



From Federation to Market Maker Mahi Farmers Federation

A Strategic Report and Way Forward for
a National Federation of Farmer Producer Companies

Muskan Saxena

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Preface

It is my privilege to introduce this study, published by the India Foundation as part of our ongoing work on India's development and the transformation of its rural economy. India's agricultural story is marked by a striking and enduring contradiction. Agriculture and allied activities contribute only about 18 percent of the country's Gross Value Added, yet the sector continues to provide livelihoods to nearly 46 per cent of India's workforce. Nearly two-thirds of our population still lives in rural India. Few indicators capture the unfinished business of India's development journey more starkly: the share of our population dependent on agriculture has declined far more slowly than agriculture's contribution to the national economy.

The Government of India's achievement in facilitating the formation of more than 10,000 Farmer Producer Organisations (FPOs) marks an important milestone. But formation is only the first step. The more difficult challenge is to transform thousands of dispersed and often small entities into commercially viable, professionally managed and collectively empowered institutions capable of improving farmers' incomes.

In this context, the MAHI Federation assumes particular significance. MAHI is a distinctive institutional experiment—a federation of federations that brings together state-level agricultural federations rather than individual farmers. In doing so, it offers a potentially scalable model for collective bargaining, aggregation, shared infrastructure, market access, and the professionalisation of farmer institutions. MAHI's journey, achievements, and the challenges it continues to face therefore offer lessons that extend well beyond the organisation itself. This study benchmarks MAHI against India's own Amul experience and leading international federation

models, and seeks to translate the Government's vision of Doubling Farmers' Income into an actionable roadmap.

The study is not intended as an endorsement of every recommendation it advances. Rather, the India Foundation is publishing it as a contribution to an important national conversation: how can India move its ten-thousand-strong FPO ecosystem from formation to functioning, and from functioning to improved farmer incomes? More importantly, what would it take to consciously build, by design and at scale, the next Amul for Indian agriculture?

I acknowledge with appreciation the efforts of the researcher, Ms. Muskan Saxena, and commend her for the rigour and commitment she invested in this study. I also thank the MAHI Federation for its openness and cooperation, and all those who generously shared their time, experience and insights.

I hope this study will serve not only MAHI but also policymakers, institutions and practitioners across the country who are working towards a common objective: building a more productive, competitive and prosperous Indian farmer.

Maj Gen Dhruv C Katoch, SM, VSM (Retd)

Director, India Foundation

New Delhi

August 2026

Researcher's Note

This study began with a fairly uncomfortable question. Why does a country where nearly half the workforce and almost two-thirds of the population still depend on rural livelihoods have only one institution the world recognises as a genuine farmer-owned market-maker, and none for the crops that, between them, cover far more of India's land than milk ever will?

For seven decades, that one institution has stood as proof of what is possible. The Gujarat Cooperative Milk Marketing Federation posted a turnover of INR 65,911 crore in FY 2024-25 alone; the wider 'Brand Amul' crossed INR 80,000 crore, all of it owned by farmer-members. The Anand Pattern showed the world that millions of small producers can own an enterprise and still run it with the discipline of a professionally managed company, and a brand consumers trust without a second thought. More than seventy years on, though, Indian agriculture still hasn't produced a second Amul, nothing of comparable ambition for food grain, pulses, oilseeds, horticulture, or spices.

I learned about MAHI Federation while sitting with that question, and came away with real respect for what its farmers have built, largely on their own. Founded in January 2022, with no government agency or corporate sponsor behind it, MAHI has grown, on member conviction alone, into a national federation of 369 Farmer Producer Companies and close to 50,000 farmer-members across six states. That kind of self-organised, democratic momentum is unusual in Indian agriculture, and it's exactly why MAHI deserves a serious, honest study rather than a celebratory one.

So this isn't a validation exercise. It sets out plainly where MAHI stands today, closer to a representative network than a commercial market-maker, and what it would take to change that: a sharper commodity strategy, a digital control tower, real shared infrastructure, transparent farmer economics, and institutional partnerships

turned from goodwill into binding deals. To get there, I benchmarked MAHI against seven of the world's most consequential farmer-owned federations, and mapped every recommendation back to the Government of India's own Doubling Farmers' Income framework, so the roadmap speaks the same language as national policy.

The stakes go well beyond one federation, to my mind. Reserve Bank of India data show Indian farmers capturing as little as 31–37 percent of what a consumer pays for a banana, tomato, or potato, against 65–75 per cent for MSP-backed pulses, a gap that aggregation, grading, storage, and processing can close, if the right institutions exist to do it. With over 10,000 FPOs now registered across the country, the real question isn't whether India can form farmer institutions anymore; it's whether we can build a handful of them into something with the discipline, scale, and market credibility of Amul. I've spent the past seven years working across government, industry, and grassroots enterprise, and I wrote this study in the belief that MAHI, built the right way, can be one such institution, and that telling its story honestly can help others attempt the same.

I owe a great deal of thanks. To **India Foundation**, for the opportunity to undertake and publish this work. To Mr. Ravi Shankar Jha, who came on as legal and policy advisor to this study, MAHI's operational guidelines exist in their current form largely because of his effort. To Mr. Ashok Dalwai, whose work during his time leading the Doubling of Farmers' Income committee shaped much of the thinking behind this report, and to Prof. Ashok Gulati, whose scholarship on Indian agriculture has long been a reference point, and an inspiration, for work like this. And to everyone at MAHI Federation and beyond who gave their time and their candour so freely.

Muskan Saxena

August 2026

Figures cited: Economic Survey 2024–25 and PIB (agriculture's share of GVA and workforce); World Bank, World Development Indicators, 2024 (rural population); GCMMF/Amul organisational disclosures, FY2024–25.

About the Researcher



Muskan Saxena is an Economic Growth Professional and a **Visiting Fellow** at **India Foundation**. She has over eight years of work experience in the field of Public Policy & Management in the domains such as trade & investment promotion, digital transformation, tribal welfare, cooperatives, and social impact.

She has been a core contributor to marquee national platforms, including India's G20 Presidency, the Vibrant Gujarat Global Summit, and Bharat Tex, with her recent work spanning industrial policy design and investment promotion for the Government of Gujarat and Andhra Pradesh & the Ministries of Commerce, Textiles, Sports, and Tribal Affairs. She is a Perplexity AI Business Fellow and serves on the Country Advisory Council at G100, contributing to global strategies for advancing marginalised leadership.

About the Contributor



Ravi Shankar Jha
Legal & Policy Advisor

Ravi Shankar Jha is a lawyer and public policy analyst with over thirteen years of experience across government advisory, corporate legal practice, and regulatory strategy in India. His work spans government advisory bodies, technology and platform businesses, and cross-border legal practice. He has advised on the design of regulatory frameworks and institutional structures across a range of sectors, working closely with central and state government stakeholders, regulators, and industry bodies. His experience includes structuring institutional and governance frameworks, drafting constitutive and charter documents, and advising on compliance architecture for organisations operating in complex, multi-stakeholder environments.

Ravi holds a Master's degree in Public Policy from the Lee Kuan Yew School of Public Policy, National University of Singapore, with a graduate exchange in International Finance at the Johns Hopkins University School of Advanced International Studies (SAIS), and a B.A. LL.B. from National Law University, Lucknow.

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1. Executive Summary

MAHI is one of the most ambitious institutional experiments in Indian agriculture; a national federation built on a three tier structure of state level federations, member Farmer Producer Companies (FPCs) and farmer-members. MAHI Farmers Federation is a network of 369 FPCs across six States and around 50,000 farmers, formed specifically to solve the fragmentation that weakens Indian agricultural producers in procurement, market access, infrastructure, finance and farmer support.

In February 2025, India crossed the milestone of 10,000 registered FPOs under the central scheme, which means national policy has shifted from “formation” to “viability and scale”. In this environment MAHI can become the operating layer that makes small FPCs behave as if they were larger, more bankable, more disciplined and more relevant to serious buyers.

The policy logic for this report draws on the Committee on Doubling Farmers’ Income (DFI), which reframed agriculture from a production problem into an income enterprise. The DFI framework emphasises seven growth sources; crop productivity, livestock productivity, resource-use efficiency higher cropping intensity, diversification to high-value crop, better price realisation, and movement into non-farm income. For MAHI the most actionable of these translate into lower input cost, aggregation led monetisation, stronger bargaining power, post harvest infrastructure, market intelligence and risk management.

The benchmark analysis in this study yields five conclusions. First, Amul remains the most relevant Indian model because it combines farmer ownership, professional management, processing, brand and national distribution at scale. Second, ZEN-NOH and NongHyup show that federations become indispensable when they solve both sides of the farm gate, inputs before harvest and markets after it. Third, FrieslandCampina and Fonterra show that transparent pricing, channel discipline and

quality systems matter as much as brand. Fourth, Sunkist shows that farmer owned brands can scale through licensing and partnerships without owning every downstream asset. Fifth, Sahyadri is the closest crop side Indian proof that traceability, packhouses, cold chain and processing can convert fragmented production into export grade enterprise.

The report recommends a dual lane business model. Lane one is bulk commodities; aggregation, quality control, institutional and processor sales, export linked channels and a bulk order portal. Lane two is packaged products; limited, category-specific, margin disciplined, and launched only where standardisation and replenishment are realistic. Around these two commercial lanes, MAHI should build three federation wide capabilities, pulled input procurement, a digital control tower and a structured institutional partnership stack.

Crucially, the commodity strategy is not generic. Three anchor platforms align MAHI's six states to the strongest national policy tailwinds; pulses (the INR 11,440 crore Mission for Aatmanirbharta in Pulses), oilseeds (the INR 10,103 crore National Mission on Edible Oils: Oilseeds) and spices (a record INR 39,994 crore export year). Each is examined further with indicative economics and a concrete play.

The governing principle is simple: build systems first, scale channels second, and market the brand only after operational credibility exists.

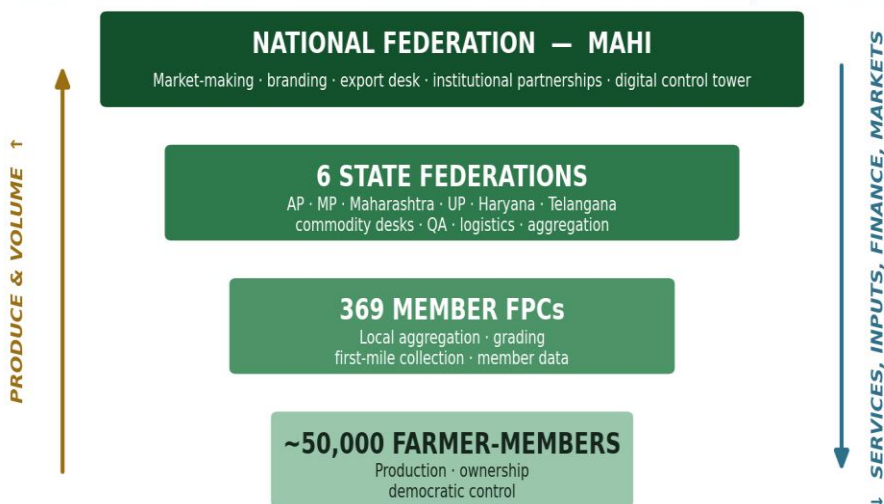
2. About MAHI: What it is and why the Federation Model Matters

MAHI is a national federation of state level federations of Farmers Producer Companies (FPCs). Its design choice is deliberate and important; it does not try to aggregate individual farmers directly at the national level. Instead it aggregates institutions, state federations and FPCs so that commercial capability can be built at scale without dissolving local ownership. The federation was founded on 14 January

2022 and spans six founding state federations across Andhra Pradesh, Madhya Pradesh, Maharashtra, Uttar Pradesh, Haryana and Telangana.

Over 369 member FPCs are networked under the MAHI umbrella, with combined base of around 50,000 farmers. MAHI aims to connect farmers to markets, providing access to resources and technology, facilitating infrastructure and finance, developing branding and value addition, and supporting training, certification and exports.

A FEDERATION OF FEDERATIONS: AGGREGATING INSTITUTIONS, NOT JUST FARMERS



Founded 14 January 2022 · self-organised without agency support · ambition: 500+ FPCs and 1 lakh farmers

This structure matters because the binding constraint in Indian FPO development is rarely the legal act of creating a producer company. The deeper constraint is institutional capability; who aggregates volume, who negotiates with buyers, who designs price discovery, who provides working capital, who builds warehouse and packhorses, who guarantees quality, and who creates a market facing identity that buyers trust. MAHI can become precisely that missing coordination layer.

MAHI snapshot

Parameter	Current position / implication
Legal and institutional form	National federation of state-level federations / FPC-linked network
Founding date	14 January 2022
Current footprint	6 states (AP, MP, Maharashtra, UP, Haryana, Telangana); 369 member FPCs; approximately 50,000 farmer-members
Average members per FPC	~135 today ($\approx 50,000 \div 369$); target 300–500 active members to reach viable aggregation and processing scale
Stated ambition	Scale toward 500+ FPCs and ~1 lakh farmers; notably, self-organised to date without external agency support
Strategic promise	Shared services, aggregation, branding, infrastructure, finance and market access
Strategic risk	May remain representative rather than commercial if state desks and shared economics are not built

Source: MAHI Federation (mahifederation.com)

The necessity of this report is rooted in the same problem that triggered the Government of India's Doubling Farmers' Income exercise. Farmers do not suffer only from low productivity; they suffer from weak monetisation, fragmented markets, rising input costs, risk and low institutional power. The DFI committee reframed agriculture as a value led enterprise and moved the conversation from production alone to income enhancement.

The DFI Committee's analysis is sobering; the average monthly income of an agricultural household during July 2012 to June 2013 was only about INR 6,426 barely above consumption. The diagnosis is directly relevant to MAHI: the problem is not only what farmers grow, but the absence of systems that reduce cost, capture value, manage risk and create bargaining power.

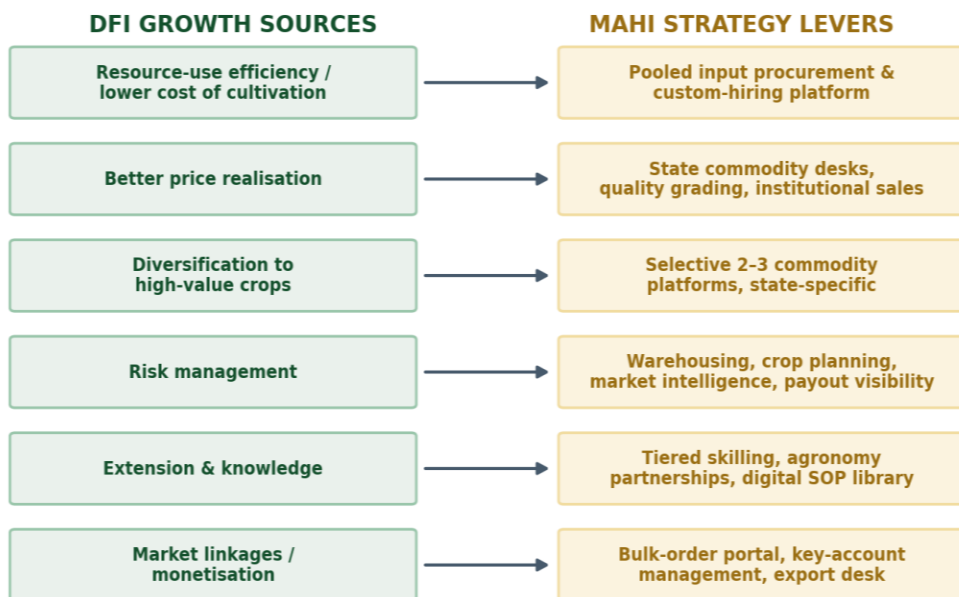


Figure *The DFI policy framework, translated into a MAHI strategy lens*
Source: Committee on Doubling Farmers' Income

The urgency is sharper today because the FPO ecosystem has matured. In February 2025 the Government reported that 10,000 FPOs had been registered under the flagship scheme, with the 10,000th on boarded in Khagaria, Bihar. Roughly 30 lakh farmers are now connected to FPOs, about 40% of them women; equity grants of INR 254.4 crore have reached 4,761 FPOs and credit guarantee cover of INR 453 crore has been issued to 1,900 FPOs. The institutional base now exists. The open question is which organisations turn that base into income.

For MAHI, raising farmers' income should not be a slogan. It should be translated into a portfolio of levers: lower input cost through pooled procurement; higher sale realisation through aggregation and quality

assurance; reduced losses through storage, logistics and basic processing; greater channel choice through B2B and export links; and greater farmer trust through transparent payout systems.

What the DFI framework means in MAHI terms

DFI growth source / pillar	Implication for MAHI	Practical action
Resource-use efficiency / lower cost	Reduce farmer cost, not only sell produce	Pooled seeds, fertilisers, crop chemicals, equipment and custom-hiring partnerships
Better price realisation	Commercial scale and quality discipline matter more than symbolic branding	State commodity desks, grader/assayer norms, institutional sales, negotiated contracts
Diversification to high-value crops	Category strategy must be selective and state-specific	Pilot 2–3 crop platforms where concentration, quality and demand align
Risk management	Reduce volatility and rejection risk	Warehouse linkages, crop planning, market intelligence, payout visibility, quality SOPs
Extension / knowledge	Income gains require skill and advisory, not only trading	NCUI-led board training, agronomy partnerships, digital SOP library, buyer immersion
Market linkages / monetisation	National MAHI should act as market-maker	Bulk-order portal, key-account management, export desk, ONDC/e-NAM integration where relevant

Source: Committee on Doubling Farmers' Income (Volumes XIII–XIV); PIB releases on DFI and the FPO scheme.

The evidence on farmers' share of the Consumer Rupee

An economic metric of **Consumer Rupee** measures the exact percentage of the final retail price paid by a consumer that actually goes back to the farmer. Reserve Bank of India research in 2024 quantifies where MAHI can add value. Across a set of RBI

working papers and a May-July 2024 survey, farmers' share of the consumer rupee is high for MSP backed staples and pulses: chana ~75%, moong ~70%, wheat ~67%, masoor ~66%, tur ~65%, rice ~52% but falls to barely a third for fruits and vegetables, with banana ~31%, tomato ~33%, grape ~35%, onion ~36%, potato ~37% and mango ~43%¹

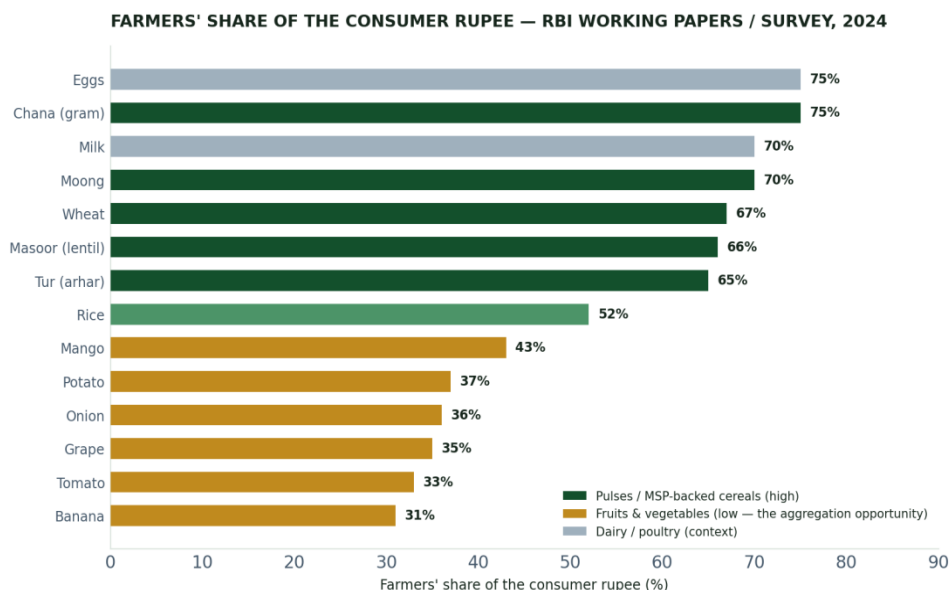


Figure *Farmers' share of the consumer rupee: RBI working papers / survey, 2024*
Source: Reserve Bank of India (2024).

Two implications follow for MAHI. First, the pulses platform already returns a high farmer share, so MAHI's job there is to defend and capture it through processing and assured procurement, not to fight a thin margin. Second, the largest improvement opportunity is in fruits and vegetables, where intermediaries capture two-thirds of the consumer rupee; this is where aggregation, grading, storage and processing can move realisation back to the farm gate. The RBI itself points to marketing reforms,

¹Reserve Bank of India working papers on price dynamics and value chains of pulses, fruits, vegetables and poultry (Oct 2024), several co-authored with agricultural economists; and RBI survey of farmers' share in consumer prices for rabi crops (May-July 2024). Dairy/poultry context: milk ~70%, eggs ~75%.

storage, processing capacity and producer aggregation as the levers, the MAHI agenda in all but name.

The economics MAHI must make visible

Member loyalty follows visible value. The single most persuasive artefact MAHI can build is a commodity wise realisation waterfall that shows members exactly where the consumer rupee goes and how aggregation shifts more of it back to the farm gate. The benchmark to aim at is Amul’s where roughly INR 80-85 of every INR 100 of consumer spend returns to dairy farmers.

3. What the World’s leading Federations teach MAHI

MAHI can borrow the capability from various cooperatives around the world as there is no one template which can be used as a benchmark. MAHI can incorporate the management and design principles relevant to its processes from different cooperatives. Below figure maps the strong area for each of the named cooperatives.

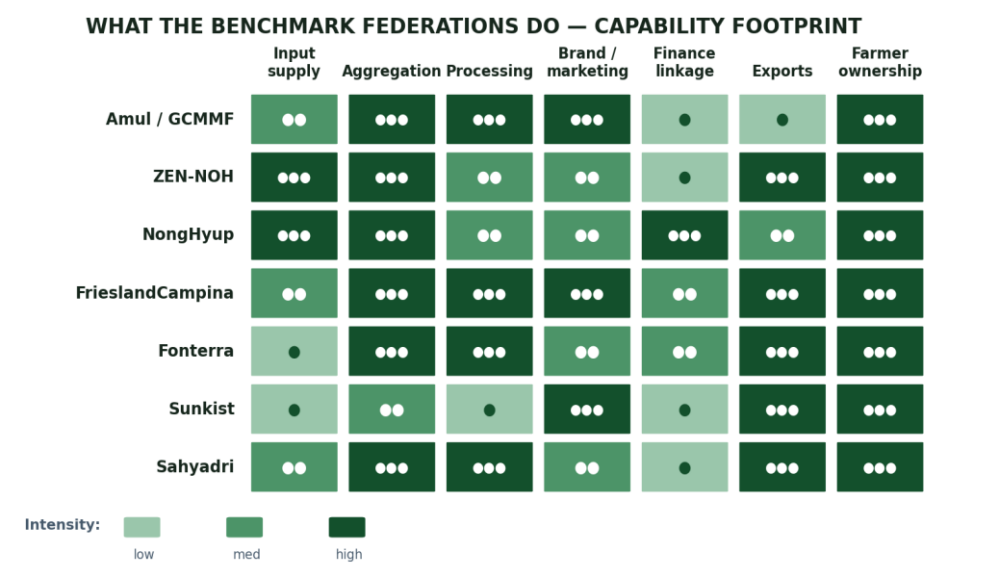


Figure What the benchmark federations do - a capability footprint

Amul / GCMMF: The institutional Anchor

Headquartered in Anand, Gujarat, Amul is the market-facing commercial arm of a farmer-owned dairy system. GCMMF procures roughly 35 million liters of milk per day through 18 member unions and 18,600 village societies, serving about 3.64 million producer-member. GCMMF's own turnover INR 65,911 crore in 2024-25, while group 'Brand Amul' turnover crossed INR 80,000 crore. The lesson for MAHI is institutional, not dairy-specific: producers own the system, professionals run operations, and farmers are linked directly to consumers rather than trapped in fragmented local markets.

Structurally, Amul is the classic three-tier Anand Pattern. Village societies collect and quality-test milk and pay farmers on measurable fat/SNF; district unions process and provide cattle feed, veterinary and AI services; and the state federation (GCMMF) handles marketing, branding and channel management. Procurement begins locally, processing is anchored at the district level, and branding and distribution scale at the federation level, democratic ownership coexisting with professional management. That division of roles is the central reason the model scales without losing producer legitimacy.

ZEN-NOH (Japan): Solving both sides of the Farm Gate

ZEN-NOH, the marketing and supply arm of Japan's JA Group, is one the world's clearest examples of a cooperative built around both sides of the farm gate. Their portfolio spans rice and grain, fresh produce, agribusiness, agricultural materials and machinery, livestock, consumer business and exports, so it works on input access, demand creation, supply stability, processing, logistics and international expansion, not merely selling output. It operates through 945 member cooperative unions within a JA Group base of over 10 million members. For MAHI, ZEN-NOH shows that a federation becomes indispensable when it orchestrates inputs, output and markets together.

It sits inside the three-level JA structure: primary-level JAs close to producers; prefectural federations coordinating regionally; and ZEN-NOH industrialising national purchasing power, product marketing and export coordination. Local entities stay close to farmers; the national federation supplies scale.

NongHyup / NACF (South Korea): The Farmer Ecosystem Institution

NongHyup combines producer support, agribusiness execution and financial services under one apex institution, serving around two million farmers through some 1,100 multifunctional cooperatives. It organises around three pillars: Extension & Support, Agribusiness, and Financial Services and explicitly recycles profits from its financial business into agriculture. Because it creates value before production, during production, at the point of scale and on the balance sheet, NongHyup becomes central to farmers' lives rather than a thin market intermediary. For MAHI, the transferable idea is a services stack that includes finance linkage, not just trading.

Its structure layers local cooperatives beneath the National Agricultural Cooperative Federation, which splits into agribusiness and financial holding arms. Responsibilities are specialised across subsidiaries without breaking cooperative ownership.

Friesland Campina (Netherlands): Cooperative Ownership, Corporate Discipline

FrieslandCampina is wholly owned by about 14,000 member dairy farmers yet reaches consumers in more than 100 markets, ranging from consumer dairy to specialised nutrition and ingredients. Its distinguishing feature is the way it links farmers' economics to a formal performance system: a guaranteed milk price benchmarked to peers, and the Foqus Planet Programme that sets requirements and incentives around quality, define, food safety, animal welfare and sustainability. The lesson for MAHI is that a cooperative can remain member-owned while behaving

like a tightly managed food company with published standards and pricing discipline.

Governance and execution are cleanly separated. The cooperative (districts, councils, a members' council and board) holds the shares and exercises ownership; Royal FrieslandCampina N.V. runs operations through an executive board under supervisory oversight. Ground-level representation stays intact while day to day commerce is professionally managed.

Fonterra (New Zealand): Focus on the highest value channels

Fonterra's strategy is explicit about where value is created for farmer permits: a strong farmer offering, an ingredients engine and momentum in foodservice. Its ingredients business represents about 85% of milk solids sold and around NZD 16 billion in annual revenue, supplying over 1,000 customers in more than 100 countries; Foodservice operates in 50 plus countries. The cooperative recently divested its global consumer business, completing the sale of its Mainland Group to Lactalis in 2026², to sharpen focus on the channels that best support farmer returns. The lesson: a cooperative need not own every consumer brand; it should prioritise the channels and product forms that maximize returns to farmer milk, anchored by a transparent Farm Gate Milk Price.

Farmer shareholders supply milk and are paid via the Farm Gate Milk Price; an elected cooperative council reinforces democratic control; and a board accountable to shareholders governs strategy, payout and major capital. Commercial decisions are kept aligned with farmer returns rather than becoming purely managerial or purely financial.

Sunkist (USA): An asset-light, Brand and Licensing Model

Sunkist is a grower-owned citrus marketing cooperative of family farms across California and Arizona, with a fresh portfolio of more than 40 citrus varieties. Its

²Fonterra, "Fonterra completes sale of Mainland Group to Lactalis," 31 March 2026.

distinguishing strength is an asset-light demand engine: more than 60 years of licensing have produced 800-plus branded Sunkist products in over 70 countries, spanning juices, drinks, vitamins, nuts and snacks. Sunkist shows that a cooperative owned name can be extended across channels and categories through partnerships rather than owning every stage of processing, which is a highly transferable idea for MAHI's eventual branded play.

Operationally it is a networked model rather than a formal pyramid: growers feed packing houses distributed across citrus valleys, while headquarters handles sales, marketing, export, licensing and trade relationships, supported by a dedicated research and technical services team. A 2025 reorganisation with Fruit Growers Supply Company combined sales/marketing with supply-chain capability under a new cooperative holding structure.

Sahyadri Farms (India): The Crop-side Proof Point

Sahyadri is the closest Indian analogue to what MAHI aspires to be. From a small collective of Nashik grape growers, it has become India's largest farmer owned horticulture enterprise, with FY 24- 25 turnover of about INR 1,954.7 crore (up ~28% year-on-year, a ~26% CAGR since inception), split between roughly INR 572.6 crore of exports and INR 1,377.5 crore of domestic sales³. It is fully farmer-owned with about 30,000 small and marginal farmers cultivating some 40,000 acres holding 100% equity with equal voting rights and is a champion of inclusion, with women holding about half its shareholding.

Sahyadri processes about 3,500 tonnes of produce a day, exports to 42 countries, commands an estimated 15–17% share of the global table-grape market, and has promoted roughly 61 crop- and zone-specific FPCs beneath it⁴. The model is built on

³Global Agriculture, Jan 2026; Corporate Tycoons, 2025 — citing Sahyadri Farms AGM disclosures. Fresh-to-processed product mix roughly 35:65.

⁴Sahyadri Farms post-harvest disclosures and presentations, 2025–26. Sahyadri is India's largest grape exporter and a leader in tomato processing; it is frequently described as the “Amul of horticulture.”

traceability, packhouses, cold chain and processing: The post-harvest spine that converts fragmented production into export-grade enterprise. For MAHI, Sahyadri proves the crop-side thesis is achievable in India within a decade when systems precede scale.

Learnings for MAHI

Benchmark	Core lesson	What MAHI should adopt
Amul / Anand Pattern	A producer-owned institution scales when local aggregation, professional management, quality-linked payment and national marketing are integrated in one system.	Build a true 3-tier operating model; quality-based procurement and payout rules; a single MAHI trust-mark/brand architecture.
ZEN-NOH	A federation becomes indispensable when it solves both sides of the farm gate, inputs, production support, aggregation, marketing and exports.	Separate business lines for input procurement, output aggregation and exports; make the state layer the real operating engine; long-term commercial partnerships, not ad-hoc deals.
NongHyup	Institutions become sticky when they combine member support, agribusiness execution and finance linkage.	A services stack: credit facilitation, working-capital and insurance linkage, logistics, certification and training; specialist verticals, not one generic central team.
Friesland Campina	Scale works best when farmer governance and professional management are separated, and performance runs on formal standards.	A standards-and-premium framework; published SOPs for grading, rejection, premiums and settlement; board oversight separated from professional execution.
Fonterra	Cooperatives should focus first on the highest-value channels and a clear payout logic, not broad consumer branding.	Prioritise bulk B2B, institutional, foodservice and ingredients-style channels before consumer FMCG; a transparent member value-sharing mechanism.
Sunkist	A grower-owned institution can scale presence through brand, licensing and partnerships without	Use MAHI first as a trust mark, later as a selective consumer/co-brand; asset-light processing, co-packing, licensing

Benchmark	Core lesson	What MAHI should adopt
	owning every downstream asset.	and regional hubs over immediate capex.
Sahyadri	Traceability, packhouses, cold chain and processing convert fragmented crop production into export-grade enterprise, in India, within a decade.	Sequence post-harvest infrastructure to demonstrated throughput; pursue export readiness commodity-by-commodity; let systems precede scale.

4 What MAHI Lacks today: a Candid Gap Diagnosis

MAHI's achievement: assembling 369 FPCs and 50,000 farmers across six states without external agency support is real and rare. But ambition has so far outpaced operating capability, which is exactly what one would expect of a young federation. The honest reading is that MAHI today is closer to a representative network than to a commercial market maker.

Seven gaps recur, First, there is no sharp commodity strategy, MAHI spans many crops without a concentrated, winnable focus. Second, the state-federation layer is not yet a true operating engine with commodity desks, quality norms and logistics. Third, farmer economics are not yet made visible through a realisation waterfall and transparent payouts. Fourth, shared infrastructure: storage, grading, packhouses, cold chain, is thin. Fifth, there is no digital control tower linking demand, stock, quality and dispatch. Sixth, institutional partnerships are not yet converted from intent into specific deals. Seventh, brand architecture and the underlying data spine are undefined.



Figure Gap diagnosis: current capability versus target (indicative)

Dimension	Where MAHI likely is today	What ‘good’ looks like
Commodity strategy	Broad multi-crop presence; no concentrated, winnable focus	2–3 anchor platforms with deep share, quality control and demand certainty
State operating layer	Federations exist; commercial machinery limited	State commodity desks running aggregation, QA, contracting and logistics
Farmer economics	Value to members not yet quantified or shown	Commodity-wise realisation waterfall; transparent, timely payouts
Shared infrastructure	Thin storage, grading, packhouse and cold-chain assets	Asset-light first, then owned hubs tied to demonstrated throughput
Digital control tower	No unified demand, stock, quality dispatch view	A live platform from demand capture to settlement
Institutional partnerships	Relationships framed as intent, not deals	Each partner mapped to a specific, time-bound deal
Brand architecture	Undefined; risk of premature consumer branding	A trust mark first; selective consumer/co-brand later, on a real data spine

5 Recommendations for MAHI - The Operating Blueprint

This section moves from principle to an operating blueprint: a business model, a named commodity strategy with indicative economics, the shared platforms that make it work, a partnership stack converted into deals, a capability-building plan, a brand-and-data architecture, the member economics and governance that retain loyalty and a phased roadmap. The unifying rule throughout is: build systems first, scale channels second and brand last.

5.1 The Dual-lane Operating Model

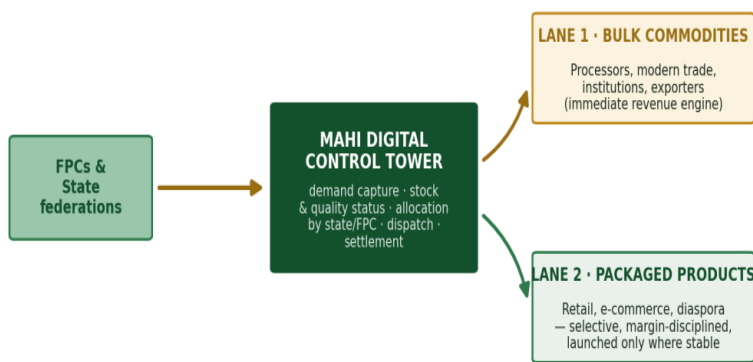
MAHI should run two clearly separated commercial lanes rather than blur them.

1. Bulk Commodities: this is the immediate revenue engine; aggregate graded produce and sell to processors, modern trade, institutional buyers and exporters, supported by a bulk-order portal.

2. Packaged Products: this is selective, margin-disciplined and launched only where standardisation, quality and replenishment are realistic. Most young federations fail by attempting consumer FMCG before they can reliably aggregate and standardise.

Both lanes are fed by the same upstream engine (FPCs and State Federations) and orchestrated through one digital control tower, so demand, stock, quality status and dispatch are visible end to end. The sequence is non-negotiable; aggregate, standardise, build buyer trust and only then brand.

MAHI'S DUAL-LANE OPERATING MODEL



Sequence: aggregate → standardise → build trust → then brand

Figure *MAHI's dual-lane operating model*

5.2 Commodity Strategy: Three Anchor Platforms

MAHI's most important strategic decision is to stop being everything to everyone and concentrate firepower on a small number of commodity platforms where its geography and national policy align. Three anchors stand out because each maps directly onto MAHI's six states and onto a large, policy backed national prize.

THREE ANCHOR COMMODITY PLATFORMS — ALIGNED TO POLICY TAILWINDS & MAHI STATES

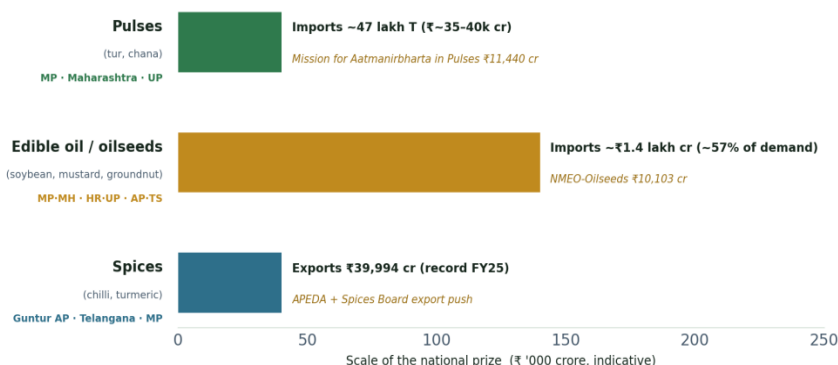


Figure Three anchor commodity platforms. aligned to policy tailwinds and MAHI states
Source: PIB; IBEF; APEDA/Spices Board

Platform	States & fit	Policy / market anchor	MAHI's concrete play
Pulses (tur, chana)	MP (No.1, ~22% of national output), Maharashtra, UP	Mission for Aatmanirbharta in Pulses (₹11,440 cr, 2025–31); NAFED/NCCF 100% MSP procurement of tur/urad/masoor; 1,000 mills (55 in MP) at ₹25 lakh subsidy	Aggregate tur and chana through state desks; register as a NAFED/NCCF procurement partner; set up cluster dal milling to capture processing margin
Oilseeds (soybean, mustard, groundnut)	Soybean: MP, Maharashtra · Mustard: Haryana, UP · Groundnut: AP, Telangana	National Mission on Edible Oils–Oilseeds (₹10,103 cr, 2024–31); ~57% of edible oil imported (~₹1.4 lakh cr); explicit role for FPOs in seed systems	Run FPO-based seed multiplication under NMEO; aggregate oilseeds for solvent extractors and oil brands; pursue contract cultivation with assured offtake
Spices (chili, turmeric)	Chili: Guntur (AP, ~60% of output), Telangana, MP · Turmeric: Maharashtra	Record FY25 spice exports of ₹39,994 cr (\$4.72 bn); chili the largest line; ethylene-oxide (EtO) bans make traceability the binding constraint	Build cleaning/steam-sterilisation and traceability for export-grade chili; secure APEDA packhouse support and RCMC; pursue category buyers and exporters

Source: PIB (Pulses Mission PRID; NMEO-Oilseeds); Drishti IAS; IBEF spice industry; APEDA/Spices Board; exportimportdata.in.

Aligning to One District One Product (ODOP). Each anchor should be pursued through the Government's One District One Product lens, which the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme uses to concentrate procurement, common services and branding by district. Guntur, Andhra Pradesh: chili, the soybean belt of Madhya Pradesh and the tur clusters of Maharashtra are natural ODOP anchors; mapping MAHI's FPCs onto declared ODOP products unlocks district-level convergence of processing grants, marketing support and cluster infrastructure, and is the cleanest route into the high-value diversification the DFI framework calls for.

Pulses: the lowest risk first move

Pulses are the natural first platform. India is the world's largest producer, consumer and importer of pulses; domestic production reached 252.38 lakh tonnes in 2024-25, yet 47.38 lakh tonnes were still imported in 2023-24. Madhya Pradesh and Maharashtra, two MAHI founding states are the top two producing states. The decisive feature for a young federation is demand certainty: under the Mission for Aatmanirbharta in Pulses, NAFED and NCCF will procure 100% of tur, urad and masoor at MSP for several years, which strips out price risk.

- Indicative Economics: 2024-25 MSP of INR 7,550/quintal for tur and INR 5,650/quintal for chana provides a transparent price floor; assured MSP procurement converts aggregation into a low risk activity for FPCs.
- Value Capture: cluster dal milling, supported by the Mission's INR 25 lakh per unit subsidy and the 1,000 mill target (55 earmarked for MP), let's MAHI move from selling raw tur daal to selling milled daal, capturing the processing margin instead of ceding it to traders.
- Deal Shape: register MAHI/ state federations as NAFED/NCCF procurement partners; layer in private mills and branded dal buyers for volumes beyond MSP windows.

Oilseeds: the largest national prize

Oilseeds are the biggest macro opportunity. India imports roughly 57% of its edible-oil demand, about 16.5 million tonnes a year, worth on the order of INR 1.4 lakh crore, which makes domestic oilseeds a guaranteed-demand category. The INR 10,103-crore NMEO-oilseeds mission explicitly relies on cooperatives and FPOs to disseminate quality seed and aims to lift oilseed output from 39 to 69.7 million tonnes. MAHI's states cover the three key crops: soybean (MP, Maharashtra), mustard (Haryana, UP) and groundnut (AP, Telangana).

- Indicative Economics: 2024-25 MSP of INR 4,892/quintal (soybean). INR 5,950/quintal (mustard) and INR 6,783/quintal (groundnut); structural import dependence underwrites domestic offtake.
- Two Revenue Layers: first, FPO based seed multiplication funded under NMEO, a low-capex, mission-aligned income line; second, aggregation for solvent extractors and edible-oil brands, with contract cultivation and assured offtake where possible.

Spices: the highest value, export facing platform

Spices are the premium, export facing platform. India's spice exports hit a record INR 9,994 crore (USD 4.72 billion) in FY2024-25, with chili the single largest line and Guntur in Andhra Pradesh accounting for roughly 60% hippos' national chili output; Telangana and Madhya Pradesh are also major producers. The binding constraint and therefore the opportunity is quality compliance: ethylene-oxide bans in export markets have made cleaning, steam sterilisation and traceability the gatekeeper to premium pricing.

- Indicative Economics: chili exports alone are valued in the order of INR 12,450 crore; export grade, EtO-compliant, traceable lots command material premium over open market sales.

- Value Capture: invest selectively in cleaning, grading, steam sterilisation and batch level traceability; secure APEDA packhouse recognition and an export license (RCMC); sell to category buyers, exporters and processors feather than through commission agents.

5.3 Pooled input-procurement platform

Higher income comes as much from lower cost as from higher price. A federation wide input platform: seeds, freeware's, crop protection, bio inputs and machinery via custom hiring, let's MAHI negotiate as a single larger buyer and pass savings to members. This is also the fastest way to demonstrate tangible value to FPCs in the first year, because cost savings are immediate and easy to show, whereas market side gains take longer to mature. The input platform should be run as a disciplined business line (catalogue, framework supplier contracts, quality assurance, demand pooling) rather than as occasional bulk buys.

Rather than build input supply from scratch, MAHI should anchor the platform in Krishak Bharati Cooperative Limited (KRIBHCO), a national multi-state cooperative this product basket spans urea, DAP, NPK, SSP, zinc, bio-fertilisers, compost and certified/hybrid seeds, distributed through its Krishak Bharati Sewa Kendras and cooperative channels⁵. As a fellow cooperative institution, KRIBHCO is a natural framework supplier for fertilisers and bio-inputs at competitive cooperative rates, and its agri-export arm (KABL) is a potential offtake/export channel for MAHI produce. A single national supply agreement, drawn down by state desks, would give members lower inputs costs from day one.

5.4 Seed Multiplication: turning MAHI farmers into seed growers

One of the highest margin, lowest capex income lines available to MAHI is seed production. The National Seeds Corporation (NSC), a Government of India Mini-

⁵KRIBHCO (kribhco.net): national multi-state cooperative society (est. 1980), product basket of fertilisers, bio-fertilisers and certified seeds; certified-seed programme across 12 processing units in 8 states; agri-export arm KRIBHCO Agri Business Limited (KABL).

Ratna produces foundation and certified seed of around 621 varieties across 80 crops and does so not only on its own farms but through roughly 12,500 registered seed growers nationwide, with particular emphasis on pulses and oilseeds⁶. KRIBHCO runs a parallel certified-seed grower programme. MAHI should enroll clusters of its FPCs as registered seed-grower organisations for both NSC and KRIBHCO.

The logic is compelling on three counts. First, seed production typically earns growers a premium of roughly 20-50% over grain prices for the same crop, under a buy-back arrangement that removes market risk. Second, it is directly aligned with national policy: both the Pulses Mission and NMEO-Oilseeds are explicitly bottlenecks on quality seed and rely on FPOs to multiply it, so MAHI's pulses and oilseed clusters can become the seed engine the missions need. Third, it deepens MAHI's quality and traceability discipline (isolation distances, rogueing, certification), which is exactly the operating muscle the commodity and export platforms also require.

MAHI can partner as a seed-grower organisations with NSC and KRIBHCO; start with foundation to certified multiplication of tur, chana, soybean and mustard in MP, Maharashtra and Haryana; route certified seed back to members through the input platform, closing the loop from seed to grain to market.

5.5 The digital control tower and bulk order portal

MAHI's scale advantage is only real if it is visible and coordinational. A digital control tower should give the national team a live view of demand (orders and enquiries), supply (stock and quality status by FPC and state), allocation, dispatch and

⁶National Seeds Corporation Ltd (nsc.gov.in / indiaseeds.com): Schedule-B Mini-Ratna under the Ministry of Agriculture & Farmers' Welfare; foundation and certified seed of ~621 varieties/80 crops via 5 farms (~22,000 ha) and ~12,500 registered seed growers; FY2023-24 revenue ~₹1,182 crore. KRIBHCO runs a parallel certified-seed grower programme.

settlement. On the demand side, a bulk order portal lets processors, modern trade, institutional buyers and exporters place commodity orders that MAHI fulfils by allocating across state federations and FPCs. This is the practical mechanism that lets 50,000 farmers behave like one bankable counterparty. The first version should be deliberately lightweight: order capture, stock status and allocation rather than a heavy custom build.

Integration with e-NAM and ONDC should be a first class design goal, not an afterthought. Rather than build isolated software, MAHI should plug its control tower into the national public rails: e-NAM (the electronic National Agriculture Market, which already links hundreds of regulated mandis and supports FPO trading and inter-mandi sales) for price discovery and mandi-linked transactions, and ONDC (the Open Network for Digital Commerce) to reach institutional and retail buyers on open, interoperable terms without being captive to any single platform. Using these rails lowers build cost and risk, widens MAHI's buyer reach instantly and keeps the federation aligned with the Government's own digital-agriculture direction, the e-NAM/ONDC layer is, in effect, MAHI's distribution multiplier.

5.6 Anchor buyers and B2B brand partnerships

A bulk-order portal is only as good as the demand flowing through it. MAHI should therefore run a deliberate **“land and expand”** programme to sign a handful of anchor B2B buyers branded food companies that already source the very commodities MAHI aggregates and that increasingly want traceable, FPO-linked, direct from source supply. The pitch to them is simple: assured volumes, consistent grade, batch traceability and a single accountable counterparty in place of thousands of scattered farmers. Several large key players already run FPO-facing sourcing

programmes, ITC, for instance, operates ITCMAARS, a ‘phygital’ Afro-platform built around FPOs.

Commodity / lane	Illustrative anchor buyers (B2B)	What MAHI offers them
Pulses & milled dal	ITC (Aashirvaad; ITCMAARS), Tata Consumer (Tata Sampann), Adani Wilmar (Fortune besan/pulses), NAFED (Bharat Dal)	Traceable, graded tur/chana and milled dal at assured volumes; consignment under MSP windows
Oilseeds & edible oil	Adani Wilmar (Fortune), Marico (Saffola), Cargill, Bunge; solvent extractors	Aggregated soybean/mustard/groundnut and certified seed; contract cultivation with assured offtake
Spices	ITC, Tata Sampann, Everest, MDH, ofi/Olam, Synthite (oleoresins)	EtO-compliant, steam-sterilised, traceable chilli and turmeric; GI-linked (Guntur) lots for export
Modern trade & e-commerce	Reliance Retail/JioMart, DMart, BigBasket; ONDC sellers	Private-label and bulk staples supply; replenishment-grade consistency via the control tower

Source: Illustrative; company names indicate the buyer archetypes MAHI should target, not endorsements. ITCMAARS is ITC's FPO-facing agri-platform.

Practically, MAHI should appoint a small key account team, target two to three anchor buyers per commodity in year one, and convert pilots into rolling supply agreements with agreed grade, volume and payment terms. Direct B2B supply both lifts realisation (cutting out layers of intermediaries) and disciplines quality, because branded buyers enforce specifications that, once met, also open export doors.

5.7 Institutional partnerships: each tied to a deal

MAHI does not need to build every capability; it needs to convert India's agri-institutional architecture into specific, time bound deals. The principle is that no partner is a relationship in the abstract, each is mapped to a specific outcome MAHI is trying to achieve.

Partner	Role in the ecosystem	The specific deal MAHI should pursue
NABARD	Apex rural-development and refinance institution; FPO grading and credit-guarantee architecture	Working-capital lines for state desks and credit-guarantee-backed loans for member FPCs; adopt FPO grading to improve bankability
SFAC	Mandated FPO promotion and equity-grant agency	Mobilise matching-equity grants and scheme convergence for member FPCs; use SFAC's FPO-strengthening support for weaker members
NAFED	National cooperative marketing and MSP-procurement agency	Procurement partnership for pulses (and oilseeds) under PM-AASHA; consignment sales and storage tie-ups in surplus seasons
NCUI	Apex cooperative education and training body	Board and management training, cooperative governance and leadership development across state federations and FPCs
APEDA	Agri-export development authority	Packhouse and infrastructure support, cluster export pilots (spices, fresh produce), RCMC registration and compliance handholding
NCDC	Cooperative-sector development financier	Term and project finance for storage, processing and integrated value-chain projects as MAHI moves to owned infrastructure
KRIBHCO	National cooperative for fertilisers, bio-inputs and certified seeds	Framework supply of fertilisers/bio-inputs at cooperative rates; FPCs as certified-seed growers; KABL as an export/offtake channel
National Seeds Corporation	GoI Mini-Ratna for foundation and certified seed	Enrol MAHI FPCs as registered seed-grower organisations (pulses, oilseeds) on buy-back — a higher-margin income line aligned to NFSM/NMEO

Partner	Role in the ecosystem	The specific deal MAHI should pursue
ICAR-IARI (Pusa)	Premier agricultural research institute and agritech incubator (Pusa Krishi)	Co-incubate agri-startups; use FPCs as on-field pilots for new varieties and technologies; channel Pusa varieties and agronomy to members
STC (legacy)	State Trading Corporation interface (largely non-operative)	Treat as a low-priority legacy channel only; prioritise APEDA, DGFT-linked routes and direct category buyers for exports

Source: Agency Mandates (NABARD, SFAC, NAFED, NCUI, APEDA, NCDC, KRIBHCO, NSC, ICAR-IARI).

Working with NAFED and KRIBHCO: the ‘how’

With NAFED, the play is to become a recognised aggregation and procurement partner rather than a passive seller. NAFED is the central agency that procures tur, urad and masoor at 100% of MSP under PM-AASHA/PSS, and it has moved downstream into branded retail (the Bharat Dal, Bharat Atta and Bharat Rice lines). MAHI should:

1. Empanel its state federations as procurement/ aggregation agencies so member FPCs deliver MSP-grade pulses directly into NAFED windows;
2. Offer cleaned, graded and milled dal to NAFED’s Bharat brand as a supply partner; and
3. Use NAFED warehousing and consignment arrangements to hold stock through price troughs rather than distress selling at harvest.

With KRIBHCO, the play runs on both sides of the farm gate. On inputs, a single national framework agreement let’s MAHI draw fertilisers, biofertilizers and certified seed at cooperatives rate through Krishak Bharati Sewa Kendras, feeding the pooled input platform. On outputs, MAHI’s FPCs can supply KRIBHCO’s

certified seed programme as contract seed growers, and KRIBHCO's agri-export arm (KABL) becomes an additional export/ offtake route for MAHI commodities. Two cooperative institutions transacting with each other is also culturally aligned and lowers counterparty risk.

Promoting NABARD's financing schemes to members

MAHI should act as the channel that pulls NABARD's FPO architecture down to its member FPCs rather than leaving each FPC to discover it alone. The concrete levers are the Producers' Organisation Development Fund (PODF-ID), which extends concessional term and working-capital loans plus capacity-building and market-linkage support; NABKISAN Finance Limited, a NABARD subsidiary that lends directly to FPOs; and the INR 1,000 crore Credit Guarantee Fund Trust for FPOs operated through NAB Sanrakshan, which enables collateral-free lending to eligible FPCs⁷. MAHI should run a small finance facilitation desk that helps FPCs adopt NABARD's FPO grading (which improves loan terms), prepares bankable proposals, and routes them to PODF-ID, NABKISAN and the credit-guarantee scheme turning scheme eligibility into actual working capital and using BIRD Lucknow for allied training.

5.8 Research and Incubation with ICAR-IARI (Pusa)

MAHI should propose a formal partnership with ICAR-IARI (Pusa) and its agritech incubator, Pusa Krishi, the technology-business incubation unit (ZTM-BPD) at IARI, New Delhi, which is a DST- recognised incubator and an RKVY-RAFTAAR knowledge partner and which already incubates both agri-startups and FPOs with funding support of up to roughly INR 25 lakh through programmes such as UPJA,

⁷NABARD (nabard.org); Producers' Organisation Development Fund / PODF-ID; NABKISAN Finance Ltd; Credit Guarantee Fund Trust for FPOs (CGFTFPO/CGSFPO), ₹1,000 crore corpus under NABSanrakshan; FPO grading; BIRD Lucknow as nodal training institute.

ARISE and SHITIJ⁸. The partnership would make research and innovation flow in both directions.

The proposed structure has four elements:

- Co-incubation of agri-startups: MAHI and Pusa Krishi jointly source and mentor start-ups solving MAHI's real problems, grading and assaying, traceability for EtO-compliant chili, dal-milling efficiency, post-harvest losses, and farm advisory with MAHI providing the use cases and Pusa Krishi the validation, IP support and grant access.
- FPCs as living pilots and demonstration fields: MAHI's 369 FPCs become on field refinish where new Pusa crop varieties, precision-agriculture tools and validation startup technologies are piloted at farm scale before wider release, exactly the field access that researchers and startups lack, and that MAHI can uniquely offer.
- A channel for Pusa varieties and agronomy: Improved Pusa-bred seed and package of practices reach members through MAHI's input and seed - multiplication platforms, closing the loop between the research institute and the farm.
- 'Startup-Farmer Connect' at scale: MAHI hosts Pusa Krishi's farmer-connect and agripreneurship events across its states, building a pipeline of FPC-linked rural entrepreneurs and giving startups a ready distribution network.

For MAHI this is high leverage and low cost: it imports R&D and innovation capability it could never build in-house, positions the federation as an innovation

⁸ICAR-IARI Pusa Krishi / ZTM-BPD Unit (pusakrishi.iari.res.in): DST-supported Technology Business Incubator (2018); RKVY-RAFTAAR knowledge partner; programmes UPJA (seed), ARISE (pre-seed), SHITIJ; 'Startup-Farmer Connect'; incubates startups and FPOs; licenses Pusa crop varieties and technologies.

gateway for its members and creates a defensible edge, access to 50,000 farmers’ fields that the research ecosystem actively wants.

5.9 Skilling and Capability Building

MAHI’s Strategy is only as strong as the people executing it. Capability must be built at four levels: farmer/FPC, state federation, national and export-readiness with delivery blended across in person workshops for boards and managers, mobile-first SOPs and video for FPCs and buyer immersion visits. Partners map cleanly to layers: NCUI for governance, KVKs/agricultural universities and input firms for agronomy and APEDA plus established export houses for export readiness.

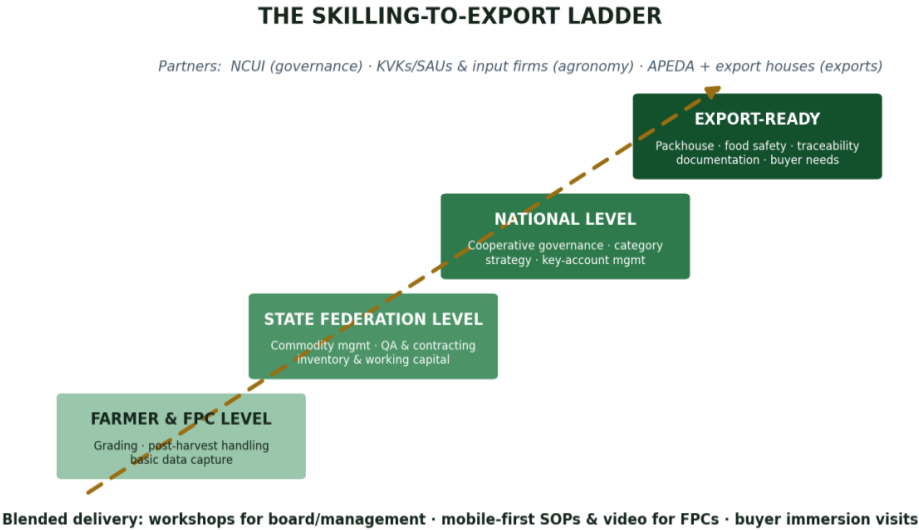


Figure *The skilling-to-export ladder*

Two specific interventions should anchor the plan.

First, a **30-day ‘mini-MBA’** for FPC office-bearers, a structured, month-long programme covering aggregation economics, quality and grading, working-capital and

book-keeping, digital tools, negotiation and compliance delivered with NCUI and agricultural universities so that the people who actually run member FPCs gain genuine business management capability, not just awareness. Second, an annual workshop on MAHI's aspirational agenda for the FPCs, which aligns member companies behind the federation's commodity focus, quality standards and targets, surfaces ground level constraints and turns the strategy in this report into shared, owned ambition across the network.

5.10 Brand Architecture and the Data Spine

Branding should be sequenced, MAHI should first establish a **trust mark** a quality and traceability standard that buyers recognise (echoing FrieslandCampina's focus and Sahyadri's traceability) and only later, selectively, extend into consumer or co-branded products where standardisation and replenishment are proven (echoing Sunkist's licensing logic). None of this works without a data spine: member and plot records, produce and quality data, transactions and payouts, and traceability. That data spine is simultaneously the foundation of the brand, the basis of credit and certification, and the proof of value to members. Premature consumer branding without this spine is the most common and most expensive mistake a young federation can make.

5.11 Member Economics, Governance and the KPI Dashboard

Federations retain members through visible, fair economics and credible governance. MAHI should publish transparent grading, rejection, premium and settlement rules; pay quickly; and show each FPC its realisation versus the open market. Governance should follow the FrieslandCampina/ Fonterra separation, democratic ownership and an elected council on one side, professional management accountable to a board on the other. Progress should be tracked on a small, honest KPI dashboard rather than vanity metrics.

Dimension	Illustrative KPI	Frequency
Member value	Average realisation uplift vs local market, by commodity (%)	Quarterly
Activation	Share of member FPCs actively transacting through MAHI (%)	Quarterly
Cost savings	Input cost saving via pooled procurement (₹/unit, %)	Per cycle
Throughput	Volume aggregated and sold per anchor commodity (tonnes)	Monthly
Quality	Rejection rate; share of export/premium-grade lots (%)	Monthly
Finance	Working capital accessed; on-time payout to members (%)	Monthly
Sustainability	MAHI operating self-sufficiency (revenue vs cost)	Annual

5.12 MAHI's Revenue and Business Model

A federation cannot be sustained on grants alone; its revenue and business model must be explicit. MAHI should be designed to earn from the very services it provides to members, and to fund its asset build out by stacking the schemes that exist precisely for federations of FPOs. The goal is operating self-sufficiency: recurring revenue that covers MAHI's cost to serve, with surplus shared back to members.

MAHI'S BUSINESS MODEL: HOW IT EARNS, AND HOW IT FUNDS THE BUILD-OUT

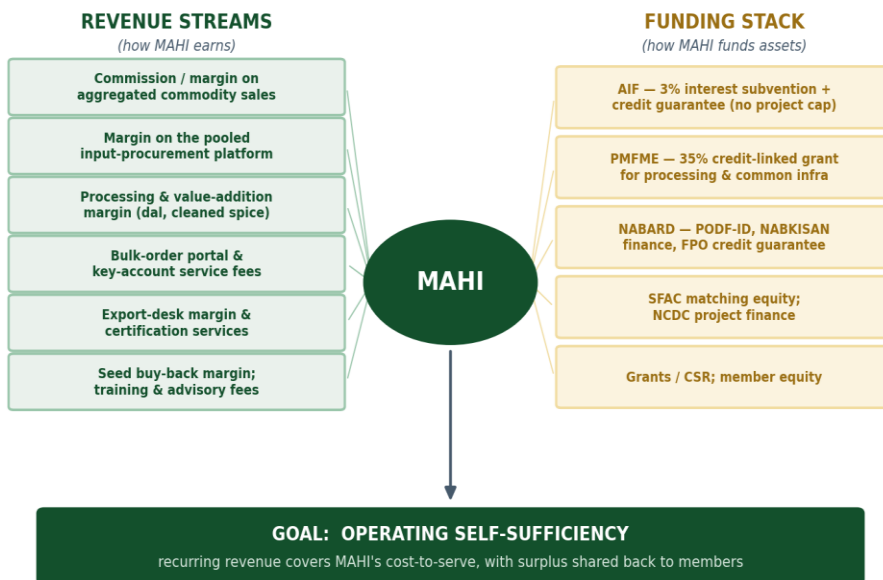


Figure MAHI's business model: how it earns, and how it funds the build-out

Source: Scheme parameters per AIF and PMFME guidelines.

On the revenue side, MAHI should earn through a small, transparent margin or commission on aggregated commodity sales; a margin on the pooled input-procurement platform; a processing and value-addition margin (milled dal, cleaned/sterilised spice); service and key-account fees on the bulk-order portal; export-desk and certification-facilitation fees; and a buy-back margin on seed multiplication, alongside training and advisory income. None of these need be large individually; together, on rising volume, they move MAHI toward self-sufficiency without eroding the member value proposition.

On the funding side, MAHI should stack the public capital schemes built for exactly this purpose. The Agriculture Infrastructure Fund (AIF) offers a 3% interest subvention and a credit guarantee on loans up to INR 2 crore per project for seven

years and critically the usual cap on the number of projects does not apply to federations of FPOs, so MAHI can finance many storage, grading and processing assets in parallel⁹. PMFME adds a 35% credit-linked grant for processing and common infrastructure¹⁰. NABARD's PODF-ID, NABKISAN and FPO credit guarantee provide working and term capital; SFAC matching equity and NCDC project finance fill further gaps; and grants/ CSR fund capability-building while member equity anchors ownership. Layered correctly, grants fund people, subsidised debt funds assets, and earned revenue funds operations.

5.13 A Focused Pilot and a Phased Implementation Roadmap

Start focused rather than thin. Rather than activating all six states at once, MAHI should run a lighthouse pilot in **Telangana and Andhra Pradesh**, providing the full operating model end to end in one or two commodities before national roll out. The two states are a natural choice: they anchor the chili platform (Guntur and Telangana) and the groundnut belt, have strong e-NAM/market-yard infrastructure, and let MAHI demonstrate realisation uplift, quality systems and the control tower at manageable scale. A successful **AP-Telangana pilot** becomes the template and the credibility for extending to MP, Maharashtra, UP and Haryana.

With the pilot as the proving ground, the broader roadmap front-loads diagnosis, partnerships and quick wins; builds the operating engine and digital spine in year one; and reserves owned infrastructure, premium/ traceability frameworks, selective packaged products and export readiness for years two to three, systems first, channels second, brand last.

⁹Agriculture Infrastructure Fund (agriinfra.dac.gov.in): ₹1 lakh crore financing facility; 3% interest subvention and credit-guarantee cover on loans up to ₹2 crore for 7 years; federations of FPOs are eligible with no limit on the number of projects; stackable with other schemes.

¹⁰Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), Ministry of Food Processing Industries: 35% credit-linked capital subsidy for FPOs/SHGs/cooperatives and common infrastructure (cap ₹3 crore for common infra); branding and marketing support; One-District-One-Product approach; ₹10,000 crore outlay.

PHASED IMPLEMENTATION ROADMAP – SYSTEMS FIRST, CHANNELS SECOND, BRAND LAST

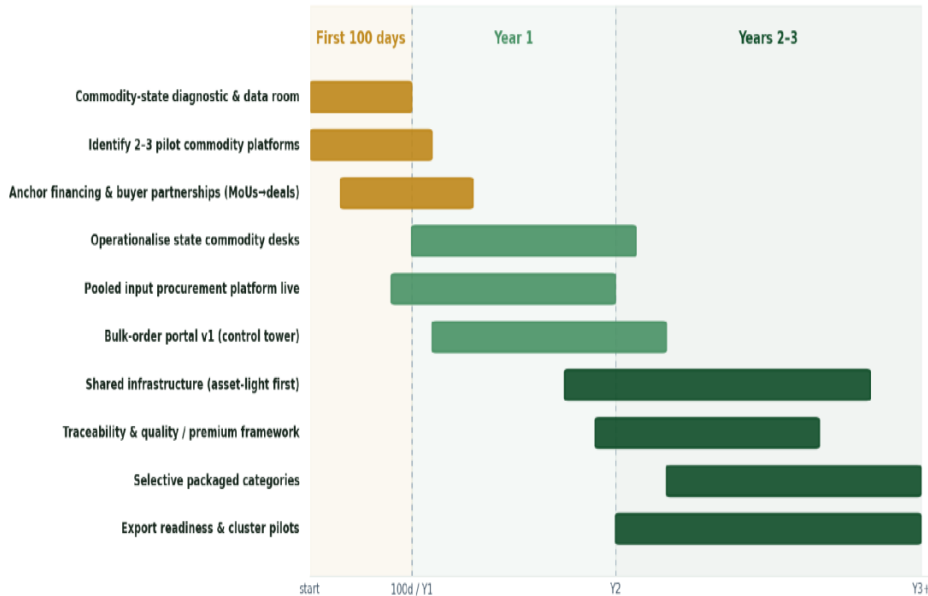


Figure *Phased implementation roadmap: systems first, channels second, brand last*

- First 100 days: run a commodity and state diagnostic and build the data room; shortlist the 2-3 pilot commodity platforms; launch the AP-Telangana lighthouse pilot; open anchor financing and buyer conversations (turn MoUs towards deals).
- Year 1: stand up state commodity desks; launch the pooled input-procurement platform; ship version one of the bulk order portal/ control tower with e-NAM/ONDC links; demonstrate realisation uplift on the first commodity.
- Year 2-3: add shared infrastructure (asset-light first, AIF/PMFME- funded); roll out the traceability and premium/ quality framework; launch selective packaged categories; and pursue commodity by commodity export readiness and cluster pilots.

6. Conclusion

MAHI begins from a position most federations would envy: a genuine three-tier structure, 369 FPCs, roughly 50,000 farmers across six states, and the credibility of having self-organised without external agency support. The task now is to convert that institutional base into farmer income, the same conversion the DFI framework demands and the same conversion that separated Amul, Sahyadri and the world's leading cooperatives from the thousands of producer organisations that never reach scale.

The path is not mysterious. Concentrate on two or three commodity platforms where MAHI's geography meets national policy tailwinds: pulses, oilseeds and spices are the obvious candidates. Deepen membership of existing FPCs toward viable scale. Make the state federations the real operating engine. Lower input costs and raise realisations, and show members the difference in rupees. Build the digital control tower and the data spine, plugged into e-NAM and ONDC that let 50,000 farmers act as one counterparty. Convert institutional relationships with NAFED, KRIBHCO, NABARD, the National Seeds Corporation and ICAR-IARI into specific deals. Sign anchor B2B buyers. Make the revenue and funding model explicit. Price it in a Telangana - Andhra Pradesh pilot, then scale. Sequence infrastructure to demonstrate throughput, and brand only once operational trust exists.

If MAHI builds systems before scale and channels before brand, it can become exactly what its structure promises: not merely a federation that represents farmers, but a market maker that raises their incomes. In an ecosystem that has already formed its 10,000 FPOs, that distinction between representation and income, is the one that will matter most.

Appendix A. DFI policy translation for MAHI

The Committee on Doubling Farmers' Income identified seven sources of income growth. The table below restates them as an operating checklist MAHI can hold itself accountable to.

DFI growth source	MAHI's corresponding mandate
Improvement in crop productivity	Channel better seed and agronomy via NMEO/seed partnerships, NSC/KRIBHCO seed multiplication and ICAR-IARI (Pusa) linkages
Improvement in livestock productivity	Out of immediate scope; revisit only if dairy/livestock FPCs join the network
Resource-use efficiency / lower cost of production	Pooled input procurement (with KRIBHCO) and custom-hiring to cut cultivation cost
Increase in cropping intensity	Support crop planning and advisory through state desks
Diversification to high-value crops	Selective, state-specific anchor commodities (spices, high-value horticulture), pursued through the ODOP lens
Better price realisation	Aggregation, quality grading, institutional and B2B/export sales, transparent payouts
Shift from farm to non-farm / value addition	Processing, packing, traceability, seed multiplication and selective branded products

Appendix B. Data and Method

This report combines two kinds of evidence. External facts: the FPO scheme's scale, the DFI income diagnosis, the RBI evidence on farmers' share of the consumer rupee, benchmark cooperatives' structures, the mandates of partner institutions, and the size and policy backing of the pulses, oilseeds and spice opportunities are drawn from public, secondary sources, each cited in footnotes and listed in Appendix C. Figures and economics marked 'indicative' or 'illustrative' are analytical constructs intended to prioritise and to frame the business case, not measured results.

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4th Floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi- 110003
Email: contact@indiafoundation.in Website: www.indiafoundation.in

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