

DIGITAL E-CHOUPAL SET TO TURN AGGREGATOR, OFFER MORE SERVICES

Relevant for: Indian Economy | Topic: E-technology in the aid of farmers

Farm hand: ITC has given machinery such as 'Happy Seeder' to farmers in Chandauli in U.P. It enables sowing without the need to burn the residue of the previous crop. Special Arrangement

e-Choupal, the two-decade old initiative from ITC aimed to web-enable farmers to overcome challenges related to information access and procurement, is set for a major makeover this year.

Driven by increasing smartphone penetration in the country, coupled with declining data costs, the FMCG and hospitality conglomerate plans to launch a mobile version of the programme by middle of 2019.

"We are now working on a new model for expansion of the e-Choupal network following lower bandwidth costs and increasing smartphone penetration. The new model, which we are calling e-Choupal 4.0, will be rolled out in the next couple of months... the desktop-based e-Choupal will become a mobile-assisted service with a very different cost structure," S. Sivakumar, who heads the Agri and IT Businesses at ITC said.

Declining costs

Mr. Sivakumar, under whose leadership the e-Choupal initiative was developed and executed, noted that when the programme was started 20 years ago, each e-Choupal cost around Rs. 30 lakh; this subsequently came down to just about Rs. 1.5 lakh as computers and technology became more affordable. The initiative now comprises about 6,100 installations covering over 35,000 villages in 21 States and serving over four million farmers across the country.

Under the current system, ITC helps build village internet kiosks. These kiosks enable farmers access information in their local language on the weather and market prices, besides knowledge on scientific farm practices and risk management.

With real-time information, farmers are able to align their farm output with market demand. The system also helps reduce transaction costs by eliminating the need for intermediaries as farmers are virtually linked to the *mandi* (agricultural market) system for price discovery. ITC, in turn, benefits from the lower net cost of procurement by eliminating costs in the supply chain that do not add value.

Bouquet of services

In its fourth generation, the e-Choupal will assume the role of an 'Aggregator of Agricultural Services' and offer a bouquet of farm focussed services in areas, including crop management, farm mechanisation, healthcare, banking and insurance.

The prototype is being tested in select catchments and will be expanded depending on sourcing needs for new agricultural products. The mobile application has been developed by ITC Infotech, a wholly-owned subsidiary of ITC Limited.

As part of the e-Choupal initiative forward, ITC has also launched a programme — '*Baareh mahine hariyali*' — focussed on helping farmers multiply their incomes by maximising farm

utilisation over 12 months of the year. The programme has been implemented in four districts of Uttar Pradesh including Allahabad, Chandauli and Ghazipur, and Bihar's Munger district.

Under it, the company has helped farmers adopt new high-yielding varieties of wheat, introduced short-duration paddy to enable timely sowing of wheat in the rabi season and practices such as zero-till sowing which have led to cost saving, timely sowing and minimisation of environmental pollution. In Uttar Pradesh, the pilot project has reached out to nearly 2,00,000 farmers.

Asked about the increase in farmers' income due to the e-Choupal initiative, Mr. Sivakumar said, "It is a complicated subject... the incomes of farmers have multiplied manifold — that is evident when you speak with them, but what part of it is attributable to which initiative is always a question mark... Much of this can also be attributed to improvement in road and irrigation facilities. The idea is that when we get some competitive vibrancy into these economies it has a spiralling effect that triggers many other things."

"What the programme has done, however, is that one, it has brought in a sense of possibility and employment to the farmers. Secondly, it has brought competitiveness even in the *mandi* system — this has also been acknowledged in many government reports as well. Therefore, at a very macro level, this is what is being done," he said.

(This reporter was in Chandauli, Uttar Pradesh, at the invitation of ITC)

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