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INTERVIEWS

# Revolutionizing Commodity Warehousing in India: The Impact and Future of Technological Advancements

CXOtoday News Desk 7 hours ago



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CXOtoday has engaged in an exclusive interview with **Sandeep Sabharwal, CEO, Sohan Lal Commodity Management Pvt. Ltd.**

**1. How is technology transforming commodity warehousing in India? What is the future scope?**

Commodity warehouses have been in use for bulk storage of agricultural products over the past few decades. As with all other industries, the Agri industry too has been impacted by transformation due to technology in the past two decades. The industry has been witnessing innovation in every aspect from infrastructure design to storage methods and processes with embracement of scientific and technological know-how. Along with the creation of additional infrastructure, the focus should now be on the adoption of innovative solutions in space management, logistical efficiency and the safety of stored goods. While technology at first enabled barcoded warehouse receipts to track the commodity in the warehouses, it is now being leveraged to create full-fledged warehouse management systems based on ERP etc. With technology at the crux, these steps have been able to curtail challenges like food loss, wastage, theft and the degradation of product quality. Today, the warehouses can be under CCTV surveillance with geo-tagging, and can also provide time stamps for the commodity.

The first of its kind Digital Real-time Surveillance system has been developed by SLCM called as Agri Suraksha that ensures advanced security shield of food grains along with 24x7 GPS fenced centralized monitoring system. Here solar powered CCTV cameras are used to keep a vigil round-the-clock and ensuring uninterrupted surveillance even in remote locations with erratic electricity supply. This system alerts the central monitoring room in case of any unusual or suspicious activity for taking immediate actions.

Till date, Agri Suraksha by SLCM has deployed eco-friendly **solar powered surveillance cameras** at nearly 900 warehouses and this number is only expected to grow in the future as more and more warehouses are impacted by the tech transformation.

## 2. Despite advancements, controlling food wastage has always been a major challenge. What is SLCM doing to tackle the issue?

The conventional warehouses just worked as a place to store the commodity. SLCM being the first player in the Agri Industry to introduce fully digitized warehouse management system that optimizes operations, accurate visibility of commodity, streamlining processes from inbound to outbound deliveries, managing risks with stock and compliances to name a few.

In the Agri Industry, underlined challenges have been the major contribution in the food grain losses such as limited market access for farmers, unsustainable quality-checking procedures, and many more.

To address them, SLCM introduced farmer-centric solution '**Agri Reach**', which is an amalgamation of digital and physical services enabling effective warehousing solutions agnostic of infrastructure, geography, and crops. The application of such a unique management system has reduced food grain losses from 10% to a meagre 0.5% and has the potential to save up to Rs 87,000 crores annually if implemented across Indian dry crops alone.

A state-of-the-art and patented application, Agri Reach's Quality Check Module empowers farmers to get quality check of their crops in few minutes right from their mobile phone. Therefore, this saves time and resources of traveling to distant markets or labs.

In an initiative to expand Agri Reach, we also established "**Krishi Quality Janch Kendra**" which is a crucial milestone in the development of our nation's agribusiness and appointed 300+ authorized partners across the nation. These centres are aimed at facilitating farmers, traders, FPOs (Farmer Producers' Organisations) as well as corporate entities involved in QC (quality check) of food grain. Farmer community can avail instant quality check services at these *Kendras* and obtain QC certificate on the spot. This also helps farmers to reduce food wastage due to logistics and handling. Such a '*Phygital*' culmination where physical and digital world collaborate together will be the answer for Agri eco-system to deal with all problems, including food wastage.

### 3. How is SLCM leveraging AI & ML to benefit the Indian agricultural community?

Having leadership with 14+ years of experience, SLCM is India's leading 'One-stop Post-harvest Agri Logistics' company. Leveraging technology, especially AI and ML, we have been able to facilitate Agri industry with solutions that were much needed.

Agri-Reach, the AI/ML powered & NABL Certified application, has become a one-stop destination for all post-harvest needs starting from managing warehouses, transporting goods from one region to another, price discoveries, hassle-free procurement, QC checks and so on.

Agri Reach helps in **QC of crops** like wheat, maize, rice, barley etc with quick results. In addition, it also provides '**Business Listing**' platform where more than 2 lakh members from the agricultural fraternity are registered. Through **Commodity Trading**, they can not only buy and sell their food grains, but can also search logistics, and transport partners according to their preferred location, making the procurement of agricultural commodities easier and making the Agri supply chain more accessible.

Today, I take pride in mentioning that the implementation of our **technology**-led solutions especially in the post-harvest stages of agriculture has proven to be sustainable and instrumental in reimagining the Indian agricultural ecosystem.

### 4. What role is Agri financing playing amid the prevailing scenario of India's agrarian economy?

Another major problem impacting the farmers is the fact that they need to sow their next crop even before their last yield has been sold. This leads to a situation where the farmer needs money, but has no other option but to borrow from private lenders at high interest rates. Thus, a need for helping small farmers was felt. SLCM launched their Agri-focused NBFC wing called Kissandhan. The grain in the warehouses is accepted as guarantee for the loan. Through Agri financing, we have disbursed more than Rs 2893.64 crores and have benefitted more than 33,839 women. This has directly and indirectly impacted more than 6 lakh farmers along with 74,963 small farmers. As Kissandhan is engaged with around 105 FPOs across different markets in the country, we would like to believe that we are positively impacting the Indian agrarian economy.

**5. Which geographies within or outside the country is SLCM already making a difference?**

SLCM has been at the forefront of innovation, indigenization, leadership and excellence with our integrated post-harvest Agri logistics platform that are touching lives of millions of people every day. We have been able to capture and retain the biggest market share in India for years now. With an ambitious outlook towards expansion of business in Southeast Asia, SLCM forayed into Myanmar in 2014. Present across 316 locations in Myanmar, we have facilitated disbursement of loans to the Supply Chain worth USD 47.64 billion.

We are the only Indian Agri Logistics Company with international presence and have dealt with about 1443 commodities. Our tie ups with about 6 leading banks have solidified our position as a trailblazing group and preferred partner in Myanmar. While this is the very first step towards our global presence, we intend to explore more markets in the future too.