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**This Award Winning Agri-Tech Startup is Re-Defining Post
Harvest Logistics**

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This Award Winning Agri-Tech Startup is Re-Defining Post Harvest Logistics

AUGUST 7, 2020 · NO COMMENTS · 92 VIEWS · 5 MINUTE READ · ADITYA SAROHA



- The post-harvest losses of fruits and vegetables in India in 2011-12 were Rs 2.13 lakh crore, as per a report by The Associated Chambers of Commerce and Industry of India (ASSOCHAM).
- SLCM, with the help of technology has reduced the post-harvest losses from 10% to 0.5%.
- The company has a network of almost 5173 warehouses across India and Myanmar covering 78 million sq.ft area and has managed 855 million metric tonnes across 500 different commodities.

Today technology and digitization has permeated almost every Industry in India. In comparison agriculture, which employs more than half of India's population and contributes 16.5% to the Gross Domestic Product(GDP), has been slow in adopting it. Only in the last few years this sector has seen a surge in agri-tech entrepreneurs and investors trying to address long standing issues.

But there have been some early starters like Sohan Lal Commodity Management(SLCM). This award winning startup has been using technology to address agri issues in warehousing and supply chain management since 2009, long before the word agri-tech became the buzzword.

In an exclusive chat with [The Blue Circle](#), Sandeep Sabharwal, Founder and Group CEO of [SLCM](#) talked about how he ventured into Agri-tech 11 years back, misconceptions about warehousing and supply chain and the future of technology in the employment-heavy sector.

What led to the Launch of SLCM

Despite being an agrarian economy, India has failed to address warehousing and supply chain management issues which leads to post-harvest losses for the farmers. The disruption worsens the situation of farmers who already struggle with debt menace.

For context, the post-harvest losses of fruits and vegetables in India in 2011-12 were Rs 2.13 lakh crore, as per a report by The Associated Chambers of Commerce and Industry of India (ASSOCHAM).

While Sabharwal was managing his family business of pulses processing, he understood that the periphery services required to make the business viable and profitable did not exist in the Indian economy. The sector was flooded with issues like non-availability of commodities, abnormal losses during storage, bad crop protection, and unavailability of structured finance. So, he decided to shut the ongoing business and launch SLCM in 2009 with a motive to reduce the post-harvest losses that will lead to a direct increase in availability for consumption and export.

The Delhi-based Agro-warehousing company provides a range of services such as warehouse management, agriculture financing, collateral management, and procurement. The company which started with an initial investment of 16 lakh rupees and four employees has grown with 80% CAGR year-on-year and clocking turnover in crores.

"We are in a field that's still finding its feet in India. I feel that [agriculture](#) is the most underdeveloped economic piece within the ecosystem of India," said Sabharwal. The idea of SLCM was perpetuated by the fact that he wanted to venture into a scalable business that can ensure steady revenue generation and which would be more of a service rather than a speculative nature.

The company today has a network of almost 5173 warehouses across India and Myanmar covering 78 million sq.ft area and has managed 855 million metric tonnes across 500 different commodities. The group impacts more than 6.5 crore people.

The startup has received more than 250 crores in funding till now. As per an [ET article](#) the company's Yangon based subsidiary has received \$3 m funding last year from IFC, a major investor in Myanmar's agri business.

The Wrong Perception is the Problem

Sabharwal claims that devising technology for their operations has reduced the post-harvest losses from 10% to 0.5%, be it any crop or geographic location. The firm uses technology to track the quality and quantity of the goods stored at its warehouses in real-time through various processes and monitors the implementation of these processes through audits. The software deployed includes SAP, Android Jelly Bean, and My SQL, among others, and has integrated all into a digital platform. Besides, the platform is augmented with AI and auto ML.

The company also uses technology and digitisation to establish a network of farmers, food processors, millers, traders, importers, and exporters.

Additionally, SLCM lends its balance sheet to farmers and aggregators while financing their goods through its NBFC. This increases the confidence of people who keep their goods in company warehouses.

As per Sabharwal, the perception of crop management being dependent on the infrastructure of the warehouse is untrue. "People have been judging the problem wrongly, creation of infrastructure is the requirement, not the solution. Management of infrastructure is the solution."

The company has in fact developed a standard operating procedure (SOP) called 'AGRI REACH,' which allows it to operate any warehouse agnostic to infrastructure, location, and weather pattern across any kind of agricultural crop. SLCM has applied for patents for the technology.

While talking about the pandemic, Sabharwal said that it has not impacted the business on a big scale. Agriculture comes under essential services and steps were taken to minimise disruption. The government permitted buying of the agricultural crops from any state in India using a Pan card to maintain a steady flow of crop trading. However, logistics, lack of labour, supply chain issues, and change in consumption patterns could not be addressed completely.

For Agri-tech Entrepreneurs

Agriculture is a large industry and it ticks all the boxes on the growth aspect. The increasing interest of young entrepreneurs in agriculture is encouraging. If the issues in the sector are addressed, Sabharwal believes that agriculture has the capacity to increase its share in the GDP by 4-5% easily in the next five years.



However, these new [start-ups](#) or businesses in the field will only work if they are able to generate revenues. It should be a viable business model that fulfills the needs and addresses an issue from a realistic perspective.

"Agri technology has to come and serve a need, it should not be a thought process that looks glamorous," said Sabharwal. "It cannot be a copy-paste model from other countries as our agriculture sector works differently," he added.


According to him, there are 3P's for an entrepreneur to survive in India- perseverance, patience, and perception. One has to be patient with the thoughts, belief in the ideas, be at it all the time, and create and bust old perceptions. It's important in any entrepreneurial community where ideas get rejected very quickly.

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To know all about How This Award-Winning Agri-Tech Startup is Re-Defining Post Harvest Logistics, read the full article.

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