

Empowering farmers of rural India digitally for agricultural development: A case study based on ITC e-Choupal

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Abstract

ITC e-Choupal is simply a market led innovative business model which is designed to enhance the competitiveness of our rural agriculture system. In the modern era of competitiveness where there is fewer roles of government in rural markets and its input supply, the use of Information and Communication Technology can make significant inroads in our agrarian country. ITC was the pioneer to leverage the digital technology and other relevant information related to agriculture to empower the rural farmers with a host of services for the overall agricultural development of our economy. Therefore, the researcher attempted to study the case of e-Choupal of ITC and its concrete role in agricultural development of our country along with empowerment of farmers of rural India digitally. Based on the discussion of the study, it was found that the initiative has been able to re intermediate the local agents which has benefited both the rural farmers and the company in terms of reducing costs and also realizing good returns from their operations. Thus, the project has given a successful outcome for rural India and for the overall agrarian development of our country.

Keywords: *Agricultural development, digital technology, e-Choupal, empowerment, rural markets.*

Background of the Study

The innovative concept of e-Choupal was introduced by Indian Tobacco Company (ITC) in the year June, 2000 with the objective to enhance the competitiveness of Indian agriculture and its farmers. E-Choupal was incepted and designed to empower farmers in the recent era of modernization. It has been the most successful initiative to wire rural Indian economy as well as to involve the farmers in learning (Bowonder et al. 2002). It was a business concept which was embedded with social goals along with triggering the virtual circle of higher productivity and higher incomes (Sanganeria 2003). The e-Choupal model

of ITC is adaptable to any agricultural and quality related activities in rural areas (Sharma, 2013). It is the world's largest digital and rural infrastructure that is operated and created by a private enterprise named ITC Ltd. which serves more than 40,000 villages and more than 4 million farmers across India. Agriculture is the backbone of Indian economy and it contributes much to our economic development, but there is no optimum productivity from our farmers as desired. Therefore, the concept and project of ITC e-Choupal was introduced as a study for the development of rural market hub using a set of information communication technologies that can indeed provide optimum output along with

empowering the farmers having enhancement in agricultural development in the process. E-Choupal provides transparent transactions which is not possible in a conventional market place and that enables the participation of smaller as well as larger players in the market. The initiative laid down by ITC has reached great heights till now and it will do much more for our Indian agriculture and the overall growth and development of our economy.

Research Objectives

The researcher has concentrated on the following research objectives based on the importance of the study:

- To know the concept of ITC e-Choupal and its role in empowering farmers of rural India digitally.
- To study the importance of ITC e-Choupal for the overall agricultural development of our Nation.

Research Methodology

The study is exploratory, analytical and descriptive in nature which is completely based on secondary sources of information. The explorative analysis of the available literature has been collected from various published information, reports, research works and other news reports. To fulfill the objectives of the current study, various websites have also been visited by the researcher such that to understand how ITC e-Choupal is playing a concrete role in empowering farmers of rural India digitally and thereby influencing the agricultural development of our country. At first, the researcher has collected relevant information in matters relating to the case of ITC e-Choupal and how they are making the rural farmers of our economy empowered and then the relevant information has been conceptually and clearly discussed and analyzed to study the importance of ITC e-Choupal for our economy. Finally, the

study was concluded by the researcher based on its analysis such that how relevant and important ITC e-Choupal is for our rural economic development and for the overall welfare of our nation.

Analysis and Discussion

Indian economy has always been a land of agriculture constituting an agrarian economy where more than 70% of the population resides in rural areas. Therefore, the rural India should grow constantly for the development of such an economy, and for that the farmers of our country should be empowered technologically especially in the revolution of 21st century. ITC e-Choupal was such an initiative taken by ITC to improve the supply chain of agricultural products by linking directly with farmers digitally for procurement. It uses internet connectivity to help the rural farmers to link directly with agricultural products and that is the need of the situation to empower farmers of rural India for the overall agricultural development of our country. The e-Choupal model was designed for e-commerce transactions as well as for the exchange of information in a social gathering. The initiative taken by ITC for the farmers and its crops initially was to modify the procurement process for agricultural products which has later turned into a lucrative distribution, supply chain and product development channel for the rural farmers. ITC very much identified the challenges and problems of Indian agriculture characterized by involvement of numerous intermediaries, weak infrastructure and fragmented farms; and thereby a model was developed naming e-Choupal which aimed at delivering value to its customers around the world on a sustainable basis by considering the rural farmers in the process. ITC e-Choupal got linked directly with the Indian farmers such that they can take benefits of the recent advances in Information and Communication Technology both for agricultural and rural development. The

initiative taken by ITC was a revolution ever since its inception and the enthusiastic response from the rural farmers have taken e-Choupal to a completely different level.

The role of ITC e-Choupal in empowering farmers of rural India

ITC e-Choupal has become a revolution ever since its inception such that it becomes so popular and useful especially for the rural farmers to deal with their agricultural products. ITC identified the problems with the farmers in our rural economy and they capitalized on it for the overall mutual benefit and also the model has done really great after it got introduced. The objective of e-Choupal was to introduce technology and the application of internet facilities to the farmers so that they can take benefits out of it.

- ITC e-Choupal was actually a market based business model which empowered the farmers of rural areas that in a way enhanced the competitiveness of Indian agricultural development which also triggered a virtuous cycle of higher incomes and higher productivity.
- ITC e-Choupal enriched growth in rural incomes especially among the farmers which unleashed the latest demand for industrial products which was so necessary for the continual growth of the rural economy. The growth in the rural economy also propelled the Indian economy into a higher growth trajectory and development.
- The model based on rural farmers for agricultural enhancement enlarged capacity for farmers risk management, larger investments, and also enhanced higher productivity and quality. The farmers who were having weak market orientation gained confidence because of e-Choupal such that they turned production into optimum output.

- ITC basically identified the potential of the rural farmers in our economy and therefore they came up with the project of e-Choupal which helped the rural farmers to take risk and invest, since earlier they were trapped in a vicious cycle of low risk taking ability and investment.
- ITC e-Choupal empowered the rural farmers by giving access to local leadership development and also by encouraging local participation in the rural areas such that the company can build a trust among the local farmers and villagers and also to have a mutual understanding and benefit for the overall development of Indian agribusiness sector.

The importance of ITC e-Choupal for agricultural development

The ITC e-Choupal model was applicable to any allied and agricultural goods in the Indian rural area. The value chain of different crops has their own kind of dynamics and so does the socio economic characteristics of different regions and therefore ITC e-Choupal was operational keeping in mind the complexities of our Indian agricultural system. The model of ITC has been designed specifically to cope up with the challenges faced by the unique features of Indian agricultural production which is characterized by inadequate infrastructure and fragmented farms.

- ITC e-Choupal provided customized knowledge with real time information and that enhanced the farmers to align the farm with market demand such that to secure quality in agricultural production. There was a severe improvement in Indian agriculture after e-Choupal was applied which helped the farmers to take timely decisions regarding farming.
- It provides adequate information on scientific farming methods along with supply of high

quality farm inputs which ensures the farmers to improve the quality of production and its efficiency of output and thereby the development in agricultural system automatically improves in our economy.

- ITC e-Choupal ensures world class quality with the help of own expertise of ITC in delivering goods and services through several product and service specific partnerships with the leaders in its respective fields which will help the economy in having agricultural innovation and development.
- The services provided by ITC e-Choupal combines the use of information technology with internet facilities along with satellite mapping techniques to advice various farms to adopt farming practices that maximizes agricultural yields and product. Such services provided by ITC will indeed help in development of Indian agriculture.
- ITC e-Choupal improved productivity by not only empowering local people as key nodes in the system but also by providing a more transparent process of farming that will increase efficiency and potential for improving the quality of crops which will contribute in making Indian agriculture more competitive.

Conclusion

The project taken by ITC has been one of the most successful initiatives to promote rural India and to empower the farmers of such downgraded areas such that they can get involved in learning to improve farming for the overall development of our economy. It can also be concluded that the company has been successful in making our rural farmers feel the sense of ownership and enthusiasm to generate additional income by eliminating middleman in the process. Though ITC e-Choupal was designed for some specific businesses but it has been one of the best digital technology based application platform which has

been replicated and sustained in the field of agricultural products and its development. E-Choupal has not only empowered the farmers of our rural India, but it has also reduced the debt burden of the farmers of rural India such that the farmers have been able to enhance their income independently by eliminating the delay in payment by selling their agricultural products which is also told by Mukerji (2020) and Sharma (2013). The best part of e-choupal is that it has provided immense benefits for the small farmers who face difficulty in farming and therefore the project was rapidly adopted which provides equitable benefits to all those who are engaged in the process of farming and agriculture. The importance of ITC e-Choupal is immense which increases productivity, increases price realisation and also enhances income along with best practices for the farmers in India. E-Choupal has helped the farmers to get better prices for their products and also to improve their productivity which will in turn enhance the agricultural growth of our economy. Overall, the e-Choupal was a great initiative that worked very well both for the company and the farmers enhancing the rural economy creating a win-win situation for both which also enhances transparency and increases access to information.

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