

B2B MARKETPLACE PLATFORMS

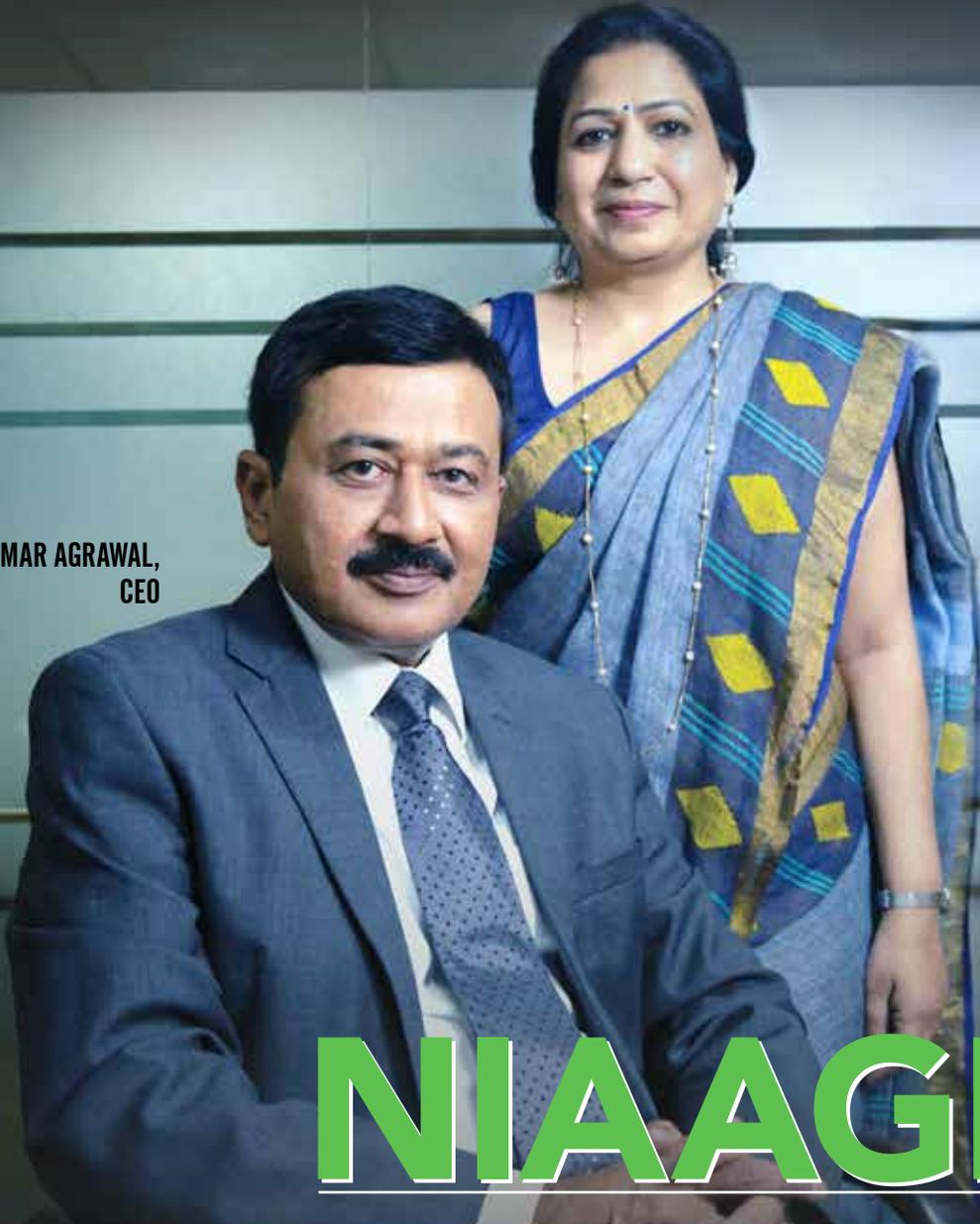
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NIAAGRO

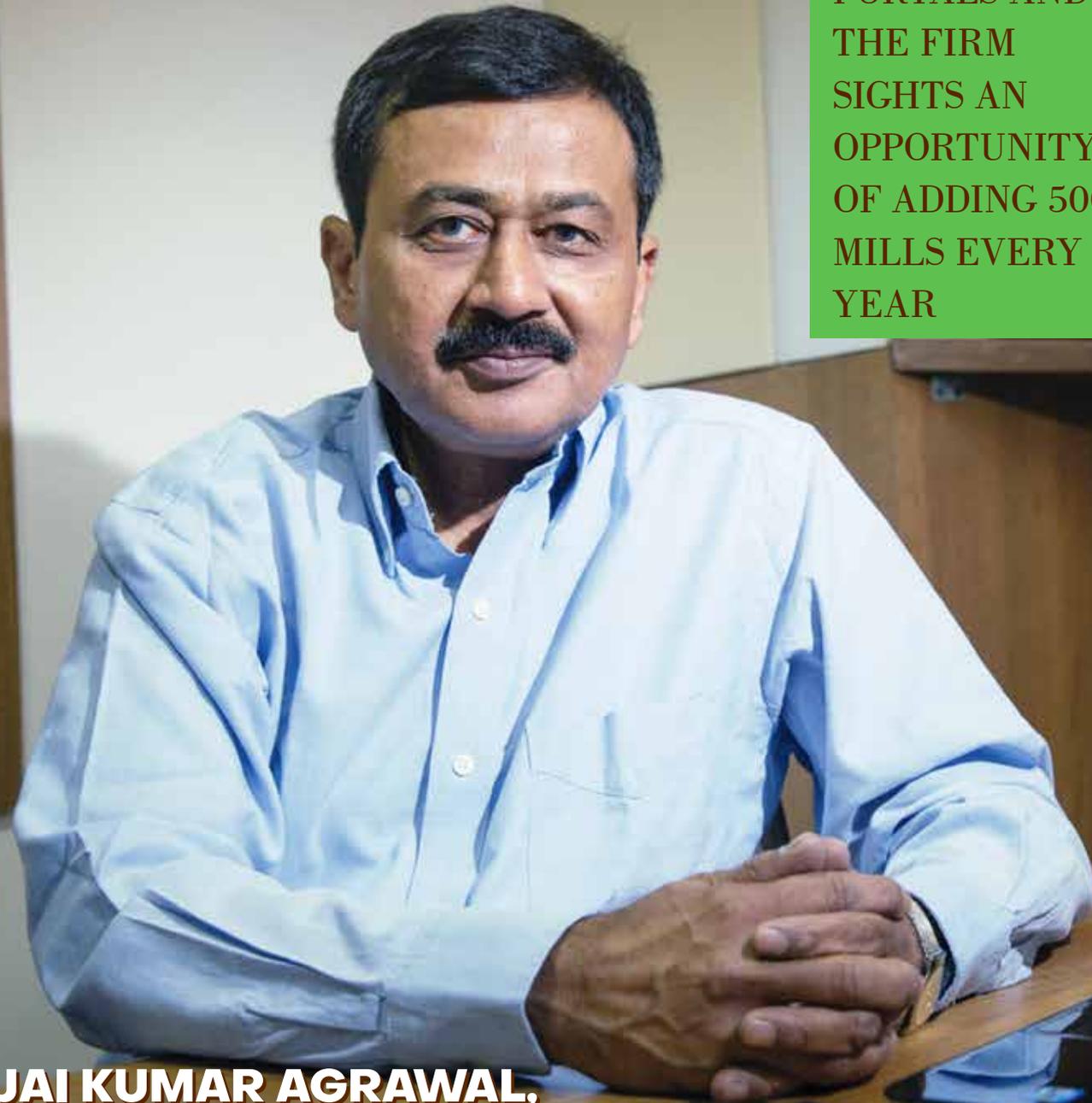
A **TECH-DRIVEN PLATFORM**
CONNECTING **FARMERS** TO THEIR
RIGHT STAKEHOLDERS

₹150





NIAAGRO HAS ALREADY REGISTERED 1000 MILLS ACROSS ITS NUMEROUS PORTALS AND THE FIRM SIGHTS AN OPPORTUNITY OF ADDING 500 MILLS EVERY YEAR



AJAI KUMAR AGRAWAL,
CEO

COVER STORY

NIAAGRO

A **TECH-DRIVEN PLATFORM** CONNECTING **FARMERS** TO THEIR **RIGHT STAKEHOLDERS**

By Deepshikha Singh

For long, the only marketplace for Agro commodities has been the physical 'Mandis' at the block level in each district where farmers took their produce and sold it through Commission Agents and the only information they had was from the prevailing Mandi rates. Farmers would make investments and arrangements to transport their produce to the mandis and then left with no other option they had to sell their product at whatever the quoted price was. B2B industry has generated a good landscape in India and for Agriculture commodities, B2B is the future. With the onset of B2B Marketplace, the sellers are more informed about the prevailing demand with buying prices; this is enabling the farmers to make an informed decision rather than feeling helpless or taking a desperate step. Incorporated in 2013, NIA Agrocommodity Marketplace Pvt Ltd, now recognized as NIAAGRO was set up after operating for more than 10 years at Agroecommerce Network Private Limited (ANPL) which was set up in January 2002 by the same set of promoters. Headquartered in Gurugram, NIAAGRO was set up with a vision to make a Demand driven Ag-economy that gave equal chance to farmers all throughout the year to meet the demand at Fair Market Price and not Minimum Support Price (MSP). Believing in providing multiple options to both buyers and suppliers with complete transparency, NIAAGRO offers a unique range of services to buyers and sellers which includes Vendor identification, Vendor Registration, Vendor training, Vendor development, Vendor Management, Testing Services, Trucking Services, Trade Finance Services, ERP solution with Mandi data and dashboard to Buyers; and Direct Integration with Buyers, Partner services to manage marketing of their stocks, Front ending with Buyers on their behalf, complete process

management with documentation control of Purchase Order, Invoicing and Payments, Reporting Dashboard with ERP solution for post and quote management, Testing Services, Trucking Services and Trade Finance services for Suppliers.

“Our highly-effective and confidential methods of operation ensure continual and complete access to the supplies and qualities it requires at the most competitive terms and prices available to our buyers. We partner with our suppliers in the difficult and complicated task of managing supplies and marketing. Our method of working on a non-competing, interactive, and discretionary basis also provides for very personal, open, and privileged relationships with our customers and keeps us much ahead of competitors,” speaks Ajai Kumar Agrawal, CEO, NIA Agrocommodity Marketplace Pvt Ltd (NIAAGRO).

Making Processes Highly Reliable and Efficient

A farmer-centric company, ANPL followed a model of aggregation of farmers through its five-village level centers with integrations Backward (inputs), Forward (output), Knowledge (quality, productivity and cost) and services (banking, warehousing and insurance). In a way it was a holistic model and was very successful where it spread over 35 districts in five northern states with around 800 centers. However, despite bringing all the integrations at the doorstep of the farmer, ANPL was not able to make the best of these integrations since the firm was unable to meet the marketing requirements of the farmers. Adding to this, Ajai says, “Farmers always sell their crop during the harvesting season when the supply is the maximum and prices are the



lowest. Thus, they are unable to take advantage of the prices which go up after the harvesting season. The situation is the same even now since it is still a ‘Supply driven Ag-economy’.”

Working towards its objective, NIAAGRO chose to be in high volume commodities which constitute the major portion of the Ag-economy. Slowly but steadily, the firm is able to make farmers understand that they need not desperately sell their produce at Mandi during harvesting season but wait for the right opportunity to realize the maximum benefit. However, they need to be more organized through an Aggregator or an FPO for which momentum is now building up. This year even in the budget speech, FM announced a target of 4000 new FPO registrations in few years. The initiatives of National Agriculture Market are also fulfilling the gaps on quality

management where not only quality specifications of each commodity is being specified very properly but also infrastructure of assaying and grading is being established at all the Mandis so that goods received at the Mandi can be certified with quality and grade before it is put to sale. “Though this is at very initial stage, we are able to see the progress and a big change will happen the way these commodities will be traded in future. Also the gap in proper storage facilities is going to be filled by FPO’s by putting world-class vertical grain storage systems against traditional horizontal warehousing in cities and major hubs but not at the village level. NIAAGRO has all the plans to support and facilitate such infrastructures at village level,” states Ajai Kumar.

NIAAGRO operates on a Business model where suppliers are partners and together they serve the buyers

who are the customers (clients). The Buyers are institutional buyers (Mills) who require specific commodities on a daily basis in large quantities. These Buyers have different requirements at different times. During harvesting season they not only meet their current month requirements but also buy to stock inventories as per their capacities since the prices are the lowest. Also, they look forward to third parties that can stock on their behalf. The rest of the time, all these buyers buy perpetually on daily basis to meet their daily demands. They generally exhaust their stock when the prices are very high before the next harvesting season.

Taking note of this, NIAAGRO has developed three solutions differently to handle these situations i.e. Current Requirements, Future Requirements and Stocking Plan. Ajai Kumar highlights that “Our system primarily manages five variables of Location, Quantity, Quality, Price and Payment Terms to service in all the three situations and accordingly system integrates only with the matching suppliers. Our Business Team coordinates and facilitates this integration at every stage of process and makes sure that there is complete transparency and transaction is risk-free for both. Further, NIAAGRO has developed many other solutions to service them on testing services through accredited labs, trucking services and trade finance services. Keeping the entire process effective, we also provide Mandi data to the sellers for better rate discovery.”

Integrating Technology in the Existing Agro-commodity Trade

B2B is emerging where technology is being used for better sourcing, quality management, logistic manage-



WORKING TOWARDS ITS OBJECTIVE, NIAAGRO CHOSE TO BE IN HIGH VOLUME COMMODITIES WHICH CONSTITUTE THE MAJOR PORTION OF THE AG-ECONOMY

ment and finance management which are very integral part of supply chain management besides making buyers and sellers meet. Technology is making supply chain management processes more reliable, capable, efficient and productive, hence allowing capacity building with the stakeholders. Speaking about the tech adoption in Agro-industry, Ajai say, “Agriculture commodity supply chain management is a very complex subject since the commodities are produced once in a year and consumed all throughout the year. Thus, it calls for multi-varied expertise which involves domain, economics, technology, business and management. At NIAAGRO, we as a team have developed expertise in Domain and Product expertise, Supply and Demand analysis of commodities, Supply

chain solution expertise, Commercial expertise, Technology expertise with integration of emerging technologies, Quality management, Logistics management, Finance management, Business management and Ag-economy at large of India and across the globe. With technology intervention integrated with our B2B platforms, we are able to bridge the gaps in the logistics management and trade finance and are able to optimize supply chain management with lower risks and better actions. Today, the entire ecosystem is being supported with technology and in times to come, it will bring huge economic advantages to all the stakeholders.”

NIAAGRO also offers Complete Procurement Solution with ERP available to both Buyers and Suppliers on Cloud. The B2B platform is specific to commodities bringing all stakeholders together and providing ERP solutions to them. The solution is based on Microsoft technologies on cloud and is fully secured with very high reliability. It also uses Artificial Intelligence (AI) and Machine learning (ML) for various decisions such as Buyer and Supplier Mapping, Mandi Rates, Location Analysis, Rate Analysis (Quoted and Post), Intelligent Matching and much more. “This is for the first time ever that a platform has been designed for ‘Real and Actual Buyers’ and ‘Real and Actual Sellers’ providing perpetually multiple options and alternatives for ‘Price and Stock Discovery’ and meeting requirements. Business Intelligence (BI) tools are used for custom dashboarding, reporting, PAN India rates analysis, historical trend and forecasting. We also have strong MIS for operations such as Daily, Weekly and Monthly dashboards, HR and Finance systems, and all our business operations are



automated including commercials. Our service solutions on testing and transportation provide complete integration of service seekers and service providers,” shares Nidhi Agrawal, Engineering Head & COO.

From Planning to Action

During the first three years until 2016, NIAAGRO only focused on building a very reliable and robust B2B platform with very strong back-end management. Till 2017, the firm focused on bringing stakeholders on its different commodity B2B Platforms through registration process. While initially this was sort of a concept selling stage and marketing of its services, later on it became a continuous process. Till 2018, NIAAGRO was aggregating Demand through Posts and Supply Options through quotes, providing matching and near to matching quotes for finalization of Purchase Order. This was the period when Testing services, Trucking services and Trade Finance Services were also introduced. Till March 2019 it was on Post PO (Purchase Order) Management and all the systems were put in place till the revenue generation through commission was established. By the end of FY 2018-19, NIAAGRO was through with the successful pilot also. The firm was now set for growth

stage and working towards stabilizing business operations in different verticals one by one.

With over 200 million metric tons getting processed every year across 7,000 mills in the country and with each mill being on the path of growth through expansion and diversification, there lies immense growth potential. On average, these mills process 100 tons per day. NIAAGRO has already registered 1000 mills across its numerous portals and the firm sights an opportunity of adding 500 mills every year. Speaking about the future roadmap, Ajai declares, “We aspire to reach out to all the mills in this vertical and make them buyers on our platforms. We are also reaching out to FPO’s to make them suppliers on our platforms representing farmers, and in coming time we will expand our reach to connect with international buyers and service them through exporters. Fundamentally, we wish to work continuously to increase the demand for these commodities by reaching out to all manufacturing establishments in the country where it gets processed and also where it can be exported. Also, we look forward to working with FPO’s in such a way that we can develop them as good and reliable suppliers to help the farmer community at large.” 