

# Privatization of Agricultural Extension in India

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## ABSTRACT

*The article "privatization of agricultural extension in India" represents a significant shift from traditional government-led initiatives to a more market-oriented approach. This transition aims to address the limitations of public extension services, such as inadequate coverage, limited resources, and inefficiencies. Private sector involvement brings new opportunities for innovation, efficiency, and improved farmer access to technology and information. Companies, NGOs, and farmer-led initiatives are emerging as key players in providing customized services that meet the diverse needs of Indian farmers. These services include crop advisories, input supply, market linkages, and financial products, often leveraging digital platforms for wider reach and impact. However, the shift to privatization also poses several challenges. There are concerns about equity and access, as small and marginal farmers may be unable to afford private services. Additionally, the profit-driven motives of private entities might prioritize high-value crops and regions, potentially exacerbating regional disparities and neglecting subsistence agriculture. Regulatory frameworks need to evolve to ensure quality, accountability, and inclusivity in private extension services. The success of privatization in agricultural extension in India will depend on creating synergistic partnerships between the public and private sectors. Public policy must ensure that privatization complements and enhances the existing extension infrastructure rather than replacing it. By addressing the challenges and leveraging the strengths of both sectors, India can create a robust extension system that promotes sustainable agricultural growth and ensures food security for its population.*

**Keywords:** Commercialization, Privatization, Private extension, Public extension

## INTRODUCTION

The introduction of privatization of agricultural extension in India marks a significant shift from traditional government-led initiatives to more diverse, market-oriented approaches. Historically, agricultural extension services in India have been the responsibility of public sector institutions, designed to disseminate knowledge and technology to farmers to improve productivity

and sustainability. However, the limitations of public extension services, including inadequate funding, bureaucratic inefficiencies, and a lack of responsiveness to local needs, have led to the exploration of privatization as a viable alternative. Privatization of agricultural extension involves the participation of private entities such as agribusiness companies, non-governmental organizations (NGOs), farmer

cooperatives, and other stakeholders in providing extension services. This shift aims to leverage the strengths of the private sector, such as efficiency, innovation, and resource mobilization, to enhance the reach and quality of extension services. One of the key drivers of this transition has been the changing agricultural landscape in India, characterized by increased commercialization, diversification, and the adoption of high-value crops. Farmers today require more specialized and timely information, which the traditional public extension system often struggles to provide. Private entities, with their direct links to markets and access to advanced technologies, are well-positioned to meet these evolving needs. The introduction of privatization in agricultural extension has taken several forms. For instance, contract farming arrangements often include extension services as part of the package offered to farmers. Agribusiness firms and input suppliers provide advisory services to promote their products, ensuring that farmers use them effectively and sustainably. NGOs and farmer organizations have also played a crucial role in filling gaps left by the public sector, particularly in marginalized and remote areas. While privatization offers several advantages, it also presents challenges such as ensuring equity, affordability, and the relevance of services to small and marginal farmers. There is a need for a balanced approach where public and private extension services complement each other, leveraging the strengths of both sectors to create a robust and inclusive agricultural extension system in India. This hybrid model can potentially provide the necessary support for farmers to

thrive in a rapidly changing agricultural environment.

### **Concept of Privatization of Agricultural extension**

Privatization of agricultural extension refers to the shift from government-led extension services to private sector involvement in providing agricultural advice, information, and technology transfer to farmers. This change aims to improve the efficiency, responsiveness, and sustainability of extension services. Traditionally, agricultural extension services have been publicly funded and provided by government agencies. These services include disseminating knowledge on best farming practices, pest control, crop management, and the use of new technologies. However, public extension systems often face challenges such as limited funding, bureaucratic inefficiencies, and insufficient reach to all farmers, particularly in remote areas. Privatization introduces market mechanisms into the extension system, where private entities such as agribusiness companies, non-governmental organizations (NGOs), and consultancy firms, deliver these services. This model can lead to several benefits. Firstly, private providers can offer specialized, high-quality services tailored to specific needs, fostering innovation and efficiency. Secondly, competition among private providers can drive improvements in service quality and customer orientation. Thirdly, it can reduce the financial burden on governments, allowing public resources to be allocated to other critical areas.

## STRATEGIES FOR PRIVATIZATION OF AGRICULTURAL EXTENSION

Privatization of agricultural extension involves shifting the responsibility for agricultural advisory services from the public sector to private entities. This transition aims to improve efficiency, foster innovation, and ensure sustainability. Here are key strategies employed in the privatization of agricultural extension.

### 1. Public-Private Partnerships (PPP)

One prominent strategy is fostering public-private partnerships. These collaborations combine public funding with private sector efficiency and expertise. Governments can provide initial funding or subsidies, while private entities deliver the extension services. This approach helps leverage private sector resources and innovation while maintaining some level of public oversight.

### 2. Commercialization of Extension Services

Commercializing extension services involves charging fees for advisory services previously provided for free by the government. This approach can create a competitive market for extension services, encouraging providers to improve quality and relevance. It also ensures that only serious farmers who value the services will seek them, potentially increasing the effectiveness of the advice provided.

### 3. Farmer Cooperatives and Associations

Empowering farmer cooperatives and associations to manage extension services is another strategy. These organizations can pool resources and hire private advisors to meet their specific needs. This bottom-up approach ensures that extension services are tailored to the local context and are more likely to address the actual needs of farmers.

### 4. Contracting Out Services

Governments can contract out extension services to private companies or NGOs. This method allows for competitive bidding, which can drive down costs and improve service quality. Contracts can include performance-based incentives to ensure providers meet specified targets and outcomes.

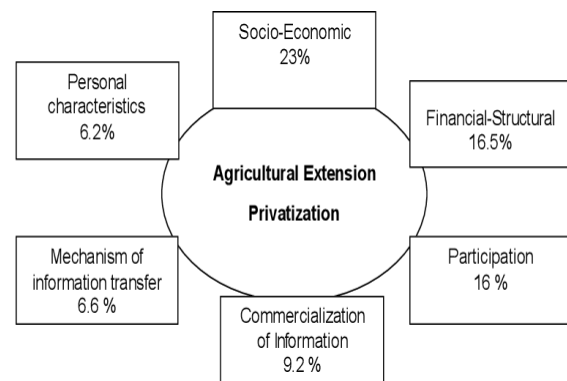
### 5. Use of ICT and Digital Platforms

Leveraging information and communication technology (ICT) and digital platforms is a modern strategy in privatization. Private companies can offer digital advisory services, including mobile apps, online platforms, and remote sensing technologies. These tools can provide real-time information, weather forecasts, market prices, and pest management advice, reaching a larger number of farmers efficiently.

### 6. Capacity Building and Training

Investing in the capacity building of private advisors is crucial. Governments and international organizations can support training programs to ensure that private extension providers are well-equipped with the latest knowledge and skills. This strategy helps maintain the quality and reliability of the services provided.

### ❖ Factors affecting Privatization of agricultural extension



## ❖ Services

Privatization of agricultural extension services involves shifting the provision of these services from public sector entities to private organizations. This transition aims to enhance efficiency, increase accountability, and improve service quality through competition and market-driven approaches. Here are some key aspects of privatized agricultural extension services.

### 1. Service Providers

- *Private Companies:* Firms providing specialized advice, inputs, and technologies.
- *Non-Governmental Organizations (NGOs):* Offering targeted support and training.
- *Consultants and Advisors:* Independent experts delivering customized solutions.
- *Farmer Cooperatives:* Member-driven initiatives to share knowledge and resources.

### 2. Services Offered

- *Technical Assistance:* Providing expertise in crop management, pest control, and irrigation.
- *Training and Education:* Conducting workshops, field days, and seminars.
- *Market Information:* Supplying data on market trends, prices, and demand.
- *Input Supply:* Facilitating access to seeds, fertilizers, and other inputs
- *Technology Transfer:* Introducing new technologies and practices to improve productivity.
- *Financial Services:* Offering microcredit, insurance, and financial planning.

### 3. Funding Mechanisms

- *User Fees:* Farmers paying directly for services rendered.
- *Subscriptions:* Regular payments for ongoing support.
- *Public-Private Partnerships (PPPs):* Collaboration between government and private sector to fund services.
- *Donor Funding:* Grants and donations from international organizations and philanthropic entities.

### 4. Challenges

- *Access and Equity:* Ensuring smallholders and marginalized farmers can afford and access services.
- *Quality Control:* Maintaining standards and avoiding misinformation.
- *Coordination:* Harmonizing efforts between multiple private providers.
- *Dependence on Market Conditions:* Services may be more focused on profitable areas, neglecting less profitable crops or regions.

### 5. Examples and Models

- *Contract Farming:* Agribusinesses providing inputs and technical advice in return for guaranteed produce.
- *Agricultural Service Centers:* One-stop shops offering a range of services and inputs.
- *Digital Platforms:* Mobile and online services providing real-time advice and market information.

### Disadvantages of Private Extension System

- *Access and Equity:* Private extension services may prioritize wealthier farmers who can afford to pay for these services, leading to inequities in access.

Smallholder and marginalized farmers might be excluded.

- *Profit Motive:* Private entities might focus on selling products (seeds, fertilizers, pesticides) rather than providing unbiased advice. This can lead to conflicts of interest and the promotion of products that may not be the best option for the farmer's specific needs.
- *Quality and Reliability:* The quality of advice provided by private extension services can vary widely. There is often less regulation and oversight compared to public services, which can lead to inconsistent or substandard advice.
- *Focus on Commercial Crops:* Private extension services might focus more on commercial crops that are profitable for them, neglecting subsistence crops that are vital for food security in many regions.
- *Sustainability:* Private extension services may not be sustainable in the long run without continual financial incentives. If market conditions change or if farmers cannot afford to pay, these services might be withdrawn.
- *Limited Scope:* Private entities might limit their scope to areas where there is high profitability, ignoring regions that are less commercially viable but where extension services are critically needed.
- *Dependence on External Inputs:* There is a risk that private extension services may promote heavy reliance on external inputs (such as synthetic fertilizers and pesticides), which can have negative environmental and economic impacts in the long term.

- *Lack of Integration with Public Policies:* Private services may not align with national agricultural policies and strategies, leading to a lack of coherence and integration in the agricultural development framework.
- *Vulnerability to Market Fluctuations:* Private extension services are vulnerable to market fluctuations and economic downturns, which can affect their availability and sustainability.

### **Advantages of Private Extension System**

- *Efficiency and Effectiveness:* Private extension services often operate with greater efficiency compared to public systems due to competition and profit motives, leading to more focused and effective service delivery.
- *Innovation and Responsiveness:* Private entities tend to be more innovative and responsive to farmer needs and market changes, providing up-to-date information and technologies.
- *Customization:* They can offer tailored services and advice that cater specifically to individual farmers' needs, improving productivity and sustainability.
- *Resource Mobilization:* Private extension services can mobilize resources more effectively, leveraging private sector investments and partnerships that public services might not access as readily.
- *Sustainability:* With financial incentives linked to performance, private extension agents may be more motivated to ensure the long-term success of the farmers they serve.

- *Accessibility:* Private services might have better infrastructure and logistics, enhancing their ability to reach remote or underserved areas.
- *Market Linkages:* They often have direct connections to markets, helping farmers not only with production but also with marketing their products, thereby enhancing income opportunities
- *Training and Capacity Building:* Private extension services may offer more continuous and advanced training opportunities for both farmers and their own staff, leading to better overall agricultural practices.
- *Cost-Effectiveness:* They can potentially offer more cost-effective services by optimizing operations and leveraging economies of scale.
- *Quality Control:* The competitive nature of the private sector can lead to higher quality services due to the need to maintain a good reputation and customer satisfaction.

## CONCLUSION

The privatization of agricultural extension in India has been a subject of extensive debate and analysis. The initiative, intended to supplement government services, aimed at enhancing the efficiency, accessibility, and relevance of agricultural extension services. In practice, the shift towards privatization has yielded mixed results. On the positive side, private extension services have introduced innovative technologies and farming practices, catered to the specific needs of commercial farmers, and filled gaps left by under-resourced public services. The involvement of private entities has led to improved service delivery, particularly in

areas where public extension services were either inadequate or ineffective. Farmers have benefitted from access to high-quality inputs, better market information, and specialized advisory services, leading to increased productivity and profitability for those who can afford these services. However, privatization has also highlighted significant challenges. The model tends to favor wealthier and more commercially oriented farmers, potentially exacerbating inequalities in rural communities. Small and marginal farmers often find private services unaffordable, leaving them reliant on the underfunded public extension system. This dual system risks deepening the digital and knowledge divide, particularly in regions where literacy and awareness levels are low. In conclusion, while privatization of agricultural extension in India has brought about certain efficiencies and innovations, it has also underscored the need for a balanced approach. A hybrid model that leverages the strengths of both private and public sectors, ensuring inclusivity and equitable access to services, is crucial for the sustainable development of India's agricultural sector. Policymakers must focus on creating synergies between public and private initiatives to ensure that all farmers, regardless of their economic status, benefit from advancements in agricultural knowledge and technology.

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