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Tata International focuses on agri business in Africa


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Ajay Mehra, executive director, Tata Africa Holdings (Tanzania) Ltd, and the head of non-auto, distribution of Tata International in Africa. — Photo: Special arrangement

The company plans to make investment in setting up processing units for exporting pulses from Tanzania

Tata International Ltd, the trading and distribution arm of Tata Group, is focusing on the agri commodities segment to grow its business in Africa after achieving a significant market penetration in the infrastructure (automobiles, construction equipment, and farm equipment) and the healthcare sector there.

The African subsidiary of the Mumbai-based company is planning to make investment in setting up processing units for exporting pulses from Tanzania, the largest producer of the crop in Africa, a top official said.

Tata Africa Holdings (Tanzania) Ltd, a step-down subsidiary of Tata International, has already started exporting pulses to India from Tanzania 18 months ago and having achieved a volume of 5,000 tones of pulses in 2015, the company is now planning to scale up the business.

“We are now exporting pulses (tur dal) from Tanzania, which are well accepted in India. We are working with farmers to help them improve their productivity. Apart from pulses, we are exporting sesame and cashew nuts. We are looking at coffee out of Uganda,” Ajay Mehra, executive director, Tata Africa Holdings (Tanzania) Ltd, and the head of non-auto, distribution of Tata International in Africa, told *The Hindu*

“We are sourcing sesame from many African countries. Right now we are exporting cashew nuts from Tanzania and are looking at Nigeria. We will focus on four commodities primarily for which we have a good market in India and China,” Mr Mehra said.

The plan is to add more countries as the company now operates in 12 countries in Africa. Mr Mehra said there is an opportunity to grow as India faces huge shortfall in pulses.

“We can export coffee and get into cocoa. There is an opportunity to sell rice in Africa,” he said.

Mr Mehta said the company will be investing at the production level and the procurement centres. “We will be setting up processing plants, cleaning plants, and in future could look at pre-packaging from there and exporting to relevant countries,” he said.

Since exports of pulses started in Tanzania, the company will be putting up its facilities there. “We plan to set up two to three centres from where we can clean and process our pulses. It can be done in next five to six months,” he said. He did not quantify the amount to be invested.

The target markets for agri commodities are India, China, and some European countries.

Apart from agri commodity exports, the company has been importing agro chemicals such as pesticides and fungicides to Tanzania for the last three years.

“We feel that now we will focus on expanding the agro chemicals distribution to several countries as well as agri commodity sourced out of countries, including Tanzania. In 2015, the total exports were to the tune of 7,000 to 8,000 tonnes,” Mr Mehra said.

Tata International, which generates revenue of \$400 million from Africa, wants to become a significant player in every business it has been operating there.

“We want to be among the top two-three players in every country and in each business we are operating. Our objective is to utilise our strength and knowledge because we have been in Africa for 38 years. So we have the first mover advantage,” he said.

The African business constitutes about 20 to 25 per cent of Tata International’s total turnover. Bulk of the revenue comes from the auto business. The company has an employee strength of 1,800, including 100 non-Africans, and the number is set to grow as the agri commodities business is expected to witness a significant growth.

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