

Indian banana sets sail for Saudi Arabia

India's banana exports crossed a new milestone Friday when a container load of the fruit bound for Jeddah left this industrial town in Gujarat's Bharuch district.

About a thousand farmers, who produced the fruit on a contract basis for Desai Fruits and Vegetables Pvt Ltd (DFV), cheered as the 18-tonne special reefer container moved out from the company's cold storage complex. The consignment is being sent as part of a multi million-dollar contract signed with Saudi Arabia's Mohammed Adallah Sharbatly Co. Ltd.

'This is in effect the 51st container which is going. The previous 50 containers were sent on a trial basis,' said P.K. Khandelwal, CEO of DFV.

Bananas were till now exported through merchant exporters and this is the first time a container load is being shipped away.

The company is planning to dispatch container loads of fruits to seven more countries within a month. With this, India will join Latin American countries and the Philippines in the Far East as a global supplier of bananas.

A large retailer in India has approached DFV for the supply of premium quality bananas at a good price. This will be finalised in the next two months.

India is the largest producer of bananas in the world with 23 percent of the global production, which is estimated at 72.5 million tonnes a year. Brazil, China, Ecuador and Philippines are the other major producers. Export bananas are the developing world's fourth most important commodity and rank first as a commonly eaten fruit.

DFV, founded in 2001 by Ajit Desai, a Gujarat farmer, pioneered banana exports from India. With earnings of \$750,000 in 2006-07, the company has become India's largest banana exporter.

Desai has created India's first multi-fruit integrated infrastructure and his DFV has now become one of the largest fruit logistics firms in India and works with close to 2,500 farmers spread across 23 villages in Gujarat and 16 villages in Maharashtra. This has made DFV one of the largest contract farming exporters in India.

DFV has a model farm where a tree yields 35 kg per plant compared to the normal output of 17 kg in others.

Desai said: 'DFV assures a promise of a minimum price and underwrites initial investment in seeds. Then there is a central labour bank for specific harvesting and post-harvesting of banana cultivation. Any of our contract farmers can ask for skilled labour from this bank.'

Apart from assured income, the Desai farm-certified farmers are getting a taste of hi-tech and best practices. Desai has converted migrating tribal villagers in Surat district to farmers producing fruits and vegetables. He offers cold-chain logistics at the grass root level in various villages.

The company operates at international best practice benchmarks and has cultivated for itself a good

customer base including supermarkets as well as leading importers, distributors in Europe, the US, Southeast Asia and the Middle East.

DFV's 2007 turnover was close to \$8 million. The company's equity holding is in the nature of 80:20. While 80 percent is owned by Contract Farming India, a firm based in Zug, Switzerland, Desai owns 20 percent.

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