

Agri-logistics can reduce post-harvest losses: SLCM



Sandeep Sabharwal, CEO

Sohan Lal Commodity Management
talks to Sanjeev Sharma

Agri-logistics is emerging as a sunrise sector to cut down on post-harvest agriculture losses. Sohan Lal Commodity Management (SLCM) is a technology-driven agri-logistics and warehousing management company present in over 70 locations across 20 states with more than 100 warehouses. It imparts modern warehousing services to its clients, including Cargill, Louis Dreyfus Commodities, Olam, MMTC, PEC, Glencore, Future Group and Tinnu. Sandeep Sabharwal, CEO, SLCM, says food storage losses can be brought down substantially from the current level of 10%.

Q: What is the overview of agri-logistics and warehouse management industry?

A: Agri-logistics is at a nascent stage and is still an evolving industry in India. India is the 2nd largest producer of food in the world with an output of approximately 255 million tonne every year. Yet, food worth Rs 60,000 crore is wasted in storage every year, which represent 10% of annual output. Storage and preservation is archaic and not based on best scientific knowledge while price discovery is arbitrary. All these challenges have led to the emergence of a new class of agri-logistics players.



“SLCM has the distinction of getting its Standard Operating Procedure patented under the aegis of Agrireach, which has demonstrated that post-harvest losses can be cut to mere 0.5% from as high as 10%”

Q: What is the business overview of the company?

A: SLCM has been at the forefront of innovation in the agri-logistics industry. We are the only company that issues storage receipts, which are bar-coded to ensure the authenticity. Similarly, we are the only company in this vertical which has to date not even invested in building a single warehouse as we believe that we are a warehouse management company and not an infrastructure company. At the same time, we have heavily invested in technology and are the first and only company in India which boasts of Real Time MIS that is virtually connected across India with data turnaround time of less than 5 minutes with an alert facility akin to a credit card swipe.

We have developed robust Standard Operating Procedures (SOP) which allows us to operate any structure and hence we are agnostic of infrastructure, geographic location and crop. SLCM has

handled 593 warehouses with a capacity of more than 13.3 lakh metric tonne spread across 20 states with an area of more than 77.8 lakh square feet and a throughput of 50 lakh metric tonne.

Our first year revenue was around Rs 4 crore and our last year comparable revenue was around Rs 1,100 crore.

Q: What are your expansion plans for Punjab and Haryana?

A: We are looking at adding 50 warehouses in the states of Punjab and Haryana and facilitate loans against crops in these warehouses for around Rs 250 crore in the 3rd quarter of this year. Our NBFC, Kissandhan is focusing on providing loan against paddy and rice in the coming season that is October through November.

Q: How can post-harvest losses be reduced?

A: Post-harvest losses in India are pegged at 10% of our annual production or a staggering Rs 60,000 crore. This is due to inefficient and opaque operations. To address this, we have devised Standard Operating Procedure to ensure we are doing the right thing pertinent to the stored crop at the right time. This means we not only diagnose the problem, but cure the same and also have preventive mechanisms in place. This SOP has been modulated into a Real Time Platform, which enables us to take timely action to ensure that firstly these losses do not happen and in case there are signs of deterioration, then the same are corrected immediately.