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GREEN AGREVOLUTION PVT. LTD.: CREATING AN ICT ENABLED ECOSYSTEM FOR SMALL-HOLDER FARMERS

JUNE 2019, PATNA, AGREVOLUTION OFFICE

"To forget how to dig the earth and to tend the soil is to forget ourselves."- M.K. Gandhi

In June 2019, Shashank Kumar, the co-founder and Chief Executive Officer (CEO) of GreenAgrevolution Pvt. Ltd. (also known as DeHaat) stood outside a DeHaat centre in rural Bihar, India, enjoying the breeze. Noticing the bustling activities at the DeHaat centre where farmers were interacting with the DeHaat entrepreneur, Shashank felt a deep sense of satisfaction about his journey thus far. While the DeHaat centre (a hub that covered 4-5 villages) acted as the pivotal link between DeHaat and the farmers, it also acted as an intermediary, and added to the costs in the ecosystem initiated by DeHaat. Shashank was lost in his thoughts - should he leverage on the increased penetration of smart phones in rural regions and directly interact with the farmers via his app (that would increase the efficiencies in his system)? But, he wondered if this would be feasible at this point in time when the digital maturity of farmers in the rural regions was questionable?

DeHaat, a agriculture technology (agtech) firm that enacted an information technology enabled ecosystem that connects farmers with agricultural inputs, such as seeds, fertilizers, pesticides, equipment, farm advisory services and market linkages, began its operations in 2012 in Patna, India. The firm created an ecosystem from where farmers

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could get all the inputs, and in turn provided all outputs to a Dehaat entrepreneur who hosted a physical centre that served about 800 farmers within a region of 4-5 square kilometres. Further, a set of 15-20 Dehaat centres were served by a Dehaat Node that stocked SKUs of agricultural inputs and aggregated outputs from different centres. Advisory services were in turn provided through call centres that operated from Patna. A digital platform in the form of different applications were provided to the actors in the hierarchy up to the Dehaat entrepreneur.

During the first seven years of operation, Dehaat was largely successful in onboarding over 100000 farmers across 170 Dehaat centres in India - the States of Bihar and Uttar Pradesh and was planning to enter Orissa. Despite impacting the lives of a considerable number of farmers, Kumar knew that higher gains could be accrued to both farmers and Dehaat if they could figure out a mechanism to directly transact with the farmers rather than through the Dehaat entrepreneurs. To achieve this, Kumar was contemplating on leveraging the increased penetration of smart phones in rural regions to communicate directly with the farmers.

Kumar knew that transacting directly with the farmers via the app would not only result in cost savings but would also help in the understanding of farmers' needs in a more real-time manner. Such direct interactions would then help obtain multimedia data about the farmers' issues and then help trigger the building of solutions around that. For instance, Dehaat was thinking about building an image processing app that could process images about crop diseases and then provide customized inputs to resolve the issue. Further, it would also help ease out financial transactions with farmers through digital payments and hence, help address their working capital issues.

However, Kumar was also apprehensive about the possible negative implications of such direct transactions with the farmers. To begin with, Kumar felt that although the smart phone penetration had increased dramatically, he was unsure about the digital maturity of the farmers. During his interactions with the farmers, he ascertained that farmers more or less used smart phones as feature phones, barring the usage of a few applications such as YouTube or Whatsapp. Hence, he was not sure if they would be able to handle the Dehaat app on their own. Moreover, if the Dehaat entrepreneur was removed, the distribution of the inputs and the collection of the outputs through their logistics services needed to be made more synchronous. Also, they had occur at select locations for farmers, as opposed to the relative flexibility of the current Dehaat centre where farmers could visit at their convenience. He was clearly in a fix. He knew that he had to take a decision soon since Dehaat was planning considerable expansion in the coming few quarters.