

Harvesting the gains

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How far would you go to pursue a dream? To the Ulfa-ridden jungles along the Indo-Bangladesh border or the steep inclines of the Himalayas? These aren't random analogies intended to produce awe. These are real obstacles faced, and overcome, by passionate entrepreneurs. Recognising the rich potential of rural India, these people withstood extreme hardship to breathe new life into one of the oldest professions—agriculture.



Prashant Lingam

The land that sustains us is also one that teems with a million possibilities. This is what Aruna and Prashant Lingam, founders of Bamboo House, discovered while looking to buy an innocuous, eco-friendly sofa. Their search took them from the bylanes of Hyderabad to the National Institute of Design (NID), Ahmedabad, and on to Katlamara, a rural community in Tripura. "We came across a lot of bamboo furniture sellers on the Net, but not one was based in India," says Prashant.

In 2007, their effort bore fruit when members of the Bamboo Initiative at NID informed them that the raw material was outsourced from the Indo-Bangladesh border. The Lingams' followed the trail to Katlamara, a journey fraught with tension as the area was unsafe and they needed permission from the local authorities, including the army, to visit. Why the effort, expense and exhaustion for a mere sofa? "It had become an obsessive need to satisfy our curiosity," laughs Prashant.

Unfortunately, the trip proved disappointing. "The locals knew the technique but their designs weren't appealing. Still, we paid them Rs 10,000 to make a sofa set," he adds. For the next three months, the Lingams did not hear from the locals and gave it up as a failed project. Then, suddenly, they received a call that the furniture was ready. "We now had a new problem—how to transport it to Hyderabad," he says. It took a month for the set to reach its destination, but the Lingams' happiness was shortlived as the sofa began showing cracks within two months.

Most people would have shrugged it off as an experience to learn from and moved on. However, the Lingams persevered. "By now, the bamboo bug had bitten us, so Aruna and I began visiting various forest areas in the country. We learnt about planting, harvesting and treatment of different bamboo species," says Prashant.

In 2008, armed with in-depth knowledge, the Lingams decided to set up Bamboo House, a showroom in Hyderabad. "We had to trudge from one government agency to another to get funding. One of these was the National Bamboo Mission, which has a budget of Rs 500 crore for promoting the use of bamboo. But they were apprehensive and took four months to cough up Rs 1 lakh for the project," says Lingam. The other agencies they tapped were the Forest Department and IIT Delhi. Though it took the Lingams Rs 4 lakh to set up the showroom, they spent almost Rs 5 lakh on travelling. Bamboo House now sells products ranging from handicrafts to flooring and the couple is expecting a turnover of Rs 1 crore within the next two years.

The milky way

The bulk of opportunity in the agribusiness sector lies in the food processing industry. According to the Ministry of Food Processing, the total estimated food market is worth about \$100 billion. The market size for processed food in 2003-4 was Rs 4,60,000 crore and is expected to grow to Rs 13,50,000 crore by 2014-15. Within this segment, the lion's share is captured by the dairy sector, where 37 per cent of the total produce is processed. However, like most agri businesses, only 15 per cent falls under the organised sector.



Devendra Shah

Two decades ago, Devendra Shah realised that this was an area worth milking, literally. In early 1990, while government officials were patting themselves on their backs for the roaring success of Operation Flood, cattle-owners were facing a unique problem. They were producing surplus milk, but during official holidays the government didn't buy from them and they had to throw away 2,000-5,000 litres. "The farmers didn't own any storage or transport facilities. It was ironic as the supply was there and so was the demand, but there wasn't a way to match the two," says Shah. So, on those days he bought the milk and wrangled a deal with a few tankers to transport it to sweet-makers in and around Mumbai. Four months into this venture, Shah realised that the potential was huge. He approached various cooperatives, which funded 55 per cent of his Rs 85 lakh investment, while the remainder came from his savings. In 1992, Shah set up Parag Milk Foods, which produces Govardhan ghee and Go cheese.

"When we began selling Govardhan, our USP was that it was the only ghee made from cow's milk. We were happy with the response till we realised that people bought it mostly for pooja and rituals. I had to advertise aggressively about the benefits of using it for cooking," reminisces

Shah.

Seed capital

Funding is the one problem faced invariably by all entrepreneurs, but is remarkably absent in this sector. Many banks and foundations are tripping over themselves to fund a start-up. This was an advantage that Amith Agarwaal, co-founder, StarAgri Warehousing, discovered he could leverage. For banks, agriculture is a priority sector when it comes to lending but their numbers usually fall short. "We promised the banks we would help them reach their targets through warehouse receipts if they provided us with business, such as collateral management," says Agarwaal.



Amith Agarwaal

Along with three others, Agarwaal opened the first warehouse in 2006. Now, StarAgri has grown beyond storage to become a post-harvest concept management company. "We provide a host of services, from procurement and insurance to commodities testing labs," says Agarwaal. What has been the biggest challenge? "The first 6-7 steps of any venture are bumpy, but you can get through as there is no pressure to perform and competition is on a small scale. It is now that the going will get tough as we face bigger players," he adds.

Finding roots

If you're wary of taking risks, don't worry. You can still reap gains in this sector as the need for new techniques to increase food productivity as well as satisfy the changing lifestyle has opened up a plethora of jobs.

There are many career avenues in agronomy, dairy technology, floriculture, genetics and fisheries. To explore these, you need to have a bachelor's degree in agriculture or fisheries science. If you want to specialise, you'll need to study for a master's degree after clearing the all India entrance exam conducted by the Indian Council for Agricultural Research. Many state universities also conduct their own entrance exams. You could then join a multitude of organisations, such as banks, the Nationalised Seed Corporation, landscaping firms and the cosmetics and perfume industry.

Trainees can earn Rs 6,000-10,000 a month, and after three years in the industry, you could get Rs 15,000-25,000. For specialised jobs like tea tasters, you could even earn about Rs 40,000 a month.



Reshma Anand

Or, perhaps, like Reshma Anand, a few years in the field will give you enough confidence to start your own venture. While working on her first job in the marketing department of Hindustan Lever (now Hindustan Unilever), Anand had to visit the hinterlands to research for a project on rebranding a soap. This opened her eyes to business skills that could aid the rural community. After six years with HUL, in 2001, she moved to Development Alternatives, an NGO, to propagate the use of the Internet in small towns.

"During this time I came in contact with Nachiket Mor, now the president of the ICICI Foundation. He was happy with the growth in micro-finance but worried that it wasn't generating income," says Anand. That got her thinking about how she could help farmers market their produce. "It took 4-5 months of traipsing through remote villages to come up with a portfolio of products that we could sell in the urban markets," says Anand. In March 2007, she set up Earthy Goods to sell organic food products and soaps.

However, the initial euphoria nosedived when the stock markets spiralled downwards and murmurs of recession rose. "The next two quarters were bad, but I told myself that this would pass. I ensured that I involved my partners in each step of the business. Once you imbibe a feeling of ownership in your employees, they will be willing to bend backwards to pull the venture through," says Anand.

Challenges and chances

Despite the prospects, however, the sector is riddled with red tapism and archaic laws. Says Lingam, who is petitioning to amend the Forest Act, 1927: "According to the Act, we cannot take bamboo from the forest. So, though India is the second largest producer of bamboo in the world, it's lying waste. Farmers can't earn a livelihood because they can't access raw material, which is growing profusely around them."

Says Agarwaal: "Each state has its own regulations on agriculture, so whenever I open a warehouse in a new area, I have to get through reams of paperwork in that district. Another dilemma is the lack of skilled manpower at the middlemanagement level. Most people with a business degree from a renowned college don't even consider agriculture as an option."

But these entrepreneurs aren't wasting thier breath over such matters. They're busy searching for the next big thing. Says Shah, who is gearing up to launch 8-10 varieties of cheese in the country: "The cheese sector is expected to grow at a rate of 25-30 per cent annually, and with the entry of new eateries in the market, this demand will grow. Besides dairy, entrepreneurs can tap the fruit juices and extracts segment, which has a huge international market."

It may take you some digging to find a niche for yourself, but the rewards are ripe for the plucking.