

Franchising the Future of Indian Agriculture: Emerging Pathways for Growth

Prof. Trilochan Sharma¹, Arvind Kumar²

¹Department of Business Administration, M.J.P. Rohilkhand University Bareilly (U.P.)-India

Email: drlochan@gmail.com

²Research Scholar, Department of Business Administration, M.J.P. Rohilkhand University

Bareilly (U.P.)-India

Email: kunwararvindindia@gmail.com

ARTICLE INFO	ABSTRACT
Received: 10 Aug 2024 Revised: 18 Sept 2024 Accepted: 26 Sept 2024	In recent years, it has seen that organized franchise based agri input distribution models emerging and replacing traditional retail system, this is the big change in Indian agriculture. Agriculture input manufacturers and small & marginal farmers are being closed, quality assurance of inputs, enhanced accessibility of inputs due to these franchise networks become possible. In this paper it has been highlighted that how franchising transforming the future of agriculture, current changes, different models, constraints, and existing opportunities that validates this shift. This paper describes about emerging pathways for sustainable and inclusive agricultural development with implementation of franchise models such as corporate led FOFO, COCO, cooperative channels, and micro-entrepreneur based hub and spoke model on the basis of secondary data, official reports, and case insights. This paper conclusively highlights that fully regulated and farmer supportive franchise system can improve productivity, accountability, and economic surety in rural India and this strongly aligned with the vision of Viksit Bharat 2047. Keywords: Agribusiness franchising, input distribution, rural transformation, sustainability, farmer inclusion, India

Introduction

Agriculture is the major contributor in Indian economy and still is the backbone of our

economy, more than half of the population of our country engaged in this profession and this is the major contributor in our GDP. Existing model of agri input distribution have many difficulties, and inefficiencies. Franchise and similar models connecting farmers with strong brands, scientific advice and modernized technologies over the past decade (2014-2024). Franchising models used frequently in many sectors like retail and food services but it is slightly new for agri input sector and it has been emerged as the strategic medium in agribusiness to perfect last mile delivery of suitable agri inputs & services. In many sectors like retail, education, and healthcare franchising is very dominant as business model. In area of agriculture, effective and scalable and structured approach of distribution is possible due franchising model, this allows better market coverage, brand consistency, better accessibility to framers. Supply chain inefficiencies can be improved through implementation of franchise model in fertilizer distribution by leveraging local entrepreneurs, who act as franchisees, this helps to enhance last-mile connectivity and ensuring the proper availability of fertilizers. It helps to scale up the business for both private sector and rural entrepreneurs. This research paper elaborate that agri input franchising is the game changing tactic for India's agriculture.

Literature Review

Milica Stanković (2014) In their research found that Agricultural Franchising is definitely one of those new ideas that need to be used a lot in the agriculture industry. Agricultural franchising is becoming more popular because it's a great way to make money without the risk of starting a business. It's a proven business model that can give you better financial results than other forms of organization. If anyone want to start an agricultural franchising business, they need to make sure they have a few things right: they need to have a proper number of potential franchisees, they need to have at least one managerial and administrative role that's managed by them, they need to be able to make decisions on their own, they need to know that their franchisee has a good credit score and a long-term business plan, and they don't need to have any special investments. Agriculture sector franchising has ability to resolve financial issues which arise in agriculture sector.

Singh (2014) Analyzed after study that many experiences on agribusiness franchising shows it is conceivable to utilize this methodology for way better landholders interface and settling a few of the supply chains and esteem chain issues like final mile reach, lower taken a toll, superior connections, and scale. The commodities extend from fair input supply to expansion furthermore and indeed yield management. All agriculture activities and capacities seem to be compatible to franchising. Encourage franchising advances over time in creating nation agribusiness circumstances.

Senapati (2014) The growth of the agricultural industry depends on effective agricultural marketing. The government has focused a lot of its efforts on providing incentives for higher agricultural production, but the growth of the marketing industry has significantly aided in the commercialization of subsistence farmers. The global trend is toward market liberalization in agriculture. Government policies and initiatives must deal with the problems of marketing liberalization and removing obstacles that different public and private organizations engaged in agriculture marketing must overcome.

Nyberg & Wright (2015) Franchise agreements are multifaceted, requiring a thorough assessment of the connection between owner and franchisees in order to create a suitable and reciprocal partnership that benefits both sides equally by investing resources to build the firm. The multinational market makes it difficult to choose franchisees. Before awarding an affiliate the right to operate operations under the name of the brand for a certain price, the franchisor must assess a number of conditions. The resource abilities, handling relationships, and governance mode are examples of such elements. The key motivation for the franchisor in developing foreign franchises is that most franchisees have considerable local expertise, providing them with a distinct advantage through an understanding of client wants, habits, local governing rules, and legislation.

Gupta (2015) In their research analyzed the fact that organized retailing in India is mostly an urban phenomenon is one of its distinguishing characteristics. Organized retail has had more success in metro areas and cities, particularly in India's south and west. The causes of this geographical variance include everything from different consumer purchasing habits to different real estate and taxes legislation. However, there is a compelling argument for Indian merchants to go into rural areas. Given the size of the rural population and the development in agricultural income in rural India, the rural market presents a chance for merchants with a unique retail offering. The existing proportion of the rural market across the key categories of consumption is a glaring indication of this potential. More than any other business, the retail sector in India was most impacted by globalization.

Objectives of the Study

1. To explain how agri-input franchising has developed and grown over time in India.
2. To highlight the main types of franchise models currently functioning in the Indian agriculture sector.
3. To examine the major challenges and supporting factors that affect the success of these franchise models.
4. To explore new and emerging approaches that promote inclusive and sustainable agricultural growth through franchising.

5. To suggest policy measures and management strategies that can help expand farmer-focused franchise systems effectively.

Methodology

This study uses a descriptive research approach based on the analysis of secondary data. The information was gathered from several sources, including:

- (a) Government and institutional reports such as those from DAC&FW, NABARD, NITI Aayog, ICAR, and FAO.
- (b) Industry publications like FICCI, ASSOCHAM, and CII agribusiness reports.
- (c) Case studies of well-known agribusiness franchise models, including IFFCO Kisan Samridhhi Centres, Mahindra Krishi Mitra, Tata Kisan Sansar, and ITC e-Choupal.
- (d) Peer-reviewed research papers published between 2014 and 2024 focusing on rural retail, agri-input distribution, and entrepreneurship.

The collected data was analyzed descriptively to identify common trends, operational models, and new opportunities emerging within India's agribusiness franchising landscape.

Evolution and Growth of Agri-Input Franchising

Between 2014 and 2024, the concept of franchising in India's agribusiness sector took firm roots and expanded steadily. This period saw a visible shift in the way agricultural services reached farmers. The change was largely shaped by the growing role of the private sector, the spread of digital technology in rural areas, and the support of government programs such as PMFME, Agri-Clinics and Agri-Business Centres, and Startup India. Farmers, too, became more aware of the benefits of assured quality inputs and expert advice, which encouraged the growth of organized franchise networks.

In the initial years, most of these networks were confined to fertilizer and seed retailing. Gradually, they began to include services such as farm mechanization, drone spraying, soil testing, and output aggregation. In recent years, many franchise models have adopted a hybrid approach, combining physical outlets with digital platforms. This mix has helped create a more connected and efficient service system for farmers across different regions of the country.

Typology of Agri-Franchise Models

Model Type	Description	Revenue Source	Example
Corporate FOFO (Franchise-Owned Franchise-Operated)	Entrepreneurs invest and operate under a corporate brand, following company guidelines.	Product margin + service fee	Mahindra Krishi Mitra, Coromandel AgriStores
Corporate COCO (Company-Owned Company-Operated)	Company runs outlets directly for brand consistency and training purposes.	Direct sales	Tata Kisan Sansar, Rallis AgriCentres
Cooperative-led Franchise	Farmer cooperatives or FPOs run branded outlets with input suppliers.	Commission + member loyalty	IFFCO Bazar, Kribhco Kisan Kendra
Micro-Entrepreneur Hub-and-Spoke	Central franchise supports village-level agents ("spokes") for door-to-door delivery.	Micro commissions + service fee	DeHaat, BigHaat, Gramophone

Each model varies in investment requirement, control mechanism, and scalability potential, but all aim to increase farmer outreach and trust.

Key Challenges

Despite strong progress, several structural challenges persist:

- Financial constraints for franchisees in remote areas.
- Regulatory overlaps in input licensing and compliance.
- Supply chain inefficiencies during peak seasons.
- Limited digital literacy among smallholders.
- Uneven brand visibility across states.
- Farmer inclusion gaps for women and marginal farmers.

Addressing these barriers is crucial for inclusive franchise-based agricultural transformation.

Enabling Factors and Emerging Pathways

The following trends define the future growth pathways for agribusiness franchising:

(a) **Digitalization and Precision Agriculture**

Mobile apps, drones, IoT sensors, and AI-based advisories have strengthened franchise capacities, enabling real-time input delivery and precision farming solutions.

(b) **Public–Private Partnerships**

Collaborations between companies, cooperatives, and government programs (e.g., Agri-Startup Missions, FPOs) ensure ecosystem-level scalability.

(c) **Skill Development and Rural Entrepreneurship**

Franchise networks act as incubators for agri-entrepreneurs, creating youth employment and local capacity building.

(d) **Sustainable Input Ecosystems**

Franchises are increasingly integrating organic inputs, micronutrients, and biofertilizers, aligning with India's National Mission on Natural Farming.

Policy and Managerial Implications

Policymakers should focus on:

- Streamlining licensing norms for agri-input franchises.
- Providing credit and insurance support for rural franchisees.
- Encouraging cluster-based franchising integrated with FPOs.
- Establishing quality certification systems for franchise networks.

For managers, key strategies include:

- Strengthening franchisee training and extension services.
- Building digital and logistical infrastructure for last-mile reach.
- Developing incentive-based models to ensure farmer loyalty and feedback.

Conclusion

Franchising in agribusiness offers a strong system to make professional India's agri input distribution, access to technology for all, and enhance the economic condition of marginal farmers. India is moving toward its Viksit Bharat 2047 vision, franchising in agribusiness will be in strong position for bridging gaps for rural opportunities. Upcoming time will call for systems that are inclusive, and technology driven, ensuring that every farmer – irrespective of their scale of region – can benefit from high quality inputs, reliable brands, and proper services.

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