

A Uber for Agriculture

EM3 provides modern, affordable farm technology services on a pay-per-use basis.

by Joe C. Mathew Delhi Print Edition: January 15, 2017



On November 2016, the government of Rajasthan signed an agreement with a start-up, EM3 Agriservices, to establish up to 300 centres that provide agricultural equipment and services on a pay-for-use basis. The same month, the two-year-old farming-as-a-service (FAAS) company, with 12 custom agri-service centres - branded 'Samadhan techno kheti' - that rent out services and equipment to farmers in Madhya Pradesh, was invited to present its business model to Bill Gates, whose Bill and Melinda Gates Foundation has committed major funds to boost yields and incomes of millions of small farmers in developing countries of Africa and Asia.

There is a reason why both, a state known for progressive practices in agriculture and a global agency interested in advancing futuristic agricultural practices across poor countries, found EM3 interesting. The for-profit business model the company is trying to establish is expected to have the potential to take Indian farming to the next level - state-of-the-art mechanisation. It provides technology-based services that can be afforded by small farmers who constitute the bulk of India's population. It attempts to find a solution to all the key problems - fragmented land holdings, rising labour costs, inadequate information about modern farming methods, and prohibitively expensive mechanisation and technology - that keep farm productivity low and Indian farmers poor.

"You throw a dart on India's map. Wherever it hits, it is a potential area for business for us. Ninety-two per cent of India is waiting for mechanisation. McKinsey estimates FAAS to be a \$120-billion opportunity. The scope is huge," says Rohtash Mal, CMD of EM3.

EM3's Samadhan techno kheti centres are equipped with the entire range of machines, tools and technology needed for precision farm operations for crops such as oil seeds, sugarcane, pulses, rice and wheat. "We are bringing high engineering, IT, mobile technology, payment gateways, all together for the farmer. Right from soil preparation to harvesting, we do everything on a pay-for-use basis," says Mal. Farmers who need to avail Samadhan services can book it online, or offline, on a first-come-first-serve basis.

What differentiates EM3 from a normal agricultural equipment hiring centre are the partnerships it has with key industry stakeholders. For instance, tractor major John Deere provides technical support to EM3's tractor and harvester fleets. Trimble, a leading provider of advanced location-based navigation, provides satellite-based technologies to EM3. Its tie-up with the agri-business division of ITC allows EM3 to use ITC's e-choupal platform to reach out to farming communities.

The agri-professionals who manage the Samadhan kendras are trained to provide services like topography interventions, land and seed bed preparation, sowing, application of fertilisers, inter culture, harvesting and post-harvest operations. EM3 claims to have offered its services in over 35,000 acres of land in the past two years. "We did 7,000 acres of harvesting in November alone," says Mal. The number of farmers who have availed the services have crossed 13,000. "And we are growing 30-40 per cent every month," Mal claims and adds that the company has access to almost two million acres of land under its existing contracts. As the Rajasthan partnership progresses, the company will see a massive scale-up in its operations. It is yet to zero in on the exact customs hiring locations in Rajasthan.

EM3, which currently has 160 employees on its rolls, has raised Rs 27.5 crore as angel funding from Soros Economic Development Fund, through Aspada Investments. "We will absorb 150 per cent more capital by 2018," says Mal. Mal believes that his model will work for India, and can also be exported to the developing world. As scale and size follow, its success will become clearer.

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