



Strictly Private and Confidential

# Business Proposal to Input Company

**(Only for internal circulation)**

**Agrocommerce Network Private Limited  
A-43, II Floor, Zamrudpur,  
Greater Kailash – I  
New Delhi – 110048  
Webportals: [www.agrocommerce.com](http://www.agrocommerce.com)**



## Format of Proposal Letter

Date:

Company Name

Address

Kind Attn:

Subject: Participation with ANPL in serving the farming communities with Quality and Cost Effective Agricultural inputs.

Dear Sir,

We introduce our self as a company in the business of serving the farming communities, through agricultural management and agricultural economics at village based facilitation centers called as Krishi Pragati Kendras (KPK). These Kendras are providing complete solutions to farmers for all their agricultural needs. Through these KPKs, we have initiated the concept of “Group buying and Group Selling”.

We understand that your company has a range of agricultural inputs and is serving Indian farmers through an existing network. We hereby provide your organization an additional platform by giving you a direct access to the rural based potential market with demand of farmers on [www.agroecommerce.com](http://www.agroecommerce.com) in the most structured and organized fashion.

The objective is to reduce the distribution costs involved in the agriculture trade and facilitate farmers with quality inputs directly from the companies. For further details about our company kindly see Annexure-A.

We believe that with our mutual understanding we can give the following benefits to farmers of this country:

- a. Timely Availability of products
- b. Quality Assurance
- c. Door Step Delivery

Please find enclosed Annexure-B, giving details of the value proposition offered by us to your company.

We are working in the rural sector with a vision to create an e-marketplace for the transactions of agroproducts. For this to happen we have aggregated the buyers and sellers of various agricultural products on a common technological platform on Internet [www.agroecommerce.net.in](http://www.agroecommerce.net.in). Registration on the same would enable you to get an access to the database of the forecasted plans of farmers along with their personal and professional details with just a user\_id/password.



This would also provide you with all the ICT (Information, Communication & Transaction) modules, for the management of all your activities on net along with the database of the farmers registered with us, their requirements, queries, etc. and the MIS reports generating from same.

It would be our endeavor to have an association with you for the products and services offered by your company to the farmers registered with us, so that benefits can accrue to both the buyers and sellers. For this to happen, we would like to evolve complete system with transparency on the logistics for the delivery of deliverables at our KPK's. Kindly, see Annexure-B giving details of our requirements. This will help us in implementing the defined systems at our KPKs.

Since, we work on BOO model we charge nominal annual subscription where we share the platform created by us revolving around the farmers with esteemed organisations like yours.

We target to give our customers better business in the territories where we have our presence. Equally we feel that the same would also result in reduced promotional as well as distribution cost as our business model for the KPK's is self-duplicable and self-sustainable. An independent platform also helps us in doing business with more companies by keeping our costs intact.

Hope to give your company a good value proposition by creating better business opportunities between the farmers and your organisation.

Looking forward to a long term and fruitful association. We anticipate an early response and assure you of all support through our network.

Thanking you

Yours faithfully  
For Agroecommerce Network Private Limited

Sr. Executive-Business Integration

**A Brief about the Company**

<p style="text-align: center;"><b>Business Strategy</b></p> <ul style="list-style-type: none"> <li>• <b>Vision</b> - To create an integrated and dynamic network around farmers to meet all his needs and to enable him to become an industrialist.</li> <li>• <b>Mission</b> - Use IT as a common networking platform and facilitation centers (KPK) as physical platform to achieve the vision.</li> <li>• <b>Goal</b> - Showcase the model in 30 districts of U.P. &amp; Haryana and progressively expand the activities in other states.</li> </ul>	<p style="text-align: center;"><b>Farmer Aggregation</b></p> <ul style="list-style-type: none"> <li>• Registration of farmers capturing personal details along with input and output requirements.</li> <li>• Farmers to get facilitated thru physical setup of Krishi Pragati Kendra (KPKs) at village level operating at 5-village level (4000 acres of farming land).</li> <li>• Territory Management thru the network of coordinators for a territory of 100 villages.</li> <li>• Systems based approach to encourage farmers for group Buying &amp; Selling thru KPK.</li> </ul>	<p style="text-align: center;"><b>IT Enablement</b></p> <ul style="list-style-type: none"> <li>• Dynamic Enablement to all stakeholders including Organizations Intranet.</li> <li>• Transaction, Information &amp; Communication tools.</li> <li>• MIS support &amp; Database Management.</li> <li>• Networking of Buyers and Sellers with Farmers and KPKs.</li> <li>• Logistics control of Documentation, Goods and Money movement.</li> <li>• Digital identity to all farmers &amp; Stakeholders.</li> </ul>
<p style="text-align: center;"><b>Backward Integration</b></p> <ul style="list-style-type: none"> <li>• Vendor registration</li> <li>• Vendor IT enablement</li> <li>• Intranet, Customization &amp; Networking with KPKs</li> <li>• Training of products</li> <li>• Monitoring of usage</li> <li>• Cost and Quality benefits to farmers</li> <li>• Marketing platform to organizations</li> </ul>	<p style="text-align: center;"><b>Forward Integration</b></p> <ul style="list-style-type: none"> <li>• Customers Registration</li> <li>• Facilitation of Direct Buying from farmers</li> <li>• IT Enablement</li> <li>• Intranet, Customization &amp; Networking with KPKs</li> <li>• Quality improvement and crop monitoring</li> <li>• Cost benefits to organizations and farmers</li> <li>• Production scheduling</li> <li>• Systems based approach</li> </ul>	<p style="text-align: center;"><b>Service Integration</b></p> <ul style="list-style-type: none"> <li>• Banking <ul style="list-style-type: none"> <li>– Personal Loans</li> <li>– Crop loans</li> </ul> </li> <li>• Insurance <ul style="list-style-type: none"> <li>– Personal Insurance</li> <li>– Crop Insurance</li> </ul> </li> <li>• Warehousing <ul style="list-style-type: none"> <li>– Establishment of Village level Warehousing</li> <li>– Utilization of Central and State level Warehousing</li> </ul> </li> </ul>
<p style="text-align: center;"><b>Knowledge Integration</b></p> <ul style="list-style-type: none"> <li>• Detailed information on Best farming Practices of 27 crops, 14 vegetables, 8 flowers &amp; 7 fruits on the portal</li> <li>• Training of Best farming Practices at KPKs by Experts &amp; organization representatives</li> <li>• Integration of Universities for enhancing knowledge bank</li> <li>• Platform of KPK for knowledge dissemination</li> </ul>	<p style="text-align: center;"><b>Present Status</b></p> <ul style="list-style-type: none"> <li>• Present operations in 10 districts of Rajasthan</li> <li>• 5 districts in Uttar Pradesh</li> <li>• 5 districts in Madhya Pradesh</li> <li>• 2 districts Himachal Pradesh</li> <li>• 3 districts in Maharashtra</li> </ul>	<p style="text-align: center;"><b>Business Projections</b></p> <ul style="list-style-type: none"> <li>• Target of opening 4,000 KPK's by the end of 2010-11</li> <li>• Reach up to 400,000 to 500,000 farmers with database integration by the end of 2010-11</li> <li>• Initiate 1 zone every quarter for horizontal growth of the company</li> <li>• To connect 2,000 KPK's with Internet and computers</li> </ul>

**Value Proposition by ANPL to your organisation**

1. Marketing Platform to achieve the following through KPK's and the network:
  - a. Product awareness and Demonstrations
  - b. Demand Aggregation
  - c. Raising of Purchase orders
  - d. Receipt of Material
  - e. Issue of Material
  - f. Payment Collection
  - g. Re-ordering
2. Facilitation of After Sale Services
3. Facilitation of Training needs to farmers through KPK's
4. Inventory Management and Stocking
  - a. To reduce Inventory carrying cost
  - b. To reduce Transportation
  - c. To reduce storage Cost
  - d. Micro-level storage points at KPK's
5. Agriculture Technology support for promotion of Products and Services
6. All Marketing and distribution systems on IT backbone with complete transparency in a following phased manner:
  - a. To start with, ANPL to act on behalf of the network
  - b. Enablement to be passed on to the network (Zonal Incharge at 5 District level; District Level Coordinator; Territory Coordinator managing a territory of 100 villages; KPKC managing 5 KPKs set-up at 5 village level), gradually once the system and the infrastructure is in place
  - c. Finally in a few years enablement to be passed on to the farmer (though a farmer will have enablement from day 1, but because of the lack of infrastructure may not be able to use it)
7. Intranet for the organisation with digital identities to all stakeholders as per the requirement.
8. Dynamic enablement to the organisation for maintaining and upgrading contents on their dynamic website.

**From your organisation to ANPL**

1. Logistics systems of
  - a. Information
  - b. Goods
  - c. Money
  - d. Documents
2. List of Products
3. Schedule of Events/ Demonstrations to be organized at KPKs.
4. Price advantage to ANPL, to be distributed with Farmers and the Network
5. Technical specifications of various products.
6. Market position of the organisation in comparison on pricing and Product features of various Brands available to farmers in the local market
7. Recommendations
8. Leaflets
9. Legal Policy papers on commercials.
10. Declaration for participation

## **Important points for the presentation**

1. “Train the trainer program” for the KPK(O) and the network of ANPL
2. Reduced cost of promotion and self promotion concept
3. Sharing of promotion cost with other companies
4. A middle level progressive farmer to take charge of the KPK as he belongs to the same community
5. Identity of every farmer on net for the companies to have an access to it starting from Information, Communication and Transaction (ICT) to get developed in phases
6. Target to start with e-transactions by bringing all the players on a common internet platform
7. Physical processes to get aligned for it to get replicated on the IT platform
8. Logistics need to be evolved in consultation with ANPL
9. To be finalized by the company as a system of delivery.
10. The same to get enforced by ANPL along with company representative
11. Companies to start with the demonstrations and field days in villages for the farmers so that they can see the results
12. Systems for demand aggregation for every company is given by ANPL
13. Billing to be done in the name of the farmers (preferably)
14. Delivery can take place from any source but it should give the following benefits to the farmers
  - a. Timely delivery
  - b. Quality assurance
  - c. Delivery at door step or KPK
15. VAC to be given to ANPL by the company
16. KPK to act as a Facilitation center or a Business point/center.
17. Installation of computers as the territory gets developed
18. Vision is to start with the e-transactions and bring down the distribution cost from 20% to 5%



## Check List for Backward Integration while dealing with Companies

### Extension Activities:

- 1 Farmer Meetings with Company Agri-graduates
- 2 Farmer meetings with Agriculture University professors
- 3 Soil Testing Activity
  - a. Samples to be collected by the company or to be sent by ANPL
  - b. Charges for the activity
  - c. Delivery of reports
  - d. Soil treatment activity
- 4 Water Testing Activity
  - a. Samples to be collected by the company or to be sent by ANPL
  - b. Charges for the activity
  - c. Delivery of reports
  - d. Soil treatment activity
- 5 Customized literature crop-wise, district wise for farmers
- 6 Field Assistance (in case of any disease in the crop)

### Sales Promotion Activity

- 1 Field demonstrations
- 2 Free distribution of samples
- 3 Product list to be displayed at Kendras
- 4 Pamphlets of product details
- 5 Banners at KPK
- 6 Free gifts for farmers at the time of meeting
- 7 Appointment of executive for demand generation
- 8 Product usage methodology
- 9 Any other sales promotion campaign

### Delivery of Products

- 1 Ex-rail head, Ex-godown or Ex-Distributor
- 2 Delivery Process
  - a. Company – KPK
  - b. Company – Distributor – KPK
- 3 Transportation Cost
  - a. To be paid by the Company
  - b. To be paid by farmers
4. Minimum Order Quantity
5. Minimum Price Quantity



6. Quality assurance
7. Benefit to farmers
8. Assurance of Delivery

#### Billing Systems along with the calculation of VAC

- 1 In case of KPK not having license
  - a. Company-Distributor-Farmer
  - b. Company-Distributor-Retailer-Farmer
  - c. Company-Farmers
- 2 In case of KPK having a license
  - a. Company – KPK – Farmer
  - b. Company – Distributor – KPK – Farmer
- 3 Billing to be taken care by the company
- 4 Value Added Commission (VAC) to be given in favour of “Agroecommerce Network Private Limited”

#### After Sales Service

- 1 Field management
- 2 Yield assurance
- 3 Quality check

#### Company to ANPL

- 1 Product List
- 2 Company invoicing rate
- 3 Amount of VAC to ANPL



## **CUSTOMER DATA COLLECTION SHEET**

**Objective:** To bring conviction, transparency and reach amongst all the stakeholders of ANPL network and the organization that the Product, Services, etc offered by the association are comparable or better than others and due benefits are being passed to all stake holders.

**Stake holders:** Network Managements, KPK owners, Farmers, ANPL, Organisation.

### **Information required on the following:**

1. Organisation's USP
2. Comparative Chart
  - i ) Yield
  - ii) Quality
  - iii) Cost
3. Benefit to farmers through this association
4. Agri Services
5. Delivery Mechanism/ Schedule
6. Message to Network/ KPK/ Farmer
  - i ) Organisation MD
7. Knowledge Management ( Region Wise/ District Wise/ Product Wise) Seed
  - i) Methodology
  - ii ) Monitoring
  - iii) Problem Solving
8. Product List with pictures and details
9. Schedule of events and activities
10. Query/ Answers
11. Survey
12. Success Stories
13. Search Engines (External for Public)

**\*All the above content to be self managed by admin id/ password**

### **Information to be accessed only after login in the admin**

Database access of the farmer / KPK/ registered with ANPL along with the forecasted cumulative requirement for required seeds.

Message Board

Internal Search Engine

Product Specific  
Location Specific