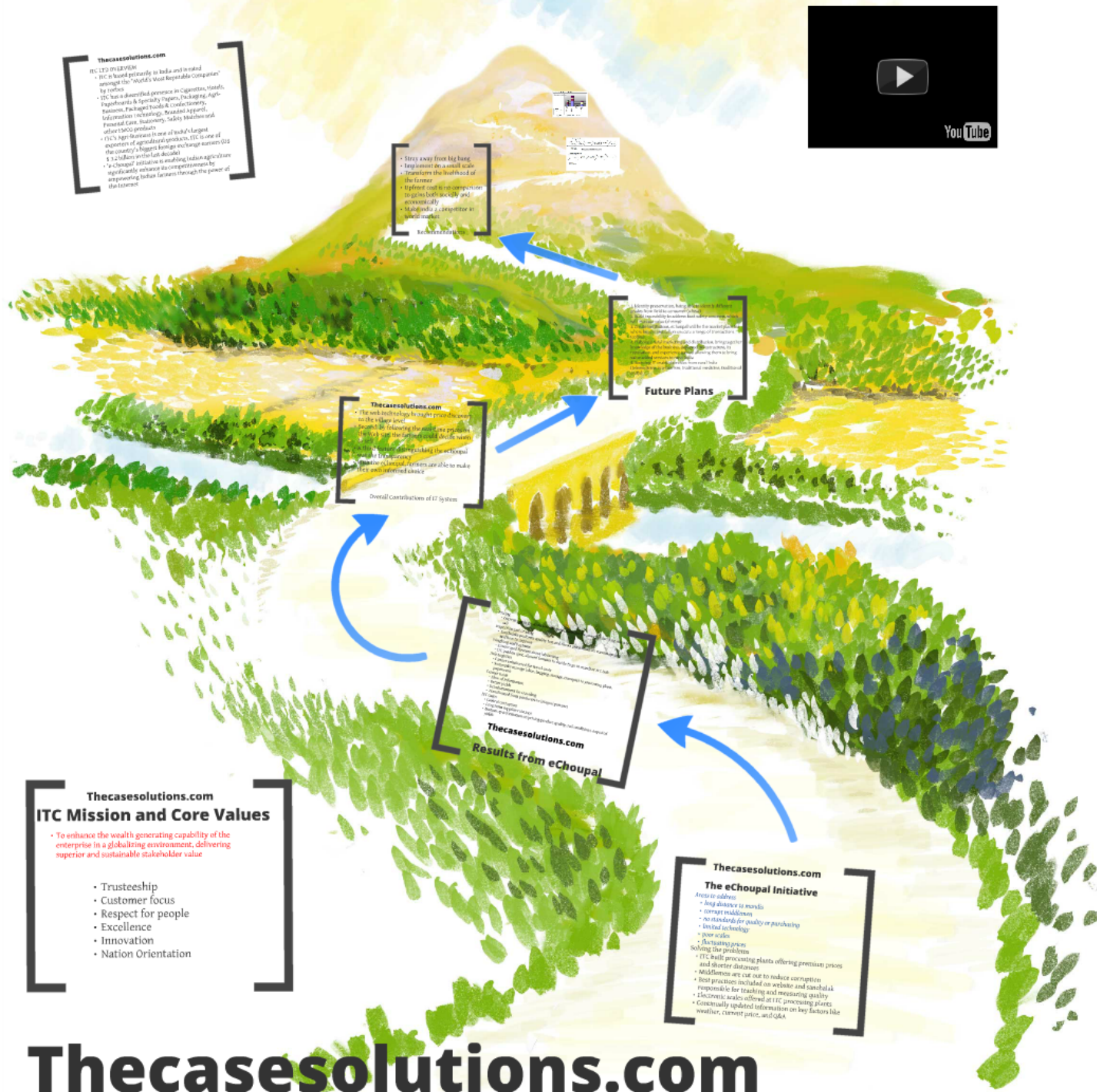


# The e-Choupal Initiative



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**ITC 170 INTERVIEW**  
 ITC is based primarily in India and is ranked amongst the "WORLD'S Most Reputable Companies" by Forrester  
 • ITC has a diversified presence in cigarettes, hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Fashion Textiles & Textiles, Retail, Information Technology, Travel Agency, Financial Core, Insurance, India's Most and other FMCG products  
 • ITC's Agri Business is one of India's largest exporters of agricultural products. ITC is one of the country's biggest foreign exchange earners (\$2.5 billion in FY 07-08)  
 • "e-Choupal" initiative is enabling Indian agriculture significantly enhance its competitiveness by aggregating better factors through the power of the internet

• Stay away from big big  
 • Engage on a small scale  
 • Transform the livelihood of the farmer  
 • Higher cost is no comparison in giving better quality and economically  
 • It is a good idea to partner in rural market

**Future Plans**  
 • Government support has been a key factor in the success of the initiative. The government has been providing support in the form of infrastructure, electricity, and other services. The government has also been providing support in the form of subsidies and other incentives. The government has also been providing support in the form of training and capacity building. The government has also been providing support in the form of research and development. The government has also been providing support in the form of marketing and distribution. The government has also been providing support in the form of information and communication. The government has also been providing support in the form of financial services. The government has also been providing support in the form of health and education. The government has also been providing support in the form of social and welfare. The government has also been providing support in the form of environmental protection. The government has also been providing support in the form of disaster relief. The government has also been providing support in the form of other social and welfare services.

**The casesolutions.com**  
 • The web technology has been used to connect the farmer to the market. The web technology has been used to provide the farmer with information on market prices, weather, and other factors. The web technology has been used to provide the farmer with access to financial services, health and education, and other social and welfare services. The web technology has been used to provide the farmer with access to information and communication services. The web technology has been used to provide the farmer with access to training and capacity building services. The web technology has been used to provide the farmer with access to research and development services. The web technology has been used to provide the farmer with access to marketing and distribution services. The web technology has been used to provide the farmer with access to information and communication services. The web technology has been used to provide the farmer with access to financial services, health and education, and other social and welfare services.

**The casesolutions.com**  
**Results from eChoupal**  
 • Increased income for farmers  
 • Better quality of produce  
 • Reduced risk for farmers  
 • Improved access to services  
 • Increased productivity  
 • Better market access  
 • Reduced transaction costs  
 • Improved information access  
 • Better risk management  
 • Increased resilience  
 • Improved social and welfare services  
 • Better access to financial services  
 • Improved health and education services  
 • Better access to information and communication services  
 • Improved training and capacity building services  
 • Better access to research and development services  
 • Improved marketing and distribution services  
 • Better access to information and communication services  
 • Improved financial services, health and education, and other social and welfare services.

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**ITC Mission and Core Values**  
 • To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value  
 • Trusteeship  
 • Customer focus  
 • Respect for people  
 • Excellence  
 • Innovation  
 • Nation Orientation

**The casesolutions.com**  
**The eChoupal Initiative**  
 Areas of address  
 • Long distance to markets  
 • Market instability  
 • No standards for quality or purchasing  
 • Limited technology  
 • Poor scales  
 • Inefficient process  
 Solving the problems  
 • ITC built processing plants offering premium prices and better services  
 • MIDIs are set up to reduce corruption responsible for trading and marketing quality  
 • Electronic scales offered at ITC processing plants  
 • Continuously updated information on key factors like weather, current prices, and etc.

# The e-Choupal Initiative



**Thecasesolutions.com**  
**ICCLD OVERVIEW**  
 ITC is based primarily in India and is ranked among the "World's Most Reputable Companies" by Forbes.  
 ITC has substantial presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Fast Food, Textiles & Confectionery, Information Technology, Retail, Apparel, Personal Care, Stationery, Safety Matches and other MNC products.  
 ITC's Agri Business is one of India's largest exporters of agricultural products. ITC is one of the country's biggest foreign exchange earners (\$5 & \$ billion in the last decade).  
 The e-Choupal Initiative is enabling Indian agriculture significantly reduce its dependence on intermediaries by empowering Indian farmers through the power of the internet.

• Strong assets from big bang  
 • Implement in a well-timed  
 • Transform the livelihood of the farmer  
 • Higher cost is an opportunity to gain technically and economically  
 • Make India a competitor in global market

**Future Plans**  
 Identify production, quality, and price information for farmers. Provide a platform for farmers to sell their produce directly to processors. Provide a platform for farmers to buy inputs directly from manufacturers. Provide a platform for farmers to access financial services. Provide a platform for farmers to access health and education services. Provide a platform for farmers to access government services.

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 The web technology brought over the decade to the farmer level. Enabled by following the real time process, farmers can get the different market needs when they are in the market. Using the e-Choupal, the farmer can get the best price for their produce. The farmer can also make their own decisions.

**Overall Contributions of IT system**

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**Results from eChoupal**  
 • Increased farmer income  
 • Reduced farmer risk  
 • Improved farmer access to market  
 • Increased farmer access to information  
 • Improved farmer access to services  
 • Increased farmer access to credit  
 • Improved farmer access to health and education services  
 • Improved farmer access to government services

**Thecasesolutions.com**  
**ITC Mission and Core Values**  
 • To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value

- Trusteeship
- Customer focus
- Respect for people
- Excellence
- Innovation
- Nation Orientation

**Thecasesolutions.com**  
**The eChoupal Initiative**  
 Aims to address:  
 • Long distance to markets  
 • Storage facilities  
 • No standards for quality or packaging  
 • Limited technology  
 • Poor scales  
 • Uncertain prices  
 Solving the problems:  
 • ITC built processing plants offering premium prices and shorter distances  
 • Middlemen are cut out to reduce corruption  
 • Best practices included an website and searchable responsible for tracking and measuring quality  
 • Electronic scales offered at ITC processing plants  
 • Continuously updated information on key factors like weather, current price, and Q&A



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## ITC LTD OVERVIEW

- ITC is based primarily in India and is rated amongst the 'World's Most Reputable Companies' by Forbes
- ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products
- ITC's Agri-Business is one of India's largest exporters of agricultural products. ITC is one of the country's biggest foreign exchange earners (US \$ 3.2 billion in the last decade)
- 'e-Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet

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# **ITC Mission and Core Values**

- To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value
- Trusteeship
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## The eChoupal Initiative

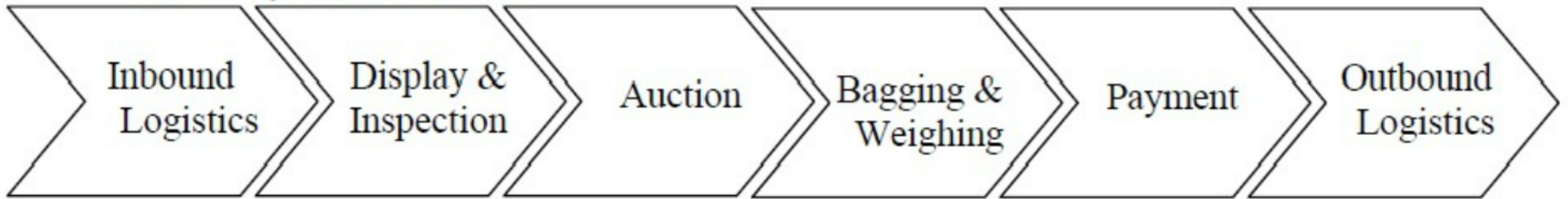
### *Areas to address*

- *long distance to mandis*
- *corrupt middlemen*
- *no standards for quality or purchasing*
- *limited technology*
- *poor scales*
- *fluctuating prices*

### Solving the problems

- ITC built processing plants offering premium prices and shorter distances
- Middlemen are cut out to reduce corruption
- Best practices included on website and sanchalak responsible for teaching and measuring quality
- Electronic scales offered at ITC processing plants
- Continually updated information on key factors like weather, current price, and Q&A

### **Mandi Operation Process**



Average time in process: 1-3 weeks

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### **E-Choupal Supply Chain**



Average time in process: 3 days total

#### Pricing

- Current prices given on website giving farmers the power of deciding when to sell

#### Inspection and Grading

- Sanchalaks performs quality test and shows price based on current quality and how to improve

#### Weighing and Payment

- Encouraged farmers about lab testing
- ITC paid on spot, allowed farmers to decide to go to mandi or ITC hub

#### Hub Logistics

- Farmer reimbursed for travel costs
- Samyojaks manage labor, bagging, storage, transport to processing plant, paperwork

#### Farmer Gains

- Flow of information
- Better yields
- Reimbursement for traveling
- Transformed from producers to integral partners

#### ITC Gains

- Control corruption
- Long term supplier relations
- Bottom up information on pricing, product quality, soil conditions, expected yields

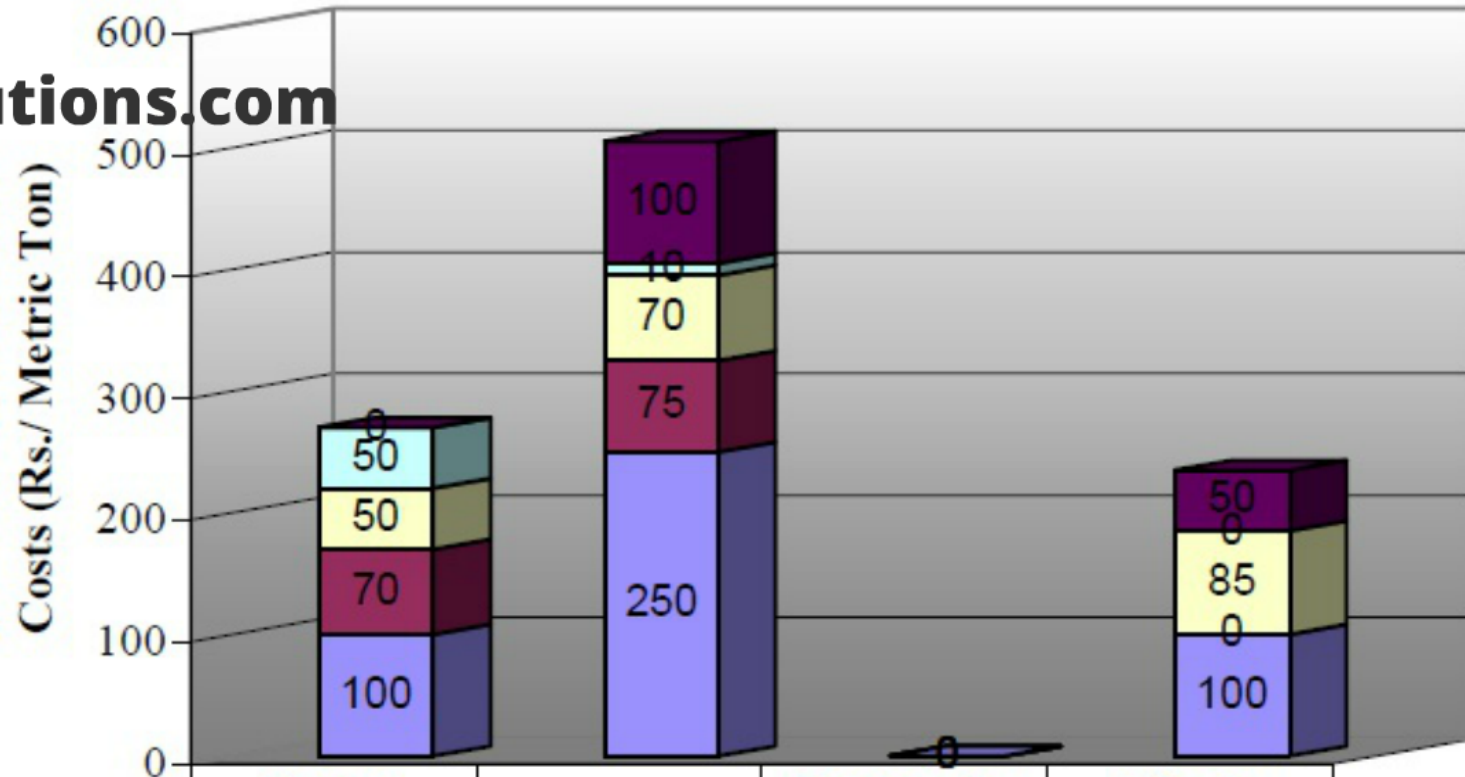
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**Results from eChoupal**



Figure 4. Transactions Costs Under the *Mandi* and E-Choupal Systems

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■ Commission

□ Handling and Transit Losses

□ Labor Costs

■ Bagging and Weighing

■ Transportation

■ Transportation

■ Bagging and Weighing

■ Labor Costs

□ Handling and Transit Losses

■ Commission

## **Thecasesolutions.com**

- The web technology brought price discovery to the village level
- Second, by following the real-time prices on the Web site, the farmers could decide when to sell
- A third feature distinguishing the eChoupal was the transparency
- With the eChoupal, farmers are able to make their own informed choice

Overall Contributions of IT System