



Implementation of
Public Private Partnership for Integrated Agriculture Development
(PPP-IAD) in Karnataka

TRANSFORMING AGRICULTURE THROUGH PARTNERSHIPS



Government of Karnataka

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Introduction

Karnataka State has rich biodiversity with ten agro-climatic zones suited for variety of agriculture and horticulture crops. Karnataka's economy is largely an agrarian economy and as such the overall development of the State is mainly depending on the growth and development of the agriculture and allied sectors.

There has been significant increase in the food production in the State over the last decade. There has also been change in the cropping pattern from conventional food crops to high value crops such as fruits, vegetables, flowers and plantation crops.

The State has about 121.61 lakh hectares of cultivable area and has potential to emerge as one of the leading states in the sector.

Karnataka stands 1st in the production of Coarse cereals, 2nd in production of Maize, Jowar and Tur in the country. Karnataka can be called "Museum of Crops" as almost all cereals, pulses, oilseeds, commercial crops and horticulture crops are grown here.



Public Private Partnership for Integrated Agriculture Development (PPP-IAD)

Public Private Partnership for Integrated Agriculture Development (PPP-IAD) model is essential for facilitating integrated projects by private sector players in the agriculture and allied sectors, for aggregating farmers/ creating critical rural infrastructure/ introducing new technologies/ adding value to the produce and integrating the agricultural supply chain.

The majority of the interventions in the recent past by the Government have focused on increasing the area and production. To make use of the technologies developed by the private sector for increasing the productivity and reducing the post-harvest losses and to ensure complete value chain for farmers, the involvement of the private sector is an important strategy to make farming viable.

Aims and Objectives

Addressing the entire value chain, right from the stage of pre-production to the consumers table through appropriate and timely interventions

Promotion of good agricultural practices to enhance production & productivity & providing nutritional security to the people.

Mobilising farmers into Farmer Interest Groups and building up their associations to an appropriate federating point i.e. Farmer Producer Organisation (FPOs)

Creating employment opportunities for skilled and unskilled persons, especially unemployed youth.

Improving post harvest management to reduce losses and value addition.

Making farming a viable business proposition and improving the delivery and monitoring mechanism of Government funded projects.

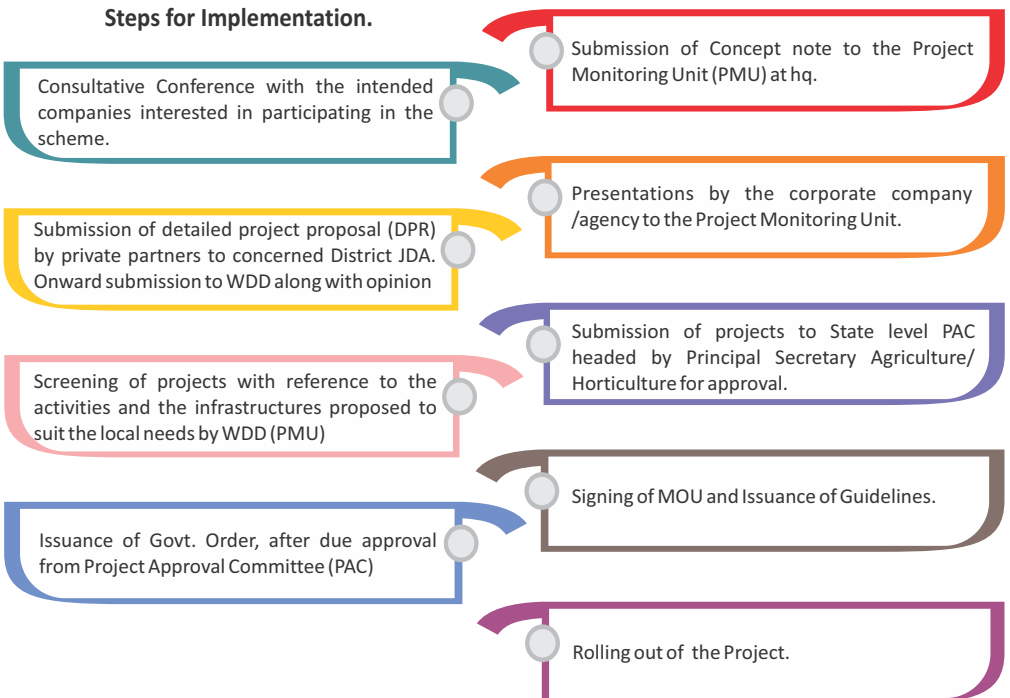
Improving marketing linkages and ensuring increase in farmer's profitability.

Partnering for Prosperity

The collaborative efforts of the Government, Farmers/Farmer groups and Corporates in Agriculture sector leads to disruption in slow rate of agricultural GDP growth; thereby directly and substantially enhancing the farmer's income. Public Private Partnership for Integrated Agriculture Development (PPP-IAD) model is a major game changer for the agricultural sector in general and farmers in particular. So far 35 PPP-IAD Projects have been approved in the state for Implementation. 4 projects have been completed and 23 projects are under Implementation over 80,000 ha. and involving more than 60,000 farmers. 8 Projects have dropped off, due to various reasons.

The Companies have placed technical resources to provide extension, post-harvest management and marketing support to farmers. The farmers in the project area are being trained on Good Agricultural Practices including post-harvest management. The production of foundation seeds and certified seeds have been taken up in some projects. The direct marketing channel has not only reduced the involvement of intermediaries but by timely marketing also yielding remunerative prices for Farm produce. There is significant increase in quality production and productivity as well as reduction in post-harvest losses in the project area, leading to higher price realisation and net income.

Steps for Implementation.



The Partnership Benefits

The project aims at supporting the farmers right from seed/ planting material up to post harvest handling with the support from corporate partner, along with a broad objective of mobilizing farmers and strengthening farmers' capacity to play a major role in quality production and supporting either farmers/ FPOs/ private partners in establishing infrastructure required for post-harvest management to reduce post-harvest losses and value addition .

The PPP-IAD partner after approval of the projects, signs tripartite agreement with Government and FPO's/ Farmers and conduct baseline survey of the farmers in the selected clusters. Thereafter, they place a technical team to work with the farmers in all aspects of quality production, be it training and exposure visit, soil testing to quality input supply to crop management to post harvest management.

Farmers are benefited with latest technology in terms of seeds, equipment's, inputs and other post-harvest management. Additional technological support helps farmers in reducing the cost of production, reduction in crop losses and increasing the productivity and net returns from farming.

By participating in PPP-IAD, the Private Partners take a major responsibility for output business marketing by helping or establishing post-harvest management infrastructure and ultimately by opening procurement center near to the production area with all sampling/testing and weightment system in



Issues and Challenges in implementation:



Coordination between the stakeholders: Several projects have been deferred or terminated for poor coordination between the farmers and the partner companies and State Government for various reasons.



Also the procurement pricing policy need to be developed, as the expectations from the farmers, sometimes get very high.



Credit facilities to the investing partner companies: The companies expressed their difficulties in availing the loan for infrastructure development in time.



Deployment of company resources: A poor field monitoring systems by some companies have made the negative impression of continued support and giving a scope for local traders to weaken the linkages.



Assurance of continuous funding during subsequent years for projects, which are for 3-5 years, is critical for taking up such projects.



For certain new activities or technologies, the norms of subsidy in the existing schemes may not be adequate, for which flexibility could be allowed to the State Project Approval Authorities.



At times the excessive documentation and cumbersome billing procedures of the Government schemes, puts a lot of pressure on the companies.



Giving incentives to the company for proper implementation can also be considered.



Requirement of MIS system also needed for proper monitoring the project implementation.



Few Success Stories:

A step towards viable farming with Archer Daniels Midland Company (ADM) Agro Industries India Pvt. Ltd

Value Chain Development in Oilseeds (Soybean/Sunflower) project in partnership with Archer Daniels Midland Company (ADM) Agro Industries India Pvt. Ltd is being implemented in Dharwad, Belagavi, Haveri, Bagalkote, Bidar and Gadag districts of the State from 2018-19.

- Linked 52,000 ha. area for oilseed value chain development.
- Awareness building to 26,000 farmers on parameters of GAPs in oilseeds production, processing and marketing.
- Increased germination of seeds by 10%. 89 Farmers participated in seed production program in 391 acres and 2,700 quintal good quality seed (FS/CS) produced by the farmers distributed to project area farmers.
- Reduction in post-harvest loss by 5%.
- 19,280 Farmers availed marketing linkage service through the 20 clusters opened by ADM.
- Last sesion 40,492 Metric tons of Soybean procured directly from the farmers at or MSP.
- The model has helped the farmers in realising additional price of Rs.780 per metric ton of produce.
- Farmers got additional net income of Rs.12,500/acre, which is 20% more.
- Effective direct access of Govt. Facilities/Schemes through this project.



Branding Karnataka Spices In International Market

- Kadamba Marketing Souharda Sahakari is working with 2000 farmers covering 1300 acres in Sirsi Taluk for Black pepper and other spices.
- The Green Valley Organic Spices Ltd is working with 500 farmers covering 1500 acres in the Siddapura taluk of Uttar Kannada District. Both the projects have setup the integrated pack houses and spice processing centres.
- The companies have also intervened in adopting organic certification and Fair Trade Certification, thus enhancing the value of the commodity in international market. The farmers associated have realised the 100% income increase by associating with these Projects.
- Before the intervention by these companies through PPP-IHD, the spices of Uttara Kannada used to be processed and traded through Kerala markets, there by creating employment and value in the State.



Banana Value Chain Development for the International Market

- Under PPP-IHD, many proposals were received for the Banana value chain development, of which Sanjeevani Agro Phale V Phule Kharidi-Vikri Sahkari Sanstha Maryadit (Sanjeevani) in Belagavi district and Farm Folks in Mysore district have made remarkable impact in spot free Banana production for export and processing.
- The companies have developed the effective monitoring system through their skilled on farm managers and a system for on farm grading, packing and sorting.
- Use of skirting bags and the foam sheets have made a remarkable change in the production technology.
- The companies have not only traded the graded fresh bananas overseas, but also have made the value addition through processing for the second and third grade bananas, thus giving better price realization for the produce.
- The technology interventions through these companies has not only reduced the cost of production, but also has increased the productivity and quality. Thus increasing the farmers income.



Implementation Details of Public Private Partnership for Integrated Horticulture Development (PPPHD) Programme in Karnataka

(Rs. in crores)

Sl. No.	Company Name	Project Name	District	No of Farmers	Area (in Acres)	Crops	Sharing Pattern			Total Project Cost
							Govt	Comp	Farmer	
COMPLETED										
1	M/s. Sanjeevini Agro	Quality production and Value addition of Banana	Belagavi	250	250	Banana var. Grande Nine	1.10	1.3010	1.4856	3.8860
2	M/s. Vegifresh Agro	Development of value chain for supply of vegetables	Belagavi	100	150	Okra, Green Chilli,	0.84	0.8790	0.2390	1.9610
3	M/s. ITC Ltd	Food Safe Production of Chilli in Karnataka	Bellary	200	500	Chilli	0.3355	0.4187	0.2378	0.9920
4	M/s. Lawrenceale Agro Processing India Pvt Ltd (LEAF)	Production and Procurement of Quality Vegetables	Mandya	130	404	Vegetables	0.5080	0.5300	0.4450	1.4830
				680	1304		2.7859	3.1287	2.4074	8.3220

UNDER IMPLEMENTATION

1	M/s. Lawrenceale Agro Processing India Pvt Ltd (LEAF)	Production of Quality Assorted Vegetables at Hoskote TQ.	Bangalore (Rural)	205	100	Vegetables	0.4008	0.3427	0.3343	1.0778
2	M/s. Grow	Pomegranate processing, export and cold chain supply	Bellary	300	500	Pomegranate	1.1885	1.5625	0.3210	3.0720
3	M/S ITC Ltd	Food Safe Chilli Production (Karnataka)	Bellary	200	650	Chilli	0.8506	2.1073	0.8096	3.7675
4	M/s. Nourish INC	Development of Value Chain for Sweet Potato* in Garag Hobli of Dharwad District	Dharwad	5000	1250	Sweet Potato	4.0138	5.8330	1.3913	11.2380
5	M/s. Slimoda	Value chain project on Enhanced Productivity and Profitability of Patchouli	Hassan	350	500	Patchouli	3.1077	5.0397	2.4971	10.6445
6	M/s. Big Basket	Vegetable supply chain	Mysore	150	150	Vegetables & Banana	0.7653	0.2967	0.7184	1.7804
7	M/s. Yasu & Co	Integrated Value chain development for production of export quality vegetables	Mysore	200	300	Vegetables	0.8477	0.3660	0.7576	1.9713
8	M/s. Farm Folks Agro Pvt Ltd	End to End Supply Chain Programme for Banana Robusta in Mysore Region	Mysore	200	250	Banana	1.1900	0.9530	0.8540	2.9970
9	M/s Bio Green Agri-Tech	Integrated Value Chain Development for Banana and Vegetables	Tumkur	670	650	Vegetables & Banana	3.8531	2.3020	2.4727	8.6278
10	M/s. Kadamba Marketing	Development of value chain for production, processing & marketing of organic Spices & Horticulture crops	Uttara Kannada	2000	1300	Spices & Fruits	0.9295	1.0680	0.5245	2.5220
11	M/s Green valley Organics Spices	Integrated Value Chain Approach for Spices	Uttara Kannada	500	1500	Spices	2.1705	2.2995	1.3550	5.8250
12	M/S MTR Foods Pvt Ltd	Authentic & Sustainable production of Byadagi Chilli (KDU).	Dharwad	1000	2500	Byadagi Chilli	2.7602	4.2327	2.6250	9.6179
13	M/s Green Agro Pack Pvt. Ltd.	Adoption of new techniques for quality production and value	Davanagere	300	250	Chilli	0.8002	0.7956	0.7811	2.3769
14	M/s Sus Agri Development Pvt. Ltd.	addition of Chilli through contract farming and their market for domestic and export.	U.K.	500	1000	Ginger & Black pepper	1.7800	1.6500	1.9800	5.4100
	TOTAL			11575	10900		24.6579	28.8487	17.4216	70.9281

Details of projects being implemented under PPP-IAD since 2018-19

SL. No.	Name of the Company	Name of Project	Crops interested in	Area in ha	Name of Districts	No. of farmers	Project Period in years	Project Cost (Rs. In Crores)			Govt support per Farmer in Rs	
								Total	Govt.	Private Farmer		
1	ADM Agro Industries India Pvt Ltd	Value Chain Development in Oilseeds (Soybean/Sunflower).	Oilseeds (Soyabean, Sunflower, etc)	52,000	Dharwad, Belgaum, Haveri, Bagalkot, Bidar and Gadag	26,000	5	29.96	9.42 (31.45%)	12.48 (41.65%)	8.06 (26.90%)	3623.08
2	India Foundation For Humanistic Development (IFHD)	Promotion & Value Chain Development of maize focused FPO Belagavi and Bagalkot Districts.	Primary Crop: Maize Secondary Crops: Millets, Bengal gram, Green gram, Soyabean	5,000	Belagavi and Bagalkote	5000	3	11.68	3.80 (32.60%)	2.85 (24.40%)	5.02 (43.00%)	7600.00
3	Nourish Inc	Development of value chain in Millets through improved production ztechnology mid-scale processing and value addition.	Millets	5,000	Ramnagar	5000	3	4.65	1.77 (38.05%)	2.88 (61.95%)	0.00 (0.00%)	3540.00
4	We Care Society	PPP IAD Project on Millets at Raichur and Chitradurga	Ragi and Millets	4,000	Chitradurga and Raichur	4000	3	14.08	5.67 (40.27%)	6.15 (43.69%)	2.26 (16.04%)	14175.00
5	Rallis India Ltd	Pulses Productivity Improvement Program & Value Chain 2018-19 to 2020-21	Red Gram and Bengal Gram	9,000	Kalaburagi, Bidar and Vijayapura	9000	3	8.88	4.12 (46.33%)	4.77 (53.67%)	0.00 (0.00%)	4578.00
6	Krishi Organics Private ltd.	Organic Production and Supply Chain Management of Selected Agriculture Crops in Bagalkot District.	Organic farming--Jowar, minor millets, maize, ground nut, sunflower and sugarcane	350	Bagalkot	550	3	4.18	1.69 (40.36%)	1.24 (29.68%)	1.25 (29.96%)	30727.27
7	Sus Agri Development Private Ltd.	Intergated Value Chain Development for Export quality Organic Soyabean, Sesamum and Byadagi Chilli.	Organic farming in Soyabean, Sesamum and Byadagk Chilli.	1,000	Dhanwad and Chitradurga	1000	3	9.92	4.49 (45.30%)	2.14 (21.58%)	3.29 (33.12%)	44900.00
8	Gokul Organic Farm	Production and Marketing of Organic Sugarcane Jaggery in Belagavi District	Organic Sugarcane	400	Belagavi	800	3	5.45	2.50 (45.92%)	1.05 (19.36%)	1.89 (34.72%)	31250.00
9	Haritwa Organic Processors & Export	Processing of organic cereals, pulses, oil seeds and sugarcane through innovative technologies and export marketing	Organic Millets, Jowar Wheat, Bengal Gram, Groundnut, Flax Seeds Chia , Sugar Cane , Quinoa,turmeric, Ginger,Okra, Bitter gourd & Sweet Potato	2,000	Dhanwad and Belagavi	2000	5	19.7	8.69 (44.14%)	5.29 (26.85%)	5.71 (29.01)	43450.00
		Total		78,750		53,350	31	108.50	42.15	38.85	27.48	



GLIMPSES OF PPP-IAD







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