

MEDIA COVERAGE REPORT



SOHAN LAL COMMODITY MANAGEMENT PVT. LTD

INTERVIEW COVERAGE

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Coverage Report

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SLCM's AgriSuraksha solution to enable 24x7 monitoring of produce in faraway locations from control center

Dipati Barve 07 August 2021 Opinion

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Sandeep Sabharwal, CEO, SLCM Group, shares his views on the status of the agri-warehousing industry in India with AgroSpectrum. Edited excerpts;



Sohan Lal Commodity Management (SLCM) is a global post-harvest agri-logistics group. The company provides services to farmers, processors, millers, traders, importers, exporters, commodity exchanges and the government. Sandeep Sabharwal, CEO, SLCM Group, shares his views on the status of the agri-warehousing industry in India with AgroSpectrum. Edited excerpts;

What is the current status of the agri-warehousing industry in India?

Agri warehousing constitutes approximately 15 per cent of the warehousing market in India and is worth between Rs 80-85 billion. At present, the agri warehousing capacity in India is more than 120 million metric tonnes (MMT) and has grown at 4 per cent CAGR since 2017. The exponential growth and innovations like scientific warehousing, GPS tracking, geo-fencing, real-time monitoring, etc., have instilled confidence amongst stakeholders involved in the sector that has, in turn, brought in a lot of interest from private equity (PE) investors as well.

The segment can contribute in a big way in helping the Indian economy achieve the ambitious \$5 trillion target. Typical storage losses for agricultural produce in India account for approximately 10 – only for the dry food grains – of the entire production, which works out to a staggering Rs 1 trillion. It is, therefore, important that technological solutions are adopted rapidly to help reduce the post-storage losses.

An independent study by the industry chamber Federation of Indian Chambers of Commerce and Industry (FICCI) concluded that SLCM's proprietary centralised real-time process management system, AgriReach, has a remarkable impact on the quality of stored produce.

SLCM has recently developed an AI-based mobile app to assess crop quality. How will it be useful for the farmers and traders?

The artificial intelligence (AI)/machine learning (ML)-based app, which is currently in the final stages of development, would be available for downloading on handheld devices like a smartphone or tablet PC. The app will be able to check multiple quality parameters for a variety of food grains and pulses like wheat, rice, chana (chickpea), guar (cluster bean), moong and tur (pigeon pea) within minutes with up to 90 per cent accuracy as compared to a lab test. The results will be automatically compared with pre-fed data in the back-end system, which will regularly update itself using ML with Python programming language, on a real-time basis.

Once SLCM mobile quality app gets rolled out later this financial year, its on-ground utilisation will tremendously help to improve the fidelity of the commodity quality checks and disseminate the instantly obtained quality control results in a secure and transparent environment, hence, drastically reduce the turnaround time in comparison to the task being performed manually. The advanced app is a result of four years of intensive research by SLCM's in-house team of experts. We had applied for a patent on it in August 2018.

What are the growth strategies and plans of the company for 2021-22?

In FY2021-22, we propose to continue reinforcing our technological backbone in pursuit of our vision to become a completely digitalised enterprise that not only adopts the global best practices but also establishes many firsts along the way. In the past, we were also the first company to introduce SAP-based Enterprise Resource Planning (ERP) in the agri warehousing space and implement it in a record time of six months. The German software multinational also recognised our project as a first-of-its-kind in the world.

We will be executing our warehousing contracts using our proprietary AgriSuraksha solution that incorporates the latest cutting-edge Internet-based surveillance technology, enabling monitoring as well as interaction with the personnel at the site. This enables 24x7 monitoring of produce in faraway locations from the command and control centre at the group's corporate headquarters in New Delhi, personal computers, or handheld devices like laptops, tablets and smartphones in real-time. As of June 2021, 200 warehousing facilities were tracked using AgriSuraksha. By the close of FY2021-22, SLCM expects to bring 80 per cent of its warehouses under its coverage. Launched in April this year, AgriSuraksha is part of AgriReach. Again a result of years of painstaking research by in-house experts, AgriReach is a culmination of all the processes, methods and systems to ensure the health of the crop and start warehousing operations in just 24 hours at any location irrespective of the available infrastructure to provide a standard operational experience at all facilities even while maintaining the highest standards of quality control. It combines a series of processes, audits and real-time tracking of the facilities to give error-free results and depletes the risk of crop damage.

During the year, we are also committed to further expanding our network of warehouses in the country. As of June 2021 end, SLCM had a network of 7,088 warehouses.

How would you envisage the future of the agri-warehousing industry in India?

The May 2020 announcement by the Central Government of 11 measures for the agriculture sector as part of the Aatmanirbhar Bharat initiative was indeed a welcome move. Among the measures announced, eight are for boosting the agricultural infrastructure, capacity and logistics. The allocation of Rs 1 trillion for farm gate infrastructure, including affordable and viable post-harvest management, clearly reveals the seriousness of the government's intent in developing and enhancing post-harvest agri infrastructure.

Similarly, in a marketplace model, intelligent call centres have an important role to play particularly during a crisis like COVID-19. Smart call centres when integrated with real-time data embedded in AI help in real-time tracking of the facilities providing error-free results on the status of the warehouse and the products stored within as well as in transit. A virtual customer service network is the need of the hour because it will enhance the service standards and will also help in raising the bar on scientific storage by eliminating the paperwork and providing evidence of the calling details.

We had set up our first dedicated 24-hour call centre in 2010 to service our operations. We have re-engineered the facility into a paperless entity integrated with AI to enhance its efficiency and response time. This upgrade has enabled our dedicated team of customer support executives to provide support to our agri-warehousing operations in India and Myanmar even more seamlessly.

What is the impact of the COVID-19 pandemic on the agri warehousing industry, agriculture financing and collateral management to procurement?

In our view, the economic impact of the second wave of the coronavirus pandemic is softer and will likely be limited to the April-June quarter. Rural demand, which remains resilient, will continue to be supported by strong agricultural production, higher procurement prices for the 2021-22 sowing season, together with an overall rebound in economic activity. Due to greater awareness about the covid virus, restrictions imposed by the central and state governments during the second wave of the corona are more targeted, localised and less stringent. Therefore, the economic impact of the second wave is softer and will likely be confined largely to the April-June quarter. However, amid the talk of a third wave, we are keeping a close watch on the situation.

Our wholly-owned subsidiary, Kissandhan Agri Financial Services provides loans to farmers, traders and agri processors for enhancing their incomes at very competitive interest rates in a hassle-free manner. Kissandhan has disbursed loans amounting to Rs 2,307 crores to date and made a difference to the lives of nearly 500,000 people across India's agricultural supply chain. In the 2021-22 fiscal, we are again looking to provide financing against a diversified basket of agricultural commodities and products like lending to farmer producer organisations (FPOs), non-banking financial companies and microfinance institutions (NBFC/MFIs), business correspondents (BCs), invoice discounting facilities, etc.