



Case Study: Institution Based Information Systems, India Indian Agribusiness Systems Pvt. Ltd. AGRIWATCH

EXECUTIVE SUMMARY

IASL Agriwatch is an information distribution service providing farmers and traders with access to market and technical information on crops and other commodities with which they deal in the form of a newspaper, magazines, SMS, and web services.

1. BACKGROUND

Reason for Establishment

Lack of information and access to markets are the biggest impediments to crop planning and higher farm gate realization. Agriwatch was created in March 2000 by a group of alumni from the Indian Institute of Management, Ahmedabad, with the goal of addressing one of these two dimensions (information), to help farming communities plan better and realize higher value.

Organizer

Agriwatch was started by Indian Agri-Business Systems Pvt. Ltd (IASL), India's leading Agribusiness Information Services Company. The Agriwatch brand name has made IASL's presence known throughout India.

IASL conducts Commodity Research, Trading, Publishing, Consulting and Manpower recruitment in Agriculture, Food Processing, Social Development and allied sectors. IASL's consulting division is comprised of consultants with backgrounds in business consulting, market research and agri-business specialization.

IASL's Consulting team works with clients to build sustainable, profitable growth through superior market understanding. IASL helps clients stimulate growth through a comprehensive approach to business processes and systems that covers strategic issues, tactics, and organizational choices. IASL works with the not-for-profit sector in India to enhance execution skills in the rural and agri-sector intervention areas.

Summary Time Path

The Hindi newspaper was launched on 18th July 2000. The first special issue of Agriwatch in Magazine form was brought out on the occasion of the Rabi Oil Seminar in Delhi on 25th March 2001. Agriwatch is currently being published twice a week in Hindi from Delhi and reaches to customers by hand delivery through around 25 centers in the country and through post to around 1200 more.

Scale – Geography & Size

Agriwatch has around 25,000 paid subscribers spread throughout the nation who benefited from the provision of market rates through the web, magazines, newspapers and SMS services. Further down the line, the organization is attached to trading communities in 700 towns and 56 mandis (government mandated markets) across the Nation.



Relation to Local or National Policy on Information and Communication

As Agriwatch is primarily a commercial operation, there is no direct link to policy or governance. Potentially some of its goals could overlap with those of the government, leading to eventual involvement, but currently none exists. Agriwatch does report policy decisions when relevant to its subscribers' needs.

2. OBJECTIVES

The vision of the organization is to improve rural farm incomes by universalizing access to knowledge & information about agricultural markets and technologies to the 450 million small and marginal farmers in India's 7,00,000 villages. To achieve this, the Company primarily aims at filling the information and communication gap that exists in various sub-sectors of the Agricultural Economy in general and Agricultural Commodities trade in particular. The ultimate objective of the Company is to help the Agribusiness sector reach the highest level of sophistication so as to achieve a perfect flow of information, analyses, communication and e-commerce.

The specific objectives of the Company are as follows:

1. Information-enable various participants in the Agribusiness sector such as Farmers, Traders, Processors of Agricultural Outputs, and Suppliers of Agricultural Inputs, by providing timely and accurate information.
2. Provide valuable analyses to trade participants that will enhance their decision-making abilities in trade.
3. Enable E-commerce in Agricultural products through this vertical portal.
4. Expand the information delivery services to all the leading regional language population of farmers and traders.
5. Create a national and international network of food and agribusiness professionals involved in all business aspects of the agricultural sector.

3. STAKEHOLDERS

Rural communities and households

Rural populations in peri-urban and rural markets are primary users of Agriwatch.

Rural service providers

The company Indian Agribusiness Systems Limited (IASL) is sole owner of the system. Management is further branched out to commission agents who are handling the job at the grassroots level. Agri-commodity traders are also among Agriwatch's primary users.

Policy-makers and their advisers

The project does not involve policy makers and their advisers, although they may use Agriwatch to keep tabs on price and commodity information trends.

4. PRODUCTS AND SERVICES

Content

Agriwatch offers access to the following types of content, which can be subscribed to in print or online formats. Farmers can choose to receive any or all, depending on their needs and budget.

1. *Research Reports*: IASL offers daily, weekly, and fortnightly Trade Research Reports covering commodities such as Wheat, Rice, Maize, Pulses, Oil Seeds, Oil Meals, Vegetable Oils, Cotton, Fruits & Vegetables, Spices, Sugar, Poultry, and Herbs, as well as ag-related topics such as Bio-Tech, Agri Machinery, Agro Chemicals, Fertilizers, and Foreign Trade Policy. Subscribers can also receive daily reports by email.
2. *Agriwatch Portal*: Paid Membership to this portal enables users to access a large amount of agribusiness related information covering more than 15 sub sectors within the Agricultural and Food Industry.
3. *SMS Services*: Subscribers can choose to receive 6 daily SMS messages containing valuable trade information such as futures quotes, prices and news on up to 4 different commodities.
4. *Agriwatch Trade Weekly*: Agriwatch's Hindi newspapers focus on the agribusiness sector in India and offer high quality content & analysis. These are also available through email.
5. *Agriwatch Monthly Magazines*: The monthly magazine covers the entire gamut of Indian and International Agribusiness and Trade. Each issue also focuses on a chosen focus commodity each month by rotation. Magazines contain statistical & analytical data as well as highlight various problems of trade & industry, articles, features, reviews, facts & figures, graphs & charts, export/import details and success stories of companies operating in the month's focus sector. The magazine is digitized and is available along with all the advertisements as a download from the site www.agriwatch.com.
6. *Agriwatch Farm Weekly*: Covers 18 different areas of interest to farmers, based on needs assessment surveys done by IASL in different parts of the country.
7. *Agribusiness Consulting*: Services are offered on Markets, Social Sector, Agri Commodity Trade, Export, Import, Information and Communication Technologies (ICT), Operations, and Economic Analysis
8. *Trade Promotion Services*: Partner Search, Product Promotion, International Buyer Identification and Business Plan Development.

Agriwatch operates through its website and other communication infrastructures are used such as Email, telephone, SMS, and normal mails. Outputs are in image/data/text formats. It also adds value to its service with newspapers. Content is selected by editors based on their perceptions of reader demand.

5. TECHNOLOGY AND SYSTEMS

IT System Architecture

Agriwatch uses Internet, Email, SMS, Video and Print for delivery of information and knowledge to all its clients. IASL has served the needs of commodity traders through the www.agriwatch.com portal for International Agribusiness Trade. Agriwatch works with

clients to design, develop, update and maintain their sites. IASL has provided innovative business solutions.

Software

- *Multilingual Solutions*: IASL has developed dynamic web fonts in many Indian and foreign languages. The fonts are compatible with all platforms and popular browsers.
- *Content Management*: IASL has provided content management and publishing solutions that work through MS Office/ Star Office. This solution is extensively being used by B2C Internet clients for the web and by the print media to drive content to the web and print editions.
- *Quark XPress Xtensions*: IASL has authorized Quark Xtensions developers for print content and publishing on the web.
- *Audio Visual Services*: IASL works on development of film-based software and deliver output to customers in Beta, Digi Beta, CD and Digital formats.

People and Organizations

IASL is a profitable private limited company run by full time professionals. The company employs about 40 people and also works through more than 75 commission agents who market the products. The marketing team comprises nearly half the total staff and is involved in sales of the products and services. The content team has an in-house staff of about 12 and is backed by freelance contributors from around the country.

Process/Methods

The products reach customers in the form of website, mobile phone SMS, newspapers, magazines, e-mail reports and dedicated print publications. The client service managers are in continuous touch with the clients for their views on various issues. Clients can also send their emails to the respective divisions.

6. FINANCIAL

Business Model

IASL has already established a proven business model. Its printed format circumvents target clients' poor connectivity and low level of comfort with technology. In order to reach out to these clients relatively cheaply, IASL has partnered with agri-input companies, which sponsor the delivery of Agriwatch publications to farmers. For the agri-input companies, this is a low-cost promotion but for the farming community it is a highly valued input. Some of the companies involved are Rallis, Sonalika Tractors, Monsanto and others. Similar arrangements have been struck with Government extension service providers and ICT ventures such as Drishtee, N-logue, ITC E-Choupal, and Tata Kissan Kendra. IASL is also partnering with Indian Society of Agribusiness Professionals (ISAP) for knowledge dissemination and expert services.

Since the newspaper targets a niche market it is also attracting a fair amount of advertising revenue and experienced quantum leaps in the advertising revenue stream in the fiscal 2002-2003 with huge growth in subscriptions and penetration in more towns and cities.

Incomes/Revenues

Total revenues are of the order of US\$500,000, of which the information products have contributed US\$250,000. The products targeted at farmers have generated about US\$75,000, mainly through advertising and sponsorship. Revenue growth, in the period from 2001-2003, was of the order of 40-50% per annum.

Operating performance (All figures in US\$)

	2001-2002		Operating Profit/loss	2002-2003		Operating Profit/loss
	Revenues	Operating Expenses		Revenues	Operating Expenses	
Publications	106,075	265,845	(159,770)	87,198	93,207	(6,010)
Online Services	33,290	79,671	(46,381)	32,788	44,249	(11,461)
Consulting Services	38,682	46,826	(8,144)	50,921	39,595	11,327
Total	178,048	392,342	(214,294)	170,906	177,051	(6,144)

Costs

Investments made so far are estimated to be about USD 800,000.

Operating Cost

The operating costs are of the order of 80% of the revenues, at present sales level. At higher sales volumes, this is expected to decline sharply.

7. KEY ISSUES & CONCLUSIONS

Benefits

Farmers

1. The proposed system enables farmers to cultivate crops with expertise close to that of an agricultural expert, by disseminating both crop- and location-specific expert advice in a personalized and timely manner.
2. It is a scalable system and can be incrementally developed and extended to cover all the farmers (crops) of India in a cost effective manner.
3. In a globalized scenario, it aims to provide expert advice, which is crucial to the Indian farmer's ability to harvest and market different kinds of crop varieties based on demand and supply in the local and world markets.

Traders

1. The system offers quick access to the world agriculture market which supports services like commodity trading, latest price information, exchanges and more.
2. It enables quick business transactions allowing buyers and suppliers to connect electronically and enhance business efficiency by lowering transaction and communication costs.
3. It also increases business effectiveness by widening market potential and increasing traders' capacity to meet customer needs while providing opportunities for enhanced product and service innovation.

Corporations

1. Market Entry and Market Expansion Strategy Development, Market Research, Investment opportunity analysis, Sales and Channel management.
2. Partner search - Joint Venture, Licensing, Distributors for effective market entry.
3. Commercial Feasibility Analysis, Project appraisal, Market due diligence, Competition analysis, cost analysis, financial and sensitivity analysis. Business Plan Development.

Social Sector

1. Market mapping, market information systems and the creation of market linkages for rural produce.
2. Marketing and growing strategies at the community level for agricultural produce, Policy impact analysis and remedial strategies.
3. Design and delivery of workshops and training programs, Rural services development.

4. Grass roots implementation - creating market linkages, conducting negotiations with buyers, social marketing.

Mapped Across the BRDD Framework

Adapting content to local context

The content flow is rather top down, as the technical bulletins are the opinions of experts rather than farmers, but the experts are spread across the country working with farming communities, and therefore are able to adapt the content to local needs and contexts. Commodity price forecasts come from prices taken from various markets.

Building on existing systems

IASL is using the existing systems of communication and building on the same (i.e. web, email, print formats).

Capacity building

IASL has a focus on internal capacity building and has developed a team of experts from backgrounds as diverse as agriculture, marketing, communication, and information technology.

Access and empowerment

By giving farmers better price knowledge, Agriwatch empowers them to make informed crop-sale decisions. It also improves their ability to access work-related information they would not otherwise be able to find.

Strengthening partnerships and participation

Agriwatch is operating to strengthen its agricultural partners and thus also reach the grassroots. Horizontal and vertical integration exists through several business partners and community partners/stakeholders.

Realistic approach to technologies

The technologies used are sustainable as they do not incur huge costs and can be supported by IASL.

Costs and financial sustainability

The Agriwatch service is operating profitably and the business model is sustainable as it intervenes through many possible routes, thus minimizing the risks involved and also diversifying the revenue stream. The use of advertising revenues to finance print distribution of papers to farmers is one method used to maintain sustainability.

URL of the service: <http://www.agriwatch.com>

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