

FARMER MARKET CONNECT

SUCCESSFUL AGRI-BUSINESS MODEL FOR DOUBLING FARMERS INCOME

India is predominantly an agriculture state. We have been producing around 290 Million Tonnes (MT) of food grains and 300 plus MT of horticultural crops annually. India has witnessed a steady increase in horticulture production over the last few years. Significant progress has been made in area expansion resulting in higher production.

The production of vegetables has increased from 101.2 MT to 184.40 MT since 2004-05 to 2017-18. Production of fruits has increased from 50.9 MT to 97.35 MT for the same period. We occupy the first or second position globally for most of the crops in terms of volume, but are far behind in terms of average yield per Ha and also in terms of exports. We witness more than 35 to 40 per cent post-harvest losses in horticultural crops. Most of these losses are due to improper handling, infrastructure, cold chain and poor logistics. Agriculture in India has achieved grain self-sufficiency. But the production is resource intensive, which has raised serious sustainability issues. It is also cereal centric and regionally biased.

Agriculture has also witnessed changes in trends around social aspects. There has been increased feminisation of agriculture. This is mainly due to increasing male migration to urban areas. We have to focus not only on food security but also nutrition security. Our policies must be formulated accordingly.

Our land-holdings are small, and the problem worsens with each generation. We need to find ways of how we can aggregate farmers and make minimum viable farm size operations. This will lead to reduction in input cost and farm operations. We shall be able to produce the minimum volumes

required for better negotiation of prices.

FPOs can help in land aggregation

We need to work aggressively on possible ways of aggregation. Collective farming, FPO creation, cooperatives, land leasing and contract farming are some of the possible solutions. Aggressive steps have been taken by the government to promote 10,000 FPOs. Budget of Rs 5000 crore has been allocated for promoting and strengthening these FPOs in the next five years. This will augment agricultural income and help farmers to trade their produce. This will help in better value realization of the agricultural produce.

Farmers in India have been facing challenges in marketing their produce. Farmers are usually unable to realize the value of their produce – leave alone the cost of labour or land cost. Marketing is the biggest challenge for the farmer today. We have been trying to educate the farmer on how to produce more and more. He actually needs assistance in marketing the produce. Lack of this knowledge leads to his exploitation.

The COVID crisis forced our government to do away with many policies that were shackling agriculture but we were un-



Dr Dinesh Chauhan is Director, Indigram Group. He can be reached at dinesh.chauhan@indigram.in, [@dkchauhan](https://twitter.com/dkchauhan)

ABOUT THE AUTHOR



able to get rid of them. This can prove to be a great opportunity for small and marginal farmers. Now corporates can buy directly from farmers, undertake contract farming, take land on long lease etc. This is a great move. We shall need more clarity on this subject by respective states, since agriculture is a state subject.

Contract farming holds promise

Contract farming shall help in improving profitability of small and marginal farmers. They shall have access to quality input and better price for their output. More than 85 per cent of farmers have less than 2 Ha of land, and only 47 per cent of crop area. Contract farming will lead to assured price for growers and assured quality for buyers without any middlemen. This shall strengthen the supply chains and boost export. All these reforms were much needed and will help India go to the next level.

Agriculture infrastructure fund of Rs 1 lakh crore by NABARD will help to create affordable and financially viable post-harvest management infrastructure at farm gate and aggregation points. These are enablers in doubling of farmers income over a period of time.

e-NAM has great potential

There needs to be a unified platform and model like e-NAM which will be crucial to connect farmers with the market. Till May 15, 2020, about 1000 mandis were integrated with e-NAM. We need more



and improve efficiencies in the value chain. This reduces wastage, improves freshness and quality. The linkages offer more value to both growers and consumers.

To improve profitability, the farmer must adopt integrated farming systems. Organisations like Indian Society of Agribusiness Professionals have successfully implemented sustainable integrated farming systems in Rajasthan through donor support like OCP foundation. We need to have more such projects and programs focussed on creating sustainable farming systems.

ISAP has also been working in FPO creation and has successfully created 200 plus FPOs in India. There cannot be one size that fits all in case of a huge nation like India. We need to have localized specific solutions and a national framework to integrate the price, availability, production and consumption data. This shall ensure better utilization and more realization of value at farmer's level in real time with the help of digital platforms like e-NAM and others. There have been unique collaborations between tech start-ups like SatSure, Numer8, KrishiHub and ThinkAg. They created a non-commercial map which helped to connect different players in India's agricultural supply chain. These include farmers and buyers as well as logistics, storage, and agri-machinery companies across the country. We need more such collaborations to help farmers and improve their profitability.

