

ITC e-Choupal to focus on product traceability. Will help farmers earn higher returns

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ITC Ltd through e-Choupals in working on tractability of farm produce aimed at providing buyers products of their choice.

Traceability is the ability to track the origin of a product and its attributes.

Such a feature would help add value and get higher returns to farmers. Some farm produce, aquaculture products and fruits are being covered under this.

The Chief Executive of Agri-Business, ITC Ltd., Mr S. Sivakumar, said; "Initiatives such as traceability are part of the concept of co-creation. Through e-Choupals, it offers cross-selling opportunities in farm and non-farm areas. For instance, aqua farmers welcome traceability as they are backed by insurance".

More Investment

Speaking here at The Custommerce meet on Friday, Mr Sivakumar said that ITC had planned to invest about Rs 5,000 crore in e-Choupals by 2012. From 6,450 kiosks in 38,000 villages touching about four million farmers, it is proposed to enhance this to about 20,000 kiosks, spread across 1,00,000 villages to serve around 10 million farmers by 2010.

Company's Presence

"Even though ITC had big presence in Andhra Pradesh, we did not focus much on this market as it is well-developed. However, we are addressing some select districts and pockets. Typically the focus is on slightly less developed States. We are now in the process of setting up of smaller e-Choupals – Choupal Sagar – where investment would be about Rs. 2 crore instead of larger format e-Choupals of Rs 6 crore each," he said.

While the concentration is on Uttar Pradesh, Madhya Pradesh, Maharashtra, Gujarat, and in markets such as Andhra Pradesh, Karnataka and Punjab, horticulture is the focus. In Bihar, the emphasis is on the process of capacity building.

Betting on Agriculture

ITC is in investment phase in e-Choupals and continues to deploy funds into new projects. However, some projects have begun to yield good returns. But it would be a while to make it totally profitable.

"We are betting big on agriculture. If you have insight into the market you can make it a good investment. This is where co-creation will make a difference. Many big corporate houses have entered this business couple of years ago, a trend that indicates the sectors' potential," he said.