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## THE RISE OF GAUTAM ADANI

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MAN COULD  
BE THE NEXT  
DHIRUBHAI  
AMBANI

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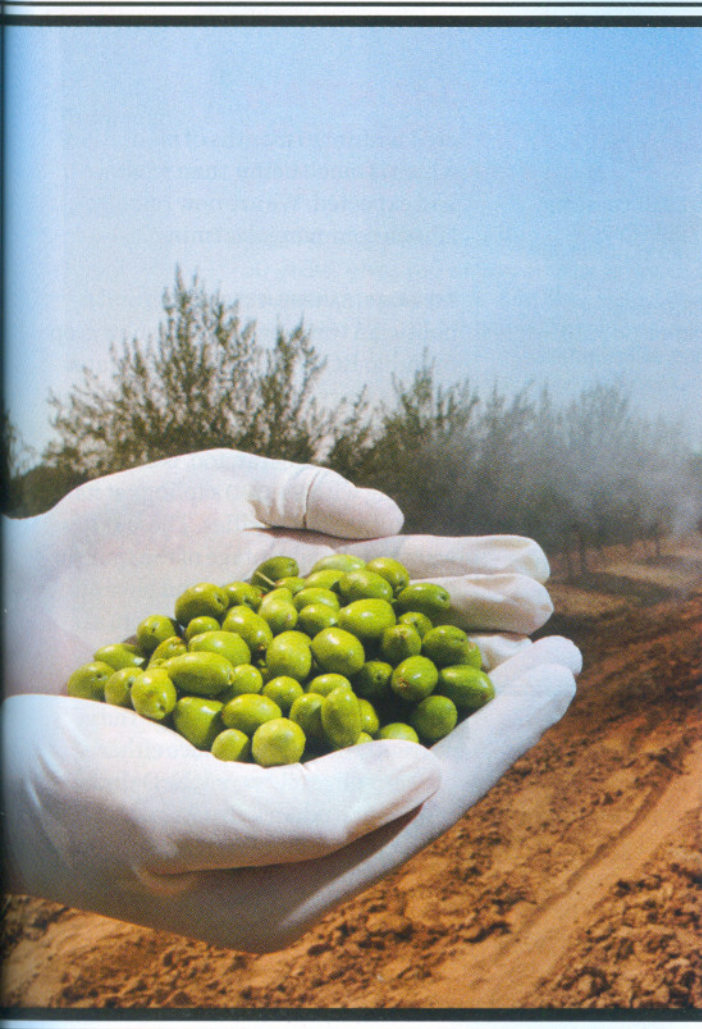
JULY 2011



# *An Olive Branch*

It's not just camels and cacti. With a little Israeli help, olive trees are flourishing in arid Rajasthan.

*By Anurag Prasad / Photographs by Sarang Sena*



#### FRUITS OF LABOUR

When high-tech irrigation systems meet old-fashioned hard work, even the desert bears fruit. The first few olives from ROCL's fledgling project in Rajasthan.

the state suitable for olive plantations, so that the fruit could be commercially cultivated for the first time in India. Peleg began traversing the state in a brand new Toyota Innova. Today, the odometer shows that the vehicle has travelled over 300,000 km, and Peleg says he's just travelled between seven pilot plantations in the state.

We are in that Innova, ready to drive 30 km from Jaipur to the village of Bassi, where there's an olive plantation. But before he leaps into the car, Peleg calls the farm manager in Bassi to instruct him on adjusting water supply and fertiliser content. Sensors placed in the soil at the plantation transmit data to Peleg's laptop, allowing him to closely monitor the plants. To ensure there's no downtime because of power cuts, the sensors are powered by tiny solar panels. Beside the sensors, a drip irrigation system delivers the exact amount of water and fertilisers the plants need.

The Rajasthan project is not the first attempt to cultivate olives in India, where demand for the fruit and olive oil is fed only by imports. Twenty years ago, the Himachal Pradesh government imported olive saplings from Italy, but the project failed because of the lack of expertise. In 2006, Vasundhara Raje Scindia, then chief minister of Rajasthan, visited a 400 hectare olive farm in Revivim, Israel. The climatic conditions there were similar to Rajasthan, and she decided to explore olive cultivation in the state. Unlike in Mediterranean countries such as Spain and Italy where the trees are old and the farming traditional, the Israeli technique is based on intensive plantation. "Olive trees can survive for more than 100 years, and that is where the European countries score. Our plantations are new, but bear fruit faster because of better use of technology," says Peleg.

**R**AJASTHAN'S SUMMER SUN sings the skin, and the air is thick with powdery grit from the Thar Desert. Most visitors cover their faces and heads when the hot winds blow. But for Gideon Peleg, 67, it's just another day at work. Armed with bottles of water, his feet thrust into rubber sandals, and a floppy hat on his head, Peleg looks like a cross between Lawrence of Arabia and Indiana Jones. But he is no fictional character. The farmer from northern Israel travelled 2,700 miles to India as technical manager of Rajasthan Olive Cultivation (ROCL).

Peleg's knowledge and his intensive use of technology is turning Rajasthan's deserts olive green. In 2007, he landed in Jaipur to identify parts of

The Rajasthan government has joined hands with Pune-based irrigation equipment company Finolex Plasson Industries, and Indolive, an Israeli firm with expertise in olive farming in arid regions, to set up ROCL. Of the initial Rs 4.5 crore capital, Finolex Plasson invested Rs 1.5 crore, and the government Rs 3 crore. Indolive brought in its expertise in irrigation technology. "Our investment was aimed at being part of a public-private venture, and it was in agriculture, a field related to our business of irrigation equipment," says Satish S. Ghatpande, executive director, Finolex Plasson.

Peleg says the olive project aims to "create something out of nothing", exciting him enough to postpone retirement, leave Israel, and come to India to introduce farmers here to new technology and farming techniques. "The farmers are eager to learn, and it's their excitement that keeps me going," he says. Combining technology with his passion for all things olive, he has made it possible to grow the fruit for the first time on Indian soil.

ATROCL'S ANUPGARH plantation in Sriganaganagar district, the trees are bearing fruit, the country's first commercial olive harvest. Though the harvest from the 30 hectare farm is small, it shows that olives can be grown successfully as a commercial crop. Now that the pilot project is a success, ROCL is helping farmers adopt commercial olive farming by distributing saplings, and assisting them in installation of equipment.

To attract farmers, the government is offering olive saplings at a subsidised rate of Rs 30 a plant against the actual cost of Rs 115. It will also give farmers a cash subsidy of Rs 3,000 per hectare for three years for fertilisers and pesticides. It will also bear up to 70% of the cost of infrastructure,

## *Olive stats*

- Between 2009 and 2010, consumption of olive oil in India grew by 52%. Since 2006, it has shown a CAGR of 30%.
- India imported 3,988 tonnes of olive oil from Spain and Italy in 2010, which accounts for 90% of its total olive oil imports.
- India imported 637 tonnes of table olives from Spain in 2010, which accounts for 80% of its total table olive imports.
- Among the various types of olives, the consumption in India of the Hojiblanca black sliced variety showed the highest growth rate between 2009-10.

such as drip irrigation and sensors. A team of 50 managers is being trained to assist the farmers in setting up plantations. To be commercially viable, each plantation must cover at least 50 hectares, which might be a problem for traditional farmers with small holdings. However, Peleg and his team have been preaching the benefits of co-operative farming.

With the first phase nearly complete, a three-member team is being set up to create a business strategy for ROCL. This will include setting up an oil extraction unit, sale and supply of saplings and equipment, and buying back the fruit. The company plans to set up an olive press near Bikaner to extract oil. On average, around 2,000 kg of oil can be extracted from 4,000 kg to 5,000 kg of olives.

"A farmer can make Rs 3 lakh to Rs 4 lakh annually, which is twice what he does from his usual rabi crop. A clearer picture will emerge once farmers take full charge of the entire process," says Yogesh Kumar Verma, manager (site development), ROCL. "We lost almost 5% of the saplings to termites and poor handling, and only 98,000 were sown. The trees flow-

ered within 30 months of plantation, which is much better than what we had expected. We are now ready to launch commercial farming."

THE RAJASTHAN PROJECT goes beyond a politician wanting to bring a new crop to India. ROCL is now helping states such as Haryana, Punjab, and Jammu and Kashmir to set up pilot olive plantations. Gujarat, too, is experimenting with 84,000 saplings at its agriculture universities. These states want to take advantage of the spurt in demand for table olives and olive oil.

The Indian Olive Association, a federation of olive importers and traders, estimates a 40% growth in olive consumption annually. "India currently does not produce either olives or olive oil," says V.N. Dalmia, president, Indian Olive Association. While Italy and Spain together supply 90% of olive oil imported to India, Spain supplies 80% of table olives.

Market watchers estimate that there is almost a 100% margin on sales of olives in India. The price of imported olive oil is around Rs 450 to Rs 500 per kg and it is sold at over Rs 900 per kg. "Logically, prices should fall if olives are cultivated in India. But traders won't allow it to happen. Globally, too, olive prices have not crashed with increase in production as demand has also grown simultaneously," says an olive industry expert who did not want to be named.

Going beyond olives, the Rajasthan government has joined hands with the Israeli government to set up a centre of excellence at Bassi for fruits, flowers, and vegetables that can be grown in the various agro-climatic zones of the state. The 200 hectare farm will act as nodal nursery and training ground, and a showcase for modern technology for new crops. Desert-grown raspberries, anyone? **FB**