

# Agri Startups Till the Fields for IoT

THE TIME IS RIGHT



The only industry that has not been scanned is the farming industry, and there is a huge opportunity there. The timing is absolutely right because the government is also talking about a smartphone in every hand by 2017

**KARTHIK NATARAJAN** Family

DON'T WORK LIKE WEST



In the current scenario of Internet of Things in the West, there are solutions in search of problems. Here, it is the other way around

**VIJAY BHASKAR REDDY**  
Vinfinet (KisanRaja)

## ET Roundtable Startups

Our Bureau

**Bengaluru:** A new breed of entrepreneurs is building startups that use next-generation technologies including Internet of Things (IoT) and cloud computing models to help farmers and others working in the agriculture sector. On Wednesday, ET invited founders of three agri-tech startups — Farmily, KisanRaja and CropIn Technology — to understand what it takes to build a successful venture in this space. Phanindra Sama, who sold his bus ticketing startup redBus to Ibis Group in 2013 and is now an adviser to CropIn, was part of the panel.

"There is a Flipkart-like opportunity (for agri-tech startups) that would require the same kind of funding," said Sama. A confluence of the pervasive use of mobile phones, falling cost of hardware and greater internet connectivity has brought the agri-tech industry to an inflection point.

"Smartphone penetration and increasing dependence on social media are large factors in the efforts towards digitising agriculture," said Kunal Prasad, chief operating officer of CropIn, whose mobile app helps farmers track produce and consignment status.

The IoT phenomenon has more use-cases in agriculture than one can imagine, said Vijay Bhaskar Reddy of Vinfinet Technologies, makers of a device called KisanRaja. The device, when connected to water motors, calls farmer on their mobile phones and releases water as and when directed. Despite the opportunities, the sector is not without its gaps. For one, the innovators do not live in the villages. "We are capable of building solutions, it's just that we are not exposed to it," said Sama, also highlighting the lack of a tissue culture industry in India.

"There are hundred kinds of potatoes but McDonald's wants one kind. And none of this innovation happens in India because of the patent scene in India — there is no value for doing all this discovery," he said. "There has to be a reward for people to work (on tissue culture)."

The good news is, more institutional money is coming in for agri-tech entrepreneurs to continue with innovative ideas as business models become more viable. "Fantastic analytics can be put in place to predict which crop should be grown, where, etc," Sama said. This, and opportunities in forward and reverse logistics, can be profitable businesses, he said. "The only industry that is not digitally scanned is the farming industry. If you are developing a product now in agri-tech space, the next 12-18 months should be a good time to raise money," said Karthik Natarajan of Farmily, which connects farmers with consumers of agricultural goods.



AT THE TABLE: (From left) Phanindra Sama, ex-cofounder redBus; Vijay Bhaskar Reddy of Vinfinet; Karthik Natarajan of Farmily; and Kunal Prasad, COO of CropIn

### Preparing the Soil

#### CropIn Technology

**WHAT IT DOES:** Enterprise resource planning, business intelligence for agriculture

**FOUNDED IN:** 2010

**FUNDING:** Seed funding from Invested Development, ₹1 cr from Seeders Venture Capital and Ankur Capital

**CUSTOMERS:** Farmers, enterprises like PepsiCo and Mahindra & Mahindra

#### Frontal Rain

**WHAT IT DOES:** Supply chain software solutions

**FOUNDED IN:** 2012

**FUNDING:** ₹5 crore from Omnivore Partners

**CUSTOMERS:** Agri-businesses, cold-storage chains, distributors & retailers

#### Farmily

**WHAT IT DOES:** Brings farmers and buyers together

**FOUNDED IN:** 2014

**FUNDING:** Bootstrapped

**CUSTOMERS:** 20,000 farmers, supermarket chains, hotels, restaurants, food processors



#### Vinfinet Technologies

**WHAT IT DOES:** Builds automated irrigation systems

**FOUNDED IN:** 2006

**FUNDING:** Not funded

**CUSTOMERS:** Agribusiness companies, close to 15,000 end customers

#### Skymet Weather Services

**WHAT IT DOES:** Weather forecasting system

**FOUNDED IN:** 2003

**FUNDING:** ₹4.5 crore from Omnivore Partners in 2011; \$4.5 million (₹28.7 crore) from a consortium of investors led by Asia Pacific, an investment arm of the UK's Daily Mail Group, and Omnivore

**CUSTOMERS:** 30-35 institutional clients including PepsiCo, Pioneer Seeds, World Bank, International Finance Corp

**\$450b** Size of India's entire food, farm base and processing market

**\$100b** Contribution of top 20 commodities such as rice, tomatoes & potatoes

**118m** Farms in India  
**About 53%** India's total population engaged with agriculture

MIND THE GAP



There are huge gaps. If you can fill those gaps with technology then we can certainly make a business

**KUNAL PRASAD**  
COO, CropIn