



INTERNATIONAL
FOOD POLICY
RESEARCH
INSTITUTE



CGIAR

POLICY
INNOVATIONS



Proceedings of the IFPRI-AERA Policy Dialogue on “Transforming Agri-Value Chains: Emerging Frontiers for Agribusiness”

3 December 2025 | ICAR-NAARM, Hyderabad

Prepared by
Anisha Mohan, Munish Alagh and Ishita Sirsikar

Introduction

Transforming agri-value chains has emerged as a central policy challenge for India as agriculture shifts from a primary production-oriented sector to one that is increasingly shaped by markets, value additions and consumer demand. Moreover, as agriculture becomes increasingly integrated with markets, technology, finance and services, the role of agribusiness and value-chain institutions in shaping development outcomes has grown both in scale and complexity.

Against this backdrop, the International Food Policy Research Institute (IFPRI) and CGIAR Program on Policy Innovations in collaboration with the Agricultural Economics Research Association (AERA) and its co-organizers, convened a policy dialogue on *“Transforming Agri-Value Chains: Emerging Frontiers for Agribusiness”* on 3 December 2025 at ICAR-NAARM, Hyderabad. The policy dialogue brought together policymakers, researchers, practitioners, and development partners to examine how agri-value chains (AVCs) and agribusiness can drive inclusive, productive, and resilient agri-food system transformation in India.

The session was co-chaired by **Prof. Mahendra Dev**, Chairman of the Economic Advisory Council to the Prime Minister of India, and **Dr. P.K. Joshi**, President of the Agricultural Economics Research Association (AERA). Prof. Dev's participation was a key highlight, lending strong policy relevance to the discussions. The panel featured speakers from diverse backgrounds—agricultural finance, international research, agri-startup incubation, social protection, and mountain agriculture—reflecting the multiple policy entry points required to strengthen agri-value chains.

The proceedings below capture the key ideas, evidence and policy insights shared during the dialogue.

Setting the Context: Conceptual Pathways to Rural Prosperity and Agricultural Transformation

Dr. Mamata Pradhan, Research Coordinator, International Food Policy Research Institute (IFPRI), framed the discussion by situating agriculture within broader theories of economic development. She noted that while classical structural transformation models focus on labor moving from agriculture to manufacturing and services, the “fundamentals” approach emphasizes human capital and institutions, both often miss a critical link – the agriculture value chain that connects producers to consumers.

She introduced a “third school of thought” centered on AVCs, where agribusiness plays a central role in mediating productivity growth, innovation, and development outcomes. Drawing from IFPRI’s work, she highlighted how value chains influence income distribution, women’s participation in the workforce, and dietary outcomes. She also flagged emerging challenges—particularly the rise of ultra-processed foods, nutrition deserts, and market-driven food environments—underscoring the need to steer agribusiness toward healthier and more



sustainable outcomes. Further, she also highlighted that investments in nutrition, skills and institutional capacity are foundational to competitiveness, particularly as labor shifts between agriculture and non-farm activities.

Unlocking Agribusiness Potential through Improved Access to Credit



Shri K.J.S. Satyasai, Agricultural Economist & Former Chief General Manager, National Bank for Agriculture and Rural Development (NABARD), emphasized that financing approaches must evolve with changes in the agri-food sector, highlighting structural weaknesses that are still persistent in agricultural finance. Traditional small-ticket, template-based lending is no longer sufficient for a rapidly changing agri-food system.

Innovative financing models, including bulk lending through Farmer Producer Organizations (FPOs), credit guarantees, insurance, and risk-sharing instruments are the need of the hour.

He argued for a shift toward integrated, sectoral financing approaches, where banks collaborate with each other and with actors across the value-chain. FPOs, in his view, can serve as important nodes in value chains, including bulk borrowers, thereby reducing transaction costs by having bankers share the risk with FPOs. This would be possible only if policy frameworks allow banks to share risks appropriately. He cautioned against applying the same financing logic to both individual farmers and FPOs, noting that poorly designed credit frameworks could weaken FPO promotion. Technology, he added, can help track value-chain flows and improve financing efficiency, but policies must support the entire ecosystem of stakeholders, not farmers alone.

Leveraging International Partnerships to Catalyze Agribusiness Innovation



Dr. Smita Sirohi, MS Swaminathan Chair ICAR-National Professor, ICAR-NIAP, stressed that international partnerships were framed not merely as channels for funding or diplomacy, but as strategic ecosystems for co-creation. These partnerships must move beyond formal agreements to co-creation, compliance with standards, and shared innovation goals. In agribusiness, she pointed to the need for systematic “institutional scanning” of global innovations and suggested that an agri-innovation

observatory, anchored within Indian Council of Agricultural Research (ICAR), could help India access and adapt global knowledge.

She further highlighted the need for an institutional “Global Hub” that will enable Indian agri-startups to access and forge international partnerships. While such facilitation exists in pockets within the private sector, she argued for a more inclusive, institutionalized platform, akin to NASSCOM, to support agribusiness innovation and strengthen domestic start-ups. Referring to initiatives such as the PM Kisan SAMPADA Yojana, she stressed the importance of better convergence across schemes to promote co-creation, value addition, and efficient supply chains rather than stand-alone technology transfer. Effective partnerships, she argued, are about building mechanisms, markets, and mindsets—going beyond the symbolic signing of MoUs.

Financing India's Startups in the Agri-Value Chains



he noted that financing still lags behind potential requirements imposed by financial institutions.

He emphasized the need for stronger collaboration among incubators, accelerators, research institutions, and industry, as well as policy support for easier financing and IP transfer systems. A recurring point was the absence of an institutional support structure for startups at different stages, underscoring the need for a NASSCOM-like institutional platform for agri-startups that can support enterprises from inception through scaling. Investment in human capital, financial literacy, and mission-mode approaches to risk transfer—both during and after production—were identified as critical gaps in the current startup ecosystem.

Speaking about the challenges faced by agri-startups in accessing finance across value chains, **Dr. K. Srinivas, Principal Scientist, ICAR-National Academy of Agricultural Research Management (ICAR-NAARM)**, emphasized that agri-startups emerging from technological innovation require early-stage funding and co-creation with strong scientific and research institutions, supported through incubators and accelerators. While Indian agri-startups have raised significant capital, and is constrained by traditional collateral

Social Protection for Rural Prosperity



Ms. Bénédicte de la Brière, Lead Economist, The World Bank, presented evidence on employment patterns and vulnerabilities in rural India, highlighting that agriculture still employs a large share of workers, most of whom are women, and that rural job poverty remains high. She emphasized that livelihoods are becoming increasingly fluid, with workers moving across sectors and contracts, challenging existing social protection models.

She noted that while India has a wide range of social protection programs and safety nets for vulnerable individuals, the benefits of its digital infrastructure are not yet fully aligned with

the changing demographic and labor market realities. Traditional employer-employee relationships, she observed, are increasingly outdated as workers routinely move between sectors such as agriculture and construction. In this context, she emphasized the importance of designing labor codes and social protection systems that respond to these realities, along with strong support mechanisms that enable agrarian households to better absorb and manage economic shocks.

She outlined three key agendas: productive economic inclusion, adaptive social protection, and labor mobility, along with nutrition security and ageing with dignity. Programs such as MNREGA, PDS, and SHG-based initiatives were discussed as foundations that need to evolve. She emphasized the importance of layering and bundling instruments—combining cash, work, insurance, and savings—with flexibility to respond to shocks. Digital platforms should reduce bureaucratic barriers but must be complemented by a human interface to ensure inclusion and trust.

Strengthening Agribusiness Competitiveness through Mountain Agriculture



Prof. Nazir Ahmad Ganie, Vice Chancellor, Sher-e-Kashmir University of Agriculture Science and Technology (SKUAST), highlighted that Himalayan agriculture faces distinct challenges due to its remoteness, fragile ecosystems, land constraints, and climate vulnerability. Despite these constraints, the region produces high-value, low-volume niche commodities—such as walnuts, saffron, cherries, and specialty fibers—many of which are organic by default.

He shared insights from Jammu & Kashmir's Holistic Agriculture Development Program (HADP), which aims to move agriculture from primary to secondary and tertiary activities through value-chain development. Key priorities included aggregation through FPOs, cold-chain infrastructure, logistics, digital platforms, and climate-smart diversification. He stressed that value chains must be commodity-specific and region-sensitive.

He emphasized that strengthening market access remains a critical priority. The marketing of agricultural produce is increasingly being expanded through public-private partnerships, alongside investments in cold-chain infrastructure. Improvements in logistics and the adoption of digital platforms are expected to better integrate Jammu and Kashmir with national and global markets. From a sustainability perspective, the adoption of climate-smart technologies is essential for the Himalayan region, complemented by crop diversification, biodiversity conservation, and efficient water resource management to ensure long-term resilience.

Perspectives from Rural Development by Guest of Honor



Dr. G. Narendra Kumar, Director General, National Institute of Rural Development and Panchayati Raj (NIRDPR), emphasized that India already has strong institutional platforms such as SHGs and Panchayati Raj Institutions – with nearly 10 crore women being currently involved. The challenge, however, lies in converting these capabilities into sustained productivity and prosperity. Although lending practices have improved and dependence on money lenders has declined, sustained productivity gains and coordinated production

remain essential for structural transformation. Earlier efforts to promote self-employment often fell short in building durable capabilities at scale. In this context, rural transformation under Viksit Bharat presents greater scope for incremental growth than urban areas, where the need for intervention is comparatively lower. He argued for integrated, area-based rural development approaches, where clusters rather than districts become the focus for systematic value-chain development.

He explained that advancing an integrated value-chain approach requires addressing persistent constraints, particularly farmers' access to markets which calls for robust marketing support systems, the development of microenterprises, and efficient supply chains. An area-based approach drawing on global best practices such as cluster-based development was emphasized.

Further, he highlighted that while clusters are commonly defined at the district level, a more granular focus is often necessary. For example, while India's One District One Product initiative marks progress, districts are frequently too large to concentrate on a single product. International experience, such as One Village One Product in Japan, illustrates the benefits of a more flexible approach.

Drawing from global and Indian examples, he stressed the need to strengthen managerial capacities of FPOs and microenterprises, develop common processing infrastructure, and improve supply chains and logistics. He highlighted the rural–urban continuum and noted that while physical connectivity has improved, economic connectivity requires better systems and services.

Reflections from the Chairpersons



Dr. P.K. Joshi observed that while India's supply chains have expanded, they remain fragmented and inefficient. Farmers are often efficient producers but face significant constraints in markets. He emphasized that value chains should not be generalized; different commodities—such as poultry, maize, or high-value horticulture—require distinct institutional and policy approaches. PPPs, institutional reforms, infrastructure investments, and risk mitigation mechanisms were highlighted as essential.

Prof. Mahendra Dev underscored the importance of inclusive technology adoption and noted recent labor code reforms aimed at improving targeted protection. He referred to the Amul cooperative as a successful example of value-chain integration and pointed out that many MSMEs and farmer groups still rely on informal finance, underlining the urgency of expanding access to formal credit.

Conclusion

The session reinforced that transforming agri-value chains is central to India's structural transformation, rural prosperity, and food system outcomes. Key takeaways included the need for integrated financing, stronger institutions, gender-responsive policies, region and commodity-specific value-chain strategies, and social protection systems that evolve with changing work patterns. The dialogue highlighted that markets must be guided—through policy, institutions, and partnerships—to deliver inclusive, resilient, and sustainable agribusiness growth.



Key Policy Insights and Recommendations

- **Position Agri-Value Chains at the Core of Agricultural Transformation**

Policy frameworks should explicitly recognize agriculture value chains as the primary pathway through which productivity gains, market integration, and income growth are realized. Agribusiness must be treated as a central development actor, mediating technology adoption, R&D, extension, and market access, rather than as a peripheral market outcome.

- **Strengthen Institutional Financing for Value-Chain Actors**

Traditional farm credit models are insufficient for modern, multi-actor value chains. Policies should promote integrated and sector-based financing approaches that support FPOs, agri-enterprises, and startups as collective borrowers. Risk-sharing mechanisms, blended finance, and credit products aligned to value-chain cash flows are essential to crowd in private finance.

- **Enable Startup-Led Innovation through Ecosystem Support**

Agri-startups require policy support beyond funding, including streamlined regulations, easier IP transfer systems, and strong linkages with research institutions and industry. Establishing dedicated institutional platforms, akin to a NASCOM like body for agriculture, can strengthen incubation, scale innovation, and improve coordination across the ecosystem.

- **Leverage Global Partnerships for Technology and Standards**

International collaborations should move beyond project-based engagement toward co-creation and institutionalized innovation systems. Trade and partnership agreements should incorporate agri-innovation and standards compliance components, enabling Indian producers and enterprises to compete effectively in global value chains.

- **Integrate Social Protection with Value-Chain Development**

As agri-food systems transform, social protection policies must adapt to changing employment patterns, especially for women and informal workers. Layered and adaptive social protection combining income support, employment programs, insurance, and skills development can reduce vulnerability and support productive participation in value chains.

- **Promote Cluster-Based and Area-Focused Value Chain Development**

Districts are often too large to operationalize value-chain strategies effectively. Policies should promote cluster-based approaches (including sub-district and block-level clusters), drawing on models such as One Village One Product, to better align natural resource management, market access, and enterprise development.



- Adopt Region- and Commodity-Specific Value-Chain Strategies**

Value-chain policies should be tailored to agro-ecological and regional contexts. Fragile and remote regions, such as the Himalayas, require customized approaches focused on niche commodities, aggregation, logistics, climate resilience, and digital market access, rather than one-size-fits-all solutions.

- Strengthen Local Institutions for Market Participation**

Panchayati Raj Institutions, SHGs, and FPOs play a critical role in translating national policies into local action. Strengthening their managerial, technical, and governance capacities can improve aggregation, reduce transaction costs, and enhance farmers' bargaining power within value chains.

- Steer Markets toward Nutrition and Sustainability Goals**

Market expansion alone will not ensure healthy and sustainable food systems. Policies must address non-price attributes such as food quality, safety, nutrition, and environmental outcomes. Creating incentives and markets for nutrition-sensitive production, water efficiency, and carbon outcomes will be increasingly important.

- Build Resilience in a Rapidly Transforming Food System**

With accelerating technological change and exposure to climate and market shocks, resilience must be embedded in value-chain strategies. Investments in infrastructure, digital systems, skills, and institutional learning are essential to help farmers and enterprises adapt and remain competitive over time.



ANNEXURE

AGENDA

12:30 – 14:05	<p><u>Chairpersons:</u></p> <p>Prof. Mahendra Dev, Chairman Economic Advisory Council to the Prime Minister, Government of India</p> <p>Dr. P.K. Joshi, President, Agricultural Economics Research Association (AERA), India</p>
	<p><u>Guest of Honor:</u></p> <p>Dr. G. Narendra Kumar, Director General, National Institute of Rural Development and Panchayati Raj (NIRDPR)</p>
12:30 – 12:40	<p>Context Setting</p> <p>Dr. Mamata Pradhan <i>Research Coordinator, International Food Policy Research Institute (IFPRI)</i></p>
12:40 – 12:50	<p>Presentation 1: Unlocking Agribusiness Potential through Improved Access to Credit</p> <p>Shri. K.J.S. Satyasai <i>Agricultural Economist & Former Chief General Manager, National Bank for Agriculture and Rural Development (NABARD)</i></p>
12:50 – 13:00	<p>Presentation 2: Leveraging International Partnerships to Catalyze Agribusiness Innovation</p> <p>Dr. Smita Sirohi <i>MS Swaminathan Chair ICAR-National Professor, Indian Council of Agricultural Research-National Institute of Agricultural Economics and Policy Research (ICAR-NIAP)</i></p>
13:00 – 13:10	<p>Presentation 3: Financing India's Startups in the Agri-Value Chains: Opportunities and Lessons from the Field</p> <p>Shri. K Srinivas <i>Principal Scientist, ICAR-National Academy of Agricultural Research Management (ICAR-NAARM)</i></p>
13:10 – 13:20	<p>Presentation 4: Social Protection for Rural Prosperity</p> <p>Ms. Bénédicte de la Briere <i>Lead Economist, The World Bank</i></p>
13:20 – 13:30	<p>Presentation 5: Strengthening Agribusiness Competitiveness through Mountain Agriculture</p> <p>Prof. Nazir Ahmad Ganie <i>Vice Chancellor, Sher-e-Kashmir University of Agriculture Science and Technology (SKUAST)</i></p>
13:30 – 13:40	<p>Open Discussion</p>
13:40 – 13:50	<p>Remarks by Guest of Honor</p>



INTERNATIONAL
FOOD POLICY
RESEARCH
INSTITUTE



CGIAR

POLICY
INNOVATIONS



	<p>Dr. G. Narendra Kumar <i>Director General, National Institute of Rural Development and Panchayati Raj (NIRDPR)</i></p>
13:50 – 14:00	<p>Remarks by Chairpersons Prof. Mahendra Dev (TBC) <i>Chairman, Economic Advisory Council to the Prime Minister, Government of India</i></p> <p>Dr. P K Joshi <i>President, Agricultural Economics Research Association (AERA), India</i></p>
14:00 – 14:05	<p>Vote of Thanks Dr. Anjani Kumar <i>Senior Research Fellow, International Food Policy Research Institute (IFPRI)</i></p>