

by **Bhuwan Bhaskar** (Jodhpur)

# FROM DESERTS TO AGRI HUB: STORY OF A RISING CITY



Ashish and his elder brother inherited a large tract of land some 20 kilometers away from Jodhpur, on the main Pali road. They wanted to enter a business that was clearly profitable and utilized their land. In 2013, they opted for entering the warehousing business after observing the growing demand for stocking various agri products cultivated in and around Jodhpur district. Today, the brothers have constructed six warehouses, with plans to add 4 more to their chain. Warehousing has indeed emerged as a flourishing business in this part of western Rajasthan, thanks to the commodity exchange NCDEX and government procurement agencies such as Nafed and FCI.

Less than a decade ago, western Rajasthan was known only for its sand dunes, camels and pagadi-wearing men. Today, it is a land of opportunities. In a country where more than 2.5 lakh farmers have committed suicide in last 10 years, western Rajasthan has shown the way of how to benefit from agriculture-led economic progress.

Defying geography, the belt comprising Jodhpur, Bikaner, Jaisalmer has emerged as an agricultural hub. Jodhpur district alone covers 11.60% of the total arid area in the state. The rest of the region too receives rainfall for only 15 days

and barely 320 mm per annum. Still, 62% of the total land in Jodhpur district is cultivated, thanks to irrigation.

“Indira Gandhi canal has played a major role in increasing agri production in and around Jodhpur region. Now Jodhpur region is on the verge of an agri revolution,” says Bheru Jain, CEO, Rajasthan Gum Pvt. Ltd. Such an outlook has given a major boost to businesses related to agriculture.

Warehousing is the frontrunner. In Jodhpur and nearby areas, more than 100 warehouses have cropped up in last five years. “Organisations like NCDEX and NAFED are playing a major role in procurement and stocking of food grains and this has resulted in a sharp growth in warehousing business,” says Jagdish Bajaj, owner of the warehousing chain ‘Govindam’. Bajaj has an installed capacity of 10 lakh bags and is planning to expand.

In last couple of years, farmers in the region have started sowing groundnut, mustard and castorseed besides their traditional guar and wheat. “After the emergence of agri commodity exchange NCDEX, farmers don’t think much about demand and supply scenario. They are pretty sure about getting their produce absorbed by the exchange and so they are showing increasing inclination

towards sowing these crops,” Bajaj says.

Ashish agrees. “This year, guar crop didn’t come in abundance. Instead, farmers grew mostly groundnut. Nafed has purchased almost all the groundnut harvested and it is packed in warehouses across Jodhpur.” And not only farmers, the flourishing warehousing business is benefitting industry also.

“Almost all the millers and processors involved in guar seed and gum processing are active on NCDEX because it provides an excellent opportunity for them to hedge against any commodity related risk,” says Jain of Rajasthan Gum. These hedgers, unlike speculators, come on the exchange platform primarily to manage risk and take delivery of the physical commodity. Local warehouses are key for ensuring a seamless and convenient supply chain for factories.

Everyone – farmers, millers, traders - is banking on the quick progress of Jodhpur as an agri-hub, propelled by irrigation and timely price signals, that will bring further economic prosperity to the region. For Ashish and his brother, along with the other owners, the boom in the warehousing business on the back of this farming revolution has only just begun. Their ancestors would have been proud. ■