

Information Technology Improving Retail Marketing In Agriculture

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Abstract

India is second largest producer of commodities such as fruits and vegetables. One of the key issues, which require research, is the method by which we can reduce the post harvest loss, which is quite substantial at present. This would need design of cost effective, efficient, environment friendly storage system. Also, there is need for value addition to agricultural produce to maximize the agriculture return.

This paper attempts to highlight the importance of IT in improving marketing activities of retail business in agricultural areas in Indian economy. This paper also discusses vast potential of implementing the same in Indian agricultural business activities.

Keywords: Supply chain, logistics, Information technology, retail outlets

Present Status

India is likely to become the food basket to the world considering 52% of total land under cultivation as compared to global average of 11%. India is also having the labor cost advantage; organized research is growing very speedily. Because of these developments, farmers would get latest market prices and various products, weather reports and best farming practices.

Introduction

The middlemen and poor supply chain facilities have increased agricultural prices up to 60% without actually adding any value. India produces 134.5 MT of fruits and vegetables but due to inadequate cold storage and preservation facilities and improper supply chain infrastructure, there is enormous loss of wastages. Agriculture and its allied industries sector employs 67% of the country's population. Reliance Group, Bharti Group, Mahindras, Godrej, PepsiCo, ITC and many more corporate companies are now planning in R & D , seeds, fertilizers, and pesticides business to assist farmers in improving irrigation by latest technologies and setting -up cold storage and warehousing to transportation to exports.

Vast Potential For Information Technology In Retail Marketing Business In India: -

Considering the globalization of trade along with rising need of food retailers, this has resulted in boom in food transport logistics business. National Agricultural Co-operatives marketing Federation of India (NAFED) is planning to set up packaging and warehouses facilities at JNPT in Kandla. Mitsubishi and Reliance Industries Ltd are planning to start cold chain trucks. The modern distribution channels, warehousing and cold storage facilities will ensure the farmers to sell their products fresh and faster to retail outlets, resulting in lower wastage and also increasing opportunities for exports. Field Fresh, a Bharti Enterprises retail outlet is expecting to export 50% of its products. E-Choupal initiative of ITC's International business division has resulted in efficient delivery channel for rural development and converting villages into upcoming potential markets in Chandigarh , Pune, and Hyderabad .

Popular Retail Outlets in Rural India

Name Of Company	Name Of Retail Outlet
Reliance Group Reliance	Fresh Stores
Bharti Group	Filed Fresh
ITC International Business Division	Choupal Fresh
ITC (Rural)	Choupal Saagar
Godrej	Aadhar and Nature's Baske
Thapar Group	Global Green

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ITC's 'E-Choupal' Initiative : A Novel Model For Rural India

ITC's 'e-Choupal' makes use of the physical transmission capabilities of current intermediaries - aggregation, logistics, counter-party risk and bridge financing. With a judicious blend of click & mortar capabilities, village internet kiosks managed by farmers - called *sanchalaks* - themselves, enable the agricultural community access ready information in their local language on the weather & market prices, disseminate knowledge on scientific farm practices & risk management, facilitate the sale of farm inputs and purchase farm produce from the farmers' doorsteps.

The aggregation of the demand for farm inputs from individual farmers gives them access to high quality inputs from established and reputed manufacturers at fair prices. As a direct marketing channel, virtually linked to the 'mandi' system for price discovery, 'e-Choupal' eliminates wasteful intermediation and multiple handling. Thereby it significantly reduces transaction costs.

Launched in June 2000, 'e-Choupal', has already become the largest initiative among all Internet-based interventions in rural India. 'e-Choupal' services today reach out to more than 3.5 million farmers growing a range of crops - soyabean, coffee, wheat, rice, pulses, shrimp - in more than 38,000 villages through nearly 6500 kiosks across nine states namely Madhya Pradesh, Haryana, Uttaranchal, Karnataka, Andhra Pradesh, Uttar Pradesh, Maharashtra, Rajasthan and Kerala.

Conclusions

Information Technology should be used for maintaining an updated and enriched database of region specific agricultural information and timely dissemination of the information pertaining to soil enrichment, seed selection, actions relating to arrival of monsoon etc. to the farmers. In addition, information regarding agricultural products, demand-supply status in respect of different products and the current price should be made available on-line to the farmers for taking timely decisions on crop product diversification strategies and positioning of the same in right market to get optimum revenue. The educational and professional institutions should take for guiding the latest information using IT as a tool and make it available to the farmers. The need of the day is to harness the vast potential of agriculture in Indian economy.

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