

Dealing with lockdown: How ITC Agri is working around farm supply hurdles

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The Centre as well as State governments have taken care to exempt agricultural activities from various restrictions while implementing the 21-day lockdown.

As the rabi season comes to a close in one or two weeks and harvesting horticultural and vegetable crops needs labourers and transport vehicles, farmers are facing several challenges — in protecting the crop, harvesting it and marketing the produce.

Even as farmers face such challenges, what about the companies that depend on agri produce as raw material?

Supply and sourcing

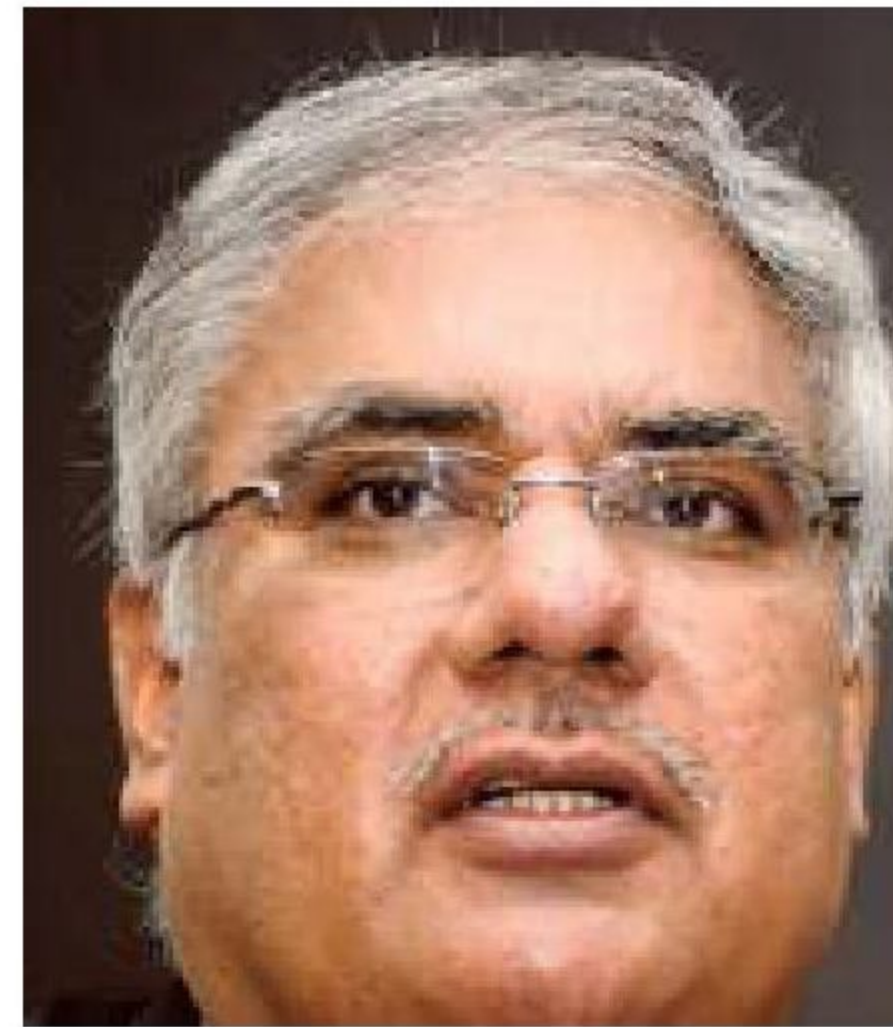
ITC's Agri Business Division at present finds constraints in the supplies of commodities such as wheat, paddy and oilseeds in the markets. "With most of the *mandis* remaining closed, there are no ar-

rivals in the market. After the initial challenges, the procurement of potato for storage has improved as the authorities have ensured eased movement," S Sivakumar, Head, Agri and IT Business of ITC Agri Business, told *BusinessLine*. "However, villages far from major cities are adversely impacted as perishables are not getting picked up and demand is down," he said.

ITC Agri Business is working on leveraging its institutional capabilities and structural advantages to engage its farmer network and initiate purchases, while adhering to the government norms and directives.

"The farmers are being indicated about the right price for their produce in advance and the final decision is left to the farmers," said Sivakumar.

However, slow and delayed procurement from farmers is resulting in quality deterior-



S Sivakumar, Head, Agri and IT Business of ITC Agri Business

ation and loss of income to the farming community. It is important that the crop value chain operations — including procurement, logistics, manufacturing, export shipment and domestic sales of finished goods — operate simultaneously to ensure remunerative prices to the farming community, he observed.

Logistics constraints

Sivakumar said there are con-

straints in moving wheat supplies to *atta* factories across State borders due to paucity of trucks. "Shortage of labour for loading and unloading operations is also a bottleneck at the moment," he said.

"We are trying to optimise the dispatches by leveraging other modes of transportation such as rail and coastal route wherever possible," he said.

At the food processing level, ITC has been working closely with State authorities and local administration to streamline the availability of agri raw materials to ensure uninterrupted manufacturing and distribution of products.

"While we have progressively obtained permissions in some States, the availability of trucks continues to be the biggest challenge at the moment," said Sivakumar.

"Inter-State and local truck movement has been severely

impacted together with the challenge of shortage of manpower in food factories. We believe it will take a few more days for the entire ecosystem and processes to be streamlined for the movement of essential goods," he added.

Extension services

ITC is leveraging mobile technologies such as e-Choupal 4.0 and its local field staff to ensure continuity in farming. The aim is to hand-hold farmers on best practices.

"For example, in Andhra Pradesh, ITC field staff are supporting farmers in the adoption of farmer friendly foldable chilli dryers while ensuring social distancing," Sivakumar said.

"The new technology ensures faster drying (saves 30 per cent time vis-à-vis the traditional way of drying), besides improving quality and preventing foreign material contamination," he said.