PPPs for farm sector

PREMIUM

Updated - October 15, 2024 at 08:24 PM.

There is tremendous scope in food processing

By M SRIKANTH , YOGITA RANA

Farm sector: Harnessing the public-private synergy

Synergy is energy. Public Private Partnerships (PPPs) create symbiotic relationships in terms of complementarities to achieve sustainable development goals (SDGs) not just in agriculture but also in other sectors.

As per the estimates of Food and Agriculture Organization (FAO), the world population would reach 9.1 billion by 2050 and in order to feed them, agriculture sector needs to produce 70 per cent more food than present levels — that too with existing resources. Given the climate change, soil degradation, and geopolitical disruptions to global supply chains, Agri-PPPs appear to be viable channels in this regard.

Essentially, PPPs are collaborative mechanisms wherein public sector entities and private enterprises share "risks and rewards" to achieve more efficiency in production and delivery of (public) goods and services.

Agri-PPPs have been instrumental in driving innovation, adoption of advanced technology, and sustainable agricultural practices especially in countries like Brazil (export of agri-commodities), China (integration of technology and good agricultural practices) and the US (high yielding varieties and farm mechanization).

Related Article

Digital rupee can catalyse the economy

In a developing country like India, Agri-PPPs are essential to promote agricultural sustainability and address issues related to food, nutritional, and income security of the farmers.

India story

By obtaining government approval, Mahyco partnered with Monsanto to introduce Bt Cotton and this resulted in unprecedented rise in cultivation of Bt Cotton, decline in use of pesticides, and increase in crop productivity and increased farm incomes.

John Deere entered into PPP with the Gujarat government in 2011, and established eight Agricultural Implements Resource Centres (AIRCs) to cover 8,400 acres of cultivated land thereby benefitting 50,000 tribal farm-households. Through AIRCs, John Deere provided over 500 tractors to the local farmers apart from imparting training on farm mechanization, skilling the farmers in soil testing, contract farming, market access, and micro-irrigation. Recently, Telangana government's Saagu Baagu scheme enabled digital agriculture through PPP-based pilots to transform crops like cotton, chilli, and groundnut.

Out of 358 projects under PPP, just three projects, in post-harvest infrastructure for agriculture and horticulture produce (mainly cold storage facilities), were implemented with a total cost of ₹2,101 crore (0.31 per cent) between 2007 and 2024.

As less than 2 per cent of farm produce is being processed in India, there is a tremendous potential for PPP in agriculture & allied sectors, especially in case of food processing. Stronger Academia-Industry-Government (AIG) linkages are needed in research, extension, and education under the PPP. Here, the European PPP model may be emulated wherein government approaches the industry with a target of specific product development (high yielding variety of seeds, vaccines, etc.).

Agricultural educational and research institutions in India have many farm innovations to their credit but these can be effectively commercialised through suitable PPP models. The government must create an enabling environment for Agri-PPPs in terms of proper regulatory framework, providing access to finance, and promoting research.

Public good, not just private benefit, can happen if right ecosystem, mutual trust, good governance, clear-cut allocation of rights and responsibilities among the partners, and effective monitoring and evaluation of Agri-PPPs are in place. As climate change is a reality coupled with increasing scarcity of land and water resources, PPPs are the right vehicles to achieve the SDGs.

Srikanth is Director, Agri-Business Management, MANAGE, Hyderabad; and Rana is Joint Secretary, INM, Ministry of Agriculture and Farmers' Welfare, Government of India. Views expressed are personal

COMMENTS SHARE

Published on October 15, 2024

Trending in Opinion

Budget 2024 / Business Line Editorial / Business Line Columns / Cartoon News / Business Line Opinion / Editorial News / BL Data Stories / BL Explainer

Latest News

MIB invites applications for e-auction of 730 private FM radio channels

PREMIUM

Shining light on India's jewellery market

BY NISHANTH GOPALAKRISHNAN

FEEDBACK

bl. HOME