

**Future of Next Generation Small Farms: Ensuring Profitability and Viability**  
**National Academy of Agricultural Sciences**  
**New Delhi, 26 September 2026**



*Mahesh Chander attended the Brainstorming Session on “Future of Next Generation Small Farms: Ensuring Profitability and Viability”, organised by the National Academy of Agricultural Sciences (NAAS), New Delhi, on 26 September 2026. He shares his experience here.*

**CONTEXT**

Small and marginal farms constitute the overwhelming majority of operational holdings in India, while average holding sizes continue to decline, raising concerns about their future viability. The challenge extends beyond increasing productivity: farming must generate adequate, stable, and sustainable returns to land, labour, and capital while helping households manage climatic, market, and financial risks.



The brainstorming session organized by the NAAS on 26 October 2026 was therefore timely, focusing on the “power of small farms” and moving beyond the conventional view of smallholders as fragmented, resource-constrained units. Discussions explored how organised clusters, collectives, and value chains can help farmers access technologies, infrastructure, finance, services, and markets.

The session also recognised that small-farm viability cannot be assessed through crop production alone. Farm households increasingly combine agriculture with livestock, horticulture, wage employment, and other livelihood activities. Viability must therefore be understood in terms of household income, resilience, diversification, and intergenerational continuity.



The programme brought together participants from research and extension institutions, government, civil society, farmers' organisations, industry, and policy institutions to deliberate on pathways for keeping small and marginal farms profitable, resilient, and viable amid India's changing agricultural landscape. Appreciably, the organisers circulated the [Concept Note](#) of the Brainstorming Session, including the rationale and Agenda of the BSS, well in advance to all invited participants, which was helpful.

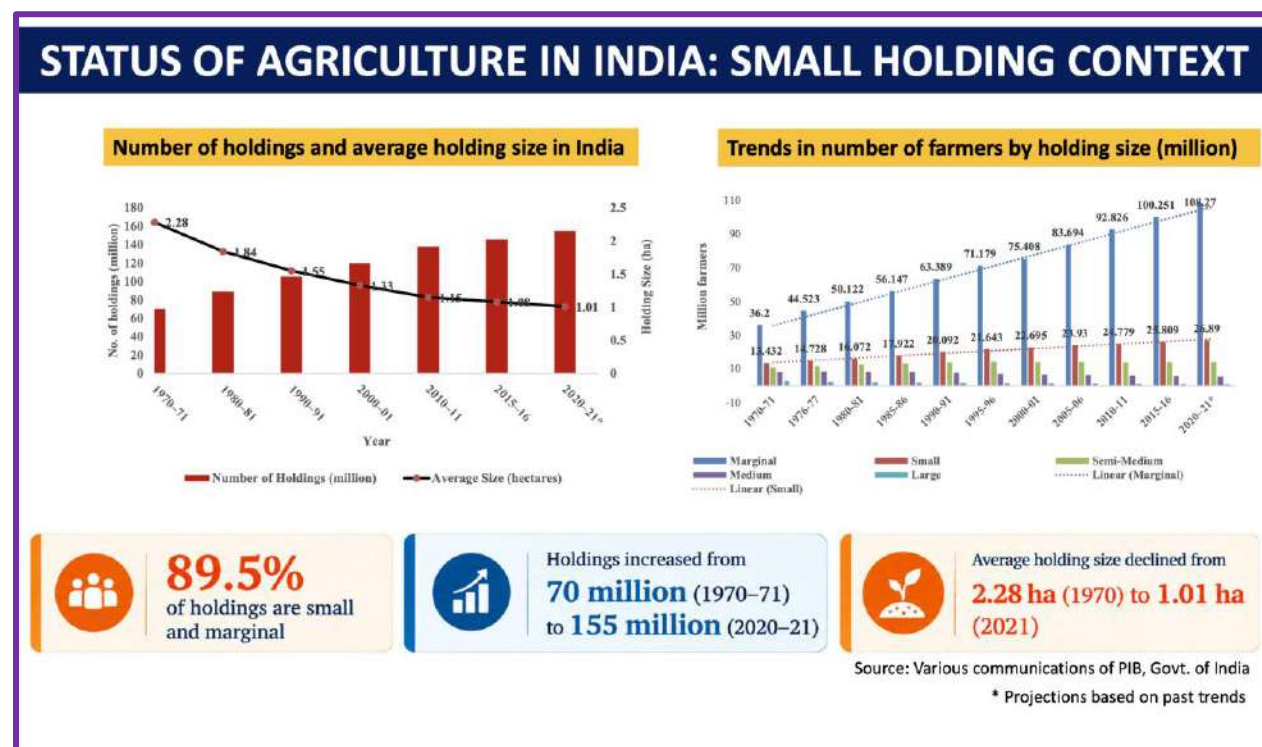
## ABOUT THE BRAINSTORMING SESSION

Dr A. K. Singh, Hon'ble Vice Chancellor, RLBCAU, Jhansi, served as Convenor and presented the session's comprehensive base paper, supported by relevant data and cases from India and other Asian countries. He reviewed the current status and future prospects of small farms, highlighting challenges and opportunities for their profitability and long-term viability. Drawing on Asian experiences, he identified lessons adaptable to India and emphasised farmer aggregation, cluster-based services, and integrated value chains as pathways to strengthen profitability, resilience, and sustainability. Dr R. Roy Burman, ADG (AE), ICAR, and Dr Sridhar Patil, Head (Agricultural Extension & Communication), RLBCAU, served as Co-Conveners, while Dr B. S. Dwivedi, Secretary, NAAS, moderated the session.

## THE POWER OF SMALL FARMS

A major message from the session was that small farms should not necessarily mean small economic opportunities. In his opening remarks, Dr. M. L. Jat, who chaired the session, emphasised that small farmers should not be viewed merely as individual production units, but organised into clusters and collectives that can benefit from shared services, technologies, infrastructure, finance, and markets. Individual smallholders often lack the scale to access modern machinery, quality inputs, storage,

processing, and organised markets economically. Aggregation can create this scale without requiring physical consolidation of land. The focus was therefore on sustainable, scalable, and locally adaptable models of farmer aggregation, cluster-based services, and integrated value chains.



Source: Background Presentation during the session

Dr. Jat also referred to their recent paper, “[Beyond the Green Revolution: Unravelling New Dynamics of India’s Agrifood System Transformation](#),” published in the August 2026 issue of *The Indian Journal of Agricultural Sciences*. It highlights broad-based growth across cereals, horticulture, livestock, and fisheries, alongside the need to align productivity and food security with resource conservation, climate resilience, sustainability, and farmers’ incomes. The NAAS session built on this transformation by examining how small and marginal farms can participate profitably in a diversified, sustainable, and market-oriented agrifood system.

### FROM INDIVIDUAL FARMERS TO CLUSTERS AND COLLECTIVES

One of the strongest messages from the deliberations was the need to shift from individual farmers towards organised clusters, collectives and producer institutions. Aggregation can create economies of scale by enabling farmers to collectively access machinery, procure inputs, aggregate produce, undertake grading and primary processing, access storage, and negotiate with buyers. Collective action can strengthen bargaining power and improve access to finance and technology. Farmer Producer Organisations, cooperatives, Self-Help Groups and other institutions can create operational scale for small farms. However, successful aggregation also requires viable business models, professional management, market linkages, and appropriate technical and financial services.

## EXTENSION AS A CRITICAL ENABLER

The discussions highlighted the importance of extension systems in shaping the future of smallholder agriculture. Small farmers need timely, location-specific information on technologies, crop and livestock management, weather, markets, finance, and government programmes. As production systems and markets become more complex, extension must evolve. Frontline Extension emphasised knowledge generation, technology assessment, and transfer of appropriate technologies, while Field Extension focused on last-mile delivery and continuous institutional support. Digital tools can complement, but not replace, trusted local advisory systems. Smallholders also need problem-solving support, demonstrations, technical services, and market intelligence to make informed decisions.

## WHAT DID CIVIL SOCIETY AND FARMERS' ORGANISATIONS HIGHLIGHT?

The civil society and farmers' organisations' perspective highlighted the importance of collective action and farmer ownership of institutions. Farmer aggregation can improve access to markets and services, but producer organisations must remain responsive and deliver tangible economic benefits. Strong institutions can help overcome the disadvantages of small holdings by aggregating demand and supply and connecting farmers with financial institutions, input suppliers, processors, and buyers. However, institutional development takes time. Creating an FPO or farmer group alone does not ensure collective economic action. Effective institutions require capacity building, good governance, business planning, and sustained professional support.



Source: Background Presentation during the session

## INDUSTRY PERSPECTIVE: CONNECTING FARMERS TO MARKETS

The industry perspective brought the discussion closer to market viability. Improving farm productivity does not necessarily increase incomes unless farmers have access to reliable, remunerative markets.

Participants highlighted stronger farmer–market linkages, quality inputs, appropriate technologies, value addition, and integration into competitive value chains. Market demands require quality, consistency, traceability, volume, and timely delivery. For small farmers, market integration must begin before harvest, linking production planning, technology choices, aggregation, grading, storage, processing, and logistics with market opportunities.

### **POLICY PERSPECTIVE: COLLECTIVISATION FOR HIGHER INCOME**

The policy perspective highlighted collectivisation as a pathway to improving small farm incomes. Declining operational holding sizes make economies of scale difficult for individual farmers. Collective mechanisms can address these constraints without changing land ownership. Policy should therefore focus beyond individual schemes on collective infrastructure, shared services, cluster development, and value-chain integration, linking credit, mechanisation, extension, digital agriculture, insurance, storage, processing, and market access.

### **PROFITABILITY RATHER THAN PRODUCTIVITY ALONE**

Another important takeaway was the need to distinguish between productivity and profitability. Higher yields do not automatically translate into higher farm incomes. Small-farm profitability depends on output prices, input costs, labour use, production risks, post-harvest losses, and market access. Therefore, small-farm performance should increasingly be assessed through broader indicators, including net farm income, returns to family labour, labour productivity, total factor productivity, income stability, risk-adjusted returns, and resilience to climatic and market shocks. This perspective is particularly relevant for the next generation of small farms, where the objective should be not merely to produce more, but to earn better, more consistently, and with greater resilience.

### **DIVERSIFICATION AND RESILIENCE**

The discussions highlighted diversification as an important strategy for strengthening small farm households. Crop diversification, livestock, horticulture, and allied activities can provide additional income and reduce dependence on a single crop. For marginal farmers, land-light enterprises and integrated farming systems may offer opportunities to increase incomes. However, diversification must be market-linked and suited to local agro-ecology, household resources, demand, technical capacity, and risk. The goal is diversified, resilient farm households rather than narrowly specialised farms.

### **WHAT WAS NEW AND APPRECIABLE?**

A particularly valuable feature of the session was its integration of multiple perspectives on the future of small farms. The discussion moved beyond production and technology to connect extension, farmer institutions, markets, industry, policy, and household incomes. The emphasis on the “power of small farms” was significant, showing how aggregation, collectivisation, and shared services can transform numerous small farms into viable production and market clusters. Importantly, operational scale need not require changes in land ownership. Clusters, FPOs, shared machinery, common infrastructure, coordinated production, and collective marketing can help smallholders capture economies of scale while retaining ownership. Extension will remain essential for connecting farmers with knowledge, finance, services, and markets.

## KEY TAKEAWAYS

The following messages emerged strongly from the deliberations:

- The future of Indian agriculture will substantially depend on the viability of small and marginal farms.
- Small farms need to be viewed as part of clusters and collectives, rather than only as individual production units.
- Aggregation can create operational scale without necessarily changing land ownership.
- FPOs and other producer institutions need viable business models and sustained professional support.
- Extension must provide more than technology transfer; it must connect farmers with knowledge, services, finance and markets.
- Farm profitability, rather than productivity alone, should become a central measure of agricultural performance.
- Diversification can strengthen household income and resilience when linked to appropriate markets.
- Industry can play a greater role in connecting organised farmer groups with quality inputs, technologies, processing and competitive markets.
- Policy interventions need greater convergence around farm household income and resilience.
- The viability of next-generation small farms will depend on combining profitability, risk reduction, aggregation, value addition and market integration.

## CONCLUSION

The brainstorming session made clear that the future of small farms requires more than productivity enhancement. Smallholders need an enabling ecosystem that provides economies of scale while retaining ownership and flexibility. Discussions pointed towards organised clusters, profitability, integrated value chains, and coordinated farm-household support. The “power of small farms” lies in effective collective institutions and locally appropriate value chains. Their viability will depend on stable profitability, reduced risks, resilience, aggregation, value addition, and stronger market linkages. Achieving this requires coordinated action among extension and research systems, farmer organisations, government, civil society, industry, and financial institutions. Small farms can remain viable when farmers organise, aggregate, innovate, and participate meaningfully in modern agricultural value chains.

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