DIGI TECH

GAMECHANGER FOR AGRI BUSINESSES

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Digital technologies have helped in creating a multiplier effect in the agriculture sector. This is especially true for agri-businesses which need a robust supply chain. The principle of Minimum Government, Maximum Governance, has supported the agri-business sector. Most of the digital technologies currently being used help create a supply chain that can support the farmers, distributors and, ultimately, the consumers.

Going Futuristic

Digital Technologies are reducing the need for intervention as well as cutting down the transaction cost. Internet, mobile technologies, devices, data analytics, artificial intelligence, digitally-delivered services and apps are changing the agriculture sector. Traceability technologies and digital logistics services offer the possibility to streamline agri-food supply chains. Data collected from satellites is bound to improve accuracy and reduce the cost of monitoring crop growth and the quality of water supply.

Leveraging Digi Tech For Strong Supply Chain

Cloud-based technologies ensure that there is visibility in the supply chain processes. Optimizing the inventory can be possible for agribusiness companies. They can have better access to the markets if they leverage software for order management. Industrial IoT technology offers real-time and accurate monitoring of production conditions.

IoT-based devices can help ensure that the end product is up to the mark. Supply chain management can be fortified with the help of platforms that utilize AI that offer actionable insights. Supply chain managers can use software for demand and supply planning, distribution requirements planning, inventory optimization and more.

Role Of Government

With its emphasis on Digital India, the government has facilitated the adoption of digital technologies. E-NAM provides single window services for all Agricultural Produce Market Committee (APMC) related services and information. Both buying and selling raw agricultural produce is possible through this portal. E-payment settlement is done for transactions done.

It has created a unified national market for agricultural commodities. The access of farmers to the market has been improved with this initiative. E-NAM portal has enabled farmers to sell their products through their nearby markets and facilitate traders to acquire it easily. This has cut down the involvement of intermediaries and the possibility of farmers being cheated. The farmers can get the best price for their produce as it ensures a transparent auction process. Agribusinesses have also benefited from the common online market platform as they can procure raw materials from the farmers.

Schemes that enable the linking of farmers with agri-businesses and the market for ensuring remunerative prices for agri-produce have been launched. The Ministry of Food Processing Industries has engaged technical agents to assist farmer groups. They are responsible for the preparation of business plans, detailed project reports, capacity building etc.

Better Forward And Backward Linkages

Technology has helped in plugging the gaps in the supply chain in terms of the availability of raw materials and linkages with the market. Transaction costs in effecting the linkages are not significant. An apt example of this is the collaboration of Ananda Dairy and SBI, a public sector bank, for providing loans to dairy farmers who want to supply raw milk for processing plants. The farmers do not have to depend on moneylenders. Applying for a loan is not as challenging with the online loan application process.

The paperwork to be done to get loans cleared is minimal. Loan is credited to the bank account of the farmer. Ananda Dairy is helping many farmers realize their goal of having an assured and stable income.

Sensors Can Provide Real-Time Data To Agribusinesses

Data Analytics is being used by agribusinesses to ensure that the end product meets all the quality standards. Real-time data can be provided to agribusinesses with the help of sensors. Ananda Dairy uses sensors in its milk processing plants to collect crucial data like microbial activity, salinity, toxic substances etc., which can affect the quality of the end product.

Reaching The Targeted Market Is Possible

Commercially viable business solutions are required for an agribusiness to thrive in the market. All agribusinesses have a goal to have a pan-India presence. They require distributors in every city. Mobile applications can help them to realize this goal.

Ananda Dairy has launched applications for facilitating distributors. Orders and payments for the purchasing of products in bulk can be made through these applications. Earlier, it used to be a cumbersome process, with the distributors having to make the payments at a bank. As the process has become easy, more distributors have joined Ananda Dairy making its quality products available for consumers in all regions of India.

Reduces Spoilage

Digitalizing the logistics system will help reduce wastage. Technologies can be leveraged to ensure that consumers get quality products. Digitalization of agriculture improves the overall efficiency of the entire supply chain. Online marketplaces connect farmers directly with processors, reducing the number of intermediaries and transit nodes. This will reduce the possibility of loss and waste as the transit time is less. It also eliminates the requirement of intermediaries boosting the income of farmers.

Ananda Dairy uses digital technology to track the raw milk right from the collection centres at the village level till it reaches the processing plants. IoT is used by Ananda Dairy to eliminate the possibility of untested raw milk reaching the processing plant.

Sustainable Livelihood

Ananda Dairy has created an extensive network of dairy farmers with the help of digital technologies. Digitalization is helping Ananda Dairy right from procurement to secure payments. Mobile apps inform the farmers about the collection centers.