



Tilling for tech

Babulal Madhav, a farmer who manages about 50 acres of land in Nathu Barkheda, a village in the Bhopal District of Madhya Pradesh, graduated with a BSc in biology in 1970. In 2000, he noticed that another farmer in his district had been given a computer and had been called a *Sanchalak* by ITC, the consumer goods company. He approached them. He wanted to be computer literate too. After all he was a graduate and his son a post graduate in commerce.

Today a computer proudly sits in his *baithak* and a VSAT dish perches atop his roof. ITC trained him in computer basics and then his son taught him some more. He is one of 6500 odd *sanchalaks* for ITC's e-Choupal initiative - the formidable procurement and distribution programme rolled by the FMCG giant which now covers 38,500 villages across nine states of India. Most of the farmers in Babulal's region grow soya bean, masoor dhal, wheat and onions. ITC purchases mainly soya bean and wheat from the farmers, though sometimes it also buys gram. The e-Choupal programme was rolled out initially to streamline this procurement process by building relationships with farmers.

The e-Choupal organization uses a hub and spoke framework to reach out to many farmers as efficiently as possible. Each e-choupal *Sanchalak* covers a few villages, while at the village level there are *up-sanchalaks*. The e-choupals themselves are managed through hub points and for every 35 to 40 choupals there is a hub point.

Getting the demand supply equation right

ITC is using the e-Choupal programme to make the procurement process more efficient through the timely use of information technology. Every evening, ITC broadcasts the prices of soya bean at several mandis in Madhya Pradesh through the computer available at E-Choupal. They also indicate the price at which the hub point of ITC will buy the beans. All the interfaces are in Hindi and it does not require a farmer to know English. "Farmers usually come by in the evening to find the price. The website also indicates the price in the Bhopal and Sehore mandi and ITC usually matches the price in these mandis. Should the mandi price increases at any point the next day, the

company also ups its price. However, if the mandi price falls, ITC still retains the price it indicated the previous day," says Madhav. If the price is suitable, the farmer comes by the next morning and Madhav gives him tokens, which are needed for the farmers to effect a sale at the hub point. Madhav gets a commission of Rs 5 for each quintal sold through him. If the transaction comes through a up-sanchalak, he shares the commission and the latter gets Rs 2.50 per quintal.

Since the hubs are close to the farmers, they save on transportation. "I even take it on my own bullock cart" says Jeevan Patel a farmer. The hubs also have electronic weighing machines. ITC does not charge the farmer any labour cost for unloading the produce and also pays him immediately. This is unlike a sale in a mandi where a farmer got paid after 15 days and often had to follow-up for payment – although, recently, Mandis have also improved payment cycles and take just 2-3 days sometimes. "It is hassle free for the farmer. He also saves some costs because the weighing is accurate. Even if there are foreign bodies like mud mixed up with the produce, the company still gives him full price as long as the weight of these does not exceed 2% of the total weight. The farmer also sells only the amount that he has to," points out Madhav.

From livelihood to learning – the network has many uses

The sanchalak also offers other services. If a farmer wants soil tested, Madhav consults a scientist through the computer on how to collect the soil, briefs the farmer and also has the sample sent to the hub point. The company offers advice on farming methods, weedicides and insecticides. Madhav, who is still clearly excited about introduction of technology into his life, explains that he has access to several Hindi websites including, Agriwatch, Webdunia, MP exam results and Choupal radio. "When the exam results are out, we print the results out to students free of cost. It is just a service," says the proud farmer.

Webdunia gives them glimpses of world news and national news while Agriwatch offers produce prices in *mandis* across the country. While the practical use of the last is debatable, it certainly gives Madhav a taste of the possibilities of this technology.

But what is particularly useful is the weather forecast for the district. Choupal radio also often offers relevant discussions. "Dr.Bhatnagar, an agricultural scientist, runs a programme on agricultural practices. During one such episode, they asked us to do germination tests of seeds before sowing. If less than 70% of the seeds germinate, "do not sow" was the message. But we had already sown. However it is still useful because the farmer now knows there is something called a germination test and can do it the next time," concedes Madhav. Farmers are also shown promotional films made by LIC on how insurance could benefit them. All these shows are played on the computer at the E-Choupal. Not surprisingly, Madhav also sells LIC policies and Kissan Credit cards.

Farmers like Madhav, who manage Sanchalaks, can earn an additional income of Rs 50,000 to 60,000 per year from their role in the procurement chain set up by ITC. Additional income flows in for Madhav as he is also a wholesaler for ITC's FMCG products. Up-*sanchalaks* in villages purchase salt, oil, soap and atta from him and retail in the village *chouraya*. "I now don't have to go 12 kilometers to buy salt" says Patel.

ITC's e-procurement chain and FMCG distribution network, is changing the lives of many such farmers in villages covered by the e-Choupal initiative. From livelihood to leisure, the network is touching their lives, and changing it for the better. They now know that technology can make their lives easier. And they also see how the possibilities could grow - "It would be great if the company could allow us access to other websites. That would give us more facilities. Why can't I book railway tickets for example?" demands Madhav. This group of farmers, it would appear, looks all set to bridge the digital divide....