

MEDIA COVERAGE REPORT



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Industry Story

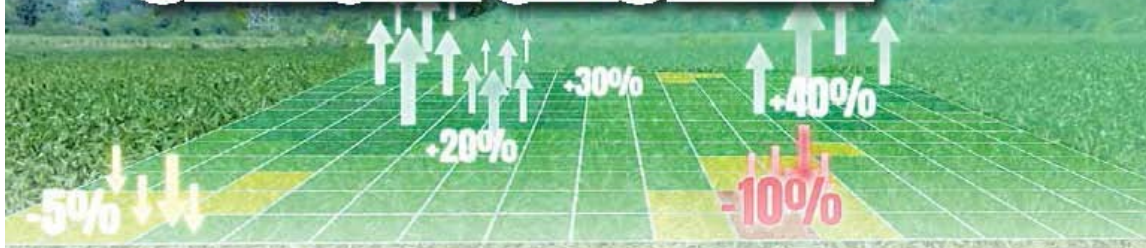
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Industry Story

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COVER STORY

STARTUPS BULLISH ON AGRI GROWTH



2020 was an eventful year for Indian agriculture. The government went on a spree of farmer-centric policy announcements and vowed to double farmers' income by 2022. It passed three landmark Farm Bills and launched many packages during the course of the year. The Centre kept encouraging startups, incentivising other rural industries like animal husbandry, bee keeping, herbal or medicinal plants, in spite of the ongoing crisis of COVID-19 that had affected agriculture related activities for the most of the year. Many expected and unexpected factors, such as an exponential increase in internet connectivity in rural India, increase in post-harvest and supply chain losses, and growing investors' interest in the agriculture sector has paved the way for the growth of agritech startups in India.

Reiterating the Government's commitment towards 'Sabka Saath, Sabka Vikas, Sabka Vishwas' and the 'Ease of Living' for the people of India, Nirmala Sitharaman, Union minister of Finance and Corporate Affairs, on February 1, 2020, in her first budget of the new decade unveiled 16 point plans focusing on doubling Farmers' income, Horticulture sector, Food storage, Animal Husbandry and Blue economy. For successful implementations of these plans and schemes in the interest of crores of farmers, more funds were allocated in the Financial Year 2020-21. A total sum of Rs 2.83 lakh crore was allocated and to be spent on Agriculture and allied sectors, Irrigation and Rural Development, reinforcing the Government's pro-farmer priority.

The sudden outbreak of COVID-19 had

affected most of the agri related activities. In the absence of any cure, the government quickly reacted to the outbreak and imposed lockdown in the country on March 25, 2020 to contain the spread of virus infection. To counter the adverse effects of the lockdown on the economy, the Government of India on May 12, 2020 announced a package of Rs 20 lakh crore, of which the agricultural sector accounted for Rs 1.5 lakh crore. COVID-19 exposed the weaknesses of the supply chain infrastructure, and hence, about two-thirds of the agricultural package aims at strengthening the post-harvest infrastructure and supply chains. The rest is shared by the micro food processing enterprises (Rs 10,000 crore), fisheries (Rs 20,000 crore), animal husbandry (Rs 15,000 crore), herbal or medicinal plants (Rs 4000 crore) and beekeeping (Rs 500 crore).

The package provided incentives for diversification of agriculture towards medicinal plants and apiculture and the demand for their products is likely to grow at an accelerated rate in the near future. The promotion of micro-food enterprises is a step towards rural industrialization. This package was aimed to promote (i) startups, (ii) processing, and (iii) packaging and branding that will generate 36 income and employment opportunities for people in rural areas, and discourage migration of rural labour to cities and towns for search of livelihoods.

In addition to the economic package, on June 5, 2020 the Government of India brought out ordinances to reform the agricultural marketing system. These are: (i) Essential Commodities (Amendment) Act, 2020 (ii) The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020; and (iii) The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farmers Services Act 2020.

Although these Acts were well received by most of the farmers and industry across the country, it continues to face a stiff opposition from a section of farming communities in Punjab, Haryana and parts of Uttar Pradesh, ever since the Bills related to these Acts were passed by Lok

Sabha on September 17, 2020 and by the Rajya Sabha on September 20, 2020. As on January 4, 2020 the government has had many rounds of talks with the protesting farmer unions and is willing to continue the dialogue on contentious issues, clause by clause, with an open mind.

The pandemic has also brought out several behavioural and institutional changes that are likely to influence the agri-food value chain activities, right from genetics to end consumption, in the post-pandemic period. Agriculture and agri-business will confront new challenges or norms related to technologies, support services, marketing, trade, financing, governance, consumer preferences, etc. Government's emphasis on supply chain management and development of micro-food processing would bring primary processing facilities such as grading, processing, storage and branding closer to the farmgate, and provide a big push to rural industrialization.

Getting investors' attention

Indian agri industry is going through a transformation phase due to the global pandemic situation. The rise in rural internet penetration, increase in post-harvest and supply chain losses,

Government's agri initiatives during January- December 2020

- October - Government announced that it is putting up a common data infrastructure for farmers in the country. PMFBY (Pradhan Mantri Fasal Bima Yojana), PM-Kisan and the Soil Health Card will be integrated through a common database, along with land record details.
- October - Agri-lender Nabard (National Bank for Agriculture and Rural Development) proposed plans to set up a subsidiary to provide guarantee for loans under agriculture and rural development.
- October - The Tribal Cooperative Marketing Development Federation of India (TRIFED) included 100 new Forest Fresh Organic Products sourced from tribes across India on its e-marketplace (tribesindia.com).
- September - Government launched the PM Matsya Sampada Yojana, e-Gopala App and several initiatives in fisheries production, dairy, animal husbandry and agriculture. Under this scheme, an investment of Rs 20,000 crore (\$2.7 billion) will be made in the next 4-5 years in 21 states.
- June - Government introduced Pradhan Mantri Formalization of Micro Food Processing Enterprises (PM-FME) scheme. It is expected to generate a total investment of Rs 35,000 crore (\$4.97 billion), generate 9 lakh skilled and semi-skilled employment, and benefit 8 lakh units through access to information, training, better exposure, and formalization.
- May - Government announced the launch of animal husbandry infrastructure development fund of Rs 15,000 crore (\$2.13 billion).
- May - Rs 13,343 crore (\$1.89 billion) was allocated to the National Animal Disease Control Programme (NADCP), expected to eradicate foot and mouth disease (FMD) and brucellosis in livestock that was launched in September 2019.

Source: IBEF

Achievements of Agri industry in 2020

- National Fertilizers Limited has registered growth in sale of all non-urea fertilizers during the first seven months of FY 2020. The sale of sulphur-based fertilizers of company - Bentonite Sulphur has registered a growth of 237 per cent and SSP has indicated growth of 133 per cent over the CPLY.
- UPL opened a state-of-the-art manufacturing facility in Gujarat in December 2020. The facility will support the production of clethodim, one of the largest selective post-emergence herbicides in the world.
- Bayer launched Rs 200-cr Ethiprole manufacturing unit in Vapi with annual production capacity of 1,500 Mt. in November 2020.
- Sonalika Tractors registers 71 per cent domestic growth in November 2020.
- Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF), is ranked 8th in the list of top 20 global dairy processors released by the International Farm Comparison Network (IFCN).
- Hester has signed the agreement towards receiving the indigenously developed technology from ICAR-IVRI (Indian Council of Agriculture Research – Indian Veterinary Research Institute), for developing the Brucella Abortus S19 Delta Per vaccine. The agreement was signed through video conferencing on September 22, 2020.
- Fact, the oldest large scale fertiliser manufacturer in the country, crossed one million tonnes production and sales mark, in March 2020.

Source: IBEF

and growing investors' interest in the agriculture sector has paved the way for the growth of agritech startups in India.

India's agritech sector has come a long way with 43 startups in 2013 to more than 1000 in 2020, driven by rise in post-harvest and supply chain losses, and growing investors' interest in the sector, lack of finance and high-quality inputs for farmers. According to a report by Inc42.com, India's agritech market is expected to boom by the rise in rural internet penetration, rapid digital transformation due to COVID-19 coupled with rising investor interest.

As per the report, the agritech sector has proved to be surprisingly resilient in these inclement times. Strong tailwinds formed by restricted movement, migration of labour, and increased consumer awareness of health, have helped escalate the adoption of technology throughout the farming ecosystem. Moreover, the classification of agricultural products as essential commodities ensured business continuity for most players during the lockdown.

On the right track

With abundant rains during the kharif season and the government's timely interventions, agri experts do not foresee any major long-term negative impact of the lockdown or a fall in

Indian agri economic growth.. On the contrary, there was a 4 per cent growth in agriculture in 2019- 20 and a 3.4 per cent growth in the first quarter of 2020-21.

All signs and figures are in favour of India's ambitious goal of doubling farmers' income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price. The agri export from India is likely to reach the target of \$60 billion by the year 2022.

As we step into 2021, AgroSpectrum brings to you the elaborate plans of the industry players that will help them to adopt the new trends, stay more resilient in the long run and embrace the 'go local approach' to doubling farm income by 2022 with the new service offerings from agritech startups. **AS**

Narayan Kulkarni
(With inputs from Dipti Barve, Pooja Yadav, Nitin Konde)

“We are planning to expand our operations across different geographies in ASEAN”



Sandeep Sabharwal,
Group CEO, SLCM Group



The pandemic has turned the world's attention towards the role technology would be playing in businesses and all over the world, and discussions are underway on the role technology will play in the post-COVID-19 world. However, for a company like Sohan Lal Commodity Management Pvt Ltd (SLCM), the pandemic did not cause much of a disruption as SLCM is already a digitized enterprise. The very fact that we have built a technology-enabled rural platform -we have been doing that for nine years. Our operations were managed from home during the lockdown period. SLCM is a pioneer in scientific warehousing and all our warehouses are integrated with real-time data embedded in Artificial Intelligence having 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.

As far as the lessons from the pandemic are concerned, one thing can be said with certainty that the pandemic has provided a steep learning curve for all of us to be more resilient and prepared for the future. The ideas and technologies that have so far been kept at bay will evolve rapidly as a result of safety worries, and inventory shortages. In the agriculture sector, the future is about a connected Agri value chain consisting of smart warehouses having the transparency and the flow

of information regarding the availability of stocks versus the known consumption pattern. So given the way, the scenario in agriculture is unfolding, only those enterprises which are ready to invest in the technical up-gradation of their storage infrastructure would be able to reap the benefits in a post COVID world.

As an ISO & OHSAS certified, post-harvest Agri-Warehousing Group, we are an integrated player providing a one-stop solution to the end-user with a diversified portfolio of services ranging from Warehouse Management, Agriculture Financing, Collateral Management to Procurement. The company provides its services to Farmers, Processors, Traders, Commodity Exchanges, and the Government.

We have operations in India and Myanmar, the SLCM group in India manages a network of 5372 warehouses spread across an area of 81.39 million sq. ft. while in Myanmar we are overseeing a network of 225 warehouses spread across an area of 6.03 million sq. ft. In the coming days, we are planning to expand our operations across different geographies in ASEAN like Cambodia, Laos, and African regions. In the coming days, we are planning to launch a bill discounting product with unique features to add to the existing portfolio of Kissandhan. 