



Corporate Farming and Public Private Partnership

We often discuss the inefficiency and unnecessary utilization of public resources, as well as corruption, in public sector organizations. The reason behind this is the traditional thinking of policymakers, who tend to undertake all business and necessary tasks themselves in order to enjoy the inherent benefits of any job or business.

In contrast, the private sector always endeavors to use resources efficiently, focusing on reasonable employment and other revenue and capital expenditures. Public sector policymakers have begun to realize that their role is primarily to formulate policies, implement them, and regulate their enforcement. Consequently, they are divesting public sector business entities such as Pakistan International Airlines (PIA) and Pakistan Steel Mill, understanding that only the private sector can bring efficiency to business operations due to their fear of loss.

A public-private partnership represents a blend of the above understanding, where business is conducted by the private sector, but benefits and gains are shared between the private and public sectors. It revolves around creating, nurturing, and sustaining an effective relationship between the government and the private sector.

A "Public-Private Partnership" is defined as a partnership conducted under a Public-Private Partnership Agreement between the public sector represented by an agency and a private party for the provision of infrastructure facilities, management functions, and/or services, with a clear allocation of risks between the two parties.

The fluctuation in the prices of basic commodities like flour, vegetables, meat, and other consumable items is often observed, with prices sometimes increasing and other times decreasing. For example, in the recent past, the price of tomatoes increased to around 400-500 rupees per kilogram but later decreased to 20 rupees per kilogram. Currently, the price of wheat is decreasing due to the importation of over 3.5 million tonnes of wheat into Pakistan from the international market, where prices were lower.

This fluctuation is due to a lack of planning and adherence to traditional methods without consideration of demand and supply dynamics. In today's era

of technology and research and development, it is crucial to cultivate land with innovation, technical and managerial skills, and the latest machinery. The induction of corporate partners with the required skills and technology can help farmers produce crops according to market demand in a highly efficient manner, ensuring profitability. This concept falls under corporate farming.

Corporate farming involves leasing agricultural land to professional firms that manage it using advanced technologies and efficient techniques to boost productivity and enhance yields, with profits negotiated between the landowner and the firm.

Given that a significant amount of land is still owned by the government, the concept of public-private partnerships applies. Each province has its own public-private partnership units/authority and departments, where experts can develop feasible corporate farming projects for investors and the government. These units have the necessary financial and technical expertise to formalize proposals for investors.

It is imperative to establish corporate farming on the basis of public-private partnership mode in Pakistan to modernize the agricultural sector and enhance productivity.



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