



Home » Economy » Agri Business

SLCM begins to provide loans to farmers, women through BCs

Updated - June 30, 2023 at 09:00 AM. | Chennai

Company following Amul model to grow its rural reach, says founder and CEO

BY SUBRAMANI RA MANCOMBU

 COMMENTS  SHARE

 READ LATER



Sandeep Sabharwal, CEO, SLCM

Open in App

Sohan Lal Commodity Management (SLCM), one of India's biggest warehouse providers, had begun to finance small and marginal farmers, especially women, through its Kissandhan business correspondent (BC) partnership lending programme, the company's founder and CEO Sandeep Sabharwal has said.

"The business correspondent model is more like a collective one. For example, if you go to a large village the head of the panchayat could be a business correspondent. He will actually take loans from the company and disperse it to his members," he told *businessline* in an online interaction.

Tapping to set up new FPOs

SLCM is trying to expand the scheme using a cluster approach. "We are taking a lot from the Amul's cooperative model. This is because it is impossible for a firm to reach the last mile every day for collection or sourcing loans. But it is very much possible for us to go and intervene at the district level," he said.

The company is tapping these BCs for setting up new farmer producer organisations (FPOs). "We are looking at them for dissemination of loans to small farmers and also as a dissemination agent of knowledge transformation," Sabharwal said.

The company identified FPOs as an important element of its business. Then it added the BC partners scheme. "You know in the BC partners we have dispersed about ₹87.88 crore and each ticket size is not more than ₹30,000. We have impacted over 20,000 women entrepreneurs, who are very important for us," he said.

Important part of ecosystem

SLCM is finding these women entrepreneurs driving the decision-making. It sees these women as an important part of the ecosystem and it has helped to draw them towards the company, the founder and CEO said.

The company is able to feel the pulse of the happenings on the ground through the FPOs it interacts with. “We got the knowledge in terms of crop production, migration and understand the unit level economics,” Sabharwal said.

In turn, this has helped SLCM to advice the banks on which crops could do well or which areas are untapped. This has helped 78 FPOs with a total of 58,000 farmers as their members. It synergised the company’s operations and shore up its financials, he said.

The BCs offer loans to farmers at a 15 per cent interest rate. This is higher than the usual rate of interest as it has risks. On the other hand, the women were availing loans at over 20 per cent. So in a way, it has brought down their burden, he said.

Quality checks

Over the last few months, SLCM has been able to enrol 10,000 women beneficiaries under the BCs partner scheme. SLCM is tapping its digital app — AgriReach — to extend loans.

On the other hand, it has helped the company to check the quality of farmers’ produce. It has helped SLCM to do 81,000 inspections across 70 different commodities in 18 States totalling 3.44 million tonnes. All these are being done free of cost, he said.

This has attracted a lot of listings for services from labour to packaging to transportation. There are over one lakh customers listed on the app, Sabharwal said.

With regard to the app quality check of farmers' produce, the company's founder and CEO said 88 per cent of the results were at par with the National Accreditation Board for Testing and Calibration Laboratories.

Scrutiny of more commodities

The app can be used to find out the quality of wheat, pulses, soyabean, corn and one variety of rice, while SLCM has begun to deploy it for gram (chana). It will soon begin to help on the quality of guarseed.

A feature of the app is that it gives out the quality parameters if the produce is clicked with a mobile phone camera. Sabharwal said SLCM's Agrisuraksha, which helps monitor the produce stored by a consumer live 24X7 even without power, is also expanding its user base.

It has helped the assets under management in its warehouse to increase from ₹3,000 crore to ₹8,000 crore currently over the past three years. The company is now managing over 12,000 warehouses against 8,000 two years ago, he said.

 COMMENTS  SHARE

Published on June 30, 2023

COMMENT NOW

Latest News



Latest Balasore Alloys Ltd News, Photos, Latest News Headlines about Balasore Alloys Ltd-The Hindu BusinessLine



*TCS, Infosys, Wipro down by
20 to 45 per cent from peak:
Is it time to invest in new IT
Index Fund and ETF?*

BY KUMAR SHANKAR ROY & BL
RESEARCH BUREAU