



Food & Agri: Producers, Processors & Profits

Panel discussion

3rd December 2025



Key takeaways

1 Aggregation is India's engine for enterprise-grade scalability

FPOs (Farmer Producer Organizations) create a corporate backbone for smallholders, unlocking operational efficiency and market leverage while preserving farmer control

2 Agri by-products are the new high-margin frontier

Value is shifting from raw commodities to extracting bio-actives for pharma and nutraceuticals, delivering superior profitability over traditional trading

3 Climate resilience is now a core business imperative, not just a CSR goal

Investors are backing Controlled Environment Agriculture (CEA) to decouple production from weather volatility and ensure predictable, scalable output

4 India is pivoting from raw material supplier to global-grade manufacturer

Strategic advantage lies in blending India's cost-efficient raw base with high-rigor R&D and compliance to unlock export-led growth

5 Sector is fragmented and primed for a category-defining breakout leader

Market awaits a benchmark success story, akin to fintech, to validate the model, catalyze private capital flow, and trigger chain-reaction innovation

6 Finance must evolve into an embedded layer within the agri operating system

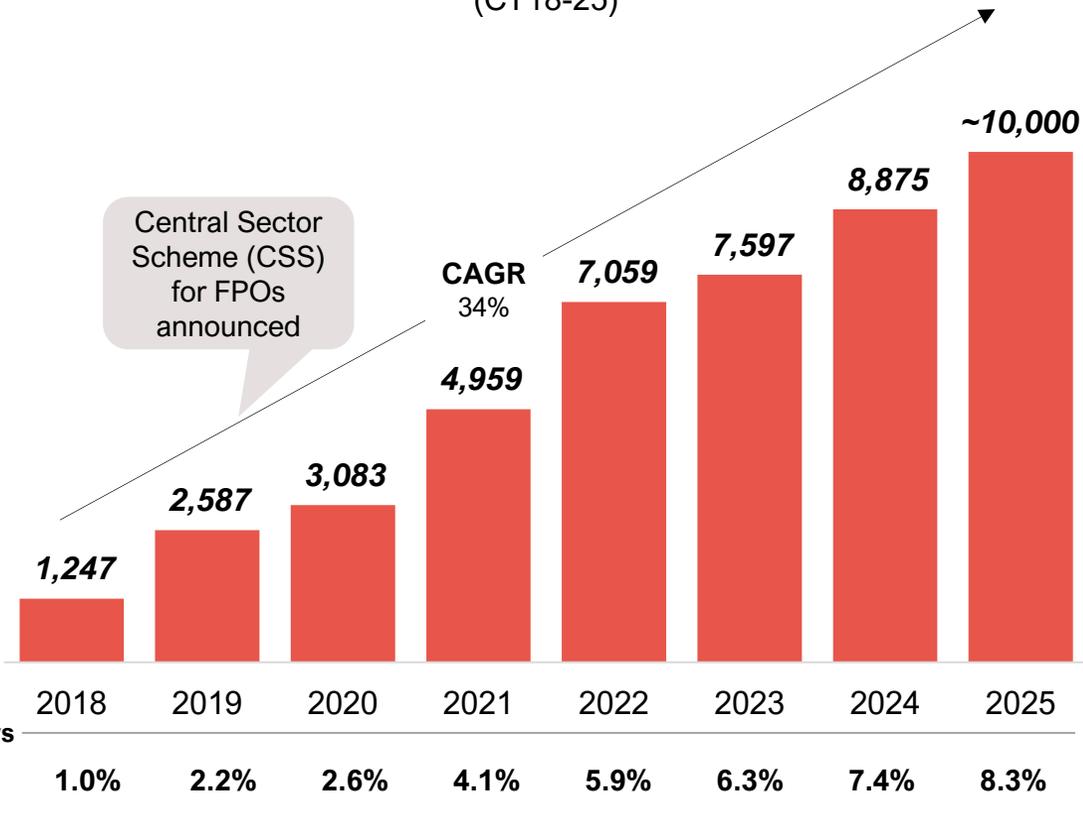
Credit risk is minimized only when financing is linked to aggregation and advisory, aligning repayment with secured output revenue

Aggregation is India's engine for enterprise-grade scalability (government initiatives drive rapid FPO expansion)

Approximately ~1.2K FPOs are added each year since 2023

Central and state govt. schemes, state and international partnerships are the key growth drivers for FPOs

Number of FPOs in India (CY18-25)

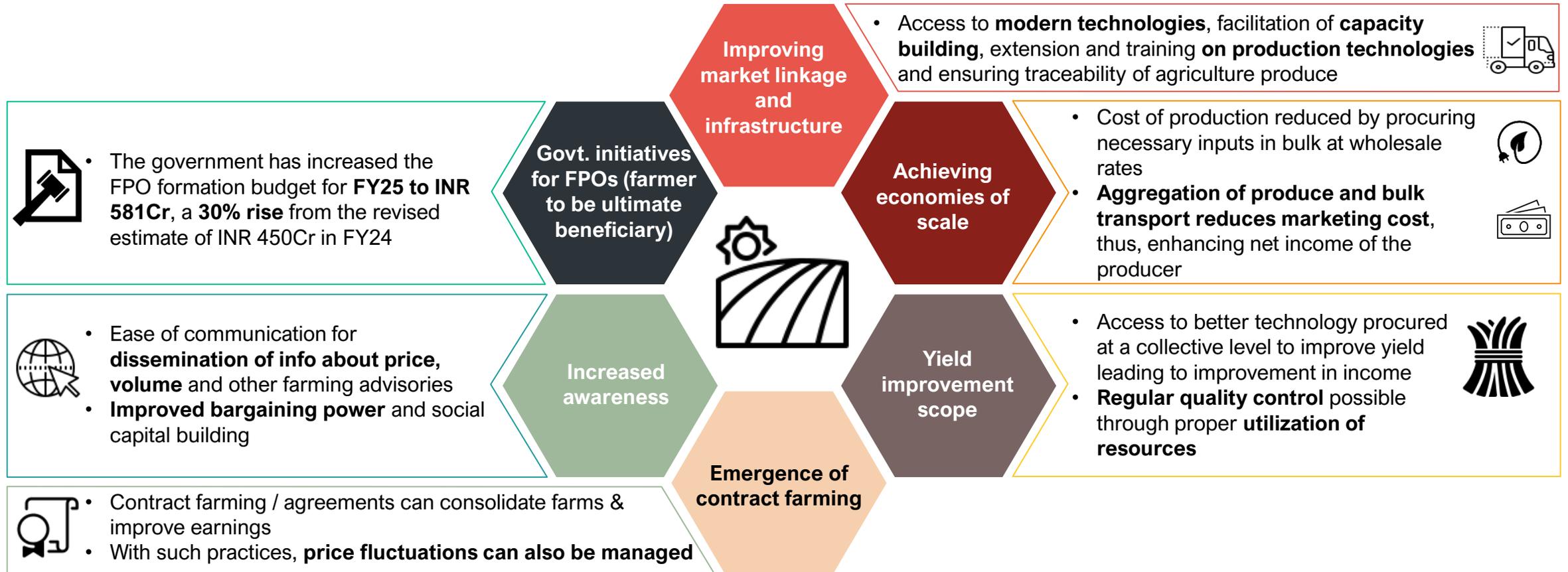


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|--------------------------------------|---|
| Central govt. schemes | <ul style="list-style-type: none"> Govt has raised FPO formation budget by 30% to INR 581Cr in FY25, up from INR 450Cr in FY24 Equity Grant Scheme: Matching grant from SFAC up to INR 1.5M at the time of incorporation PM Kisan FPO Yojana: Provide financial assistance of INR 1.8M upto 3 years for new FPOs Credit Guarantee Fund Scheme: Credit guarantee cover for collateral free credit to FPOs in respect of loans < INR 15M |
| State govt. schemes | <ul style="list-style-type: none"> Budget allocations for Horticulture dept: State govts. led by TN and Karnataka have budget allocation of INR 1-1.5B for setting up FPOs through department of horticulture |
| State and international partnerships | <ul style="list-style-type: none"> Bill & Melinda Gates Foundation has supported 600+ FPOs, enabling INR 1.3B in trade via partnership with Odisha state government Focused on sustainable farming, market access, and women farmers, indicating impact of mobilizing CSR and philanthropic capital at scale |
| Aggregation benefits | <ul style="list-style-type: none"> FPOs are proven to provide 10-15% cost savings on input procurement and higher net price realization |

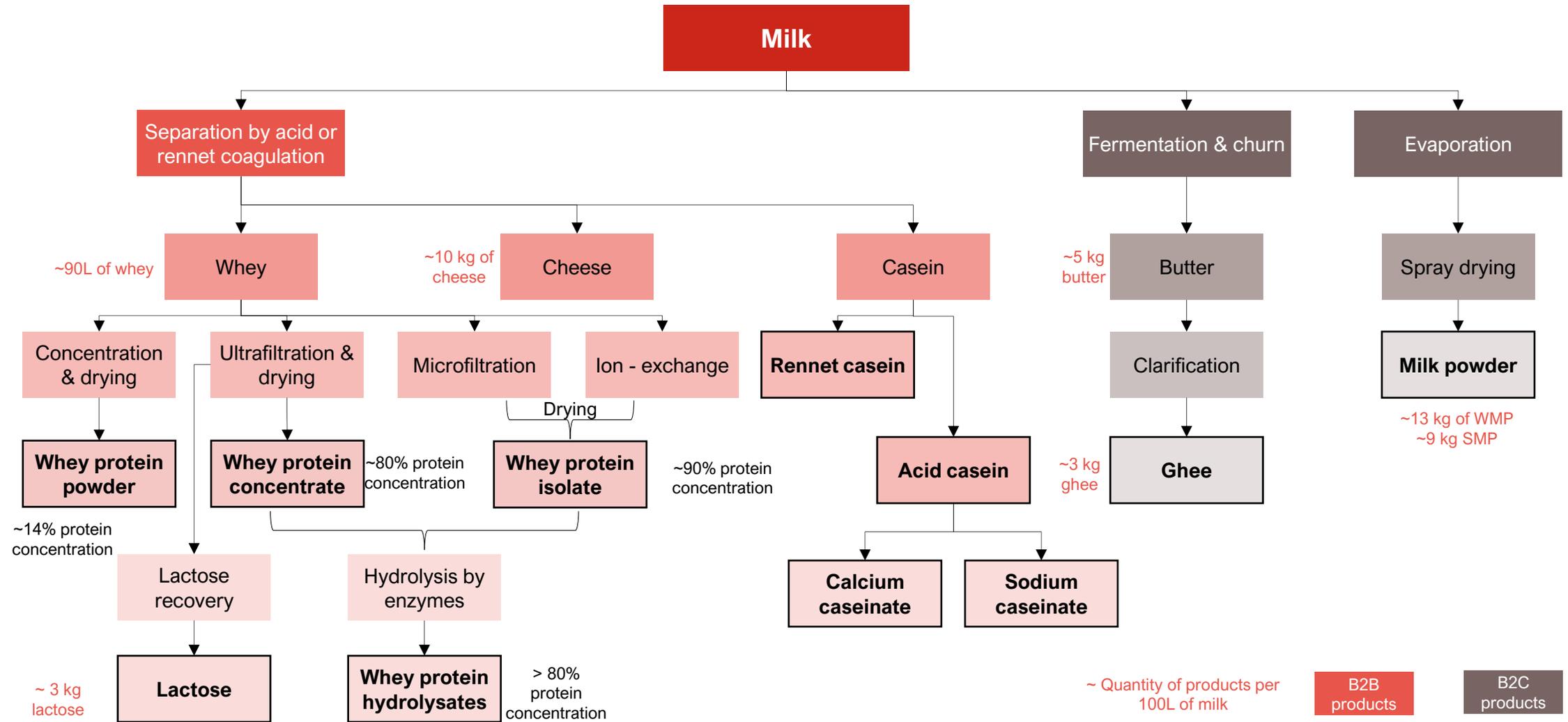
Note(s): FPO: Farmers Producers Organisation. Average size of FPOs ~ 1000 members, and Farmer population taken at 120M; SFAC: Small Farmers Agri-Business Consortium
Source(s): Gol Press Information Bureau, Praxis analysis

Aggregation is India's engine for enterprise-grade scalability (FPOs unlock value across the agri ecosystem)

Benefits of FPOs to farmers and overall agri value ecosystem



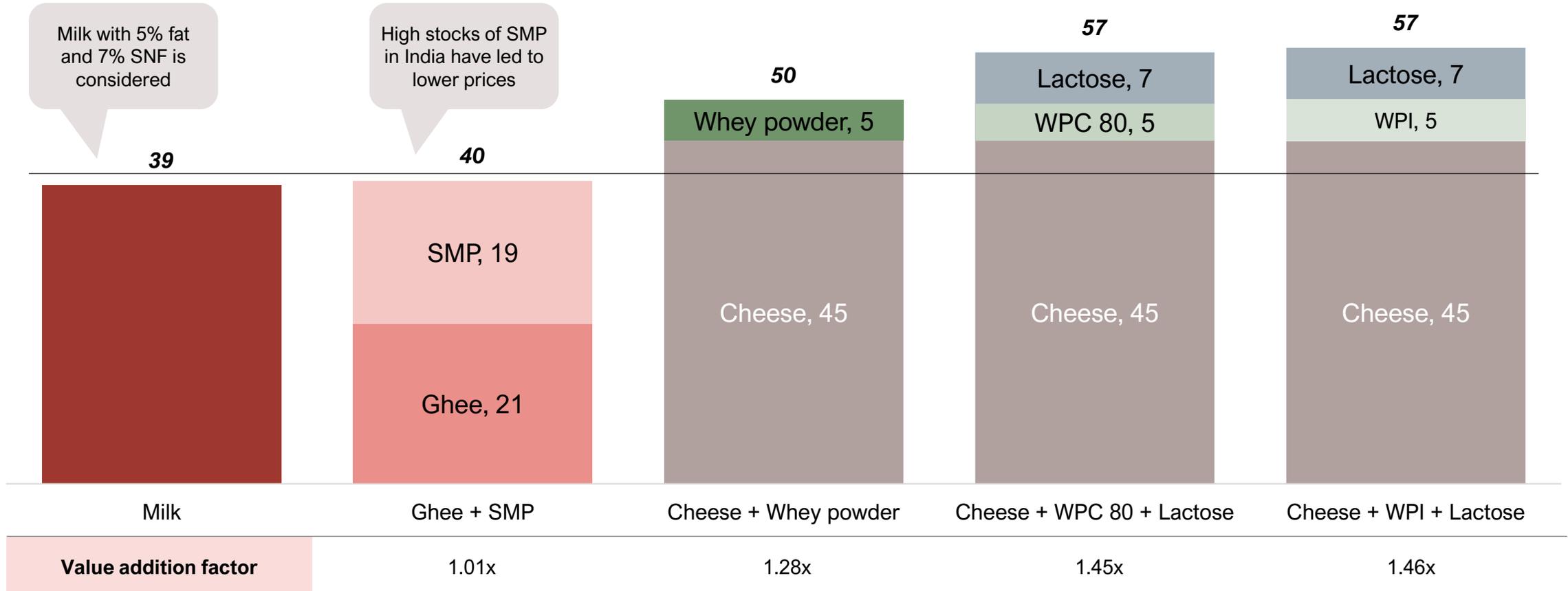
Agri by-products are the new high-margin frontier (For example, milk can be processed to create many B2B and B2C by-products)



Note(s): Does not include specialty powders & dairy whiteners
Source(s): Praxis analysis

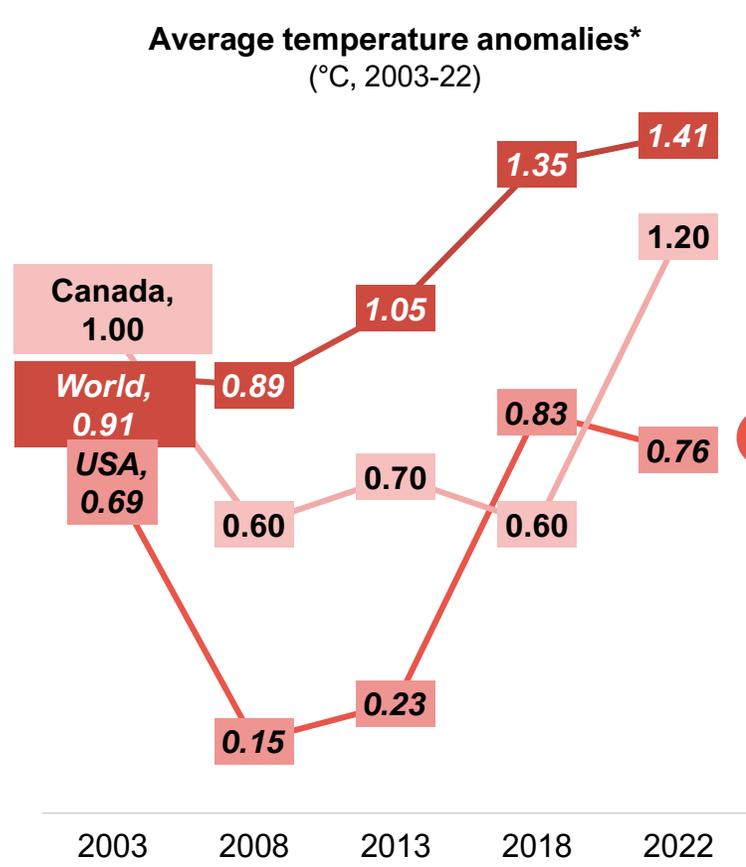
Agri by-products are the new high-margin frontier (For example, processed whey powder & cheese give more margin compared to milk or ghee/SMP sales)

Addition of value in manufacturing B2B dairy ingredients from milk
(INR per Kg)

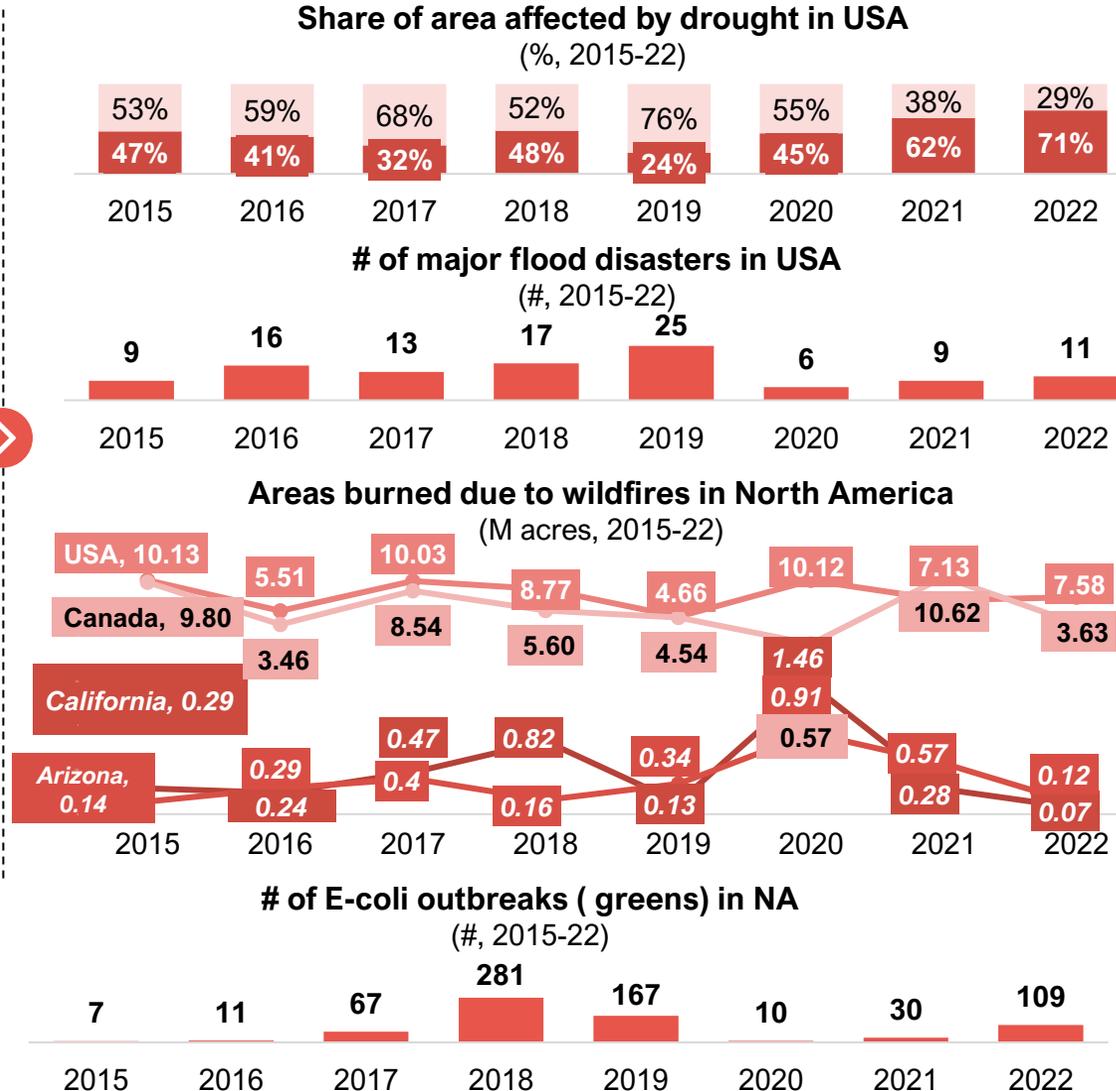


Note(s): 1Kg of milk is equivalent to 0.97 liters
Source(s): Praxis analysis

Climate resilience is now a core business imperative, not just a CSR goal (CEA as an alternative amid rising temperatures and bacterial risks from extreme weather)



- Each °C increase in the mean temperature can reduce crop yields by 5-10%
- Lettuce is sensitive to high temperature, which causes premature bolting & tipburn



Impact

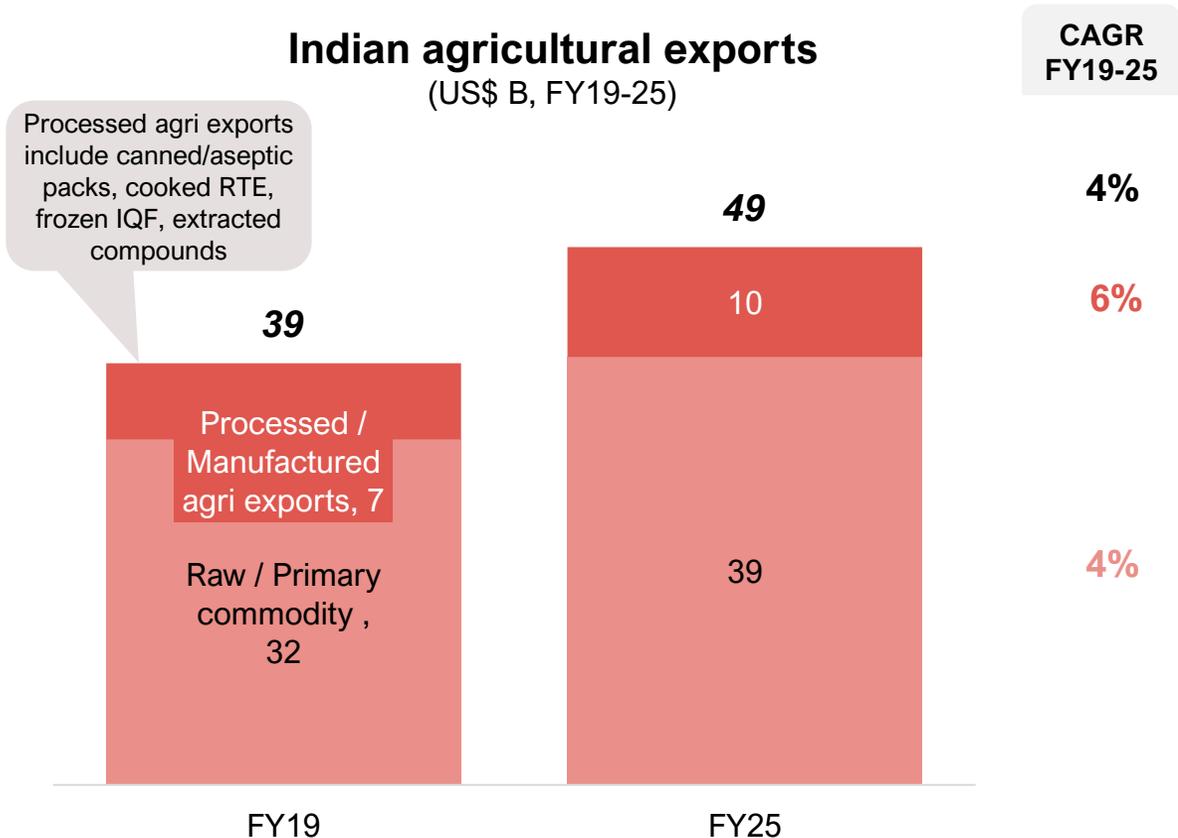
- Drought, heat waves and wildfires caused US\$ 20B in crop losses in 2022
- Excessive rain, floods and hurricanes led to US\$ 1B in crop losses in 2022
- Thomas fire in California in 2017 caused US\$ 171M in agricultural losses
- 92K wildfires throughout California in 2020 destroying 9,300 structures
- Losses across the value chain (November 2018 E-coli outbreak led to US\$ 280-350M social losses)

Note(s): CEA: Controlled Environment Agriculture, Anomalies compared to mean temperature between 1901 and 2000 for World and USA and between 1961 and 1990 for Canada
 Source(s): California Department of Forestry and Fire Protection, Southwest Coordination Center, Statista, American Farm Bureau Federation, Press reviews, Praxis analysis

India is pivoting from raw material supplier to global-grade manufacturer

Processed agriculture exports growing ~1.5x faster than raw commodities, driving mix shift

Key takeaways



- Export mix improving with **value-added share expanding to 20.4%**, contributing US\$ 10B to total outflows
- **Buffalo meat (~US\$ 3.7B)** and **cereal preparations (~US\$ 2.9B)** currently dominate the processed export basket by value
- Policy stability via **US\$ 1.3B PLI scheme catalyzed >US\$ 850M in domestic capex**, validating investor confidence
- **Portfolio resilience** demonstrated as cereal preparations grew 9%, offsetting regulatory headwinds in raw rice volumes
- **Quality ecosystem** of 200+ APEDA (Agricultural and Processed Food Products Export Development Authority) recognized labs to secure critical access to US export market

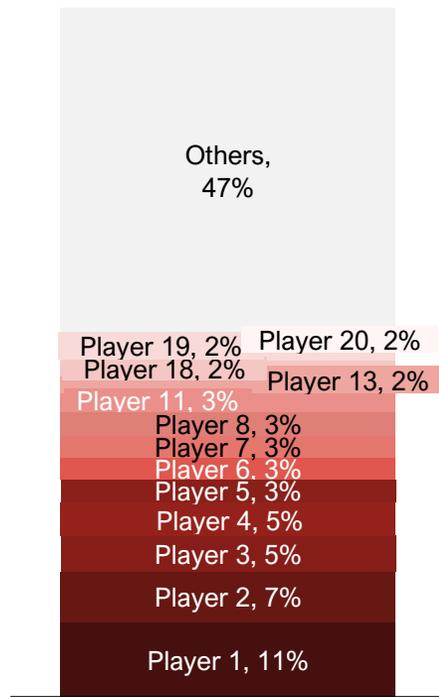
Note(s): RTE: Ready To Eat; IQF: Individually Quick Frozen
Source(s): Directorate General of Commercial Intelligence and Statistics (DGCIS), Ministry of Food Processing Industries (MoFPI) Press Releases, Praxis Analysis

Sector is fragmented and primed for a category-defining breakout leader

Supply side remains fragmented across sub-sectors (example: select crops & agri-warehousing)

Export value of bananas by players
(US\$ M, FY24)

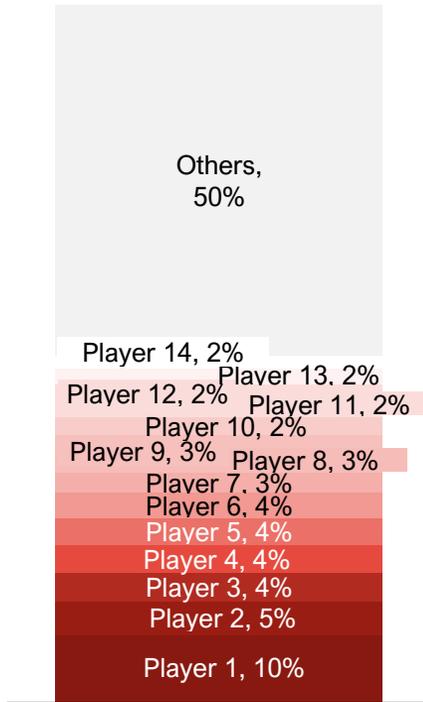
292



FY24

Export value of fresh grapes by players
(US\$ M, FY24)

418



FY24

Player wise warehouse capacity
(M MT, FY25)

31



FY25



Key takeaways

- Significant **headroom exists for consolidation**, with the long tail currently capturing **~50% of market share**
- Structural disaggregation **limits economies of scale** and **restricts operational efficiency**
- Sector **awaits a scaled, category-defining player** to validate the business model, like fintech

Note(s): US\$ 1 = INR 83; HS code 08061000 for fresh grapes and 08039010 for bananas is considered; 10-15% variation exists between EXIM data and company's actual data due to manual entry errors, currency fluctuations

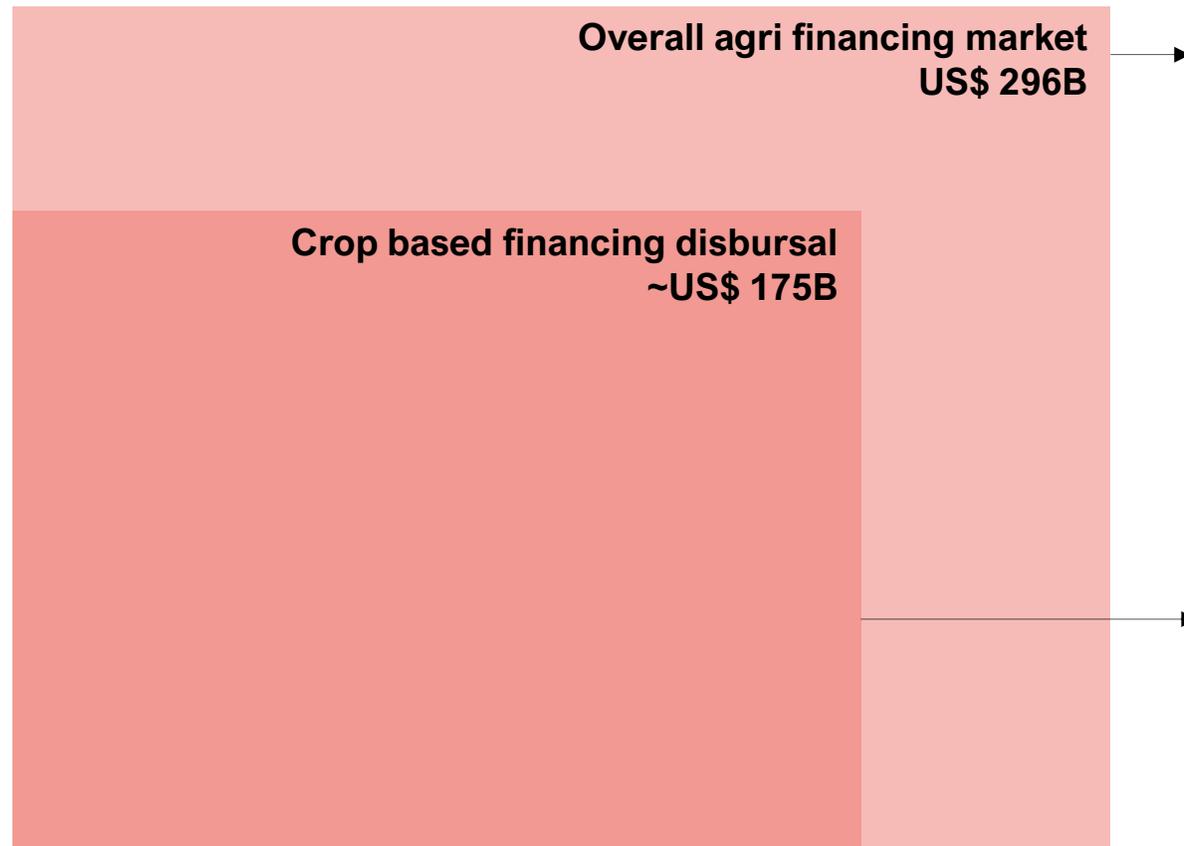
Source(s): EXIM data, ITC Trade, Praxis analysis

Finance must evolve into an embedded layer within the agri operating system

Sector funding is high (US\$ 296B) but locked in traditional farming needs

Growth drivers for agri financing market

Organized agri financing disbursal (US\$ B, FY24)

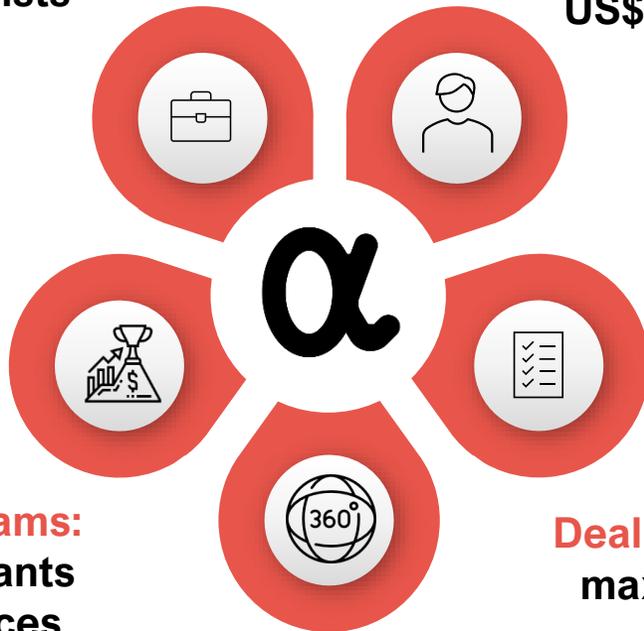


- **Overall agri financing market**
 - **PSL mandate:** ~18% of total PSL credit directed to agriculture, ensuring steady institutional flow
 - **KCC expansion:** 74M+ active KCCs with ~US\$ 114B (2024) outstanding; nearing full coverage
 - **NPAs in KCC:**
 - **SCB:** 15.1% in FY22 to 14.16% in FY24
 - **RRB:** 9.5% in FY22 to 6.9% in FY24
 - **Co-operative banks:** 7.1% in FY22 to 6.5% in FY24
 - **Products offered under KCC:** Working capital loans for **crop cultivation, fertilizers and labor**, loans for **other agricultural** (farm machinery, irrigation and post harvest expenses) and **allied activities** (animal husbandry, dairy and fisheries)
 - KCC loans are offered by all **SCB, RRB and cooperative banks**
 - **Motive for banks to lend:** PSL norms, interest subvention scheme (IS) where government pays guaranteed 1.5% interest on behalf of farmer
 - **Private sector push:** Growing demand from FPOs, agri-logistics, and food processing value chains
- **Crop based financing disbursal**
 - **Growth in crop production of 4%** over years along with increasing **penetration of storage financing of 2-3%**
 - Increase in **crop prices and growth in retail customer** is expected to drive higher collateral management services penetration
 - Loans are offered by all SCB, RRB and cooperative banks; Short term loans to cover expenses for seeds, fertilizers and other cultivation costs

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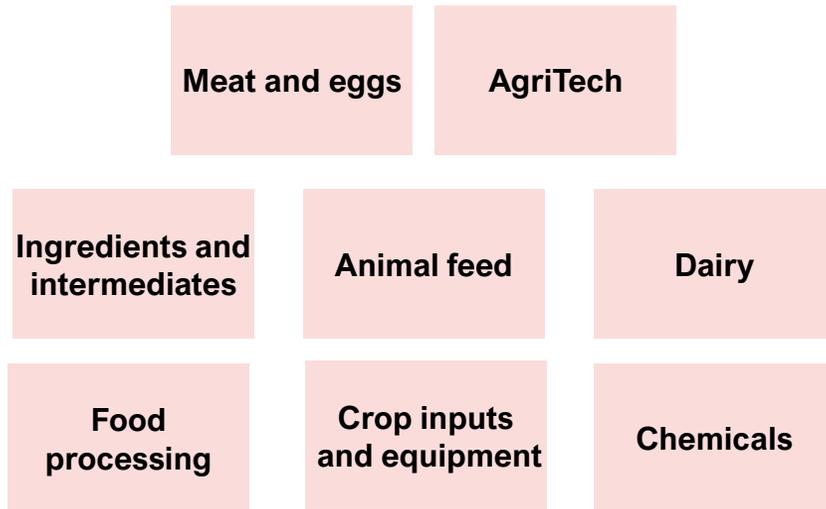
Overview of Food and Agriculture practice at Praxis Global Alliance

100+
Deals

US\$ 15B+
Capital raised

100+
Corporate clients

Industries we work in...



How we work with Food and Agriculture companies...



GrowRevenue

GrowPerformance

GrowValue

Transform through AI

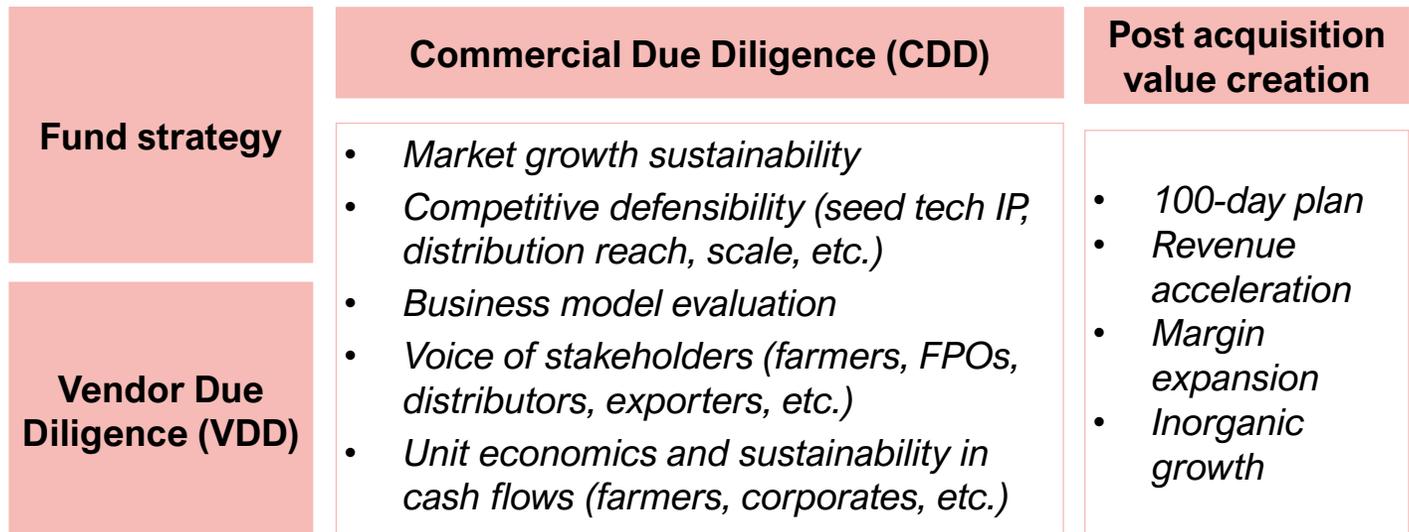


Accelerate revenue growth

Build capability that drives better performance

Deliver superior returns for shareholders

How we work with Food and Agriculture investors...





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