

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



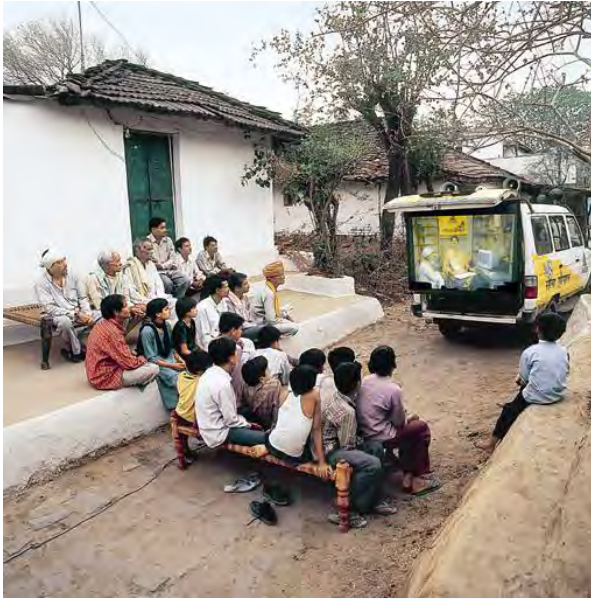
- **Reduce / eliminate costs in the agricultural supply chain**
- **Secure quality & quantity – sort the “lemons”**
- **Capture value through grading / traceability**



ITC's e-Choupal

Empowering the Small and Marginal Farmer

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

- **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

Converting private wastelands through Agro Forestry



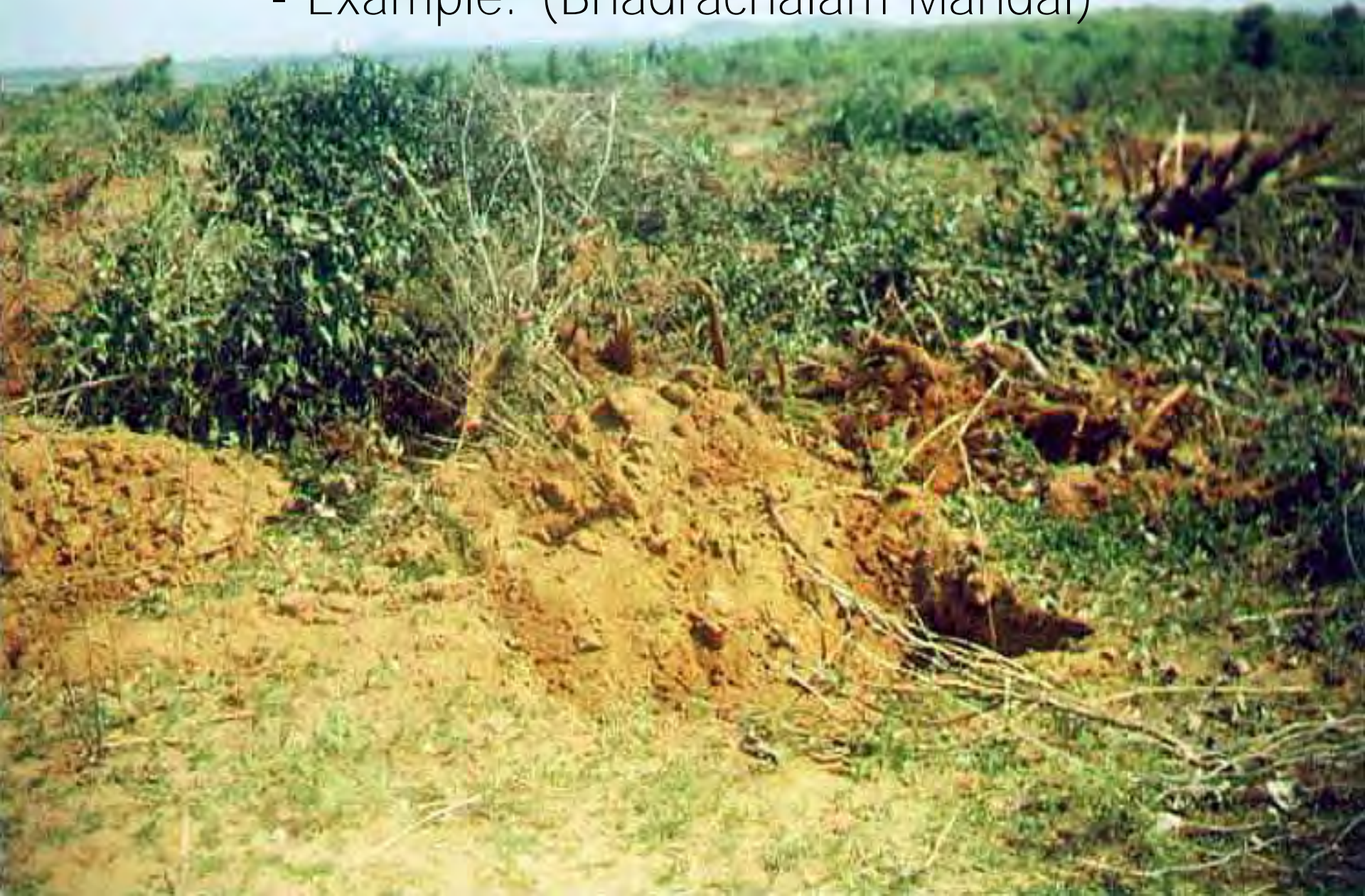
Greenhouse – clonal saplings

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