

LEADERSHIP



PRATHIBHA BIOTECH

Revolutionizing Agri-biotech in India

Agri-biotech is not something one comes across quite often. While the concept has been making waves in the west, it is yet to find many takers in India. However, one company that promises to change this perception is Prathibha Biotech. The Hyderabad-based company is at the forefront of taking biotech to the field of agriculture and transform lives of farmers who have had to depend on expensive and not-so-environment friendly agri-chemicals.

Perhaps no other word excites as much as biotech when one thinks of pharmaceuticals. Biotech has gained unprecedented attention across the globe – from America to Europe to Asia. And India is no different. However, while the very mention of the term conjures up images of scientists developing promising products to cure even chronic human ailments, the agri-biotech is yet to draw similar attention. But one company that is working fiercely and determinedly to change this perception is Hyderabad-based Prathibha Biotech. This company, led by the visionary Rajasekhar Reddy, is spearheading a revolution to take agri-biotech to the farmers across the country and help transform Indian agriculture.

Agricultural biotechnology, according to the US Department of Agriculture, comprises of a range of tools, including traditional breeding techniques that alter living organisms, or parts of organisms, to make or modify products; improve plants or animals; or develop microorganisms for specific agricultural uses. Agri-biotech offers a simpler and efficient option for weed control while also helping reduce production costs to a world that is finding it hard to keep pace with rising demand for food.

Celebrating a decade of a glorious journey

Prathibha Biotech, which began its journey a decade ago, in 2005, is celebrating 10 years of its successful existence this year. Indeed, the company has since then come a long way, given that it was not easy to enter this field at a time when agri-biotech was yet to find many takers in India.

However, thanks to the vision and dynamic leadership of its founder, which has helped Prathibha Biotech establish itself as one of the leading names in the agri-biotech in India, today, and create greater awareness among the farmers community about the benefits of agri-biotech products. The company's promoters bring with them vast experience in the manufacture of Biotechnology products, Vermiculture-, and Bio-organic processes.

Prathibha Biotech has, over the years, developed a vast portfolio of agri-biotech products including bio pesticides, bio fungicide, granulated bio fertilizers, and bio stimulant amongst others. According to a report by the India Brand Equity Foundation, the Indian biotechnology sector is set to cross the milestone of \$100bn by 2025 from the current \$5-7bn, growing at a rate of 30 per cent. Biopharma with a share of about



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- E Rajasekhar Reddy, CEO, Prathibha Biotech

In an exclusive interview with The Global ANALYST, E Rajasekhar Reddy, CEO, Prathibha Biotech, Hyderabad, discusses about what inspired him to enter the hitherto uncharted territory of agri-biotech, major milestones reached by his company during its decade-long journey, and his future plans. Read on.

- **India does not have too many players in the agri-biotech sector. Given, what inspired you to enter this segment?**

There were a couple of developments which had an influence. First and foremost, there has been a growing environmental awareness among the general public, which has transformed the originally supply-driven Agri Bio movement to a demand-driven one. Second, despite the premium pricing of these products, government’s support in the form of subsidies to farmers has seen a growing number of farmers switching over from traditional agro-chemicals to the safe and environment-friendly agri-biotech-products.

In the developing world, many producers farm according to the traditional methods which are comparable to Bio farming but are not certified and may or may not include the latest scientific advancements in Bio agriculture. In other cases, a growing number of farmers have converted to modern Bio Technology methods for economic reasons.

I began my career by joining an agro-chemical company, however, the above-mentioned developments inspired me to enter the Agri-Biotech Sector, first as an employee and then as an entrepreneur. My decision to quit job at an Agri Bio company, after working with it for a few years, was driven by my strong desire to excel as an entrepreneur and create job opportunities for

others. My confidence in the future of agri Bio industry in India and the knowledge gained by me during the course of the employment too played a significant role in my decision to turn entrepreneur. And that’s how the seeds for foundation of Prathiba Biotech, an innovation-driven agri-biotech firm, were sown.

How do you define this segment? How does it differ from the traditional agro-chemicals sector?

Traditional farming was the original type of agriculture, and has been practiced for thousands of years. Forest gardening, a traditional food production system which dates from prehistoric times, is thought to be the world’s oldest and most resilient agro-ecosystem.

Artificial fertilizers had been created initially with superphosphates and then ammonia-based fertilizers. These early fertilizers were cheap, powerful, and easy to transport in bulk. Similar advances occurred in chemical pesticides. But these new agricultural techniques, while beneficial in the short-term, had serious long-term side effects such as soil compaction, soil erosion, and declines in overall soil fertility, along with health concerns about toxic chemicals entering the food supply.

Bio-organic farming methods combine scientific knowledge of ecology and modern technology with traditional farming practices based on naturally occur-

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ring biological processes. Bio-organic farming methods are studied in the field of agro-ecology. While conventional agriculture uses synthetic pesticides and water-soluble synthetically purified fertilizers, Bio-organic farmers are restricted by regulations to using natural pesticides and fertilizers. The principal methods of Bio farming include crop rotation, green manures and compost, biological pest control, and mechanical cultivation.

While Bio-organic is fundamentally different from conventional because of the use of carbon-based fertilizers compared with highly soluble synthetic based fertilizers and biological pest control instead of synthetic pesticides, Bio-organic farming and large-scale conventional farming are not entirely mutually exclusive. Many of the methods developed for Bio agriculture have been borrowed by more conventional agriculture. For example, Integrated Pest Management is a multifaceted strategy that uses various Bio methods of pest control whenever possible, but in conventional farming could include synthetic pesticides only as a last resort.

What are the major products you're currently offering in the market? Also tell us about how they differentiate from competition?

Bio Control agents like *Pseudomonas Fluorescens*, *Trichoderma Viride*, *Bacillus subtilis*, Bio pesticides like *Bacillus thuringiensis*, *Verticillium Lecanii*, *Beauveria Bassiana*, Bio Fertilisers like *Rhizobium*, *Azotobacter*, Phosphorus solubilising bacteria (PSB), *Acetobacter*, Vesicular Arbuscular Mycorrhizal (VAM) are the range of products we currently offer. Our advantage over other companies is the selection of right strains suitable for different climates in different regions of our marketing areas, quality output from our R&D lab, and our Branding and Packaging, which is on par with international standards.

How do you view the growth potential of this market?

Currently, in India, almost all the major MNCs and the domestic companies are manufacturing and marketing Chemical fertilizers and pesticides only. If we consider the size of this market, there is huge scope for Agri Bio sector to become a parallel resource for the farmers, given that it is both environment friendly and is also the right kind of farming in terms of health perspective. The sector has a huge growth potential in the next ten years as the conversion process of the farmer is slow but steady, and it could emerge as a winner one day.

Affordability and availability (of products) are crucial for convincing farmers to switch over to agri-bio-tech products. What is your view?

These factors are crucial for any sector and agri-bio-tech is no different, but as long as you stick to your

basics – that is, marketing and keep producing quality products that deliver superior results for your customers, that is, farmers, more and more farmers will be attracted towards these products, First of all, the neighboring farmer will be more interested after seeing the yield of his fellow farmer, and there lies the key for convincing him considerably for the next season. Once an end user is convinced, others can also be convinced easily.

What are the other challenges in making more farmers switch to these innovative products?

When compared to chemical products the span of effect of Bio products on soil or crops is not immediate but the impact will be for long time. The cost of Bio products is relatively higher. However, this may change as we constantly strive for manufacturing efficiency, which may help in reducing production cost in the foreseeable future. Another concern is, these products' results vary depending on the climatic conditions. Further, the spraying time needs to be conveyed for different products in different regions for long lasting impact. The high rate of Illiteracy among farmers is also an issue.

How has been your experience in this regard? And, what measures you've taken for penetrating the market?

Our experience in this regard has been nothing short of a nightmare. When I started this business, I found that farmers are far less literate than what I had expected. Also, our climate has no certainty in any season. These Bio products' results vary depending on the climate.

Regarding our market penetration strategy, we started with a plan instead of going in for a mass campaign. The idea was to just select a small potential area in each district. We concentrated in that area with the help of my field staff in educating the farmers on a daily basis about the benefits of using these products, how to use them and the best times to spray pesticides or apply fertilizers and once the yields are good showcase them to dealers, fellow farmers convert them into our customers for next season. Collecting information regarding potential farmers at village level and conducting village level campaigns were the basic steps introduced by me as part of our marketing strategy, which we keep on implementing till day. This helped us to overcome all the obstacles.

Which are the key markets you currently have a presence in? Do you also have any plans to go for a pan-India presence any time soon?

We are currently marketing in AP, Telangana, Maharashtra, Karnataka, and Tami Nadu. Hopefully in the near future we will be all over India and into exporting as well.

Tell us about your R&D initiatives?

We have a very sophisticated laboratory at our factory with a team of experienced professionals like scientists, chemists, micro-biologists who research everyday about developing new cultures and gaining knowledge on various innovations pertaining to this sector. We also have tie-ups in place with the Agricultural universities like Directorate of Oilseeds Research and Indian Institute of Horticultural Research for promoting bio farming, for sharing and promoting any related developments in the technology.

Kindly tell us about the major milestones touched by your company during its decade-long illustrious journey.

We started in 2005 with a team of 40 people in rented premises as a manufacturing & marketing company with a turnover of Rs.2 crore. By 2010 we reached a staff strength of more than 300 people, established our own factory with one unit, and our turnover crossed Rs.25 crore mark. Currently, our staff strength stands at 500. During this period, we have also built two more units, established a very good laboratory which is on par with International standards, and have also successfully reached sales of nearly Rs.50 crore.

Strong brand identity - Prathibha Biotech has become a household name for farmers in the states we're currently operating. Our products also enjoy significant

Customer loyalty - there are a number of farmers who exclusively use our product range for all their crops. We also have put in place a strong distribution and dealer network in all the states we are currently operating.

Unique products – We have developed several unique products, which have seen farmers insist dealers to provide that particular brand from Prathibha Biotech only. In fact, even illiterate farmers bring used cans or pouches and insist the products from our company only in many areas.

A wide range of products – We provide farmers a wide range of Bio fertilizers, Bio control agents, Bio growth promoters and Bio pesticides which are very beneficial to the soil and crops.

We have also developed soil-friendly bacteria, educated many farmers through campaigns about the need for bio farming, and how to revive soil fertility which is lost on using chemical fertilizers for long.

Where do you see your Company in the next five years?

We are aiming to reach the magical figure of Rs.100 crore in sales in the next two years. Once we achieve that, we intend to expand into new markets and geographies, which could see us even enter the foreign shores.

62 per cent, accounts for the lion's share in the total revenue of the sector, followed by bioservices (18 per cent), agri-biotech (15 per cent), bioindustry (four per cent), and bioinformatics contributing (one per cent).

Making rapid strides

The company has made rapid strides during the last 10 years, in terms of both the reach and its product portfolio. It started out with the aim of providing eco-friendly and ecologically beneficial products to improve and assist the farming community to protect their crops and provide rich yielding harvests. Thanks to its unstinted efforts, Prathibha Biotech has, over the years, carved out a place for itself among India's fast-growing and highly-competitive agri-biotech space. The company's focus on providing best quality and affordable products has helped it reach out to a greater number of its targeted markets well.

Besides intensifying its R&D efforts, the company has also worked hard on making sure that it reaches out to a greater number of farmers. Towards this objective, it decided to focus on enhancing its reach among its target customers in the southern and western markets first, before going for a pan India presence. In the past 10 years since coming into existence, Prathibha

Biotech has created a vast network of over 500 dealers spread across Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra and Gujarat. According to the company, dealers form the critical link in connecting with farmers, and hence it takes all the steps to make sure that it extends all possible support to its dealers and other channel partners 24X7 and that it treats its dealers with utmost respect. Besides, it also ensures that its marketing team remains in constant touch with the dealer community regarding the developments in the biotechnology sector and our product lines all the time. The company also has well-trained Field Officers to educate the farmer community on the usage of biotechnology as well as to demonstrate its products.

The company also pays utmost attention to maintaining global quality standards and best manufacturing practices. Prathibha Biotech is an ISO 9001:2000 Certified Company and all the products are manufactured with good quality and are subjected to strict quality control measures. The company's research laboratory is equipped with modern facilities to research and invent new products. The company's manufacturing facility is at Chowtuppal, Hyderabad.