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Agribusiness Opportunities and Marketing Strategies for Startups in Madhya Pradesh

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Agribusiness in India has evolved from traditional subsistence farming into a dynamic, market-oriented sector that plays a central role in the nation's economy. It spans the entire agricultural value chain—from input supply such as seeds, fertilizers, and machinery, to farm production including crops, livestock, and fisheries, and further to processing, storage, transportation, and marketing. Agriculture and allied sectors contribute around **17–18% to India's Gross Value Added (GVA)** and support **nearly 45–50% of the country's workforce**, highlighting the sector's critical importance in livelihoods and rural development.

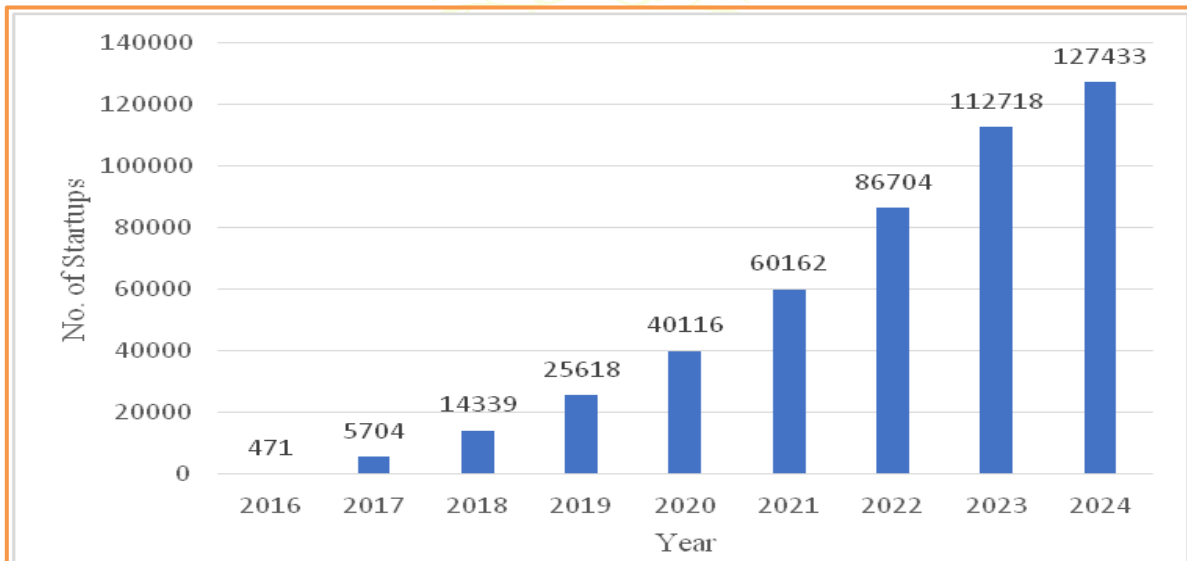


Fig: The increasing number of startups in India from 2016 to 2024.

(Source: Statista, Dept of Promotion of Industry and Internal Trade (DPIIT), 2025)

India is one of the world's largest producers of agricultural commodities, ranking among the top in the production of rice, wheat, pulses, milk, fruits, and vegetables. Despite this strong production base, nearly **25–30% of agricultural produce is lost post-harvest** due to inadequate storage and supply chain inefficiencies, which underscores the importance of agribusiness in value addition and loss reduction. The food processing sector alone accounts for about **13% of India's exports** and is one of the fastest-growing industries, creating significant opportunities for entrepreneurs. Agribusiness in India is rapidly transforming due to technology and changing markets. With over 1,000 AgriTech startups, rising rural internet use, and growth in e-commerce, the sector is evolving quickly. Government support, including the ₹1 lakh crore Agriculture Infrastructure Fund and FPO promotion, is accelerating this shift. As agriculture becomes more commercial and tech-driven, agribusiness offers strong opportunities for innovation, investment, and sustainable growth.

Madhya Pradesh: India's Powerhouse

Madhya Pradesh is a major agricultural state with about 15% of India's cultivated land. Agriculture contributes nearly 40% to its Gross State Domestic Product (GSDP) and employs a large population. It is the largest producer of soybean (over half of national output) and a leading producer of pulses, wheat, and oilseeds, supporting food security. The state also leads in horticulture crops like garlic and coriander, with strong potential in organic farming. Its central location and improving infrastructure enhance market access and efficiency, making it a key pillar of India's agricultural economy.

Agricultural Profile of Madhya Pradesh

Madhya Pradesh has a resource-rich agricultural base with vast cultivable land and diverse agro-climatic conditions. As a leading producer of soybean, pulses, wheat, and oilseeds, it ensures a strong raw material supply. With abundant water and expanding irrigation, the state offers significant opportunities for processing, value addition, and agribusiness growth.

| Status of Madhya Pradesh in leading crops | | | | |
|---|-----------------------------|-----------------------------|---|-----------------|
| | Crop | Production (Million Tonnes) | Per cent share of Production to all India | Rank (In India) |
| Food Grains | Wheat | 24.51 | 20.78 | Second |
| | Maize | 6.64 | 15.30 | First |
| | Total Nutri/ Coarse Cereals | 7.78 | 12.17 | Third |
| | Gram | 2.11 | 19.01 | Second |
| | Total Pulses | 5.24 | 20.40 | First |
| | Total Food Grains | 46.63 | 13.04 | Second |
| Oilseeds and Commercial Crops | Groundnut | 1.55 | 12.99 | Third |
| | Soyabean | 5.38 | 35.27 | Second |
| | Total Oilseeds | 8.25 | 19.19 | Second |

(Source: *Statistical Appendix, Economic Survey 2025-26* retrieved from <https://www.indiabudget.gov.in>)

The table indicates that Madhya Pradesh is a leading agricultural state with a strong and diversified production base. It ranks second in total food grains (46.63 million tonnes; 13.04%), with high output in wheat (24.51 million tonnes; 20.78%; Rank 2) and gram (2.11 million tonnes; 19.01%; Rank 2). It holds first rank in maize (6.64 million tonnes; 15.30%) and total pulses (5.24 million tonnes; 20.40%). In oilseeds, it ranks second (8.25 million tonnes; 19.19%), with soybean contributing 5.38 million tonnes (35.27%; Rank 2). The state is also growing in horticulture and allied sectors like fruits, vegetables, spices, dairy, and fisheries. Known for garlic and coriander, with strong potential in organic farming, its central location and improving infrastructure make it ideal for agribusiness opportunities.

Market Opportunities in Madhya Pradesh

Madhya Pradesh offers significant market opportunities for agribusiness startups due to its strong agricultural production, expanding infrastructure, and strategic central location. As a leading producer of soybean, pulses, wheat, spices, and horticultural crops like garlic and coriander, the state provides a steady supply of raw materials for agro-processing industries. The presence of food parks, cold storage, and large warehousing capacity supports efficient value chains, while strong road and transport connectivity ensures easy access to major markets across India.

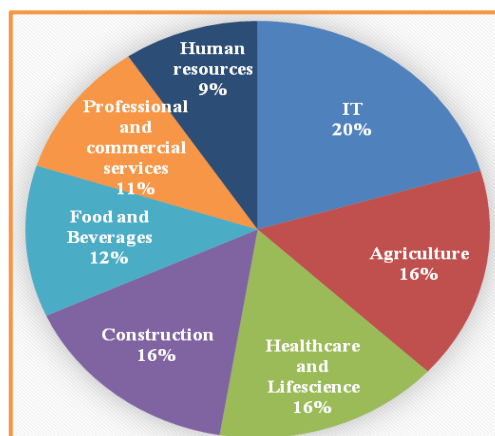


Fig: Share of various startups in Madhya Pradesh
Source: (Madhya Pradesh Startup policy, 2022. www.startupindia.gov.in as of 1st April 2026)

Agriculture plays a significant role in the startup ecosystem of Madhya Pradesh. According to Startup India (2025), out of a total of 3,736 startups in Madhya Pradesh, 615 belong to the agriculture sector. This places agriculture in the second position and accounts for 16% of the total number of startups. Following elements create the market opportunities in Madhya Pradesh:

1. Abundant Raw material availability: Madhya Pradesh has a strong agribusiness advantage due to abundant raw materials. It produces about 46.63 million tonnes of food grains (over 13% of India's output), ranks first in pulses (around 20%), and leads in soybean (over 35%). With over 24 million tonnes of wheat and 14.9 million hectares of cultivated land, it ensures a steady supply for agro-industries, reducing costs and supporting processing, value addition, and exports.

2. Government Support and Policy Framework: Madhya Pradesh provides a supportive policy environment for agribusiness through subsidies, financial assistance, and infrastructure programs. Initiatives like the Agriculture Infrastructure Fund, FPO support, and food parks strengthen the sector, while startup policies encourage innovation. These measures reduce risks and create strong growth opportunities for agribusiness startups.

3. Rising Demand for Processed and Value-Added Products: Demand for processed and value-added food in India is rising due to urbanization, lifestyle changes, and higher incomes. The food processing sector is growing at 8–10% annually, with increasing consumption of ready-to-eat and packaged foods. As consumers prefer hygienic and branded products, this creates strong opportunities for agribusiness startups in processing, packaging, and value addition.

4. Agro-Processing Clusters: Agro-processing clusters in Madhya Pradesh strengthen agribusiness through integrated infrastructure and shared facilities. The state has at least 2 operational Mega Food Parks (Khargone and Dewas) supported by the Ministry of Food Processing Industries, offering cold storage, warehousing, grading, and logistics. These help reduce post-harvest losses of 20–30%. With over 15 million metric tonnes of warehousing capacity, the state enhances supply chains, lowers costs, and creates strong opportunities for agribusiness startups.

5. Export Potential and Global Markets: Madhya Pradesh has strong export potential due to its large production of pulses, soybean, spices, and oilseeds. India exported agricultural and processed food products worth over USD 50 billion in recent years, with pulses, oil meals, and spices forming a major share. As the largest producer of pulses and a major soybean producer, the state plays a key role in exports. Supported by APEDA and improved infrastructure, it offers strong opportunities for agribusiness startups in global markets.

6. Organic and Natural Products Market: Madhya Pradesh is emerging as a major player in the organic and natural products market due to its large cultivable area and growing adoption of sustainable farming. Supported by schemes like Paramparagat Krishi Vikas Yojana, the state produces high-demand organic crops such as pulses, oilseeds, and cereals. Rising consumer awareness and global demand create strong opportunities for agribusiness startups in organic production, certification, and branding.

7. Agri-Tourism and Rural Entrepreneurship: Agri-tourism and rural entrepreneurship are emerging in Madhya Pradesh as profitable alternatives to traditional farming. By combining agriculture with tourism, farmers can earn extra income while showcasing rural life and culture. Supported by government schemes, this sector promotes employment, local products, and sustainable practices, offering strong opportunities for startups and rural entrepreneurs.

Types of Agribusiness Startups

1. Food Processing Units
2. Agri-Input Startups
3. Agri-Tech Startups: The Digital Revolution
4. Supply Chain and Logistic Startups
5. Organic Farming and Value-Added Products

1. Food Processing Units

Food processing startups convert raw produce into value-added products, helping reduce losses, extend shelf life, and increase farmer income. Examples include pickles, juices, flour, dairy, and ready-to-eat foods.

2. Agri-Input Startups

These startups supply key farm inputs like seeds, fertilizers, pesticides, and equipment. They focus on improving productivity while promoting sustainable and eco-friendly alternatives.

3. Agri-Tech Startups: The Digital Revolution

Agri-tech startups are transforming agriculture through digital tools like mobile apps, AI, IoT, and online marketplaces. They improve decision-making, reduce risks, and boost productivity.

4. Supply Chain and Logistics Startups

These startups improve agricultural supply chains through storage, cold chain logistics, transportation, and market linkage. They reduce wastage, ensure timely delivery, and help stabilize prices.

5. Organic Farming and Value-Added Products

Startups in this segment focus on organic and natural products. With rising demand for chemical-free food, they engage in cultivation, certification, branding, and value-added processing, targeting premium domestic and export markets.

Key Agribusiness Strategies

Agribusiness startups require a combination of production, marketing, and technological strategies to succeed in a competitive and evolving agricultural ecosystem. The following strategies are crucial for sustainable growth and profitability.

1. Value Addition and Processing Strategy

Indian agriculture is shifting from raw production to value addition, with startups focusing on processing and packaging. This increases shelf life, reduces wastage, and improves prices while supporting exports.

2. Market Linkage and Direct Marketing Strategy

Poor market access is a major challenge, but startups are solving it through D2C and B2B platforms that connect farmers directly to buyers. This removes middlemen, improves price transparency, and boosts farmer income through tech-enabled supply chains and direct marketing.

3. Technology and Innovation Strategy

Technology drives modern agribusiness through AI, IoT, drones, and precision farming. Agri-tech innovations improve productivity, reduce risks, and enhance decision-making, boosting competitiveness.

4. Supply Chain and Infrastructure Development Strategy

Efficient supply chains reduce losses and improve market efficiency through better storage, logistics, and post-harvest management. With ₹1 lakh crore under the Agriculture Infrastructure Fund, stronger infrastructure boosts profitability and market access.

5. Diversification and Risk Management Strategy

Agriculture faces price and climate risks, making diversification essential. Using multiple products, allied sectors, and crop variety helps stabilize income and improve resilience.

6. Branding and Differentiation Strategy

Modern agribusiness focuses on branding through organic labeling, attractive packaging, and health positioning. With agricultural exports reaching ₹4.4 lakh crore in FY25, branding is key to capturing domestic and global markets.

7. Sustainable and Organic Farming Strategy

Sustainability is driving agribusiness through organic farming, resource-efficient practices, and eco-friendly production. Rising demand for chemical-free products is creating premium opportunities for startups.

8. Collaboration and Institutional Support Strategy

Successful agribusinesses rely on partnerships such as FPOs, cooperatives, and government support. These models enhance scale, bargaining power, and market access while reducing costs.

Government Schemes Supporting Agri-Based Startups in Madhya Pradesh

Both central and state government schemes play a crucial role in promoting agribusiness startups in Madhya Pradesh by providing financial support, infrastructure, training, and market access.

1. Agriculture Infrastructure Fund (AIF)

AIF is a ₹1 lakh crore fund aimed at strengthening post-harvest infrastructure by offering loans up to ₹2 crore with 3% interest subvention, supporting projects like warehouses, cold storage, and food processing units, making it highly beneficial for startups in logistics, storage, and processing.

2. PM Formalisation of Micro Food Processing Enterprises (PM-FME)

This scheme promotes small food processing businesses by offering a 35% subsidy on project cost, along with support for branding, packaging, and marketing under the ODOP approach, making it ideal for startups in value addition and local product branding.

3. AgriSURE Fund (NABARD)

AgriSURE Fund is a dedicated ₹750 crore fund that provides equity support to innovative agri-startups and rural enterprises, with a focus on agri-tech and value chain development, making it especially useful for scalable, technology-driven startups.

4. Rashtriya Krishi Vikas Yojana (RKVY) – Agri-Entrepreneurship Program

This scheme promotes innovation and entrepreneurship in agriculture by providing financial assistance of up to ₹5 lakh at the idea stage and ₹25 lakh at the seed stage, along with incubation support through agribusiness incubators. It has supported thousands of agri-startups across India, boosting innovation and employment.

5. Agri-Clinics and Agri-Business Centres (AC&ABC) Scheme

This scheme promotes self-employment among agriculture graduates by providing training and subsidized loans. It supports ventures like soil testing labs, advisory services, and input supply centers, and is widely implemented in cities such as Bhopal and Gwalior.

6. Madhya Pradesh Industrial Promotion & MSME Policies (2025)

These policies provide strong incentives for agribusiness and food processing startups, including 40–60% capital subsidies for MSMEs, along with support for expansion, diversification, and technology upgrades. They significantly reduce startup costs and encourage investment in the sector.

7. Bhavantar Bhugtan Yojana

Bhavantar Bhugtan Yojana is a state scheme that protects farmers from price fluctuations by compensating them when market prices fall below MSP. It mainly covers crops like pulses and oilseeds, ensuring stable income and reducing risk, which indirectly benefits agribusiness startups by maintaining consistent supply and farmer confidence.

8. Kisan Credit Card (KCC) and PM-KISAN

These schemes strengthen farmers' financial stability by providing low-interest loans (around 4%) under KCC and ₹6,000 annual income support through PM-KISAN, ensuring a more reliable supply base for agribusiness startups.

9. National Livestock Mission

The National Livestock Mission supports startups in animal husbandry and allied sectors by providing financial assistance and promoting entrepreneurship. It offers subsidies of up to ₹30 lakh for livestock enterprises and encourages activities such as dairy, poultry, and piggery, helping generate employment and improve rural incomes.

10. e-NAM (National Agriculture Market)

e-NAM is a digital platform that connects agricultural mandis across India for online trading of produce. It improves price discovery, ensures transparency, and expands market access for

farmers. The platform is also beneficial for agri-tech and supply chain startups by making agricultural marketing more efficient and scalable.

Conclusion

Madhya Pradesh offers strong potential for agribusiness startups due to its solid agricultural base and supportive policies. Opportunities in food processing, agri-tech, organic farming, and supply chains enable innovation and growth. With rising demand for value-added products and support from schemes like the Agriculture Infrastructure Fund and PMFME, startups can grow sustainably while boosting farmer income and rural employment.

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