



Agri-Entrepreneurship: Scope and Importance

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Entrepreneurship is one of the key drivers for economic development. During an economic crisis, the importance of entrepreneurship development increases. Entrepreneurship has been linked to improved growth, increased wealth and quality of life. In developing countries like India, planning and implementation for development of entrepreneurial programmes are essential for raising the living standard of the vast majority of the backward regions because of their over-dependence on agriculture for employment. Thus, entrepreneurship development appears to be the best substitute to find employment opportunities, income generation, poverty reduction and improvements in nutrition, health and overall food security in the national economy.

Agriculture is considered as the main economic activity which adds to the overall wealth of the country. In the past, agriculture was seen as a low-tech industry dominated by numerous small family firms, which are mostly focused on doing things better rather than doing new things. However, over the last two decades, this situation has changed dramatically due to economic liberalization and a fast-changing society. Agricultural companies have to adapt to the erratic demands of the market, varying consumer habits, stringent environmental regulations, new requirements for product quality, food safety sustainability, and so on. These changes have opened the way for new entrants, innovation, and portfolio entrepreneurship. Farmers, researchers, agricultural business and governments have recognized this and emphasized for a more entrepreneurial environment in the farming business. Agricultural entrepreneurship has a significant impact on business growth and survival. Therefore, it calls both small scale and large-scale farmers to practice entrepreneurial agriculture.

1. Agri-Entrepreneurship

Agri-entrepreneurship in common language can be defined as sustainable, community-oriented, directly-marketed agriculture. Sustainable agriculture refers a system-oriented approach to farming that put emphasis on the interrelationships of social, economic, and environmental processes. It is the beneficial combination of agriculture and entrepreneurship and convert your farm into an agribusiness. This association of agriculture and business promotes Agri-entrepreneurs who innovate, identify markets, and satisfy needs by developing different ways. The term agri-entrepreneurship is similar with entrepreneurship in agriculture and describes agribusiness establishment in agriculture and allied sector.

2. Need and Importance of Agri-Entrepreneurship

Traditionally, farmers are ignorant of scientific agriculture and effective Agri-management systems. Thus, they are unable to deal with delayed monsoons, drought, crop debts, fake seeds and shortage of fertilizer, as a result opt to commit suicide. Hence, the managerial,

technical and innovative skills of entrepreneurship applied in the field of agriculture may build a well-trained Agri-entrepreneur who becomes a role model to all such depressed farmers. Agri-entrepreneurship has the prospect of social and economic development, for example, employment generation, poverty reduction, improvements in nutrition, health and overall food security in the national economy especially in rural areas. In the face of growing unemployment and poverty in rural areas, there is urgency of entrepreneurship in agriculture for more productivity and profitability. Agri-entrepreneurship can be used as chief remedy for the solution of this complexity such as lower the burden of agriculture, produce employment opportunities for rural youth, control migration from rural to urban areas, boost national income, sustain industrial development in rural areas and cut down the pressure on urban cities.

Agri-entrepreneurship is greatly affected by the economic situation, education and culture. Agri-entrepreneurship is important for national economy in following ways

- 1) It helps in achieving productivity profit by small farmers and amalgamating them into local, national and international markets.
- 2) It helps in decrease in food costs, and provides highquality diets to the rural and urban poor in the country.
- 3) It accelerates growth, diversifying income and develops entrepreneurial opportunities in both rural and urban areas.

3. Entrepreneurial Skills and Characteristics for Agri-Entrepreneurship

Entrepreneurial development is an efficient and a proscribed development of a person to an entrepreneur. The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, including the desirable knowledge, higher technical, financial, marketing and managerial expertise and building the entrepreneurial outlook.

Agribusiness is prominently affected by the personal qualities of an Agri-entrepreneur. Actually, entrepreneurs exhibit general qualities such as consistency, drive, aspiration, resourceful, problem solving, realistic, and goal-oriented. An entrepreneur is one who can recognize an unmet need and takes the risk to chase it. In addition, other qualities include managing productivity, quest for new markets, self-criticism, leadership, market orientation and creativity. Open minded farm entrepreneurs will identify more problems in dynamic environment. Entrepreneurial competences are classified in six key areas viz. opportunity recognition skills, bond building, managing, strategic competences, abstract thinking and problem-solving skills. Management and organizing skills are the complete package that a farmer would utilize in order to develop the farm business.

Small-size farmers enhanced their competitive ability with help of producer organization and technology innovation. Farmers required adapting new situations for survival due to fluctuating agricultural markets such as ICT, reduced subsidies for agriculture, shifts in consumer demand, new food production standards. Agri-entrepreneurship is entirely different from traditional entrepreneurship as modernization of agriculture is narrowly focused on highly specialized areas, efficiency, & productivity in farm management. Agri-entrepreneurs need to be innovative, curious, determined, persistence, visionary, hard-working, honest, taking risks, being proactive in identifying opportunities for success, integrity with strong management & organizational skills. We can say characteristics of Agri-entrepreneur are an integration of agri-entrepreneur qualities and competencies.

4. Entrepreneurship Development Opportunities in Agriculture

The feasible opportunities of entrepreneurship in agriculture are: -

- 1) Agro produce processing units – Here no manufacture of any new product done and simply the processing of the agriculture produce occurs Example- rice mills, dal mills, decorticating mills etc.

- 2) Agro Produce manufacturing units – Here the entirely new products produced based on the agricultural produce as the main raw material. Example- sugar factories, bakery, straw board units etc.
- 3) Agro-inputs manufacturing units – Here production of goods done either for mechanization of agriculture or for increasing manufacturing plants, Example- fertilizer production units, food processing units, agricultural implements etc.
- 4) Agro service centres –These comprise the workshops and service centre for repairing and serving the agricultural implement used in agriculture.
- 5) Miscellaneous areas – Moreover, the following areas may be hopeful to establish agri enterprises like setting up of Apiaries, feed processing units, seed processing units, mushroom production units, commercial vermin-compose units, goat rearing farmers club, organic vegetable and fruits retail outlet, bamboo plantation and jatropha cultivation.

Bansal (2011) has proposed some entrepreneurial areas in agriculture.

- 1) Farming- Crop, dairy/poultry/goat, fish, rabbit, vegetables, flowers, ornamental plants, palm Rosa, fodder, sericulture, Agro-forestry, beekeeping, mushroom.
- 2) Product Marketing- Wholesale, retail, commission agent, transport, export, finance, storage, consultancy.
- 3) Inputs Marketing- Fertilizer, agricultural chemicals, seeds, machineries, animal feed, poultry hatchery, vet medicines, landscaping, agriculture credit, custom service, bio-control units, bio-tech units.
- 4) Processing- Milk, fruits, vegetables, paddy, sugarcane, cashew, coir, poultry, cattle, tannery, brewery.
- 5) Facilitative- Research and development, marketing information, quality control, insurance, energy.

5. Scope for Agri-Entrepreneurship in India

Bansal (2011) presented a detailed account regarding the scope of Agri-entrepreneurship in India and can be understand easily:

- 1) India is gifted with diverse ago-climate, which assists production of temperate, sub-tropical and tropical agricultural produce.
- 2) Demand for agricultural inputs like feed and fodder, inorganic fertilizers, bio-fertilizers have increased.
- 3) Applications of biotechnology in agriculture is boon for production of seed, bio- control agents, industrial harnessing of microbes for different products.
- 4) Economic growth will be enhanced by harnessing the export. According to World Trade Organization (WTO), India has immense potential to recuperate its present position in the World trade of both raw and processed form of agricultural commodities. At present processing is done at primary level only and the rising standard of living expands opportunities for secondary and tertiary processing of agricultural commodities.
- 5) Large coastal line and internal water courses should be utilized for production of marine and inland fish. Ornamental fish culture already gaining popularity due to growing aesthetic value among the citizens of India.
- 6) The livestock wealth provides vast scope for production of meat, milk and milk products, poultry products etc.
- 7) The forest resources can be utilized for production of forestry byproducts. Beekeeping and apiary can be taken up on great extent in India.
- 8) By improving technique of production, enhancement in domestic consumption and export of mushroom production can be done.

- 9) The farmers should be encouraged and educated for organic farming as organic farming has highest potential in India as the pesticide and inorganic fertilizer application are less in India compared to industrial nations of the world.
- 10) Huge opportunities for production and promotion of bio-pesticides and bio-control agents for protection of crops.
- 11) Due to plateauing in the productivity of high yielding varieties; seeds, hybrid and genetically modified crops have the highest potential in India in the future.
- 12) Owing to declining groundwater level and labor scarcity for agricultural operations like weeding, transplanting and harvesting, micro-irrigation systems and labor-saving farm equipment's have potential in coming years.

6. Barriers to Agri-Entrepreneurship Development

From the viewpoint of Uplonkar and Biradar (2015), agri-entrepreneurship development is necessary for improving the production and productivity. Despite of the fact, the rate of attainment is extremely low in India due to following reasons:

- 1) Agriculture is largely a means of livelihood for most of the farmers. It is difficult for the uneducated small owner to turn their farming into an enterprise due to lack of adequate information, capital, technology and connectivity with the market.
- 2) There is a need to create consciousness among the farmers about the benefits of these services as they are unaware about it.
- 3) The free service provided by the Government organizations for promotion of services should be discontinued. As lots of farmers, especially the politically associated leaders feel that the government is liable for providing extension and technical advisory services to the farmers. In addition, the services of these organizations do not reach to small farmers, particularly those living in distant areas. This concept of free service makes the farmers reluctant to avail compensated services offered by the local self-employed technicians.
- 4) There is need of regular back up services for self-employed technicians, contact with the marketing agencies, suppliers and research stations who are involved in the development of modern technologies.
- 5) They have to face several legal restrictions and obstacles and private traders involved in such business generally ignore these rules and disturb the fair-trade environment.
- 6) Lastly, Organizations feels risk in making heavy investments and implementing modern technologies which affect the profitability. Thus, resultant farmer members lose interest in their own enterprises as well as in that of their leaders.

7. Motivation for Agribusiness Start-Ups

As we discussed above the challenges and problems encountered by agri-entrepreneurs, then the question arise is that what prompts them to start their own business? These entrepreneurs before entering in this venture assess other job opportunities and impact of that on their family.

- 1) The major motivation for agri-entrepreneurs is to increase household income and expand primary agriculture business in order that additional family members can be engaged. In other words, Agri-entrepreneurship may be a source of good living.
- 2) It is good for individuals who do not have other career options. Some wants to take advantage of unique resources and use them for competitive advantage in business operations.
- 3) Small farmers can remain economically feasible on expanding their activities and selling value-added products. For increasing the likelihood that consumer will purchase their costly products and provide sufficient profit, product novelty must be maintained.

8. Training and Education Programme for Agribusiness (Uplonkar and Biradar 2015)

- 1) Central Sector Scheme of Agri-Clinics and Agri-Business Centres (AC&ABC) was started on 9th April, 2002 with an objective to complement the efforts of public extension by assisting qualified agricultural professionals to set up agri-ventures and can deliver value-added advisory services to farmers at their door step, besides providing self-employment opportunities to Agri-entrepreneurs. Under the Ministry of Agriculture, Government of India, The National Institute of Agricultural Extension Management (MANAGE), Hyderabad,
- 2) National Bank for Agriculture and Rural Development (NABARD)- RBI started NABARD in July 1982 to pay full attention in areas of agriculture, small-scale cottage and agro-based industries in rural areas. NABARD is managing all activates of the RBI pertaining to rural development and agro based activities successfully.
- 3) Agricultural Technology Management Agencies (ATMAs)- ATMAs are functioning at district level to make use of the services of established Agri-entrepreneurs in providing value-added extension services to farmers on Public Private Partnership mode.
- 4) Panchayatmandi (Agri-Mandi)- The idea of Panchayat mandi is to reduce the control of middlemen and traders. This can be feasible only when working of the Zilla Panchayat is in coordination with state marketing boards and APMC (Agriculture produce market committee).
- 5) State Agricultural marketing banks (SAMB)- Such banks are set up to actively control markets for food crops and oilseed in bigger markets of towns and cities.
- 6) NCOSAMB (The national council for state marketing board)- The government of India provides grants in aid to states to set up training facilities with modern facilities and NCOSAMB manage such programmes of training.
- 7) State Trading Corporation (STC)- STD is foremost international trading house possessed by the government of India. The corporation handles bulk international trades.
- 8) Farmers Market- This is original initiative from some of the state governments popularly known by Uzhavar santhai (Tamil Nadu), Rythu Bazaars (Andhra Pradesh), Apna mandi (Punjab). This type of market investigates the vast scope for agribusiness entrepreneurship training to develop business skills and imparted through KVK.
- 9) Domestic and Export Market Intelligence Cell (DEMIC)- This indirectly support business entrepreneurship skills and decision making skills of agri-entrepreneurs. In addition, it also performs function of forecasting of prices of commodities.
- 10) Agro biotechnology agency for rural employment and development (ABARD)- It is a plan of KAU (Kerala Agriculture University) and provides training on technologies.
- 11) Pasumai Padai- It is initiated by Pondicherry government and focused on farmer's interests and take actions like hiring agriculture equipments and machinery.
- 12) Grape wine growers Association, Maharashtra- It consists of 150 co-operative societies and 500 farmers. This association worked as international supplier for quality grape.
- 13) ITC- e-choupal- It empowers farmers knowledge about weather and price, provide direct linkage between business objectives and societal goals and provide expertise on business skills and entrepreneurship skills.
- 14) Agribusiness Incubators- The agri-business incubation (ABI) program launched in 2003. It is a joint venture of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and India's Department of Science and Technology (DST). It sponsors agricultural technologies developed by ICRISAT, other R&D centers of excellence, universities and other institutions.