

Simmar Pal Singh: 'peanut prince' of Argentina

During my golf game at the Rio Cuarto Country Club in Buenos Aires recently, the Argentine players asked me where they could buy a turban and how to wear it. I asked them the reason for this special interest. They showed me a villa within the country club complex and said: 'Here lives an Indian maharaja. He looks handsome with his turban. When he goes to the night clubs, he gets premium service and gets it free because they think he is a maharaja.'

The Argentines wanted to wear turbans and get the same special treatment at the night clubs.

The envy of the Argentines is Simmar Pal Singh, a Sikh from India. I clarified to the Argentines that turbans do not mean maharajas. They asked me to shut up and not to reveal this secret at the night clubs! I told them that Simmar Pal is not a maharaja by birth but has become a 'Peanut Prince' of Argentina.

Simmar Pal Singh cultivates 12,000 hectares of peanut farms and another 5,000 hectares of soya and corn in Rio Cuarto area in Cordoba province, about 1,000 km from Buenos Aires. His target is to take his company Olam among Argentina's top three peanut players in the next few years. When he came to Argentina in 2005, his company was 28th in ranking in peanuts and he has already made it sixth this year.

Argentina is the second largest exporter of peanuts after China, accounting for 25 percent of the world trade in kernels. Rio Cuarto region produces high-quality peanuts with its ideal soil and agroclimatic conditions.

During the dinner at his home, Simmar Pal's wife Harpreet Kaur, an architect with an M.Tech from IIT Delhi, laughed when I told her about the Argentine interest in turbans. She said that Simmar Pal might have gone to the night club to check the peanuts his company had supplied to the club to serve with the drinks.

Simmar Pal works 16 hours a day and has no time for night clubs. This modest young man from Amritsar has fiery ambitions, exceptional talents and is motivated by his success in the last five years.

Simmar Pal did his B.Sc (Honours) in agriculture from Guru Nanak Dev University and masters degree in rural management from IRMA, Anand. He has worked in Mozambique, Ivory Coast and Ghana before coming to Argentina. He speaks Spanish fluently and his wife and two children have adopted to the life in Rio Cuarto, a small city of 140,000 people.

Simmar Pal works for Olam, the \$5.6-billion Non-Resident Indian company headquartered in Singapore. It is a leading global supply chain manager of agricultural products and food ingredients.

Simmar Pal came to Argentina in 2005 to buy peanuts for the company. When he found that the farmers preferred to sell their products to established companies and were hesitant to deal with new buyers, he proposed to his company that they should go into farming themselves. This was something new for the company which had been operating only in the field of trading and processing.

Seeing the fire in Simmarpal's belly and shine in his eyes, they wanted to give him a chance. He started off with leasing 700 hectares of land and grew peanuts. It was a success. The company let him lease additional acreage. This year he has cultivated 17,000 hectares including 2,000 hectares in the province of Salta about 700 km from Rio Cuarto. He has plans to continue the increase in acreage and grow other crops such as wheat, soya and pulses. Some of these and especially pulses could be exported to India.

Simmar Pal employs 140 Argentines, most of them in the processing plants. In the farm, he has very few people since the farming in Argentina is mechanised and everything is outsourced.

What Simmar Pal Singh is doing in Argentina has a lesson for India, which is going to face in the long term shortage of agricultural land and water for irrigation for its population which is increasing by 15 million per year and a population equal to Argentina every 32 months! But Argentina, which has almost the same area as that of India has a small population of 40 million and plenty of land and water.

Argentina is an agricultural power house. It exports 50 percent of its agriproduction of 100 million tons. It is the world's largest exporter of soy oil and sunflower oil, the second largest exporter of corn, third largest producer of beef, soyabeans and biodiesel and fourth largest of wheat. Argentina is the fifth largest producer of wine in the world. It has significant potential to increase its area under cultivation (from the mere 32 million hectares at present, in contrast to India's 130 million hectares) and production.

In India, we have irrigation canals, dams, ground water pumps and issues of water table going down and free electricity for farmers. Argentines are free from these issues since their agriculture is almost entirely rain-fed. There is irrigation only for a few specialist farms and some vineyards. Indra the rain god takes care of the rest!

Argentina has developed an efficient infrastructure, logistics and network for transportation and shipping. The food processing industries of Argentina are one of the most advanced in the world and globally competitive. For example, the oil crushing capacity of Argentina is the third highest in the world with the latest technology and plants.

The Argentines have innovated a new system of storage of grains in open air instead of expensive concrete and steel silos. They have developed polythene silobags which can store 200-400 tons on the field itself. The grains are pumped into the bag by a machine and can be stored for up to 15 months. The bag is ripped open at the time of transfer to the trucks. The Argentines have exported this new technology and bags to a number of countries and want to export to India too. Cost of this new type of storage is four dollars per ton.

Argentina could be a long-term source of supply of grains, oil seeds and pulses to India. Already India is importing from Argentina soya and sunflower oil for about \$700 million a year. There are occasional imports of wheat.

The Indians could go beyond imports and invest in agribusiness in Argentina. There is no restriction on foreign investment in agriculture. A number of foreign companies and individuals own land here. Cost of the most productive land is \$15,000, which, I am told is cheaper than in Punjab. The Argentine yield per hectare is about three times higher than that of India in soya, peanuts and some

other crops.

I hope Indian entrepreneurs will come to invest in Argentina, inspired by the successful example of 'peanut prince' Simmar Pal Singh! They should not forget the turbans...

(R. Viswanathan is Indian ambassador to Argentina, Uruguay and Paraguay. He can be contacted at ambassador@indembarg.org.ar)

R. Viswanathan (© IANS / India eNews)