Editorial: Our Mindset also plays a role in success or failure

Committed Growel Management team:
Seshu Chary, Dr Vicer Suresh,
Sandip Ahirrao and P.S. Narandra

Growel Feeds, the long term commitment for Indian aqua feeds completes one year

Salem Microbes growing as a potential Healthcare company in Aquaculture

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Dr Modadugu Vijay Gupta
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MADE IN TAIWAN

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After making a mark in the fish feed market in India since 2010, Grovel Feeds entered into the shrimp feed segment and established itself all in the shrimp and fish growing states in the country. In an exclusive interview at their feed plant at Chevuru in Krishna District, A.P., the management team, the Executive Directors, Mr M.V.N. Sasha Chary and Mr P.S. Narendra, and Head Marketing, Mr Sandip Ahirrao, talked to Aqua International, Editor, Mr M.A. Naseer on its venture into the growing fish and shrimp feed market and their future plans.

Chevuru, Krishna District: Grovel Feeds Pvt Ltd, relatively a new entrant into India’s large and established aquafeed industry, has completed first one year of its shrimp feed producing operations and five years in fish feed production. The company which began producing floating fish feeds in 2010 at its factory in Chevuru village, Krishna district, Andhra Pradesh, started with one extrusion line and added another line to double its capacity in 2011.

In December 2013, as part of its overall aquafeed business plan, Grovel Feeds opened a new factory with five shrimp feed lines, next to its fish feed plant premises. It is the most modern plant in India with three pellet mills, the latest design in single screw extruder and a twin screw extruder. This demonstrated Grovel’s long term vision for the shrimp and fish feed market not only in India but also for the region.

Grovel Feeds has a production capacity of 120,000 tonnes of pelleted shrimp feed and 180,000 tonnes of extruded fish feed annually.

From concept to fish feed production
It began in 2006 when the US Soybean Export Council organized a visit to China for potential entrepreneurs in aquafeed production from India with the aim to demonstrate the usage of floating feeds in other Asian countries and use of extrusion technology for fish feed production. This impressed Grovel group who were already one of the most successful aquaculture healthcare products manufacturer in India, and decided to invest into this new business venture.

Mr M.V.N. Sasha Chary, Executive Director, Grovel Group said, “A year later, we seriously considered a project for fish feed manufacturing and started Grovel Feeds in 2008. By mid-2008, we identified few internationally acclaimed machinery suppliers to execute the project. By March 2010, we produced our first batch of extruded fish feed. We achieved full capacity for this 10 tonnes per hour extruder in June 2010 and I am glad that Mr P.S. Narendra, Executive Director, Grovel Feeds, pushed us to install a second extruder of 15 tons per hour. We finished this expansion in September 2011. Farmers were encouraged to use floating pellets when they saw the good feed conversion ratio (FCR).”

Dr Victor Suresh, Technical Director, Grovel Feeds, guided us with fantastic feed formulation program to achieve full potential, he stated.

Today, the company produces fresh water fish feeds mainly for the Pangasius, Catfish and good volumes for the Indian carps (Rohu and Catla), Pacu, Tilapia, Sea bass and Cobia.

AP’s fish feed market at 500,000 tonnes
Mr Sandip Ahirrao, Head Marketing, said, sales in 2013 reached 110,000 tonnes of fish feed and Grovel Feeds could get a leading position in the fish feed market in Andhra Pradesh.

However, we do enjoy healthy competition with other major players. Grovel Feeds with a larger production capacity has sales all over India. Andhra Pradesh has the largest fish feed market at 500,000 tonnes. The fish feed market is estimated at only 50,000 tonnes in the northern states such as Bihar, West Bengal and Uttar Pradesh, and about 50,000 tonnes in Tamil Nadu and Odisha. In India some 90% of the fish feed produced is used for grow-out farms. There is the practice of stocking stunted one-year old Pangasius fish into grow-out ponds. This segmentation in Farming results in less demand for starter feeds which account only 1 to 2% of feed production. The exception is in Odisha and West Bengal where both locally and imported starter feeds are used. We have strong technical support team of 140 members all over the country, he added.

Grovel Feeds Formation
Grovel Feeds was founded by Grovel Formulations, Mr Narendra and a few other leading personalities in aquafeeds in India which was taken from the 20 year old Grovel Formulations Pvt Ltd, founded by Dr M.S. Ramgo Chary, who did his Ph.D in Pharmacology from Germany and he is the chairman of Grovel Group.

As market matures, need for better products
Mr P.S. Narendra, Executive Director, Grovel Feeds said, “The forte of Grovel Group is the supply of feed, feed supplements and health management products to fish and shrimp farmers. Personally I feel that because of our entry first into fish farming, we have enjoyed some stability in this business.

“We believe that there is potential for growth, both for fish and shrimp feeds. The installed capacity for fish feeds in India is more than current demand, and as the market matures, there will be a need for better products.”

Grovel’s Tilapia Initiative
In the case of Tilapia feeds, the company markets a small volume as the growth of Tilapia farming has been slower than expected. Grovel’s sister concern has the license to import Tilapia brood stock and its hatchery has completed the domestication of the Chitalada Tilapia strain, imported from Thailand five years ago. It is now ready to supply fry and fingerlings to farmers. The constraint to an expansion in farming is the requirement for permits from state authorities to farm Tilapia and bio-security protocols to prevent escapes into local waterways.

“We know that in areas where the Carp is the traditional fish, consumers’ preferences have shifted to the Tilapia. The meat is similar but without intestinal bones. This is similar to the trend in Bangladesh and other Asian countries. But here, because of Government restrictions, its farming has not taken up as fast as in the region.”

The best for shrimp feeds
From the moment they entered into the aquafeed business, Grovel had its eye set on the shrimp feed business. This is in line with the long term vision of Grovel to be part of the large and growing aquaculture industry. Thus in December 2012, the team sat down to plan for its production of shrimp feeds.

Subsequently, the choice of equipment demonstrate that this energetic and forward looking team wants to focus
M.V.N. Sesa Chary, Executive Director

on producing the best in shrimp feed quality for the industry.

Twin screw extruder gave us opportunity....

“We have made big investments in equipment. We bought three pellet mills from Miyang. The two twin screw extruders from USA which gave us the capacity to produce high quality aqua feeds. In shrimp feeds, there is room for product innovation to bring out the best in formulation and physical properties of the feed to improve efficiency.”

Mr Narendra informed that their new infrastructure now resolves this chicken-and-egg problem and offers an opportunity for the marine fish feed sector to grow.

120,000 tonnes shrimp feed, 160,000 tonnes fish feed production capacity

Mr Sesa Chary stated that they also planned for versatility in production with this equipment. The twin screw extruder can be used for marine fish feed, ornamental fish feed and pet foods. We can operate the twin screw extrusion lines at 7 to 8 tph. The total capacity for shrimp feed production will be 120,000 tonnes per year and 180,000 tonnes extruded fish feed production capacity annually. The team has the expertise of Dr A. Victor Suresh who has been guiding the technical division at Growel Feeds has been instrumental for the feeds successful development since the beginning and he also guides the in-house R&D centre.

“If we look back at the pelletizing technology in shrimp feed processing, we see that vast improvements in physical properties of pellets have been achieved with pre and post conditioning. Now the standard is a 3 to 4 pass conditioning in the new pellet mills. As the next step, extrusion will allow us to include ingredients that cannot be included in pelleting and therefore create innovative products physically and nutritionally. Growel will be using a state of the art formulation technology with in-built ingredient valuation tools that would take advantage of the vast amount of ingredients that are available in India.”

Management’s commitment to R&D

Dr A. Victor Suresh, Technical Director of the company, based out of Singapore, said that a major factor in the success of Growel Feeds is the management’s commitment to R&D. “Growel has committed to support the industry and has invested in R&D systems that provide the ability to workshops with farmers and explained about feed management and better management practices (BMP) and cleared their doubts. Growel Feeds has a dedicated Technology Development Manager for technical services, trials and dissemination of knowledge to farmers.

Feed Brands

In February 2014, Growel began marketing its pelleted shrimp feeds with two brands each for Vannameli and Monodon shrimp. The Marigold and Nutriko feeds for Vannameli shrimp contain 36 to 34% crude protein, while the Tigeron and Nutrimo feeds are for Monodon shrimp with 41 to 38% crude protein.

Processing Plant to start in May 2015

A downstream integration of the group is ongoing with the construction of an ultra modern sea food processing plant, a few 400 meters away from the feed factory. As a feed producer, the advantage of having a processing plant is to help feed clients to market their harvests. The boom in Vannameli shrimp farming has resulted in demand for more processing capacity.

Growel is coming up with a state of the art shrimp processing plant with automation including grading with a processing capacity of 60 tonnes of shrimp per day (finished product). This ultra modern processing plant will come into operation in May 2015.

We have our roots in fish farming and always want to cater to the needs of fish farmers. So, we are also setting up fish processing plant to cater to the rising demand for processed fish from the retail and food service sectors,” said Mr P.S.Narendra. Mr Sesa Chary further stated that when we process fish, it will be for the fish markets with the best export potential. Now, our Pangusius is sold whole chilled in India, to wholesale merchants who in turn retail either whole fish or fillet the fish for the chilled and frozen markets. This shows a demand for Pangusius fillet or steaks for a new group of consumers who are averse to preparing fish but see its health benefits.

Competitive edge

Aside from the advantage of having a strong dealer network and close ties with farming community farmer network, it also helps that Directors

P.S. Narendra, Executive Director

are directly involved in aquaculture. Between them, they produce a total of around 8,000 tonnes of fish and shrimp per year and use 10 per cent of the fish feeds produced at Growel Feeds.

Mr Narendra, Executive Director said that they have been benchmarking their feeds which they believe are nutritionally better than several others in the market. Aquaculture is close to our hearts at Growel, we live right in the middle of farming areas and have close relationship with the farming communities. This not only allows us to understand farming issues but also can make quick decisions. In feed marketing, this is how we differ from some other groups. I would say that we
have one of the industry’s largest teams of qualified field staff. We focus on having Technical Field staff rather than sales staff. For the marketing of the current volume of fish feeds, we only have few non-technical sales staff.

After all, it is in line with our commitment to serve the large and vigorously growing aquaculture industry in India with the best in class products and services,” said the young knowledgeable and committed, Executive Director, Mr. Narendra. Growel’s group ambition is to sell shrimp feed wherever shrimp culture is there in the country & in Asia

Social Service
Growel is also doing lot of social service to the people of the area around the factory premises as a corporate responsibility like providing RO drinking water to 10 to 12 villages with in 5 km range of the plant. Every day 60,000 liters of pure drinking water is being supplied to the villages.

The company has 450 employees in the feed plant directly and about 700 people are working indirectly there apart from the large distribution network it supports.

Moving forward
Growel’s plan for growth also involves diversification into marine fish feeds.

It has the technology and knowledge to produce marine fish feeds for the Indian market.

According to Growel Feeds management, the major challenge in Indian fish culture segment is species diversification which is not happening. Even Bangladesh has over 20 species in fish culture, whereas in India we have only a few.

With regard to Vannamel shrimp culture, Mr. Narendra felt that poor quality of seed is affecting the industry’s prospects. Narendra felt the need of separate ministry for Fisheries/Aquaculture at national level and we need pro-active policy by the government for the development of aquaculture industry in the country.

There is a need of better coordination among government bodies for better development of this sector, he stated.

Dr. Victor’s knowledge and commitment...

Mr. Sesha Chary and Mr. Narendra told, “Because of Dr. Victor Suresh we went ahead in establishing the plant looking at his knowledge, integrity and commitment.”

Dr. Victor Suresh said that in India, marine fish farming is currently constrained due to the lack of feeds. Farmers cannot produce marine fish without cost effective and performing feeds whereas feed manufacturers cannot invest in costly technology to produce high quality feeds without a steady demand and break even volume.

Dr. M.S. Ranga Chary, Chairman of Growel Feeds who holds a doctorate in pharmacology from Frankfurt University, Germany said that the vision and mission of the company is to commit to have sound business practices to ensure world-class product quality. We have been consistent in setting top-notch standards.

Sandip and his team with Nutrelva qualification experience, he remains to be a guiding factor for the group and actively takes part in the group operations.

About Head Market, Sandip Ahirao

Mr. Sandip Ahirao, Head-Marketing, Growel Feeds Pvt. Ltd, is an aquaculture professional (B.F.Sc., M.Sc. -Mariculture) with a rich and varied experience of more than 27 years, out of which the initial 10 years were spent in the Shrimp farming sector working for Unilever Group and other reputed corporate farm companies. Next 17 years he had been into Sales and Marketing of Aquavet products for various bluechip Indian companies as well as MNCs like Wickhardt (Biolativ India Ltd), Novozymes, Bioblot Inc, USA, Lallemand Inc, Canada etc. He has also exposure in aquaculture sector in South East Asian countries including 4-year stint in Indonesia.

Sandip is known for his deep knowledge of aquaculture, long experience in Sales & Marketing and for his skills in building a vast professional network throughout. He is a linguist of sorts proficient in all Indian languages. He looks after sales and marketing of aqua feeds of the company.