ISB Centre for Business Innovation

Building a Global Farmer–Led Brand in Horticulture

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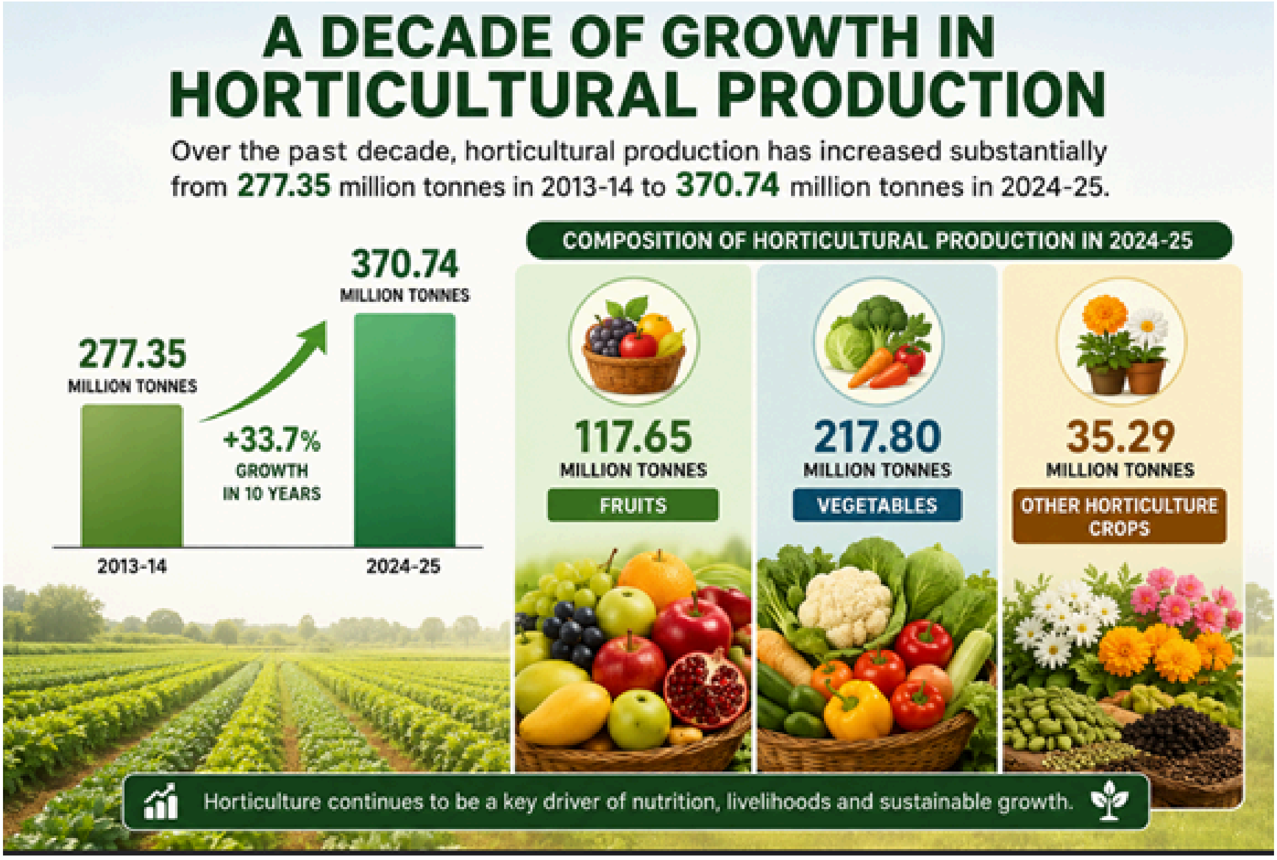
Background

India’s agricultural sector, particularly horticulture, has witnessed significant transformation over the past decade, emerging as a high-growth driver. Over the past decade, horticultural production has risen significantly from 277.35 million tonnes in 2013-14 to 370.74 million tonnes in 2024-25, including 117.65 million tonnes of fruits, 217.80 million tonnes of vegetables, and 35.29 million tonnes of other horticultural crops. Though horticulture is instrumental in the enhancement of farmers’ income, employment generation, nutritional security, and export competitiveness, India has been lagging in global export competitiveness owing to the presence of chemical residues, fragmented supply chains, higher cost of logistics, inadequate post-harvest infrastructure, lack of awareness on export norms, inconsistent quality standards, and weak branding architecture.

To address these gaps and improve farmers' collective bargaining power, the Farmer-Producer Organisations (FPOs) have been promoted as institutional solutions. Among these, Sahyadri Farms stands out as a pioneering model, demonstrating how a farmer-owned collective can transform production-centric agriculture into an integrated agri-business enterprise with strong export presence through technological adoption. Established in Nashik, Maharashtra, Sahyadri Farms is the largest farmer-producer company (FPC) in India, with over 40,000 farmer members. Founded in 2011 by a group of farmers led by Vilas Vishnu Shinde, Sahyadri Farms exports around 17 percent of India's grapes to the European markets, thereby exemplifying the potential of collective action to enhance farm incomes through value addition. With a turnover of Rs. 1,954.7 crore in FY25 and a 26% CAGR since inception in 2010, Sahyadri Farms is increasingly being hailed as the “Amul of Horticulture.”

The success of such models reflects a paradigm shift—from subsistence agriculture to sustainable agribusiness systems in India. However, scaling up such models into globally recognised consumer brands requires strategic integration of trust, quality, traceability, and marketing excellence. As such, it is imperative to reposition Indian agriculture/horticulture from a commodity-based system to a value-driven, brand-oriented ecosystem.



Source: Press Information Bureau (PIB), Apr 19, 2026

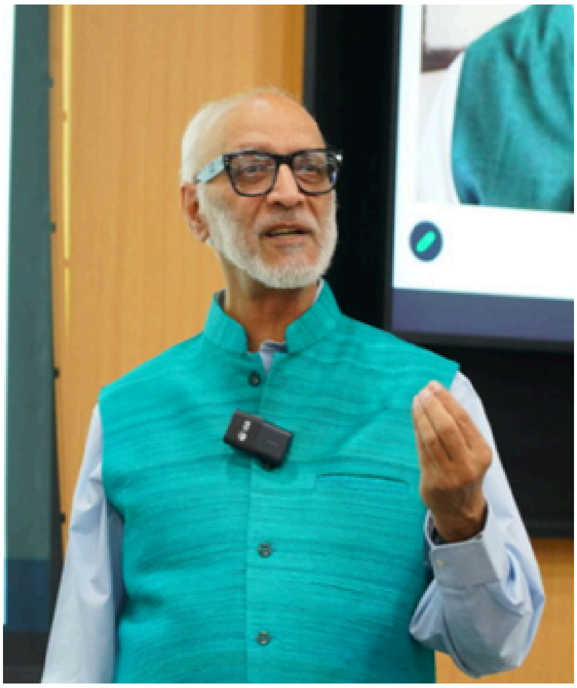
Against this backdrop, the Centre for Business Innovation (CBI), Indian School of Business (ISB), Hyderabad, and Sahyadri Farms Post Harvest Care Ltd. co-hosted a Learning Table on May 4, 2026, at ISB, Hyderabad, to deliberate on the theme Building a Global Farmer-Led Brand in Horticulture: Strategies for Scale, Trust, and Market Leadership. Approximately **70 delegates**, including office bearers of the FPOs, agribusinesses, policymakers, agri-experts, and distinguished academicians, participated in the programme. The learning table deliberated mainly on various strategic pathways for farmer-led FPOs, such as Sahyadri Farms, to build formidable global consumer brands in horticulture. The delegates also discussed how branding, marketing, and technology for scale can reinforce value creation and farmers' prosperity in horticulture through an enabling ecosystem.

Learning Table Summary

Setting the context, Professor Rajendra Srivastava, Executive Director, Centre for Business Innovation, ISB, stated that the Indian farmers have a rich legacy, so that there is ample scope to learn from our indigenous good agricultural practices; he emphasised the need to develop 500 collectives like Sahyadri Farms in India to graduate the agriculture & allied sectors to the next level, through leveraging of entire value chains. Therefore, the FPOs should not be treated merely as aggregation platforms, but as engines of structural transformation through value addition and exports, enabled by capital investments in post-harvest infrastructure. Professor Srivastava highlighted the need for Indian agri-business companies to learn from Rao's, the world's leading brand of premium pasta sauce, through value creation and product diversification.

Later, in the inaugural session, Shri. Vilas Vishnu Shinde, CMD, Sahyadri Farms Producer Company Ltd., mentioned that the horticulture sector should be given industry status, as it has immense potential for food processing and exports. Shri. Shinde stated that Sahyadri Farms, the largest FPO in the Indian horticulture sector, aims to consolidate its position by developing effective marketing strategies for brand building, in line with Viksit Bharat by 2047. Being a multi-commodity FPO, Sahyadri Farms is focusing on quality and is willing to maximise capacity utilisation by marketing all types of horticultural produce at premium prices worldwide.

Addressing the gathering, the Chief Guest of the learning table, Dr Himanshu Pathak, Director General, ICRISAT, stated that our horticulture production in 2024-25 exceeded food grain production in India, reflecting the country's achievements in food and nutritional security. By citing the examples of Basmati Rice and Maha Mango, Dr Pathak argued that building scale, market leadership, and trust are essential to brand equity, given the intense competition in international markets. These reflections signal a transition toward high-tech agriculture with immense potential for exports through processing and value addition. Dr Pathak also mentioned that ICRISAT has been focusing on PMO – Pulses, Millets, and Oilseeds – in line with its mandate to transform agri-food systems and promote crop diversity through rain-fed crops.



Subsequently, Dr Ashok Gulati, a distinguished professor at ICRIER, New Delhi, spoke on the role of value chains in enhancing the global competitiveness of Indian horticulture. By showcasing data on agri-produce worldwide, Dr Gulati stated that yields of corn and soybeans were three times higher in the USA than in India, mainly due to substantial investments in research & development. Dr Gulati felt that, though India is a leading producer of agri-commodities such as rice, wheat, fruits, vegetables, and livestock products, it is not a major global exporter, mainly due to excessive chemical residues. While Brazil is the largest net agri-exporting country (exports of $144 billion and imports of $16 billion), China is the largest net agri-importing nation in the world (exports of $208 billion and imports of $101 billion). While India's share in global agri-exports stood at $52 billion against agri-imports of $37 billion in 2024–25, it is thus a small player in international markets. Thus, Dr Gulati noted that realising India's potential for global competitiveness in agriculture requires a more balanced, holistic policy approach that carefully weighs the cumulative effects of existing support structures for electricity, food, and fertilisers, alongside complementary investments in technology, infrastructure, and market linkages. He also lamented that around 20 percent of subsidised urea is not reaching the ultimate beneficiaries, the farmers in India, as it illegally crosses borders into Nepal, Bangladesh, Sri Lanka, etc. Further, he estimated the total government subsidy in Haryana at ₹52,000 per ha, which he deemed unsustainable from the perspective of global competitiveness, and suggested introducing a 'crop neutral incentive system' [1].

Dr Gulati felt that our policies are heavily skewed in favour of subsidies/freebies, unlike in China, wherein productivity is higher, driven by innovation, technology, and good agricultural practices. He also cited the example of Australia, wherein the production of apples per ha. ranges between 60 and 90 metric tonnes as against 15 metric tonnes in India, mainly due to significant investments in research & development. Later, Dr Gulati recalled that the then Government of India played a facilitating role in the formation of Amul Cooperative, in which the building of social capital and community ownership among milk farmers in Gujarat was one of the several enabling factors that contributed to its enduring global brand.

[1] A crop-neutral incentive system is a policy framework that provides equal financial support, such as subsidies or Minimum Support Prices (MSP)for all crops, rather than specific crops like rice and wheat, to encourage crop diversification and enhance farmer incomes, reduce water scarcity, and lower methane emissions. For instance, the MSP regime resulted in a huge fiscal burden on the Food Corporation of India, including the cost of maintaining huge buffer stocks at the public exchequer's expense and other losses related to prices, storage, interest, etc.

Subsequently, Shri M Kodanda Reddy, Chairman of the Telangana Agriculture and Farmers Welfare Commission (TGAFWC), praised the concerted efforts and professional leadership of Shri Vilas Shinde, as well as the replication of the successful Amul model in horticulture. Shri Kodanda Reddy mentioned that, though more than 1,000 FPOs have been registered in Telangana, not more than 200 are commercially viable and financially sustainable, underscoring the need to address deeper structural challenges in the system. Shri Reddy acknowledged that farmers continue to face numerous pressures in accessing the markets as well as realising fair value for their produce; hence, he emphasised that strengthening the existing ecosystem, through policy support, institutional linkages, and market access, should be a shared priority for all stakeholders, especially the government, to improve farmers’ lives and livelihoods.

Later, the learning table deliberated on ‘How FPOs can be graduated to global brands’ by building identity and trust-based brands. A group of 12 delegates, encompassing leaders from the industry, FPOs, government, and academia, deliberated on key takeaways from successful cooperatives like Amul; specifically, they reflected on how the FPOs can transition from Business-to-Business (B2B) to Business-to-Consumer (B2C) markets, without diluting the members’ trust, apart from rejuvenating the governance and market leadership models to sustain scale and brand identity.

Necessitating the power shift from traditional 'four Ps of marketing' – Product, Price, Place, and Promotion – Professor DVR Seshadri explained that branding has evolved from 'simple commodity → to → product → service → solution → experience of the customers. By citing various strategic business models, Professor Seshadri argued that marketing should focus not just on products but also on offering services and solutions to the end consumer (e.g., a healthcare package through Deccan Development Society's Ethnic Restaurant in Zaheerabad, Telangana, serving meals made with millets). However, the evolution of a brand does not end with a solution alone. Still, it should provide a memorable experience for customers, as in the case of coffee served by Starbucks, with special focus on hygiene, food safety, and the right ambience, seasoned with melodious music, along with spending quality time with the near and dear. Then it is no wonder that consumers are willing to pay a premium price, as the brand appeals to their aspirational lifestyle and status in society. As such, Dr Seshadri advised Sahyadri Farms to offer experiential value to the consumers to become a winning brand in the global marketplace.

The deliberations also focused on the changing nature of marketing itself. It was observed that product development has increasingly become the role of research & development, the finance department often controls pricing, and the 'place' is handled by the logistics vertical. At the same time, 'promotion and branding' remain the primary tasks of the marketing area.

The discussants highlighted that successful FPOs will not just supply their products to the market; they will also shape it. The participants noted that the majority of FPOs today continue to operate within aggregation-led models characterised by a B2B commodity focus, fragmented supply chains, limited brand visibility, and negligible value capture. Hence, the group opined that the future of the FPOs lies in transitioning from aggregation to consumer-facing global brands capable of premium pricing power, international market access, traceability, trust, and equitable value distribution systems.

Later, the delegates noted that markets worldwide demand the highest standards, and the branding must go beyond product identity to include storytelling, farmer ownership, and experiential value. The participants reiterated that the transition from production to branding requires aligning farmer interests with consumer expectations through appropriate marketing strategies.

The learning table emphasised that "building a brand is a journey in the long term," which requires significant investment across all spheres, including consumer education, consistent quality, pricing, and reliability of supply chains. For instance, Toyota took almost two decades to establish its automobile brand in the USA, mainly because of the Government of Japan's generous support, coupled with its discounted pricing strategy compared with established players like General Motors and Ford. Once Toyota's US customers accepted Toyota's brand, the company switched to premium pricing, leveraging its value-for-money proposition.

Further, the importance of scale through aggregation has been highlighted in the discussions, drawing parallels with cooperative success stories such as Amul. Just as the White Revolution leveraged collective action to transform India's dairy sector, the participants articulated that similar aggregation models can drive growth in horticulture. However, achieving such scale requires strong governance, professional management, and integration of efficient value chains encompassing production, logistics, marketing, and branding.

However, most FPOs are stuck in production due to inadequate investment in marketing, thereby achieving a net profitability of less than 3 per cent from their operations. As production and marketing are two sides of the same coin, all stakeholders of FPOs should focus on value addition and branding to enhance net profit margins to at least 10 percent. As innovation and marketing are the essence of management science, cash flow will be assured when the product has a unique selling proposition and/or value for money offering. Further, the delegates noted that time, cost, quality, and technology are key parameters for the FPOs to achieve commercial viability and financial sustainability, as marketplaces place a high value on these factors.

Later, the speakers pointed out that the majority of FPOs continue to operate as community-based organisations rather than as true business enterprises, and that they lack understanding of consumer and market dynamics. Therefore, structural issues in governance, leadership, compliance, training and capacity building have been identified as key reasons for the limited sustainability of the FPOs. Participants observed that nearly 80 percent of FPOs vanish within 3–5 years due to top-down institutional approaches and a lack of long-term business planning.

On the other hand, Amul, Hindustan Lever, and Nestle brands command formidable value in the market, mainly due to the decentralisation of production, marketing, and distribution functions, despite challenges such as climate change and production- and market-related risks in the agribusiness domain. For instance, Voltas handled Amul's marketing function in its early stages, before it became a formidable brand in the global market. As such, the producers (farmers) and marketing gurus join hands to disrupt markets, leveraging their strong brands through unique value propositions. Accordingly, the group reached consensus that federating the FPOs is not an option but a necessity, with the majority of the collectives engaged in production, and the remaining FPOs involved in value addition and marketing activities under a common brand. A case in point is M-Tomato Farmers Producer Company in Madanapalle, Chittoor, Andhra Pradesh, promoted by the Japanese International Cooperative Agency (JICA). It comprises a federation of 9 FPOs that enhances the tomato value chain through a shared value chain network.

Further, the delegates noted that the FPOs need to invest in brand building now to make money in the future. As Sahyadri Farms achieved gross sales of ₹26 billion in FY2026, it may consider pursuing institutional, technological, and market innovations to become a formidable global horticulture brand in the near future.

Later, the delegates flagged the issue of free access to (formal) credit at low interest rates and to collateral-free loans for the FPOs. As per the NAFPO report 2025, only 6,108 FPOs (14%) in India received institutional credit of ₹3,998 crore. Samunnati (₹3,273 crore) and NABKISAN (₹352 crore) were the major lenders to the FPOs. The NBFCs accounted for more than 95 percent of these loans, which were granted at exorbitant interest rates (@18% and above). Besides, as the average loan ticket size of the FPOs was just ₹65.45 lakh, it was sufficient only for working capital needs but inadequate for investing in processing and value-addition activities. Because most FPOs lack credit history and can’t offer collateral, banks are hesitant to finance them. Furthermore, banks are reluctant to extend financial support to FPOs, as the latter are registered under the ‘Societies Act’ rather than the Indian Companies Act, 2013, which imposes a heavy compliance burden on these fledgling business entities, saddling them with unskilled manpower and limited (financial) resources.

It was noticed that though the flagship schemes of the government of India, like Agri-Infrastructure Fund, Pradhan Mantri Formalisation of Micro Food Processing Enterprises, etc., are providing affordable credit, most of the FPOs are yet to take full advantage of these due to complex procedures, lack of credit counsellors, and low awareness level of bank officials on the mechanics of the scheme. By taking a cue from the Reserve Bank of India's master circular (July 01, 1996) on treatment of bank loans to the SHGs under priority sector loans, free access to credit, i.e., collateral-free and cash flow-based lending driven by standardised credit scoring models, may be provided to the FPOs too. As part of value-chain financing, a tri-partite agreement may be signed by the farmers, FPOs, and banks.

The discussions also focused extensively on technology as a key enabler. Digital tools such as blockchain technologies and enterprise resource planning have been identified as crucial for enhancing transparency, ensuring quality, building the brand, and achieving market leadership through consumer trust. Technology-driven approaches are essential for integrating the FPOs into global value chains and improving their responsiveness to market dynamics. Experts deliberated on how to help the country transition from a commodity-based horticultural produce exporter to a value-added brand by leveraging its vast agricultural diversity and unique Geographical Indication (GI) tags. The conversation flagged critical systemic challenges surrounding the supply chain and quality.

Policy Recommendations

In sum, the transition from farmer-led collectives to globally recognised brands represents a critical frontier in India's agricultural landscape. In light of the discussions and deliberations emerging from the brainstorming sessions, the following policy recommendations have emerged:

1. The horticulture sector may be accorded industry status, considering its significant potential for value addition, food processing, employment generation, and export promotion.

2. Greater convergence at the grassroots level is needed between farmers and marketing professionals, with a shift in emphasis from a traditional 'farm-to-fork' approach towards a more demand-driven 'plate-to-plot' strategy that aligns production decisions with consumer preferences and market requirements.

3. Branding in the horticulture sector should evolve beyond conventional commodity-based approaches, progressing through the continuum of commodity → product → service → solution → customer experience, thereby enabling enhanced value creation and stronger consumer engagement.

4. The federation of FPOs should be viewed as a strategic necessity rather than an optional intervention. Under such a framework, most FPOs may focus on production activities. At the same time, selected FPOs can specialise in value addition, processing, and marketing under a common umbrella brand to achieve economies of scale and stronger market presence.

5 FPOs should invest in brand-building initiatives at an early stage, as such investments are likely to create long-term value, strengthen market positioning, and generate sustainable profitability.

6 Time efficiency, cost competitiveness, quality assurance, and technology adoption are critical determinants of the commercial viability and financial sustainability of FPOs, as modern markets increasingly place a premium on these parameters. Further, Geographical Indication (GI) tags may be effectively leveraged in alignment with the Government of India's One District One Product (ODOP) initiative to enhance market differentiation and value realisation.

7 Adherence to ESG principles (Environmental Sustainability, Social Responsibility, and Corporate Governance) is essential for achieving global market acceptance, strengthening brand equity, and ensuring long-term sustainability.

8 Drawing lessons from the Reserve Bank of India's Master Circular (July 1, 1996) on the treatment of bank lending to Self-Help Groups (SHGs) under priority sector lending, a similar framework may be considered for FPOs through collateral-free, cash-flow-based lending mechanisms supported by standardised credit assessment models. Further, under the value-chain financing framework, tripartite agreements involving farmers, FPOs, and financial institutions may be encouraged to strengthen free access to (formal) finance and to reduce credit risks.

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