

THE KARNATAKA PLANTERS' ASSOCIATION



Mr. Shirish Vijayendra



NEWS LETTER – 2

Dear Members,

I am pleased to circulate my second News Letter. This is to further brief you about the various events and developments that have taken place on the various fronts relating to the Association and the Plantation Sector since my News Letter of 31st January, 2020.

Corona Virus COVID 19 Pandemic

The Novel Corona Virus COVID 19 Pandemic is inflicting havoc across the world including India. The pandemic has seriously affected plantations, our Members, their families and all stakeholders of the plantation Industry. It has become inevitable for people to stay indoors to keep away from the Pandemic. Social meetings and get-togethers are restricted due to the Pandemic.

Dear Members, please stay safe and healthy by following the prescribed advisories to overcome this unprecedented Pandemic.

1. Gazette Notification dated 3rd January 2020 notifying Monthly Wages of Rs.15,000/- for payment of Compensation to Employees under the Employees Compensation Act, 1923.

The Ministry of Labour and Employment had revised the monthly wages under Section 4(1B) of the Employees Compensation Act 1923 from 8,000 PM to 15,000 PM. This section deals with payment of compensation in case of accidents during the course of employment and when a new E.C. (W.C.) policy is taken and while renewing the EC (WC) policies. Rs.8,000/- limit was last fixed under Gazette Notification Dtd. 31st May 2010.

We have circulated a Circular on this on 5th February 2020 by email and post which members may please refer for more details.

2. Revised Gazette Notification dated 24th January, 2020 prescribing Revised Pollution Standards for the Coffee Industry:

The Ministry of Environment, Forest and Climate Change had published a Notification on 24th January 2020 in the Gazette on the same day revising the Pollution standards and Norms for the Coffee Industry.

Most of the standards prescribed under the previous notification Dtd. 8th August 2008 are retained with a few modifications. According to the notification the lagoons should be non permeable and must be more impervious. For the first time well graded clay lining is prescribed to line the lagoons. One year time is given till 24th January 2021 for compliance.

We have circulated a detailed Circular on the Standards and norms prescribed under the Gazette Notification Dtd. 24-1-2020 and the copy of the Gazette notification by email and post on 23rd June 2020 which Members may please go through. If you need any clarification you may contact our Secretary Mr. Anil Savur.

3. Memorandum on “Impact of Lock down due to Covid-19 pandemic on Coffee Plantations and the Coffee Industry” Dtd. 23rd April 2020.

To provide relief to the plantations, we had sent Memorandums to the Finance Minister, Finance Secretaries, Minister for Commerce & Industry, Commerce Secretary, Secretaries of Ministry for Commerce & Industry, Department of Commerce, Ms. Shobha Karandalaje, MP, Udupi-Chikmagalur, Chairman, CEO & Secretary, Director of Finance and Senior Advisor Dr. Y. Raghuramulu, Coffee Board and Sri. C.T. Ravi, Tourism Minister on 23rd April 2020 on “Impact of Lock down due to Covid-19 pandemic on Coffee Plantations and the Coffee Industry” bringing to their attention the following concerns:

- Ongoing plantation activities, Trading, Curing and export operations were seriously affected.
- Severe fund crunch and cash flow concerns.
- Impossible for Coffee growers to harvest Coffee and Pepper due to scarcity of workers and prohibition of workers coming to work from outside the estate.
- Movement of harvested coffee to curing works suffered due to the restrictions.
- Transport of plantation inputs like fertilizers, Chemicals, plantation equipment and machinery were affected.
- Income was scarce due to lock down and restrictions.
- As income is scarce, coffee growers cannot service Bank loans.
- Migrant workers engaged by plantations had gone back to their native places.
- As bus services and other transport is prohibited, workers could not come to work from outside the estate.
- Exemptions granted by GOI from lockdown had not trickled down fully to the local areas.
- The COVID-19 situation may continue for several months. Hence the future is very uncertain.
- Coffee Industry is already in severe distress and in a financial crisis due to heavy Rainfall, Floods and Landslides in the years 2018-19 and 2019-20. Due to this production was down by 35% in 2018-19 and by 50% in the year 2019-20.
- Drought and dry weather conditions during 2015-16, 2016-17 and 2017-18 due to failure of Monsoon had affected plantations.

We have requested the Government to provide relief to the plantations to tide over the situation.

4. Revision of Electricity Tariff of MESCOM and CESC by KERC:

The MESCOM & CESC had filed applications before KERC for increase of electricity tariff for I.P. Sets at 50 paise per unit and increase of fixed costs by Rs.10 per HP. For HT installations the increase requested is 50 Paise per unit and fixed cost at Rs.50 per HP and against hike in tariff for other installations used in Plantations.

The Association had sent its objections to the above mentioned proposal of MESCOM and CESC electricity tariff increase on 14th February 2020. Orders of KERC are awaited.

The important points mentioned in the objections are:

- Financial crisis faced by the Plantation Industry due to Heavy Rains & Floods in 2018 and 2019 and three years drought from 2015-16 to 2017-18.
- High cost of production due to steep rise in input costs.
- Un remunerative prices & prices below cost of production.
- Poor supply of power to the plantation areas.
- To provide quality power supply with 3 phase power supply to plantations during estate working hours.
- Supply of uninterrupted power for Pulping of Coffee and irrigation for Blossoms and backing.
- Exemption of electricity Tax levied on captive generators.
- Intimation of power cuts by SMS, Email, etc.

5. Permission for estate operations by Deputy Commissioners of Chikmagalur, Kodagu, Hassan and Chamarajanagar:

The GOI had ordered 21 day lockdown from 24 March 2020 as a preventive measure against the COVID 19 pandemic. However, agriculture (Plantations) operations were excluded from the lockdown.

As agriculture operations were excluded from lockdown, the Association had met the Deputy Commissioner Chikmagalur and had submitted a letter requesting him to allow Plantation operations and Curing works to function. Similar letters seeking permission for Plantation operations and Curing operations were sent to the Deputy Commissioners of Kodagu, Hassan and Chamarajanagar and followed up.

The Deputy Commissioners of Chikmagalur, Hassan, Chamarajanagar and Kodagu districts on 1st April, 2nd April and 4th April 2020 respectively permitted agricultural operations in the plantations and Coffee Curing operations in these districts on condition of following guidelines prescribed by the GOI on COVID 19 Viz. Wearing masks, Maintaining social distance, washing hands regularly, etc.

6. Identification of WSB trial plots by CCRI in Hassan & Chikmagalur Districts.

An e-mail was received from the Director of Research, CCRI on 8th May, 2020 informing KPA to send the names of Coffee Growers who were prepared to undertake trials of WSB resistant Tissue culture plants supplied by Jain Irrigation. An email was sent to all Members informing about it requesting Members to inform about undertaking the trials.

The entries received from Members from Chikmagalur and Hassan Districts were sent to the CCRI.

7. Letter sent to Defer/Freeze payment of VDA increase for the year 2020-21.

We had sent letters to the Plantation Trade Unions, Sri. B.S. Yedyurappa, Hon'ble Chief Minister of Karnataka, Mr. Shivaram Hebbar, Hon'ble Labour Minister, Sri. Vijay Bhaskar, Chief Secretary, GOK, Sri. K.G. Shantharam, Labour Commissioner on 11th May, 2020 and Ms. Shobha Karandlaje, Hon'ble M.P. Udupi-Chikamgalur on 16th May, 2020 requesting them to defer/freeze payment of VDA increase for Plantation Workers, Maistries /Supervisors & Non Staff for the FY 2020-21 in view of the grave financial crisis faced by the Plantation Industry due to the Lockdown on account of the COVID 19 Pandemic and also due to the heavy floods and droughts in the previous years.

In this regard we had received a reply from the Trade Unions and from the Chief Secretary. The Chief Secretary had referred our letter to the Labour Commissioner, Labour Department for action. There is no response.

8. Draft Gazette Notification Dtd. 14th May, 2020 of Ministry of Agriculture, proposing to ban 27 chemicals used in Plantations.

Under the above draft Gazette notification, the Ministry of Agriculture had proposed to ban the use of 27 chemicals which are likely to involve risk to human beings and animals.

Among the 27 Chemicals, plantations generally use six Chemicals. 1. Chlorpyrifos 2. Mancozeb 3. Carbendazim 4. Quinalphos 5. Dimethoate 6. Methomyl.

KPA sent its objections on 29th June 2020 requesting not to ban the six chemicals as-

- Draft order is ill timed as the ban is proposed during the prevailing COVID-19 pandemic which has caused financial loss to plantations.
- The ban would further put plantations to a lot of loss, anxiety, mental stress and anguish.
- These six chemicals proposed to be banned are effective and affordable.
- Alternate chemicals are available for Dimethoate and Methomyl. However, they are very expensive.
- The rest of the four chemicals do not have alternatives.
- The 6 agrochemicals have been recommended for use by CCRI for control of specific diseases and pests after extensive laboratory and field trials.
- Chlorpyrifos is used for control of WSB menace in Arabica and Shot Hole Borer in Robusta for which no other pesticide is very effective.
- Banning will result in flaring up of WSB and lot of loss of Arabica plants, Financial loss and hardship.

9. Memorandum submitted to Sri. C.T. Ravi on “Impact of Lock down due to COVID-19 pandemic on Coffee Plantations and the Coffee Industry”



I along with Mr. H.T. Pramod, Past Chairman, KPA had met Sri. C.T. Ravi, Hon’ble Minister for Tourism, Kannada & Culture on 16th May 2020 and submitted the Memorandum on “*Impact of Lock down due to Covid-19 pandemic on Coffee Plantations and the Coffee Industry*” and brought to his attention the financial crisis of the Plantation Industry in view of imposition of lockdown by COVID 19. We requested him to use his good offices in providing relief to the Coffee Industry. The points included in the Memorandum are the same as mentioned in point No. 3.

Later the Hon’ble Minister had written to the Ministry for Commerce & Industry to provide relief to the Coffee Industry affected by COVID 19. The Commerce Ministry had written to the Coffee Board to assess the loss caused to the Coffee Industry in Karnataka.

An email was received from the Coffee Board on 28th May 2020 to inform the loss caused to plantation activities in Karnataka. KPA had sent its inputs on 2nd June 2020 estimating the loss caused to plantations in Karnataka to be Rs. 441 Crores.

Press Coverage:

The news of this was published in the leading dailies and online media.

<https://www.thehindu.com/news/national/karnataka/coffee-growers-seek-extension-of-loan-moratorium-exemption-of-gst-on-inputs/article31850134.ece>

<https://www.deccanherald.com/business/business-news/coffee-growers-stare-at-3-decade-low-in-prices-855623.html>

<https://timesofindia.indiatimes.com/city/bengaluru/lockdown-brews-fresh-crisis-for-karnataka-coffee-growers/articleshow/76486503.cms>

<http://www.cogencis.com/newssection/interview-indian-coffee-sector-staring-at-7-bln-rupee-loss-on-covid/>

Memorandum on “Deferring /Freezing of VDA increase for the year 2020-21”.

We also submitted a separate Memorandum to Sri C.T. Ravi requesting him to use his good offices and help in deferring / freezing the VDA increase for the year 2020-21 for Plantation Workers, Maistries /Supervisors & Non Staff in view of the grave financial crisis faced by the Plantation Industry due to Lockdown by Covid 19, heavy floods in the years 2018-19 and 2019-20 and drought for 3 years in a row earlier to the flood years.

10. Memorandum sent to Sri. K.S. Eshwarappa, Rural Development & Panchayat Raj Minister 20th May, 2020:

A Memorandum was sent to Sri. K.S. Eshwarappa, Minister for Rural Development & Panchayath Raj, GOK requesting him to exempt payment of Panchayath Tax for Plantations for the year 2020-21 in view of the grave financial crisis faced by the plantation industry due to lockdown by COVID 19, heavy floods in the years 2018-19 and 2019-20 and drought for 3 years in a row earlier to the flood years.

Later the Hon’ble Minister had replied on 8th June 2020 informing that he had forwarded our letter to the Additional Chief Secretary, Department of Rural Development and Panchayath Raj for action. There is no response.

11. Letter sent to Sri. R. Ashok, Hon’ble Minister for Revenue on 20th May, 2020.

An appeal letter was sent to Sri. R. Ashok, Hon’ble Minister for Revenue on 20th May, 2020 requesting to exempt payment of Land Revenue for plantations for the year 2020-21 in view of the grave financial crisis faced by the plantation industry due to Lockdown by COVID 19, heavy floods in the years 2018-19 and 2019-20 and drought for 3 years in a row earlier to the flood years. There is no response.

12. PMGKY Package of EPF.

The GOI had announced the Prime Minister’s Gareeb Kalyan Yojana (PMGKY) relief package as part of relief for Covid 19.

Under the package, the GOI paid 24% of employees and employers’ EPF contribution for the months of March, April and May 2020 on the following conditions:

- Establishments should be registered with EPF.
- Employed up to 100 employees.
- Monthly wages paid to the employees should be below Rupees 15,000 per month.
- 90% or more of such employees should earn monthly wages less than Rs.15,000/-
- UAN of the employees should be seeded with his/her Aadhaar.

We had written to the Regional Commissioner, EPFO, Chikmagalur on 16th April 2020 requesting him to:

- Extend the scheme for further four months till September 2020.
- Relax the clause 90% of workers earn below Rs 15,000/- PM so that more people can benefit.
- Relax seeding of Aadhaar with UAN for the period of package so that more employees and employers could get the benefit as they are paying EPF for a long time.
- Not to deny the package to employees on technical issue and
- Provide benefit to employers who have paid EPF for March 2020 before updating of the revised software on 13.04.2020.

The same letter was then sent to the Sri. Sunil Barthwal, Central Provident Fund Commissioner on 10th June 2020 with above requests and to extend the package to establishments employing more than 100 workers.

Thereafter the PMGKY scheme was extended till August 2020. Establishments who seeded the Aadhaar with UAN number during force of the package is given the benefit. Employers who have paid EPF for March 2020 before updating of the revised software on 13.04.2020 were either given the benefit or refund.

13. NABARD

An email was received from the District Development Manager, NABARD, Chikamagalur on 3rd June 2020 seeking our inputs on storage, infrastructure and value addition. The following inputs were sent by us.

- i). Build community ware houses.
- ii). Community irrigation tanks.
- iii). Community Eco pulpers.
- iv). Develop Research & Development facilities of international standards.
- v). Set up accredited Nurseries for supply of plant Material.
- vi). Support for Mechanization of estate operations.
- vii).Infrastructure: Good all weather roads, 24/7 supply of electricity, Broadband and Internet.
- x). Support for Machinerries for preparing value addition products in Pepper.

14. Joint Memorandum to PMO

KPA along with UPASI had sent a joint Memorandum to the Hon'ble Prime Minister on 10th July 2020 on "Impact of COVID 19 on the Coffee Sector". The points included in the Memorandum were ;

- Coffee Plantation Scenario.
- Impact of Covid 19 pandemic and Lockdown.
- Coffee Industry already in distress before Covid 19.
- Exports
- Domestic Consumption
- Estimation of Loss due to Covid 19
Lost estimated was 441 Crores for Karnataka and Rs. 629 Crores for South India.
- The reliefs requested were:

A. SHORT TERM

1. Reduction of Interest rate to 6% pa.

2. Covid Emergency Line of Credit Scheme.
3. MEIS – Export Incentive.
4. Repeal of Rule 7B (1) of the IT Rules.
5. Interest Equalisation / Subvention scheme

MEDIUM TERM

B. Restructure of Loans

Repayment period of 9 years with a 3 year moratorium period and a reduced rate of interest at 6% pa.

There is no response so far.

15. UPASI Meetings:

I had attended the UPASI Executive Committee Meetings held by Virtual Video Conference scheduled in May and June. Subjects relating to effect of COVID 19 on plantations and other plantation related subjects and issues were discussed at the meetings.

16. KPA Sub-Committee Meetings.

KPA Tea Committee Meeting was held on 22nd May, 2020 through Virtual Video Conference and effect of COVID 19 on the Tea industry, Tea Plucking incentive and other Tea issues were discussed.

17. KPA Circulars:

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

- ❖ Gazette Notification dated 3rd January, 2020 notifying Monthly Wage of Rs. 15,000/-.
- ❖ Variable Dearness Allowance to Plantation Workers from 01-04-2020 to 31-03-2021.
- ❖ Variable Dearness Allowance to Staff from 01-04-2020 to 30-09-2020.
- ❖ Amended Pollution Standards and Norms to Coffee Industrial.

With Best Wishes & Warm Regards,

Yours Sincerely,
Mr. SHIRISH VIJAYENDRA
Chairman

Date: 15th July 2020