Supply Chains that Create Value and Prevent Waste

IFAMA Panel Discussion
Wed, June 19 2013
Today’s Proposition

• It is possible for corporations to enmesh the goals of shareholder value creation and creation of significant societal value
  – Through innovative business models that address serious supply chain challenges

• Technology driven business models:
  – ITC e-choupal
  – ITC Agro forestry program
ITC’s e-Choupal
Empowering the Small and Marginal Farmer

- Reduce / eliminate costs in the agricultural supply chain
- Secure quality & quantity – sort the “lemons”
- Capture value through grading / traceability
Mobile choupal van

Social contract

Soy choupal
VSAT and Solar Panel
How is eChoupal Different? Who Pays?

• Not the farmer!
  – Information & Knowledge is free of cost
  – Transactions only if farmer chooses at free will

• Not subsidised!
  – ITC shareholder looks for a competitive return, like all shareholders do
  – No Government money involved

• But, latent value extracted from the unevolved markets in an emerging economy
  – Elimination of non-value-adding activities
  – Creation of new value through traceability
Converting private wastelands through Agro Forestry

• Large consumer of scarce resources
  • Wood Fibre – 4 tonnes per MT of output
  • Energy – 100 kW per MT
  • Water – 75 cubic meters per MT

• Polluting industry
  • Use of chlorine for bleaching
  • Coal for energy
Greenhouse – clonal saplings

Community building
Private wastelands
- Example: (Bhadrachalam Mandal)
9 families with their Bank Deposits
ITC Today

- Water positive corporation
- Carbon positive enterprise
- Zero solid waste (> 100% recycling)

And

- Ranked No.7 in the world (Harvard Business Review Jan 2013) - shareholder value
Thank You