

# Challenges in the Adoption of E-commerce in the Agribusiness Sector in India.

By:

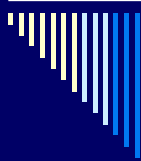
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## Agenda

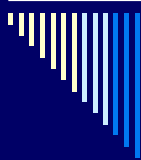
- Introduction
- IT and Agricultural sector
- E-commerce and Agriculture
- Examples
- Challenges in Adoption of e-Commerce
- Suggested Remedies
- Conclusion



## Introduction



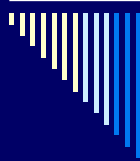
- History of Agriculture and Food sector
    - Two third population depends on agriculture
    - Agribusiness- the major contributor to the economy
    - Rural and technically backward livelihood
    - Low prices to the produce because of limited number of buyers and sellers
  - Changing scenario
    - Adoption of new technologies
    - Higher productivity and Low cost
- 



## IT and Agricultural Sector



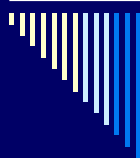
- Source of information and crop practices
  - World wide market avenues for farmers
  - World class productivity through technical support and expertise to the sector
  - Helps in cost reduction, demand enhancement along the food supply chain
-



## e-Commerce and Agriculture



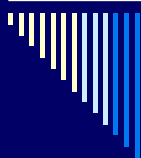
- Growing importance of e-business and electronic environment of organizations
  - Strengthening customer and supplier relationship and establishing new markets
  - Benefits of e-Commerce:
    - Accurate and timely information access, fast transactions
    - Improved firm efficiency by reducing inventory levels, transportation cost, order and delivery time.
    - e-Commerce markets are more transparent
  - Agriculture- one of the seven most business to business inclined industries
- 



## e-Commerce: Catalyst of Growth and Development



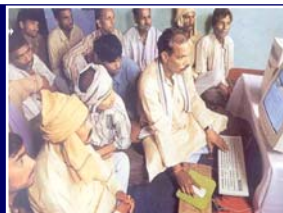
- Countries developing innovative capabilities as core corporate and public sector strategies
  - Benefits of investment in e-commerce to the world economy
  - Widening potential capability of economic development of developing countries
  - A knowledge revolution coupled with e-commerce can bring about the next step phase of rural transformation
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## Examples



AGMARKNET



e-Choupal

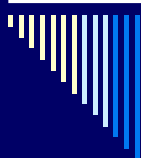


Warana Wired Village Project

Gyandoot



Indiagriline



## AGMARKNET



...A Farmers Centric Portal on Agricultural Marketing

- ❑ Evolved for strengthening the interfaces among Government organizations, farmers, industry, policy makers, academic institutions and other beneficiaries.
- ❑ Ensures farmers with market information and emerging trade opportunities.
- ❑ Improves decision making capability, strengthens bargaining power of farmers.
- ❑ Advantage for traders and consumers at low cost
- ❑ Increased efficiency of markets and farmers participation in the markets.
- ❑ Increased income of the farmers and production.

**Today's Mandi Prices**  
For more queries on Prices and Arrivals [CLICK HERE](#)

All India Level Price Range (Rs./ Quintal) on 25/7/2007

Markets Reported : 321  
NR/Not Reported \*~MSP

Commodity	Max	Min
<b>Cereals</b>		
<b>Bajra</b>	540*	
Gold	680	500
Chausa	725	711
Desahi	660	535
Hybrid	850	500
Local	800	650
<b>Barley</b>	565*	
Dara	840	NR
Local	729	706
P1-426	673	636
<b>Jowar</b>	Hybrid:540	
	Maldandi:555	
Bijapur	1280	1100
Jowar (White)	1442	750
Jowar Hybrid	850	530
Local	950	405
<b>Maize</b>	540*	
Deshi Red	800	755
Deshi White	950	700
Hybrid/Local	770	550
Local	900	500
Popcorn	629	369
White (SAFED)	1021	710
Yellow	1430	568
<b>Navane</b>		
Navane Hybrid	860	750
	Regular:580	
	+ Bonus 40	
	Grade'A':610+ Bonus 40	
<b>Paddy</b>		

**Agmarknet** india.gov.in  
A Step Towards Globalisation of Indian Agriculture

Agricultural Marketing Reforms (Rural Godowns, Infrastructure, MRIN & Investment Opportunities)  
Operational Guidelines for Terminal Markets

DMI | Related Links | Price Trend | Contact Us | Complaints/Feedback | Search

Search: Commodity  Market  Go

States Eligible for Investment Subsidy under Market Infrastructure Scheme

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Kisan Call Centre- Dial Toll Free No.1551 for Expert Advice on any farm related problem

AGMARKNET YATRA

Online Status of Application of Parties for Various Activities under AGMARK Certification Programme

- Prices and Arrivals
- Commodities and Varieties
- Grading and Standardization
- Market directory, Market Atlas
- Weather Information
- News Bulletin
- Agricultural Marketing Journal
- Projects and Researches
- Online Trading Facility
- Links for Academic Institutions, Related Marketing Organizations

Agmarknet Project  
Mandi Profile  
Prices & Arrivals  
DPR of Terminal Markets  
Wholesale Markets  
Contract Farming  
Marketing Boards/Dies  
Grades & Standards  
Research Studies  
Market Atlas  
Commodity Profiles  
Food Outlook - FAO  
Quarterly Journals

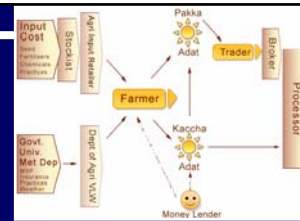
## Warana Wired Village Project



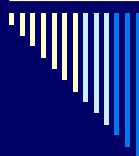
- Internet connection to rural population through Satellite
- Spread over 70 villages in 2 districts
- Use of ICT to streamline operations connected with sugarcane cultivation and harvesting
- Management of 25 co-operative societies in the field of sugar, milk, food, poultry, retail, hospital, bank, etc.
- Information access to farmers about Agriculture market, crop related, educational, employment, local, etc.
- Web technology for self Improvement through skills development and employment generation



## “e-Choupai”



- Largest internet-based initiative in rural India.
- More than 3.5 million farmers over 31000 villages through 5200 kiosks across 6 states.
- Farmers enabled to access information of prices, weather, news, crop related knowledge in local languages.
- Marketing a variety of goods & services (Agri Inputs, Consumer Goods, Insurance, Market Research).
- Direct marketing channel for farm produce, lower transaction costs, better value through traceability.



## Gyandoot

...we have turned the information highway



- An intranet in Dhar district (MP) connecting rural cyber cafes for giving global access.
- 35 village kiosks
- G2C Model
  - E-Governance
  - E-Agriculture
  - E-Commerce
  - E-Education
- Access to information about Mandi rates, social, government schemes, property registration, expert advice, online directory of people
- Employment opportunities

## Indiagriline

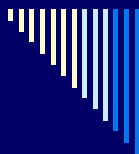


- The Agri-Portal created in collaboration with an agricultural university, the National Horticulture Board, and IIT Chennai.
- Connects farmers to markets information, knowledge like weather data, agricultural extension services and crop cultivation practices.
- Access to education and health infrastructure for the local community.
- An economically viable and sustainable model of rural intervention by leveraging on the advancements in ICT to the benefits of the rural populace.

## Challenges in Adoption of e-Commerce

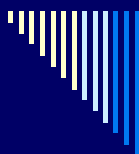
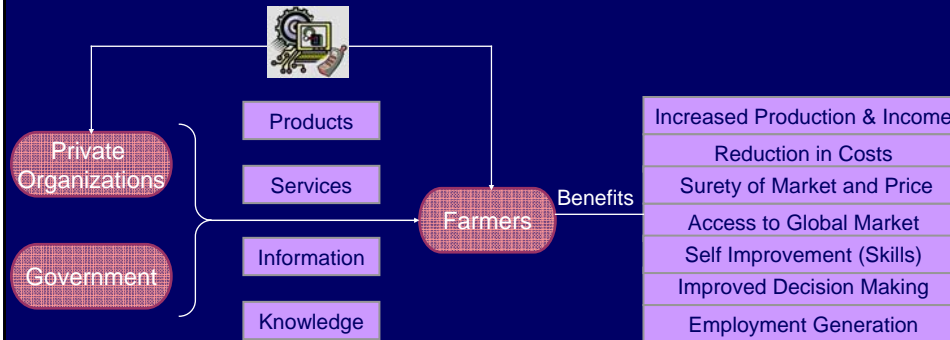


- Technical
  - Limited Infrastructure for internet access
- Government Policy related
  - Narrow Bandwidth
  - Restricted movement of goods across states
  - Market and trade policies
- Legal Framework
- Credit availability
- Low literacy rate
- So many regional languages
- Lack of trust
- Socio-cultural diversity



## Suggested Remedies: Two stage strategy

- Improving operational efficiencies within businesses using internet technology in back office operations
- Delivering both knowledge and products to farmers



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## Thank You...

