

FERTILISER

Gujarat fertiliser major aims big with 'Neem Revolution'

Enters FMCG segment, offers extra income to rural women

The fertilisers behemoth Gujarat Narmada Valley Fertilizers & Chemicals Ltd (GNFC) is embarking on a 'Neem Revolution' by creating job opportunities for rural women on one hand and venturing into a lucrative FMCG segment on the other. After successful rollout of its Neem soap and Neem hair oil, besides other neem derivatives, GNFC is now planning to launch Neem handwash and Neem mosquito repellent named 'Neem Nite' for consumer market. Started about two years ago, GNFC's Neem project is set to make it big in the FMCG space in coming years.

Jobs for women

Aimed at generating additional income for rural women in Gujarat, GNFC's Neem project also looks to boost neem oil production to meet the requirement of mandatory neem coating of urea. In 2015, the Centre announced mandatory neem coating of 100 per cent urea to prevent its misuse in other industrial applications.

GNFC collects neem seeds from about 4,000 villages of Gujarat by involving women and paying them between Rs. 6-12 a kg. "When GNFC was not in the market, brokers and middlemen paid Rs. 1-1.5 or Rs. 2 per kg. We created a network of 2,200 collection centres across 4,000 villages of Gujarat through self-help groups (SHGs) and roped in women in making soaps, for packaging and collection of seeds," Rajiv Kumar Gupta, Managing Director, GNFC, told Business Line .

Additional income

Women work two hours each in the morning and in the evening without disturbing their regular routine and earn between Rs. 100-200 a day. An impact assessment report by the United Nations Development Programme (UNDP) revealed that the Neem project increased average annual income of rural women by 36.8 per cent thereby reducing migration and women exploitation such as domestic violence. With additional income the women created asset in the form of cattle or jewellery.

GNFC started neem seed collection with about one lakh women and now plans to involve 5-6 lakh women pan-India. The seed collection is likely to increase from 10,000 tonnes initially to 40,000 tonnes this year by expanding it to other states including Karnataka, Maharashtra, Madhya Pradesh, Uttar Pradesh and Rajasthan.

Gupta expects neem seed collection to touch 50,000 tonnes in coming years and similarly, neem oil production to scale up too. The company produces around 800-900 tonnes of neem oil, out of which 550 tonnes is used for urea coating, while the excess is used for value-added products.

Farm to FMCG

"With excess neem oil, we thought of forward integration and started creating new products in the FMCG category. For about 40 years. we have been making only fertilisers and chemicals and petrochemicals. We now realise the FMCG potential and expect this vertical to touch Rs. 500 crore turnover in next three years," Gupta said, adding that the retail presence will also be enhanced from current 400 stores in Gujarat.

GNFC's Neem project is likely to achieve a turnover of Rs. 50 crore this year. From March 15, our Neem soaps will be available at 110 Kendriya Bandhars in New Delhi. Additional 500 retail outlets will be covered by the end of March pan-India," he added.

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