

## **MEDIA COVERAGE REPORT**



**SOHAN LAL COMMODITY MANAGEMENT PVT. LTD**

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## Maximising Income

Technology is being used to minimise agricultural losses and generate revenues

Joe C Mathew New Delhi Print Edition: September 22, 2019



Officials administering the Narendra Modi government's flagship crop insurance programme - the Pradhan Mantri Fasal Bima Yojana (PMFBY) - were mystified for some time by a pattern in payout of insurance claims. Around 50 out of India's 600-odd districts accounted for half the total claims generated across the country almost every other year. They were desperate to address the issue because high payouts to select districts led to a year-on-year increase in the government's (Centre as well as states) insurance premium outgo. With the Union government's budgetary provision for crop insurance touching Rs 28,000 crore, it was not a financial commitment that they could ignore.

Are farmers in these 45-50 districts growing the wrong crop? Should they diversify? Should these crops be excluded from the insurance cover?

Luckily for officials, agriculture technology may prove to be a boon for not only increasing farmers' income but also curtailing wasteful expenses. Instead of the traditional way of assessing crop loss through manual crop cutting experiments (CCE) that are prone to error, the government has decided to migrate to a technology-based assessment model where synthetic yield analysis will be carried out using a combination of weather analysis, limited CCE and satellite data.

"Substantial work has happened. Within the next three (crop) seasons, we will totally migrate to technology-based assessment of paddy and wheat; and all crops by 2021. It will be a tectonic shift in the way we handle crop insurance. The time taken to get yield results and calculate payouts will be reduced," says Ashish Kumar Bhutani, CEO, PMFBY. That is not all. The government is also planning to link insurance policies to land records that are being digitised by various states. By the end of October 2020, the agriculture ministry hopes to have a database of land records of all farmers in the country.

Once that happens, de-duplication through integration of digital land records with the Aadhaar number of each individual and beneficiary of the PM Kisan Scheme (another government welfare scheme where every eligible farmer gets Rs 6,000 in her/his bank account a year) will eliminate possibilities of multiple and bogus claims, reducing wastage of government funds. In one stroke, technology will help transform what used to be more like an assured payout scheme in some cases into a crop insurance scheme, where payouts happen only when there are genuine claims of crop losses.

Private entities are also using technology to minimise losses and generate optimal revenues in agriculture. Bengaluru-based agritech firm CropIn operates a business-to-business (B2B) model with a range of agribusiness stakeholders, including farming companies, agri-inputs companies, government and development agencies, banking financial services and insurance firms, and cooperatives and NGOs that operate through the agriculture value chain. These stakeholders, in turn, use CropIn's technology platform to efficiently manage farming activities of a huge network of farmers they are engaged with.



Krishna Kumar, Founder and CEO, CropIn

"In this model, farmers do not pay for technology but businesses that we work with pay for the technology. Our pricing model is either per user licence or by land acreage," says Krishna Kumar, Founder and CEO, CropIn. What CropIn does is provide crop advisories to farmers, while offering real-time monitoring of the field and health of crops to their clients - the enterprises. "We have 106 clients, some with multicountry operations," says Kumar. The company's services are sought by contract farming companies that want to keep an eye on health of crops they need to buy. "Seed companies that get their seeds produced from farms through multiplication process would want us to give the right advice to the farmer to get the right quality of seed. At the same time, they would want us to geo-tag the farm. Once we have the location of the farm, the boundary of the farm, we run our machine-learning algorithm to tell them which farm is doing well, which is not, how much to expect from each farm, etc. So there is very precise monitoring of every farm on the platform," Kumar explains.

Gurugram-based Intello Labs is also focussing on a B2B model, where it helps retailers and traders in quality assessment of farm produce. "We are trying to digitise the whole system of quality checking and making it verifiable and scalable using smartphones. No longer will a person in the headquarters of a big retail chain have to go by the word of the person who actually purchases the farm produce in bulk from a remote location. And it will not be purchased on the basis of perception of good, bad or ugly, but on its quality, which can be verified," says Devendra Chandani, Co-founder of Intello Labs.

"We are not changing sampling techniques. The biggest component is visual parameters. For specific commodities, there are different parameters, and for some we have created sensor-based solutions. In cardamom, we have a small attachment, a sensor that can be attached to the mobile phone to capture the quality parameters," says Chandani. Intello, which started with tomato, is currently handling 25 fruits and vegetables, cardamom and wheat. "We are looking at how to be the de facto quality norm of fruits, vegetables and other perishable items. We want to get people to say that if it is certified by us, it is good. We want to increase our width in terms of more commodities and depth in terms of more parameters."

**Sohan Lal Commodity Management (SLCM)**, the company which manages a network of over 4,000 warehouses across India, is using a technology platform for monitoring commodity stocks that are lying in its warehouses. Parameters like moisture and temperature, and photographs, are captured and transmitted in real time. Recently, it introduced a mobile phone-based attendance registration system for its warehouse managers. "We are experimenting with a technology to map the fidelity of the people on the ground, someone like a warehouse manager. On any moment a message alert can go on his device saying within such and such time please mark your attendance. At that time, the device will open only if the geometric positioning of the mobile is within the specific parameters of the warehouse, which means he is within the premises. And once the application opens, it gives you 10 seconds to rotate the phone for a selfie. It gets captured real time at the centre where his attendance is registered. The same thing happens at least thrice a day," says Sandeep Sabharwal, Group CEO, SLCM. He says moves are afoot to use technology to audit existing stock, even stock which is in transit.

CropIn's Kumar says that the government can do a lot more to help advance technology interventions in agriculture.

"Government can open up lot of databases. The Indian Meteorological Department can provide weather data, which we are buying today. The Indian Space Research Organisation has satellite data. Why can't they open it? It can help private players, especially start-ups, assist the government in augmenting its activities to support farmers," he says.

Is the government listening?