

Launched of appropriate infrastructure, and the extensive

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Launched in 2000 by the India Tobacco Company (ITC), the e-Chaupal (meaning “village meeting place”) model was one of the largest initiative among the internet-based interventions in the rural development domain reaching out to about 35, 000 villages constituting 4 million farmers.

This model was specifically designed to combat the challenges posed by the Indian agriculture system including fragmented land holdings, lack of appropriate infrastructure, and the extensive role of middle-men in marketing agricultural produce, which prevented the farmers of the country from obtaining critical market information and in turn realizing fair prices for their produce. This initiative enables the company to link directly with the farmers for procurement of both agricultural and aquaculture produce including soybean, wheat, coffee, prawns, etc. The e-Chaupal model follows a highly integrative approach. As part of this, ITC has installed internet kiosks, managed by trained farmers known as ‘Sanchalaks’, each serving about 600 farmers in the surrounding 10 villages in a 5-km radius. These Sanchalaks assist the farmers to access the kiosks for obtaining real-time information and customised knowledge regarding weather, better farming practices, mandi prices, and placing orders for agricultural inputs at affordable rates, in turn earning a fee for all transactions done through the e-chaupal.

This enabled farmers to make well-informed decisions and align their production with market demand as well as ensuring a higher quality as per market standards. Another imperative of the model was to eliminate or reduce the extent of intermediary participation in the farm-to-market chain

as well as reducing transaction cost. At harvest, ITC offers to buy the produce directly from the farmers at previous day's closing price, thus bypassing the government mandated-mandis. The e-Chaupal model has certain in-built features that pre-dispositions it well with regard to scalability. These include provision of a virtual market for spot and fair transactions, value-added products with reliable traceability, ITC's vast experience in the field, reasonable incentives to the players involved, and scope for sustainability in this rapidly growing IT environment, where all business activities are going digital. The programme also has potential to include more products in its basket offering, thus attracting greater number of farmers across increased states in its portfolio. Also, the e-chaupal model has the potential to include all agriculture and allied activities under its purview since the basic fibre of the rural environment remains unchanged and only the differences in dynamics of the value chain needs to be factored-in.

This can include distribution of consumer goods, home appliances, etc. However, the e-chaupal model faces some inherent challenges. These cover major unrest from the intermediaries, absence of efficient infrastructure, continuous supply of electricity to the villages, extreme dependence on the efficiency of Sanchalak's training. Most importantly, it is the lack of sensitization for the programme that has led to its ineffective reach. Although, ITC has tried to overcome most of these challenges, the future of e-chaupal model lies in its expansion to other states.