



## How PPP Mode Support in Delivery of Digital and High-Tech Services to Farmers

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PPPs are the long-term contractual relationships between the government and private partners to provide all or some part of the delivery of agricultural infrastructure and services. PPP's are a way of contracting for services, using private sector innovation and expertise and they often leverage private finance. Improving the scaling up of agri value chains and help Indian farmers reap the benefits of technological advancements. The provision for capital allocation towards aid for agri and rural start-ups, FPOs and Custom Machinery Hiring Centres for farmers will enhance access of small holder farmers to affordable mechanization. Technological intervention in the agricultural sector through delivery of digital and hi-tech services to farmers in PPP mode and launching a fund with blended capital to finance agriculture startups is an extremely positive move. This will open a new door of opportunities for agritech and drone as a service startups in upscaling their businesses.

### Dimensions of PPP in Indian Agriculture

India is one of the fastest growing economies with annual growth rate of over 8 per cent. Agriculture and related sectors, according to Economic Survey statistics, were the most resilient to the Covid-19 shock, growing at 3.6 percent in 2020-21 and 3.9 percent in 2021-22, boosting the entire Indian economy's real GDP growth to 9.2 percent in 2021-22. Now the main focus of India is to increase technological intervention in agriculture value chains will further help to cushion the sector against global uncertainties. The problems that the agriculture industry faces highlight the urgent need for innovations brought about through public-private partnerships. Maharashtra, the first state to follow this road, launched the Maharashtra Public Private Partnership for Integrated Agricultural Development (PPPIAD) initiative, which aims to establish integrated value chains for a number of commodities via PPP and co-investment. However, issues such as high transaction costs of operationalizing and coordinating the partnership, different objectives of each sector, negative perceptions and mutual mistrust, and uncertainty about the actual benefit and outcome from PPP all pose challenges to successful public-private partnerships.

### PPPs in Market and Infrastructure Development

The Model APMC Act encourages farmers to engage in direct marketing in order to obtain the greatest price for their product and to form partnerships with banks, finance, and logistics firms in order to obtain the most cost-effective financing and marketing. This encourages

private investment in the much-needed marketing infrastructure, increases competition, and improves farmer service. The government, through FCI, developed a phased implementation plan to build new steel grain silos with a capacity of 10 million metric tonnes by 2020 using PPPs to address the limitations and issues in the storage of food grains. Only 5% of India's total cultivable land is being irrigated via micro-irrigation. Micro-irrigation may be made easier using PPP, resulting in increased irrigation efficiency. PPPs are being used to create integrated micro-irrigation networks.

### **Impact of PPP Models in Agriculture**

Positive changes in farm produce marketing, risk and uncertainty reduction, social mobilisation, farm family capacity building, and farmer economic empowerment have all been accomplished as a result of PPP. Farmer resilience to environmental risk and uncertainty minimization social mobilization - through SHGs, farmer interest groups, commodity groups, farmer's clubs, and farmer's cooperative societies, developmental departments form partnerships to improve social linkages.



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### **Challenges of PPP Approach**

The PPP is a new programme that required some time to examine its effects and consequences. One of the most widely mentioned issues surrounding PPP is a lack of transparency. Another challenge in the execution of the PPP strategy is the length of time it takes to create a PPP agreement and the amount of formalities that must be followed. In many circumstances, the private party receives undue political favours from their public sector counterpart.

### **Conclusion**

India has set the goal of doubling farmer's income that requires significant investment. Thus, a more concerted emphasis is warranted to engage the private sector in agriculture through PPPs. "The government main focus to increasing investment in agriculture and the agritech sector that will allow for all-inclusive development that will benefit farmers as well as agribusinesses. The proposed PPP (Public Private Partnership) mode scheme to promote the delivery of digital and hi-tech services in the agriculture sector will lead to greater cooperation between the private agritech players and public research institutions.