



SUCCESS STORY

Bringing Small Farmers Closer to Markets

USAID is helping to improve the linkages between farmers and markets to make the entire market system more efficient in India



Woman selling cauliflower

USAID is assisting India in transforming its agriculture sector through innovation, new technologies and knowledge, boosting the productivity, profitability and competitiveness of Indian farmers and agribusiness

Photo: Dan Miller/USAID

With an estimated 70% of India's 1.1 billion people living in rural areas and with 58% of the labor force engaged in agriculture, accelerating annual agricultural growth (currently less than 2% per year) is essential for economic development, poverty alleviation, improved nutrition and employment opportunities.

Since the Green Revolution in the 1960s, the U.S. has worked with India to develop agriculture and improve the rural economy. USAID provides technical assistance to counterparts in India to improve agricultural productivity and efficiency, forge linkages between producers and markets, establish standards, strengthen value chains, develop markets, improve food safety, and market information systems.

One important USAID intervention has been to improve linkages between farmers and markets to make the market system more efficient. Farmers in India lack technical and market information and, in the absence of effective supply chain management systems, often sell their products at unnecessarily low prices. Also, marketing realities, structures, and opportunities are changing in India, requiring farmers to become more competitive; if small farmers don't understand and adapt to new business models, they get left behind.

Under its Growth-oriented Micro-Enterprise Development program (GMED), USAID linked farmers to markets and promoted the efficient flow of goods and services through strengthened agricultural value chains, helping Indian farmers to obtain better prices for their products and raise their household incomes. GMED worked with the Indian agri-business, ITC Limited, to train vegetable farmers throughout Punjab, Maharashtra, and Andhra Pradesh in better production and post-harvest practices, improving the quality and developing a ready outlet for their produce. Farmers are now seeing an average increase in crop productivity of 40 to 45% and a 15 % reduction in the cost of production.

With one of the world's fastest growing economies and as one of its largest agricultural producing countries, India is emerging as a potentially large market for global agricultural trade and investment. USAID is assisting India to transform its agricultural sector through innovation, new technologies, and knowledge, boosting the productivity, profitability and competitiveness of Indian farmers and agribusinesses.