***THE KARNATAKA PLANTER’S ASSOCIATION CHIKMAGALUR***

***CHAIRMAN’S PRESS REPORT***

***The Profile and vision of the K.P.A , The Environment, Water, The People & The Current Plantation Scenario in Karnataka:***

***PROFILE***

*The Karnataka Planters Association was established in 1958 primarily to spearhead the cause of all the stakeholders of the Plantation Industry.*

*Equitable representation is given to the three Plantation Districts of Kodagu, Chikmagalur Hassan, Chamarajanagar and Dakshina Kannada districts located in the Biodiversity Hotspot of the Western Ghats. The representatives in the K.P.A. are elected from among the small & large Growers and the Corporate Plantation Companies.*

*Constant dialogue with the Governments both at the Center and the State, discussion with the Labour Unions, stake holders and Commodity Boards are important activities of this August body.*

*Regular scientific interactions, field trips both in India and abroad are regularly organized to expand the knowledge profile of the members and to imbibe different successful methods of cultivation practices.*

*Karnataka produces about 72% of the total production of coffee in India. Out of this, Kodagu produces about 130000 M.T. , Chikmagalur about 82000 M.T .and Hassan 32000 M.T.[ Metric Tons].*

*Karnataka also produces about 6.5million Kgs of Tea, about 33000 MT of Pepper ,1000 MT of Cardamom and about 40000 M.T. of Rubber*

***ENVIRONMENT AND THE PLANTATIONS***

*Promotion of Plantation Practices sensitive to the requirements of the highly revered Ecological treasures of the Western Ghats is a priority vision of the K.P.A.*

*The Plantation crops grown in these districts are greatly sought after due to the fact that:*

*1. It is shade grown under tree canopies using minimal quantities of ecologically sensitive chemicals and pesticides.*

*2. Prime importance is given to the environment.*

***Bird and wild life sightings are a regular feature within the plantations****..*

*3.Universally accepted Fair Trade Practices without gender bias are adopted in the Plantations.*

*As* ***the Dalai Lama Said …..“It is our collective and individual responsibility to preserve and tend to the world in which we live in”***

***WATER MANAGEMENT AND THE PLANTATIONS***

*Water is the driving force of all nature. All across the three districts thousands of storage water tanks dot the landscape harvesting rain water.*

***Collectively the plantations have some of the largest and most scientific rainwater harvesting systems in the country.***

*This helps:*

1. *Provide water to the people for their daily living need.*
2. *Sustain the water table at reasonable levels.*
3. *Provide a source of water to the domestic animals birds and wildlife from the adjoining forests during the dry summer months.*
4. *Provide water for irrigation.*

***PLANTATIONS AND THE PEOPLE THEY EMPLOY.***

*The Plantations provide a source of livelihood for over a million people across the three plantation districts. Unlike other industries, plantations come under the Plantation Labor Act which mandates providing of*

*1. Housing with toilets and clean drinking water.*

*2. Medical care*

*3. Canteens*

*4. Crèches*

*5. Recreational facilities &*

*6. Educational facilities among others.*

*A symbiotic relationship exists between the employer and his/her employee which is more like that of a member of his/her family. Evidence to this is the fact that generations of workers have remained in the same plantation where their forefathers were employed, even to this day, making it their home****.***

***The Karnataka Planters Association and its associated stake holders in the plantation industry believe that they have a special social responsibility, to make this earth a better place to live in, for the people of today and for the generations to come.***

***As an extension of this philosophy of the K.P.A ……………***

*The GIRL CHILD CORPUS FUND is a recent addition at the K.P.A under the K.P.A. Silver Jubilee Trust. All donations to this fund attract a deduction under section 80 G of the I.T. Act This will enable the K.P.A. to fund from among the plantation workers a GIRL CHILD’s tuition fees in a professional college using the accrued interest earnings*

*An amount of Rs 30,00,000 grant was received from M/s TATA EDUCATION AND DEVELOPMENT TRUST. This is in addition to the Rs 23,00,000 granted earlier to the JRD Tata –K.P.A Golden Jubilee Education Trust. The interest accrued in these trusts is disbursed as scholarships to the meritorious children of Plantation workers from among member estates annually.*

***Plans to protect the air and water wilderness and wildlife are in fact plans to protect mankind. Water conservation, waste segregation & management, sewage and effluent treatment solutions are the need of the hour.***

***As is rightly said by Mahatma Gandhi jee…….“You must be the change you want to see in the world.”***

***We at The Karnataka Planters’ Association want to be the change****.*

***CURRENT PLANTATION SCENARIO***

*The Plantation Industry is going through one of its most testing times.*

*Drought in the plantation districts, indifferent untimely rains and white stem borer infestation have resulted in severe crop loss. The income from Pepper provided the cushioning effect against the low prices of coffee and high input costs. With pepper prices crashing by 50% the future look bleak and the growers now have their backs to the wall.*

*Added to this there is looming in the horizon the Center’s proposal of a common a National Minimum Living Wage. At the state level there is an imminent increase of wages round the corner. This will certainly deliver a knock out blow to the Plantation Sector. This wage with all the mandated add-ons of social benefits under the The Plantation Labor Act will amount to about 50% additional wage burden.*

***The coffee crop 2016-2017 post harvest figures are a total of 31200metric tons compared to the previous year’s high of 3,48,000 metric tons. The forecast for the 2017 – 2018 too looks bleak at around 3,50,000 from 3,12,000 metric tons though the Coffee Board has given an inflated figure of about 3,50,000 metric tons citing increase in the area of cultivation in the plantation districts of about 13,500 hectares.***

***IMPORT OF PEPPER:***

*A detailed memorandum on the import of pepper of poor quality into India from the ASEAN nations using the concessional FTA and SAARC agreement tariffs has been submitted to the PMO and the Commerce Ministry. This import of pepper is a double whammy.* ***It not only brings down the prices but also causes huge loss to the Govt. Exchequer.***

***A probable solution for this……***

***The Grower should sit back, think, regroup his thoughts and resources and start reinventing himself. The way forward is fiscal prudence, quality up gradation, retailing single origin, area specific plantation crops with a compelling story behind the products at both local and international markets.***

***If a small town ‘Gilroy’ in the United States Garlic capital of the world, there is no reason why we cannot achieve a similar feat with coffee.***

*The shade grown coffee from the Biodiversity rich Plantation Districts of the Western Ghats is a much sought after commodity for its quality, origin and Fair Trade cultivation practices that are ecologically sustainable and sensitive.*

*One now needs to produce quality coffee, create a story about the origin, highlight its journey from the plant to the cup, attractively package the commodity and showcase it to the world.*

*The International buyers must see for themselves the people who grow the coffee, how they grow it and the environment in which coffee is grown .This in itself is value addition.*

***International Trade Fairs******must be held*** *in the district head quarters of the Plantation Districts* ***in COORG & CHIKMAGALUR as a Trade and Tourism event.***

*This will incentivize the small growers to produce better coffee and will boost the sales of single origin area and estate specific coffee.*

*This is a sure and only path to better market realization and will fulfill our Hon Prime Ministers dream of doubling the farmers’ income in the next few year*s.

*Meeting with the Honourable Commerce Minister At Delhi.*

***A meeting with the Hon Commerce Minister Shri. Suresh Prabhu was held on the 16th of October 2017 along with the Commerce Ministry Officials.***

***One of our submissions to the commerce ministry is to hold International Coffee Trade Fairs in India in the Plantation Districts at Marketing in Kodagu and Chikmagalur as over 70℅ of the coffee produced is exported.***

***This will help the small growers who form 90℅ of the farmers to interact with and exhibit their coffee produce to the International buyers.***

***A memorandum was submitted on the crisis in the plantation sector due to the crash in the price of pepper because of large scale import of pepper by legal, legally manipulated and illegal means.***

***The need for the withdrawal of the restrictive action 7(1)b of the income Tax Act which says that 25% of the income derived by the grower from the sale of his cured and graded coffee would be liable for tax. This has prevented a lot of small growers from earning about 10% more for their produce which in turn could cover their fertilizer costs for the year.***

***Curing and grading the coffee is essential for any buyer to identify the quality of the coffee.***

***One of our very important submissions is that The Coffee Board and the Commerce Ministry should come out with a white paper on the list of internationally banned pesticides. The use of banned pesticides will be the single most important cause for our agriculture products to lose out in the international market. It is also one of the principal causes for the Surge of Cancer in our country.***

***The response from the ministry was in affirmative and one of hope for the grower and the environment.***

*The year gone by has been very eventful.*

*The central government responded positively to our submission on GST by pegging the GST on coffee other than roasted and powdered at 0 %.*

*Mr. Srivatsa Krishna I.A.S. has been appointed as the new Coffee Board Secretary with all the Executive powers to run the organization.*

*The longstanding demand of a lot of grower organizations has come true with the appointment of Shri. Boje Gowda a coffee planter from Chikmagalur as Chairman of the Coffee Board.*

***The Hon. Commerce Minister Mrs. Nirmala Seetharaman conceded to our request*** *to* ***promote coffee locally by setting up kiosks and coffee experience centers*** *The primary objective is to increase the domestic demand for the cup of coffee and to transform it from an elitist drink to a common man’s drink. Establishing coffee kiosks at public places like government offices, bus/railway stations, airports, malls and educational institution will create an exponential rise in consumption. There by creating a huge demand for coffee.*

***Before demitting office to move to the Defense Ministry, the Hon. Minister had ordered that 10, 000 coffee kiosks be set up at various high footfall locations****.*

*The ambitious soil* ***health scheme “KSHEMAM” was launched by the Commerce Minister The Hon Mrs. Nirmala Seetharaman*** *in a glittering function at Bengaluru on the 21st of April 2017. A coffee stamp tasting of Coffee was released two days later.*

*With the Honorable Prime Minister heading the Niti Ayog and the dynamic Shri. Suresh Prabhu heading the Commerce Ministry we can expect some positive responses to bail out the ailing coffee sector.*

***CLIMATE CHANGE***

*Climate change has resulted in an increase of pest and diseases that impacts coffee, crop productivity. The Arabica coffee crop yield has reduced from 1200 Kgs to 600Kgs per hectare while Robusta coffee has decreased from 2000kgs to 1400kgs per over the last decade. This year again the plantation districts had untimely and decreased rainfall during the crucial months rainfall . This has resulted in a poor standing coffee crop and poor development of new shoots in the coffee plants for the coming season.*

***Wages and Social costs under The Plantation Labour Act***

*Labour wage constitutes more than 60 percent of the total cost of coffee cultivation. The annual wage increase was below six percent till 2007-08. From 2008-09 the increase was very steep. Against 2007-08 wage of Rs.79 per day, the current wage is at Rs. 277. This could be the highest increase for any industry in Karnataka.*

***Also the statutory and welfare costs for the labour, which are over and above the wages and benefits, works out to an additional 50 percent of the wages. This is an additional financial burden for both corporate and proprietary planters.***

*The Inter Ministerial committee recommendation of sharing the social costs by the GOI, State Government and Plantations in the ratio 50%:30%:20% has to be implemented to reduce the burden on plantation.*

*The sale price for coffee at the farm gate hovers around Rs2800 to 3500 while the labour and fertilizer costs have spiraled disproportionately.*

***Payment For Ecological Services….. A long standing demand of the Coffee growers.***

***The Coffee plants love sunlight and water. The yield is proportionate to amount of sunlight water and nutrients it receives.***

***Coffee in India can only be grown under shade in the Eco Sensitive Zone of the Western Ghats. As a consequence, the yield per acre is low though the coffee is of a superior quality.***

***Plantations in India account for the highest tree cover canopy density and carbon sequestration among any cultivated food crop in the world****.*

***Payment to coffee plantations for ECOLOGICAL SERVICES is the need of the hour to make traditional coffee growing sustainable****.*

***DWINDLING ARABICA PLANTATIONS DUE TO WHITE STEM BORER:***

*Added to this a lot of Arabica plants are lost to the White Stem borer beetle. Efforts to find the elusive cure have been futile since the last 100 years. This has forced growers to shift to Robusta coffee.*

***Until a cure for the White stem borer infestation is discovered, it is imperative that the small grower be given financial assistance to change over to Robusta as this shift takes at least 10 years to produce sustainable yields and remuneration.***

***WATER, FOOD AND MAN***

*Of late a lot of talk and effort has been directed at conserving water. The farmer in the plantation districts harvests rain water in man made lakes and storage & tanks then uses this water for irrigation during the summer months.*

***Collectively the plantations have some of the largest and most scientific rainwater harvesting systems in the country.***

*The important point to note here is that this water that is used for irrigation reenergizes the ground water or flows back to the storage tanks.*

***Water is the very essence of life.***

*If the farmer does not get enough water for his crops there will be no food for him or mankind.*

***A fresh look at the huge amount of sewage water produced in the cities and towns is the key to the future of Agriculture in the country.***

*This huge amount of waste water can be treated and supplied to the famers using the same systems that are employed to supply drinking water from distant rivers.*

***This is the only solution to meet the ever increasing requirement of water and food.***

*MAN-ELEPHANT CONFLICT***:**

***The Deaths from Human-animal conflict in the plantations in Kodagu have reached alarming levels. It is now understood that apart from 62 elephants that are residents in the coffee plantations, most incursions are by transients who return to the forests.***

***It is imperative that these 62 elephants be relocated.***

***KPA has requested the PCCF to consider setting up a fenced reserve inside the existing forests for relocation of these elephants.***

***PROPOSED RAILWAY LINES AND NATIONAL HIGHWAYS THROUGH KODAGU.***

*There have been proposals and necessary steps are being taken by the central government to construct railway lines and National highways through Kodagu district. This would be disastrous to the environment.*

***The construction activity of such railway lines and highways would require a lot of labor and would result in plantation workers being employed for the same creating a severe crisis in cultivation.***

***The huge influx of personnel, machines and vehicles for these projects would cause severe water shortages, pollution and springing up of slums and shanty towns, in an otherwise naturally pristine area.***

***These proposals clearly contradict the government’s proposal on one hand to create ESZs and on the other hand to bring in large infrastructure projects***.

***These projects do not benefit the local economic and ecological ecosystems, but are only meant to provide a thoroughfare to our neighboring states and districts***.

***PERMANENT SOLUTION TO ENVIRONMENT & LAND TENURE ISSUES.***

***The myriad issues relating to Environment and land tenures have been haunting the people in the plantation districts specially in Kodagu [coorg] questioning the title and ownership . This has to be simplified and settled permanently by the Government at the earliest****.*

***Otherwise this Damocles sword will be constantly hanging on the heads of the coffee growers ninety percent of whom are small and marginal farmers****.*

***We the people living in the Plantation Districts are fortunate to be born here. This is evident by the fact that Kodagu [Coorg] and Chikmagalur have become the favorite destinations of people from across the world.***

***It is for us to nurture protect and save this pristine land our forefathers have bequeathed to us for generations to come***.

*Thank you all for being here and giving me a patient hearing.*

*Dr. Maneyapanda M. Chengappa*