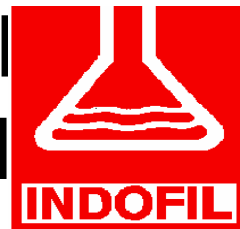




MR. R. MISHRA
EXECUTIVE VICE PRESIDENT
MANUFACTURING & SUPPLY CHAIN
DIVISION

INDOFIL CHEMICALS COMPANY,
MUMBAI.



VALUE ADDED SUPPLY CHAIN
SOLUTIONS

≡ R. MISHRA ≡

**FIGHT POVERTY
WITH
PROFITABILITY
COMMERCIAL SUCCESS
IN
HOW
PRODUCT & SERVICES
TO BE DELIVERED IN**

**INDIA
LIVES
IN ITS
VILLAGES
7,00,000 !!**

**THE MOST ENDURING
COMMITMENT**

EACH OF US CAN MAKE

DELIVERING

**DIGNITY, EMPOWERMENT
& CHOICE**

NOT JUST PRODUCTS !

THE PARADOX OF INDIAN AGRICULTURE

**60% OF POPULATION EARNS
LIVELIHOOD & SHARE IN GDP
23% !**

Vast disparity in access to education and opportunities between urban and rural india, farmer rarely knows non - agricultural opportunity, if he

NON-INCLUSIVE GROWTH

Denying two thirds of India a place in the emerging economy will result in un-sustainable growth and agriculture runs out as a viable employer in villages

**RE-ENGINEERING OF
SUPPLY CHAIN
AS KEY
TO CHANGE RURAL
INDIA
HOW ?**

SOYA SEED STOREY

**1980 32% OIL SEED DEMAND BY
IMPORTS**

**1994 DOMESTIC PRODUCTION
21 MILLION TONS**

**40% OF INCREASED OUTPUT
DUE TO**

NEW CROP (SOYA ?

DISTRIBUTION OF SOYA SEED

MANDIS

TRADER

COOPERATI

S

VES

FARME

GHANI

R

S

VILLAGE TRADER

Regulated Mandi

Producer Co-op

(15% - 75%)

(3% - 5%)

Commission

Trader

Cooperative Mills

Agent

Private Mills

Mills

WEALTH CREATION IN RURAL **INDIA**

**MANDI TRADING
CONTROLLED BY
COMMISSION AGENTS !**

**NO PROFESSIONAL
COMPETITION
MAKE
COMMISSION AGENT
CROREPATIS !**

MANDI OPERATION

**INBOUND LOGISTICS – IN SEASON
2000 – 5000 TONS PER DAY
SOURCES OF INEFFICIENCY**

- **FARMER DOES NOT KNOW HOW TO ANALYZE THE PRICE TREND – TIMING OF SALE NOT THE BEST**
- **SELECTION OF MANDI IS NOT ALWAYS THE BEST**
- **OVERNIGHT STAY COSTS**

INSPECTION AND AUCTION

SOURCES OF INEFFICIENCY

- OPEN STORAGE –
CONTAMINATION
- INSPECTION – ARBITRARY
- FARMER BEARS COST OF
BAGGING
- MANDI LABOUR PAID BY
SPILLED PRODUCE –
DELIVERABLE DILIGENCE

PAYMENT AND OUTBOUND LOGISTICS

- FARMER GETS PAYMENT FROM AGENTS IN INSTALLMENT
- FARMER PAYS FOR MULTIPLE TRIPS AND GETS NO INTEREST ON DELAYED PAYMENTS
- MULTIPLE POINT OF HANDLING – HANDLING LOSS
- MULTIPLE POINT OF HANDLING REQUIRES BAGGING – A

SOYA – SUPPLY CHAIN

INNOVATION

CORPORATE INTERVENTION

PRIGIN

G

INBOUND

**LOGISTICS
INSPECTION AND**

**GRADING
WEIGHING AND**

**PAYMENT
HUB**

LOGISTICS

PRICING SETTING

**SAMPLE TESTING AND BENCH
MARK PRICING BEFORE**

**DELIVERY
INBOUND LOGISTICS**

**DELIVERY AT DESIGNATED
WAREHOUSES, NOT MANDIS**

INSPECTION

**SCIENTIFIC SAMPLING AND
GRADING AT WAREHOUSES ?
VISUAL COMPARISON BETWEEN
PRODUCE OF FARMERS !**

WEIGHING AND PAYMENT

**NO BAGGING, WEIGHMENT IN
BULK IN FARMERS TROLLEY.**

FARMERS PAID IN FULL.

LOGISTICS AND STORAGE

**NO BAGGING AND MULTIPLE
HANDLING**

**BULK HANDLING AND
TRANSPORT TO MILLS.**

FARMER GAIN

S!

- ❖ BETTER INFORMATION
- ❖ WEIGHING ACCURACY
- ❖ GRADATION AND QUALITY
- ❖ PAYMENT IN FULL
- ❖ PROFESSIONALISM AND DIGNITY

COMPANY GAIN

S!

- ❖ **REDUCTION IN COMMISSION BY 2.0% – 2.5%**
- ❖ **REDUCTION IN TRANSPORT COST BY 50%**
- ❖ **QUALITY CONTROL – HIGHER OIL YIELD**

ECONOMICS OF NEW SUPPLY

CHAIN

(RS PER TON)

Particulars	Mandi		New	
	Farme	Compan	Farme	Compan
Commissi	0	100	0	50
Handling	50	10	0	0
Labour	50	70	0	85

CONTD...

ECONOMICS OF NEW SUPPLY

CHAIN

(RS PER
TON)

Particulars	Mandi		New	
	Farme	Compan	Farme	Compan
Weighing & Bagging	70	75	0	0
Transport- ation	100	250	0	0

**FARMER SAVES RS 270.00
PER TON**

COMPANY SAVES RS 270.00

AGRICULTURE MARKET IN

INDIA

➤ **RS 175,000 CRORES**

CHALLENGES

○ **LOW COST LAST MILE**

○ **INFRASTRUCTURE COST
RECOVERED BY
INCREMENTAL COST OF
CHANNEL**

AGRICULTURE MARKET IN

➤ **RS 175,000 ~~CRORES~~ ^{INDIA}**

CHALLENGES

- **SINGLE ORDER PER VILLAGE
OPTIMIZES LOGISTICS COST**
- **INTELLIGENT PRODUCT
DEPLOYMENT**
- **FERTILIZER AND PESTICIDE SALE
DEPEND-ING ON SOIL AND CROP
CONDITION – SERVICE DRIVEN**