

# VehaanOrganicx

Self-esteem farmer, Healthy consumer



## Contract farming of STEVIA

### Details for cultivation:

1. 40,000 plants per acre
2. ₹3.50- per plant – ₹140,000/- per acre
3. Planting on raised beds 4' width or 6' wide with 1' to 1.5' walk ways between
4. Drip irrigation – 4' bed will have 2 drip lines and 6' bed to have 3 drip lines
5. Bed raising could be around 9' to 12' higher and could be done with typical bed maker attachment for your tractor or manually
6. In-line high density drip lines are preferred
7. Plantation done on either side of drip 0.5' from the drip lines against each drip
8. Brief economics of cultivation to be best of our knowledge and experience can be summarised as below.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue estimates	12,25,000	22,75,000	29,75,000	24,50,000	21,00,000	1,10,25,000
Estimated Expenses - Plantine materials, Labour, Fertiliser, Land preparation etc.,	18,45,000	11,25,000	8,85,000	8,85,000	8,85,000	56,25,000

This basically means Stevia cultivation yields a profit of more than ₹ 1,00,000/- per acre per annum. (detailed workout is as per Annexure - 1).

9. It also has many advantages to the farmer as per Annexure -2) and also have huge social, economic and environmental impact

### General process:

10. Visit farm, see the cultivation practices, study the economics of cultivation
11. Confirm the costs for the plant saplings – minimum 50% advance - 50% balance before taking the plants from farm
12. Take advices on land preparation & irrigation and prepare the land accordingly (Ploughing, Rotavator, Bed preparation, Drip irrigation, Composting...)
13. Provide soil and water test results for advice on fertigation & irrigation
14. Once land is prepared and plants are ready from your side, attend one day detailed training at our farm
15. Collect the plant roots from our farm to transfer to your land for planting paying the balance 50% before taking the plants from farm
16. Sign the standard contract farming agreement
17. Transportation to be arranged and costs to be paid by the farmer
18. Complete the planting within 2-3 days from the date of collection for low/no mortality of plants
19. Follow the training instructions for plant management providing the water and manure properly and timely
20. Harvesting should be done at right time before flowering and leaves dried properly as per advice.
21. Dried leaves should be cleaned (no stems, stones, mud etc.,) before packing
22. Quality of leaves is measured based on many parameters, mainly
  - a. Colour (has to be green in colour, remove all brown and back parts)

Phone number : +91 7349695851 website : vehaanorganicx.co.in mail : vehaanoganicx@gmail.com

Office Address: GKVK Campus Rd, Vignana Kendra, Bengaluru, Karnataka 560065.

- b. Cleanliness (No stems, soil, stones, other leaves...)
  - c. Sweetness
23. Price will be fixed base on the gradation of the leaves as per above quality criteria (₹80/- to ₹120/- per kg)
  24. If the farmer does not follow the advice and the leaves are not in acceptable quality, it will be rejected
  25. Farmer has to put the packed leaves into transport advised by the company periodically, with optimum quantities (min 50Kgs).
  26. Company will find optimised transportation method and will pay for the same.
  27. Supervisor visit, if required will be charged separately based on distance and time

#### **Subsidy:**

28. Subsidy is allocated by National medicinal plant board and dispersed through local state horticulture dept. You may need to coordinate with the AD or DD of Horticulture in that area for the same
29. Company is not responsible for getting the subsidy from the govt. but can support in required documentation
30. As per our understanding and norms in 2017 the unit cost was ₹ 186,000/- per acre and allocated subsidy was 30% which was around ₹ 54,000/-. You need to clarify the current rates locally through State Horticulure dept.

#### **Bank financing:**

31. Stevia has unit rate approved by NABARD, based on this any nationalised bank / gramina bank should give loan for the initial cost based on and within their rules, regulations and processes.
32. Company will not take any responsibilities for getting a loan to the farmer. We can support the farmer with information related to the same
33. The unit cost as per NABARD in 2015 was ₹ 2,36,000/- per acre and Nationalised banks were funding the same upto 70% of this amount (This may require a collateral...you need to check with your local bank)

#### **Payments:**

34. As a policy 50% payments for the planting materials has to be paid in advance before the we start preparing the plants, Balance is payable before taking the plants from our designated farm/nursery
35. In some rare and special cases company can support the farmer partially with deferred payments (max of 30%), which will be collected from him from his payables against produce delivery. This deferred payment will be secured by a undated security cheque by the farmer
36. Farmer payments are paid a follows:
  - a. 50% of the base calculated amount (~ ₹80/- per Kg) will be done against delivery acceptance
  - b. Balance 50% will be paid within 15 days after testing in the lab and fixing the correct rate (between ₹80/- to ₹120/- per kg)

**Come join the next generation sweetener revolution**

### Annexure 1 - Cultivation economics - Stevia

Number acres for cultivation	10	acres
Number of plants per acre	40000	nos
Rate per sapling/plant	3	each
Yield per acre per year Est.	3500	Kg
Harvest per year	4 - 5	
Rate per Kg Avg.	100	Rs

Rs 80 - 120 based on the TSG contents

#### Revenue calculation Est.,

	Y1	Y2	Y3	Y4	Y5	Total
Yield %	35%	65%	85%	70%	60%	
Yield in Kgs per acre	1,225	2,275	2,975	2,450	2,100	11,025
<b>Total revenue for 10 acres Est.</b>	<b>12,25,000</b>	<b>22,75,000</b>	<b>29,75,000</b>	<b>24,50,000</b>	<b>21,00,000</b>	<b>1,10,25,000</b>

#### Cost of cultivation Est.,

	Rate	Qty	# Acres	# years	Total	
Land preparation	30,000	1	10	1	3,00,000	One time
FYM/Vermi compost/Bio-char	1,750	8	10	5	7,00,000	One time
Plant saplings	1,20,000	1	10	1	14,00,000	One time
Fertigation	9,000	1	10	5	4,50,000	approx cost for 5 years
Pesticide	8,000	1	10	5	4,00,000	approx cost for 5 years
Bio fertilizers	7,500	1	10	5	3,75,000	approx cost for 5 years
Labour charges Est.	50,000	1	10	5	25,00,000	Depends on local conditions
Subsidy from NMPB/NHM	- 54,000	0	10	1	- 5,40,000	
<b>Total cost Est.,</b>					<b>55,85,000</b>	

#### Return per acre per year Est.,

**1,08,000**

FYM

Farm Yard Manures

Fertigation

Fertilisers applied through drip or sprinkler system

Pesticides

On Demand application of pesticides such as neem oil, dursban etc

Bio fertilisers

Natural growth enhancers such as foliar spray etc

## Annexure 2 - Advantages of Stevia cultivation

<i>Sl</i>	<i>Typical issue</i>	<i>Current scenario</i>	<i>Advantage with Stevia cultivation</i>
1	What to Grow	This is a typical issue the farmer has, to think what to grow next after every harvest (90-120 days)	Stevia is a 5 year perpetual crop and no need to think for this period
2	How to Grow	Normally they grow in very traditional manner and have no scientific guidance on the same	Stevia World offer detailed training from land preparation to harvesting to packaging. Provides detailed package of practice. Suggests right fertigation requirements based on scientific analysis of soil and water. Advices of best plant management practices
3	Where to sell	This is a major issue for the farmer. Where to sell and who is the buyer	SW offers to buy back all the quality produce
4	How much can I get	Price is always a issue as there is no guarantee and same times its so low that even harvesting costs are not recovered	SW offers fixed price based on the specific grade of the produce as a part of the agreement
5	Perishability	With issues of Transportation to market and waiting for the right prices, many times the farmers loose the entire produce if they cannot sell them in a specific very short period	As the final farm produce is dry Stevia leaves, has a very long life. Can store for months together with out any issues

### **Other advantages**

With in creasing diabetes there is a huge demand for Stevia as a natural sweetener

This can be used an alternate crop to treditional crops with low rate of return per acre

Stevia is a hardy crop and there are minimal pest attacks when compared to majority of crops

Stevia requires minimal maintenance

Stevia has minimal water re

Stevia is a round the season crop with 4-5 harvests per year