quoting of value.

It is suggested that Government should come out with specific guidelines on the following

A] Imports under Indo-Sri Lanka FTA should be monitored and license be issued by Government of India to the importers so that no third country take advantage.

B] Issuing certificate on Country of Origin should be entrusted to officials at higher levels.

C] Fixing of minimum CIF value for imports.

The Chairman of the Parliamentary Committee immediately asked the Director Plantations and the Chairman Spices Board to submit a report to the Committee within seven days. We were commended by the Chair for our presentation.

### **13)KPA Sub-Committee Meetings.**

a). The first meeting of the Taxation Committee took place on 25<sup>th</sup> October, 2016 at Bangalore. Discussions were held on the memorandum that was to be submitted on GST and Rule 7-B to the Central Government, and the Pre Budget Memorandum to the State Government. It was decided that a clarification be sought on the effective date of the repeal of the Agricultural Income Tax.

b). The first meeting of the Building Committee was held on 29<sup>th</sup> November, 2016 at Chikmagalur to follow up on progress made on the renovation work with at the KPA secretariat and to discuss the payment due to Mr. Ajay Mahesh, Architect.

c). The first meeting of the Website Committee was held on 10<sup>th</sup> December, 2016 at Bangalore. Discussion took place on the status of the website the advertisements that were received, the design and content.

d). The second meeting of the Building Committee was held on 22<sup>nd</sup> December, 2016 at Chikmagalur to assess the renovation work done at the KPA Building. The expenditure overrun was attributed to the additional work that came up once the roof was complete namely electrical wiring, painting, bathrooms, tile guard for the roof, lights, fans, security gate for the backroom rent for the temporary office etc. The original estimate was only for replacing the old roof and it did not factor in the additional expenses.

e) The first meeting of the Lady Planters' Committee Meeting was held on 29<sup>th</sup> November, 2016 at Chikmagalur to discuss the road map for the committee. Mrs. Asha Shasidhar graciously agreed to be the convener. The Ladies unanimously felt that constituting the Ladies Committee was a very welcome and necessary change in the K.P.A.

f). The first meeting of the Environment Committee for Land, Forest, Wild and Pollution was held on 29<sup>th</sup> November, 2016 .Various environment matters like the effect of sand mining and tree felling in plantations was brought up by Mr. Nirad Muthanna. Man-Animal conflict and the elephant menace in Kodagu was discussed. It was decided to meet and apprise the CCFO Kodagu of this issue. This I did The C.C.F.O. Mr. Manoj Kumar was very sympathetic and explained to me the various measures taken to reign in the elephants that included Rail Track fencing Trenches Electric fencing and translocation of dangerous and troublesome elephants.

g) The first meeting of the Negotiation Committee was held on 16<sup>th</sup> January, 2017 at Bangalore to approve the draft of K.P.A's inputs to UPASI on amendments to the Plantation Labour (Amendment) Bill.

h) The second meeting of the Taxation Committee was held on 16<sup>th</sup> January, 2017 at Bangalore to discuss:

- The Pre Budget Memorandum 2017-18 that is to be submitted to the state Government,
- Pre Budget Memorandum submitted by K.P.A to the Union Finance Minister and the Prime Minister,
- Memorandums submitted on GST and Rule 7 (1 )b to the Hon'ble Prime Minister, Union Finance minister and Minister of Commerce and Industry and others.

#### **14) KPA Circulars:**

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

- Demonetization of Rs.500/- and Rs.1,000/- Currency notes & Banking restrictions imposed by the Government of India.
- Presentations made on "Coffee White Stem Borer" and "Micro Nutrients in Coffee" by CCRI, CRS at the Training workshop at the Coffee Complex at Chikmagalur.
- Advisory circular sent by CCRI on "Drought alternative measures for anticipated drought situation due to climate change."
- Pepper Day - 2016 held at Kenchamba Mallegowda Samudaya Bhavana, Ballupet on 29<sup>th</sup> November, 2016.

- Compulsory Contribution to the Karnataka Labour Welfare Fund.
- List of KPA Office Holidays – 2016.
- Variable Dearness Allowance to Staff from 01-01-2017 to 31-03-2017.

**15) Plantations Labour (Amendment) Bill, 2016:**

A meeting was convened by the Labour Commissioner, Labour department Karnataka on 12<sup>th</sup> January, 2017 at the Karmika Bhavan, Bannerghatta Road, Bangalore to discuss amendments to the Plantations Labour (Amendment) Bill, 2016. Mr. Vijay Karnad, Co-Convenor of the KPA Negotiation Committee had attended the meeting and presented our submissions on the Bill.

**16) Post Monsoon estimate of the Coffee Board for the year 2016-17:**

The Coffee Board has announced the post monsoon estimation for the year 2016-17 to be 3,16,700 M.T which is 3,300 M.T (1.03%) less than the post blossom estimate of 3,20,000 M.T. The lower estimate is as result of the drought in the Plantation Districts.

The Arabica production is estimated to be down by 3,800 MT (-3.80%) while Robusta production is estimated by a marginal increase of 500 MT (0.23%) compared to post blossom 2016-17 estimates.



**17) Renovated KPA Building:**

I am happy to announce that the renovation of the K.P.A Building is finally complete.

The Secretariat has:

- A reorganized conference hall,
- A central lounge,



- A Chairman's Room,
- A separate ladies and gents toilet,
- A compact office room for the office in-charge, the Accountant & the Typist,
- A records room and
- An U.P.S /Generator room at the back.



A formal opening of the KPA Secretariat and the formal launch of the KPA Website is being planned.

Last of all I would like to appeal to each one of you to enroll at least one new member. The strength of any organization is in the number of members it has.

Any suggestions, ideas, information, inputs are always welcome. With your help and co-operation the K.P.A. Executive Committee and the Sub Committee's are committed to take the association to greater heights during 2016-2017.

With best wishes & warm regards,

Yours sincerely,

DR. M.M. Chengappa  
Chairman

23<sup>rd</sup> January, 2017