

**I**NDIA produces nearly 11 per cent of the world's vegetables and 15 per cent of all fruits. The country is the largest producer of mangoes, bananas and pomegranates, globally, though its share in the international trade of fruits and vegetables remains a meagre 1 per cent. A plethora of government schemes such as the National Horticulture Mission and the Rashtriya Krishi Vikas Yojana, the efforts of the agriculture export promotion body APEDA and the National Horticulture Board, and agriculture extension programmes of various state governments, have not been able to arrest the declining growth in agriculture exports.

The problem with our farming, experts say, is elementary. Indian farmers are mostly small and marginal with fragmented landholdings. And the small size is making adoption of farm mechanisation and modern techniques difficult. Until pooling of landholdings becomes easy,

achieving economies of scale will remain difficult, points out the Economic Survey 2011-12.

It is in this context that the growth of a new generation of agri-entrepreneurs, which believes in global best practices, turns interesting. These entrepreneurs offer farm-to-fork services which global retail giants like Carrefour vouch for, and are fast becoming the preferred picks of venture capital funds interested in agri-businesses. The fact that they all find a common clientele in retail chains is an indication of the early bird advantage that awaits them as and when India allows foreign direct investment (FDI) in multi-brand retail.

A look at some individual initiatives in Bihar, Gujarat, Maharashtra, Andhra Pradesh and Karnataka reveals that even though they are minnows when compared to the agri-initiatives of corporate giants such as ITC, Mahindra or Avantha, agri-entrepreneurs are on the rise, and they mean business.



SUBHABRATA DAS

## Pomegranates Are His Pride

SIX years ago, Prakash Khakhar, a long-time trader-exporter of fruits and vegetables in Mumbai, decided to learn a lesson or two in agriculture. He bought 70 acre in Ahmednagar, a water-deficient region lying 350 km away, and with the help of his management graduate son Kaushal, developed a pomegranate farm there. The move surprised many of his peers; it was easier and often economical to pick up the best produce from the *mandi*, pack and export to Indian expatriates craving home-grown fruits.

As he strolls among his pomegranate trees today, 62-year-old Khakhar, chairman of Kay Bee Exports, recalls the momentous decision of his

life. Today, his firm exports more than 700 tonne of pomegranates a year, and is the single biggest Indian pomegranate exporter to Europe. And its business does not end with pomegranates.

Kay Bee is a model for hundreds of farmers. In over 1,000 acre in Maharashtra and Gujarat, it has built farmer linkages through contract farming. Vegetables and pomegranates are grown on a 100 per cent buyback agreement and at a predetermined price. Free supply of seeds, agricultural inputs and a farm gate pick-up are the icing on the cake. "My peers tell me that I am mad to pay farmers an average of Rs 23 for a kilo of vegetables, which can be easily picked up from the market for Rs 12 or 15," says Khakhar.

### **KAY BEE EXPORTS**

#### **PROMOTER**

Prakash Khakhar

#### **BUSINESS**

Pomegranates, vegetables

#### **TURNOVER**

Rs 75 crore

