



H.T. Pramod
Chairman



THE KARNATAKA PLANTERS' ASSOCIATION

NEWS LETTER - 1

Dear Members,

A very Happy and Prosperous New Year 2018 to you all.

It is a great honor and privilege to be elected as Chairman of the Premier State Plantation Association. I thank you all for giving me this opportunity to serve you.

I would like to bring to your attention some of the events and developments which have transpired after I took over as Chairman of the Association on 27th October 2017.

1).Committees & Sub Committees:

At our 59th KPA AGM Business session held on 27th October 2017, the following committees and sub committees were formed.

a) The KPA Executive Committee for 2017-18:

Mr. H.T. Pramod (Chairman)
Mr. M.B. Ganapathy (Vice-Chairman)
Mr. Shirish Vijayendra
Mr. A. Arvind Rao
Mr. Mahesh Shashidhar
Mr. N. Ramanathan
Mr. Waheed Naqvi
Mr. Nirad Muthanna
Mr. S. Appadurai
Mr. C.K. Kiran Kumar
Mrs. Asha Shashidhar

b) Co-opted Members:

- 1) Mr. T.W.V. Rasquinha
- 2) Mr. Anil Kumar Bhandari
- 3) Mr. M.S. Channakeshava Gowda
- 4) Mr. Shireesh Gurjer
- 5) Mr. C.N. Nataraj

- 6) Mr. D. Vinod Sivappa
- 7) Mr. Peter Mathias
- 8) Mr. Cherian Philip
- 9) Mr. A.S. Shankare Gowda
- 10) Mr. AL. RM. Nagappan
- 11) Mr. Jeffry Rebello
- 12) Mr. C.M. Pemmaiah
- 13) Mr. Ajoy Thipaiah
- 14) Mr. Sahadev Balakrishna
- 15) Mr. Marvin Rodrigues
- 16) Mr. D. Govindappa Jayaram
- 17) Mr. K. Kurian
- 18) Dr. M.M. Chengappa
- 19) Dr. Boppanda M. Bopaiah
- 20) Mr. N. Bose Mandanna
- 21) Mr. Chacko P. Thomas
- 22) Mr. Ashok Kuriyan

c) KPA Trustees for the year 2017-18:

Mr. H.T. Pramod
 Mr. M.B. Ganapathy
 Mr. Shirish Vijayendra
 Dr. M.M. Chengappa

d) KPA Sub - Committees:

The following are the Sub-Committees of the Association and their Conveners for the year 2017-18:

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| 1. Taxation Committee | Convener - Mr. P.S. Sathyanarayana |
| 2. Negotiation Committee | Convener - Mr. N. Bose Mandanna |
| 3. Scientific Committee | Convener - Mr. N. Ramanathan |
| 4. Land Matters Committee | Convener - Mr. A.S. Shankare Gowda |
| 5. Sports Committee | Convener - Mr. Sameer Gurjer |
| 6. Tea Committee | Convener - Mr. Rajkumar Wilson |
| 7. Public Relations & Membership Drive | Convener - Mr. Shirish Vijayendra |
| 8. Environment Awareness Committee | Convener - Mr. A.A. Ponappa |
| 9. Website Committee | Convener - Mr. Sunil Rasquinha |

2) Meeting with the Secretary, Coffee Board on 29th October, 2017:

I along with Mr. A. Arvind Rao, our Executive committee member had met the Secretary, Coffee Board Sri. Srivatsa Krishna as a courtesy call on 29th October, 2017 and discussed with him the problems faced by the Plantation Industry.

3) Meeting convened by Chairman, Coffee Board on 3rd November, 2017:



A meeting was convened by the Chairman, Coffee Board Mr. M.S. Boje Gowda at the Coffee Board complex, Chikmagalur to discuss the issues affecting the plantation industry. I along with the Secretary, Mr. Anil Savur had attended the meeting.

Mr. K. Manu Kumar, Member Coffee Board welcomed the gathering. Chairman Coffee Board Mr. M.S. Boje Gowda made the introductory speech explaining the purpose of calling the meeting.

Thereafter the following subjects were discussed at the meeting.

Import of Pepper: Import of low quality pepper from Vietnam and Sri Lanka had resulted in crash in Pepper prices. It was decided that a delegation of Coffee Board members would meet Commerce Minister and submit a Memorandum to impose import minimum price on Pepper.

African Snail: Coffee Board has sent advisories to growers. It was decided to request the state Government to publish a notification under the Pest control act to control this menace as it affects the public and all vegetation. To request introducing 'Catch and Kill' incentive scheme as done in case of Coffee Berry Borer. It was suggested to create a corpus to handle this menace.

Non Performing Asset (NPA): A recent circular issued from the finance ministry directs banks not to mechanically make the loan accounts as NPA. The only option to avoid accounts becoming NPA is to rephrase the loans but the whole principal and interest will become repayable. For servicing the loans, Banks should lend with easy rate of Interest. The meeting noted that Interest for car loans is lower than agricultural loans. The limit for interest subvention should be raised from 3 Lakhs to 10 Lakhs.

GST: Banks are charging GST on all services. This has become an additional burden.

Land Issues: It was decided to submit a memorandum to the Chief Minister during the Belagavi Assembly session to resolve the land issues affecting the plantations.

Prime Ministers Fasal Bima Yojana. Though there is 80% indemnity clause, meager compensation is being paid. The Insurance is made compulsory for pepper growers.

Elephant menace: Has caused great loss of life and damage to plantations. There are 6000 elephants in Karnataka. None of the methods are helping in control of elephants. Elephants are also residing in coffee plantations.

Delay in release in Subsidy: There is long delay in release of subsidy under the Coffee Board subsidy scheme. Applications of growers 10Ha and below are now being processed and growers above 10Ha will be taken up next.

Merger of Commodity Boards: The meeting opposed merger of Coffee Board with other commodity Boards.

President KGF Mr. B.S. Jayaram, Dr. N.K. Pradeep, Former President KGF, Mr. K.G. Rajeev, Vice Chairman CPA, Representatives of Hassan district planters Associations and other were present were present and spoke at the meeting. President KGF Mr. B.S. Jayaram proposed the vote of thanks.

4) Press Meet on 9th November, 2017:



The Vice-Chairman, Mr. M.B. Ganapathy, Trustee Mr. Shirish Vijayendra and I had held a Press Meet at the Chikmagalur Press Club, Chikmagalur. Thirty three members from the print and electronic media had attended. A press note in English and Kannada was circulated to the press which highlighted various issues affecting by the Plantation Industry. The press meet was published in the print and media next day and was also aired on the local TV Channels.

5) Central Pollution Control Board Meeting on 9th November, 2017:

The Central Pollution Control Board (CPCB) had invited KPA to the expert committee meeting at the CPCB Office at Delhi on 9th November, 2017 to finalize standards for the coffee Industry. Due to very short notice of two days and as we had scheduled a Press

Meet on the same day, it was not possible for me or depute anyone to attend the meeting. So we sent our comments and requested CPCB to postpone the meeting. If this was not possible to provide us an opportunity to meet them when we visit Delhi the next time and explain the comments. Thereafter, I had called Dr. H. Kharkwal, Scientist, MoEF & CC and followed up on the comments. He referred me to Dr. A. Senthil Vel. I spoke to Dr. Senthil Vel about the comments sent by us. He heard me and said CPCB will convene another meeting before finalizing the standards for the coffee Industry.

6) Consortium of Pepper Growers Meeting on 21st November, 2017:



The Secretary and I had attended the meeting of the 'Consortium of Pepper Growers' on 21st November, 2017 at the HDPA Auditorium at Sakleshpur regarding large scale import of poor quality and contaminated pepper from Vietnam and Sri Lanka due to which pepper prices had crashed to Rs.350/Kg. The inferior quality of pepper had affected the quality of Indian pepper as Indian pepper was mixed with imported Pepper and exported from India. Indian Pepper was also exported in the name of Vietnam Pepper. Poor quality Vietnam Pepper was also released in the Indian market. The representatives of pepper growing from UPASI, KPA, KGF, CAMPCO, Kerala, Tamil Nadu, Sirsi had attended the meeting. There was an elaborate discussion on the above subject at the meeting. It was decided to meet the Commerce Minister Sri Suresh Prabhu at Delhi and submit a memorandum appealing for introducing minimum import price for pepper like it was done for Arecanut.

The delegation of Pepper Growers thereafter met the Minister of Commerce and Industry on 20th November, 2017. Thereafter, the Ministry of Industry and Commerce announced minimum import price for pepper at Rs.500/Kg. due to which pepper prices have picked up and is ruling at Rs.450/Kg.

7) Coffee Board Meeting on 24th November, 2017:

A meeting was convened by the Secretary Coffee Board Sri. Srivatsa Krishna on 24th November 2017 to discuss Rule 7B of Income Tax Rules its pros and Cons, Creation of Farmers business network and discussion on technology initiatives and pilots.

On Rule 7B of the Income Tax Rules, all Growers and grower associations present unanimously supported deleting Rule 7B(1) which prescribes payment of 25% Income

Tax for income derived from curing of coffee as due to Rule 7B(1) many growers do not cure their coffee as they had to pay 25% Central Income Tax. Curing is an intermediary stage due to which coffee could not be consumed. It is only after roasting and powdering coffee could be consumed as a beverage. Growers could get between Rs. 100 to Rs. 200 Per Bag of 50Kgs. more if they cured their coffee.

Forming of farmer's business network was discussed. The secretary said this was to provide exposure for coffee grower's coffee to international buyers and allow all growers to come on a common platform like in case of auction centers. An app would be created for connecting buyers and sellers. The Associations and stakeholders present said this scheme should not be made compulsory to growers but may be made optional.

There was a discussion on technological initiatives by the Coffee Board teaming with 1. Eka software solutions Pvt. Ltd. an App making software firm on Disease Risk Assessment, Arogyam, My farm, price and Farm intelligence, etc. 2. M/s Big Haat a supply of agriculture inputs from seed to farm machinery online marketing concern 3. National Dairy Development Board for formation of co-operative societies across the country. KPA had opposed creation of this as it was not suitable for plantations and KPA was clear that Growers know when and how to sell their coffees. 4. Snap Deal, an e-commerce company; it's online market helps to connect the buyer and seller with the product and there was a discussion on general technologies.

8) Coffee Board Meeting on White Stem Borer on 5th December, 2017:



I along with Secretary Anil Savur had attended the 5th Meeting of the Coffee White Stem Borer Steering Committee on 5th December, 2017 at the Coffee Board Bangalore. The meeting was chaired by Secretary Sri Srivats Krishna who welcomed the stakeholders present and did introductory remarks. Presentations were made by Dr. Namratha Gundaiah, Department of Mechanical Engineering, Indian Institute of Science, Bangalore on "Coffee Wood Stem Borers: Biomechanics of boring and development of minimally invasive detection techniques."

It was informed that they had developed a WSB scanner and the costing and marketing is being worked out.

Shannon B. Olsson, NCBS, made a presentation on the fundamentals of White Stem Borer Behavior and why it is attracted to Arabica plants. Dr. Raghuramulu made a presentation on action taken report on decisions taken at the 4th WSB Steering Committee meeting. Ms. Neha Reddy made a presentation on “Entemopathogenic Nematodes against stem Borer.” Among the three presentations, the presentation made by Shannon Olsson was more meaningful and interesting.

9) Memorandum sent to the Hon’ble Union Commerce Minister on 28th Nov.2017:

KPA had sent a Memorandum to Shri. Suresh Prabhu, Hon’ble Union Minister for Commerce and Industry, Sri. Santhosh Sarangi, Joint secretary, Ministry of commerce and Industry, Mrs. Anita Karn, Director Plantations and to Ms. Shobha Karandalaje, Hon’ble Member of Parliament, Udupi-Chikmagalur on 28-11-2018. The following plantation issues were included in the Memorandum:

I. On Coffee Commodity:

1. Water Augmentation Scheme.
2. Dwindling Arabica Plantations due to White Stem Borer.
3. Develop Coffee Research Station at Balehonnur.
4. Collaboration with Nestle and Jain Irrigation to acquire high yielding coffee varieties.
5. Steep rise in cost of Production.
6. Repeal of Coffee Act, 1942 & Enactment of Coffee Bill, 2016.
7. Climate Change.
8. ICDP Scheme in XII plan and Medium Term Framework Period 2017 -2020.
9. Delay in disbursement of subsidy:
10. Coffee Effluent Treatment.
11. Reduction in interest rates.
12. Additional Soil and Leaf laboratories.
13. Coffee Marketing
14. Rule 7B of Income Tax Rules 1962
15. International Coffee Trade Fairs
16. Research on the white stem borer

II. Pepper:

1. Import of Pepper of poor quality, contaminated with pesticides.
2. Sustainability of Pepper.
3. Spice Parks.
4. Research & Development.

10). Negotiation Meetings:

The KPA Negotiation Committee is holding Negotiation Meetings with the Plantation Trade Unions with regard to revision of salaries and benefits of various categories of employment in the Plantation Industry.

11) Memorandum to Hon'ble Forest Minister on 28th December 2017:

The Association had sent a Memorandum to Shri. Ramanath Rai, Hon'ble Forest Minister and Forest officers on 28th December 2017 regarding obstructions caused to private plantations in the process of marking of the D line by the Forest department as per the direction of the Hon'ble Supreme Court.

12). Chairman's Delhi Visit

I had been to Delhi between 8th and 10th January 2018 to follow up on the issues relating to the plantation industry. I had met the following:

8th January 2018:



I met Dr. A. Senthil Vel, Advisor and Joint Secretary, Ministry of environment and forests and Climate change and Dr. Kharakwal, Scientist D Ministry of environment and forests and Climate change and submitted our Memorandum and explained to him our comments submitted to draft notification. He appreciated Eco Pulpers and Bio Enzymes and said the MoEF & CC would recommend Eco pulpers. I told him that Eco pulpers were very expensive to install. For this he said his ministry would recommend subsidy for Eco pulpers and Bio Enzymes to the Government of India as it saved 90% water and did not cause any pollution. He enquired the difference between Eco pulpers and traditional pulpers and I clarified.

Next we met Director General of Forests and special Secretary, Ministry of Environment, Forests and Climate change Sri. Siddanth Das and brought to his attention the loss of life and damage caused to property due to elephant menace which had reached alarming levels. He said he had received complaints regarding the elephant menace. He had also visited Coorg and seen loss of life and the damage caused to plantations. Apart from other control methods being followed, artificial insemination for elephants is planned and will be implemented to control elephant population.

9th January 2018



We met the Hon'ble Minister for commerce & Industry Sri Suresh Prabhu and submitted a memorandum on Rule 7B of Income Tax Rules and requested his help in deleting Rule 7B (1).

I brought to his attention that many coffee growers especially the small growers do not cure their coffees as under Rule 7B, 25% Central Income Tax has to be paid for income derived from curing of coffee. Curing is an intermediately stage due to which coffee cannot be consumed. It is only after roasting and powdering that coffee could be consumed as a beverage. Growers could get between Rs. 100 to Rs. 200 Per Bag of 50Kgs. more if they cured their coffee.

We also submitted a memorandum on "Challenges facing the Coffee and Pepper growers" bringing to his attention various issues affecting the plantation industry, clandestine import of pepper from Vietnam through Sri Lanka circumventing the minimum import price imposed by the Ministry. For this he asked us to approach the enforcement directorate which monitors the imports.

We requested him to speak to the finance ministry to reduce the rate of interest being charged for Agriculture and plantation including coffee loans as due to volatile prices

and high rise in the cost of inputs, low prices for Arabica Coffee and with no remedy found for White stem Borer in Arabica coffee, returns from Arabica estates were below the cost of production and it was very difficult to service the loans. He summoned Joint secretary Sri. Santhosh Sarangi and Director of plantations Mrs. Anita Karn and asked them to prepare a note on the requests made by us.

We also met Sri Santhosh Sarangi and Mrs. Anita Karn separately and discussed with them the plantation issues which we had discussed with the Minister of Commerce and Industry Sri Suresh Prabhu. I invited Santhosh Sarangi to our Coffee Conference to be held next October to which he agreed.

On the same day we visited the Ministry of Chemicals and Fertilizers. Sri Ananth Kumar. The Minister was away in Karnataka. However we met Advisor to Ministry of Chemicals and Fertilizers Sri Bykere Nagesh. He said that the purpose of seeking Adhar is to find out where the subsidized fertilizers were being used and to prevent misuse as the subsidized fertilizers were meant for the agriculturists. Regarding the corporate, using subsidized fertilizers, adhaar of the person purchasing the fertilizers has to be given. Any amount of fertilizers could be bought but only on production of adhar. As the Government of India had decided to credit the subsidy part of fertilizers directly to the bank account of the farmers, adhar is being insisted.

13) Arabica Field Visit on 22nd January, 2018:

The Arabica Field Visit to Jankhan Estate of Mr. Sajith, Lalithadri Estate of Mr. M.S. Jayaram, Thogrihankal Village, Chikmagalur Taluk and M/s. Jayanthi Coffee Works at Chikmagalur of Mr. M.S. Jayaram was held on 22nd January, 2018.

Jayanthi Coffee Works:



The delegates first visited “Jayanthi Coffee Works” a well known Coffee roasting and retail establishment at Industrial area in Jyothinagar, Chikmagalur having best coffee roasting and powdering machines “Probat” imported from Germany with high capital investment. The capacity of the machines ranged from 2Kgs to 10Kgs Tonnes. He also does roasting, powdering and packaging for coffee growers. He has a cup tasting unit and does cup tasting for growers coffee. Jayanthi has also a café dispenser unit from which various kinds of coffee can be prepared. The delegates saw roasting, powdering

and packing of coffee. Jayanthi Coffee Works distributed take home Coffee mugs and Jayanthi coffee to the delegates.

Lalithadri Estate:



Thereafter the delegates visited Lalithadri Estate. The estate is planted with Chandragiri and 795 varieties. It has good productivity of 500-600 Kgs / Acre and has very good Eco Pulper (Penagos Pulper) and drier facilities. Demos of Penagos pulper and drier was made for the information of the delegates. It was informed that this drier involved heating water with the help of fire wood and blowing through steel chambers to the concrete troughs on which parchment coffee is spread. The drier is used only if it rained during the harvesting season or during cloudy weather. The estate is Rainforest Alliance and Utz certified. Jayaram had made good arrangements to hold the field visit.

Jankhan Estate:





Jankhan estate of Mr. Sajith in an area about 120 Acres is a traditional high yielding coffee estate located in the prime Coffee zone in the Baba Budan Giri Hills. He has planted Chandragiri and 795 Arabica Coffee varieties. The estate is known for very good management practices with foliar, Nutrient, Micro Nutrient and Fungicide sprays (3 Rounds). The Estate is high yielding Arabica Plantation. The Average yield is 700Kgs/ Acre. Jankhan estate also has Penagos Eco Pulper.

In the morning session, the delegates went on a 3Kms field visit visiting high productive coffee areas. The delegates saw coffee plants with good foliage and good standing coffee crop. Mr. Sajith circulated a print out of details of the fertilizer and foliar application applied by him. About White stem borer he said he believed in prevention than cure. He does multi tracing and timely uprooting of affected plants to prevent the borer from spreading. Does close planting as foliage resists the Borer spreading and targeting the stems. Said proper labour management is important. He looks after the labour needs. Has provided solar water heating to staff and labourers. He does replanting of aged and low yielding plants and about 5000 plants are replanted annually. Annual shade lopping is done. This has helped him in getting good outturns and premium price for his coffee. He has planted pepper and irrigates Arabica.

Sajith had made excellent arrangements to hold the Arabica field visit.

14) KPA Sub-Committee Meetings.

- ❖ Taxation Committee Meeting was held on 4th December, 2017 at Bangalore to discuss Taxation matters and to prepare KPA's Pre-Budget Memorandum 2018-19 to be submitted to the Central and State Governments.
- ❖ Scientific Committee Meetings were held on 8th December and 21st December, 2017 at Chikmagalur to decide holding of Field Visits during the year.
- ❖ Land Matters Committee Meeting was held on 21st December, 2017 at Chikmagalur to discuss obstruction caused to private plantations during the course of marking of D line by the Forest department in Chikmagalur district.

- ❖ Negotiation Committee Meeting was held on 21st December 2017, 9th and 20th January, 2018 at Chikmagalur to discuss revision of salaries of plantation employees.

15) KPA Circulars:

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

- Compulsory Contribution to the Karnataka Labour Welfare Fund.
- List of KPA Office Holidays for the year 2018.
- Variable Dearness Allowance (VDA) to Staff from 01-01-2018 to 31-03-2018.
- Mechanization in Indian Coffee Plantation.
- Arabica Field Visit at Jankhan, Lalithadri Estates and Jayanthi Coffee Works.
- Circular on Non Staff settlement on 25th January 2017.

With Best Wishes & Warm regards,

Yours sincerely,

Mr. H.T. PRAMOD
Chairman

Date: 2nd February, 2018