

OPEN ACCESS

Manuscript ID:
MGT-2023-11016350

Volume: 11

Issue: 1

Month: July

Year: 2023

P-ISSN: 2321-4643

E-ISSN: 2581-9402

Received: 12.04.2023

Accepted: 21.06.2023

Published: 01.07.2023

Citation:
Ramar, N. "Agricultural Entrepreneurship: Problems in India." *Shanlax International Journal of Management*, vol. 11, no. 1, 2023, pp. 38–42.

DOI:
<https://doi.org/10.34293/management.v11i1.6350>




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Agricultural Entrepreneurship: Problems in India

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Abstract

India, being an agrarian nation, relies heavily on agriculture, which contributes approximately 25 percent to its gross domestic product. However, with the growing number of people from rural areas and unemployed graduates migrating to cities in search of employment, the country struggles to generate sufficient job opportunities alongside economic growth. The inadequate infrastructure and amenities in rural areas have further strained the urban infrastructure due to the influx of population. This article aims to explore the prospects of pursuing a career in farming or agribusiness as a potential solution to this issue. Additionally, it highlights the untapped potential of agriculture in empowering local entrepreneurs and improving overall well-being. In this new era, there is a need for a comprehensive and integrated model that encompasses rural employment as the foundation for nurturing local entrepreneurs. The study initially identifies the key factors influencing the economic development of both rural and urban areas. Its objective is to uncover various agricultural pathways and develop a predictive model for agribusiness, thereby fostering sustainable economic growth.

Keywords: Economic Development, Job Opportunities, Ecological Sustainability

Introduction

Agricultural entrepreneurship involves implementing innovative methods, processes, and techniques in agriculture or related sectors to enhance productivity and economic returns. In India, agriculture plays a crucial role in supporting the national economy. It is evident from its contribution of 22% to the Gross National Product (GNP) and its significant role in providing livelihoods to a large portion of the population. Additionally, the agricultural sector accounts for 65% of the rural workforce and 1.7% of India's total exports. Recognizing the importance of agriculture, the Fifteenth Annual Plan of the Indian government focused on addressing the intricacies of the agricultural sector. India has increasingly emphasized various aspects of agricultural development, such as improving productivity, increasing land utilization, enhancing seed quality, diversifying agricultural practices, and adopting mechanization and modernization techniques. These efforts aim to overcome the challenges that have emerged over time and ensure the sustainable growth of the agricultural sector.

Review of the Study

Dr. Thomas Lans, *et al.* (2013), in their paper entitled "Agricultural Entrepreneurship" observed the development of dedicated support for agricultural entrepreneurship is identified as the fourth focal point for research in this evolving field. Traditionally, the agricultural sector relied on extension services, which were often funded and provided by the government in alignment with food security and agricultural modernization policies.

These services typically had a supply-push approach, operating within a linear innovation paradigm where agricultural research-developed innovations were uniformly disseminated to farmers by extension services. However, this one-size-fits-all modernization agenda overlooked the diversity in farming styles and entrepreneurial approaches among farmers (Van der Ploeg). With the changing structure of agricultural markets and the emergence of phenomena like multifunctionality, integration in production chains driven by consumer demands, and societal and ecological sustainability concerns, the traditional model of innovation and entrepreneurship support has become inadequate. A more tailored and flexible approach is needed to address the unique challenges and opportunities faced by farmers in the current agricultural landscape. This requires rethinking and adapting the support system to better cater to the diverse needs and entrepreneurial styles of farmers, moving away from the rigid, uniform approach of the past.

Dollinger (2003) stated that entrepreneurship in agriculture is the formation of innovative economic organization for the purpose of growth or gain under conditions of risk and ambiguity in agriculture.

Sudharani (2002) defined agripreneurship as “generally sustainable, community oriented, directly marketed agriculture. Sustainable agriculture denotes a holistic, systems-oriented method to farming that focuses on the interrelationships of societal, financial and ecological process.”

Gray (2002) through agripreneurship, individuals can bring fresh ideas, technologies, and approaches to agriculture, leading to increased productivity, efficient resource utilization, and sustainable practices. Moreover, successful agricultural entrepreneurship can drive economic development in rural areas by creating employment opportunities and improving livelihoods. It can also contribute to addressing the global food security challenges and promoting inclusive growth in the agricultural sector. By investing in the development of agripreneurs and supporting their ventures, we can unlock the untapped potential of agriculture and transform it into a thriving and profitable industry. The Agripreneurship program plays a vital role in nurturing and empowering individuals

to become successful entrepreneurs in agriculture, thereby driving productivity, innovation, and overall economic growth in the sector on a global scale.

Bairwa *et al.* (2014), stated that Agriculture and allied sectors are considered to be mainstay of the Indian economy because these are important sources of raw materials for industries and they demand for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods.

Objectives of the Study

1. To study on Problems for the Development of Agri- Preneurship in India.
2. To examine the Need of Agripreneurship
3. To study on Entrepreneurship can help the agribusiness

Problems for the Development of Agri-Preneurship in India

Agriculture serves as the primary source of livelihood in rural India, but farmers often face meager profits compared to the national average. These low returns are a consequence of various factors, including degradation of the plant resource base, inefficient price chains, fragmented land holdings, inadequate infrastructure, limited knowledge and expertise, and the involvement of intermediaries. Many farmers are trapped in a cycle of low productivity and a significant decline in agricultural investment. While there may be technological solutions to address low-yield situations, the challenge lies in effectively empowering farmers to adopt them. Technology transfer, encompassing customized knowledge identification, adaptation, and thematic training, plays a crucial role in helping farmers improve productivity and adopt sustainable agricultural practices. Given the geographic diversity, plant variations, and the large number of farmers involved in agriculture, inclusive approaches are vital to ensure the adoption of sustainable agricultural practices and the well-being of livelihoods.

Reforms in grain threshing aim to address the aforementioned challenges, but they also affect the balance between farmers and consumers. Global agricultural trends are rapidly evolving, rendering traditional threshing practices outdated. More and

more farmers are diversifying their offerings to cater to customer preferences beyond mere production increases. Customers now seek product attributes such as nutritional value, taste, user-friendly packaging, clean sourcing, and environmentally-friendly products. Agricultural guidelines must align with these heightened consumer expectations. Environmental protection, chemical conditions, and child labor concerns fall within the spectrum of consumer welfare theory.

Agricultural enterprises are exploring different strategies to maximize profits. Recent price fluctuations in commodities such as wheat flour, sugar, pulses, rice, and milk in India necessitate the need for risk mitigation. Discrepancies in payment between national and global markets serve as primary drivers for agribusiness globalization, while local market distortions, fraud, deceptive advertising, and other issues are reactive drivers. The wider the gap between national and global market prices, the greater the potential for market distortions. The global landscape is dynamic, with continuous advancements that can undermine competitiveness. Local infrastructure, particularly in terms of material storage and quality rentals, is often inadequate. Excessive reliance on agricultural inputs such as fertilizers, high-yielding seeds, fuel, credit, pest control measures, and equipment leasing contributes to an inefficient profile for the sector, resulting in reduced production and disadvantageous positions for exporters in the global market. These challenges hinder electricity access for customers at the national level.

The agricultural sector suffers from numerous institutional and operational inefficiencies. Inefficiencies in moving rural products from producers to buyers stem from issues like inadequate wholesale market operations, insufficient storage spaces, unsanitary display areas, non-compliance with regulations, illegal deductions by market intermediaries, and the unavailability of properly priced and visible products. Market information, pricing mechanisms, market research, production forecasts, and payment forecasts are all lacking or trivialized. Modern marketing principles, such as targeting specific markets and performance-oriented coverage, are not fully implemented. The lack of

professional supervision exacerbates utility and institutional inefficiency. Addressing this issue requires stricter action and improved supervision within the agricultural sector. Farmers' productivity can be significantly enhanced through targeted agricultural education that aligns with their needs and specific factors. Achieving this goal requires a proactive approach.

In conclusion, the nation's future lies in agricultural enterprises, and all stakeholders must strive to add value to this sector. Overcoming deficiencies and inefficiencies requires a collective effort to establish an ever-improving and streamlined process. Key coverage issues in the agricultural sector include enhancing quality, reducing production losses, implementing effective marketing strategies, fostering a supportive regulatory framework, and meeting the increasing global demands. Policy reforms targeting skills and attitudes are necessary to establish well-integrated flows for all stakeholders involved.

Need of Agripreneurship

Here are the key points summarized:

1. Agricultural and horticultural products are locally available.
2. Small-scale agricultural industries do not require extensive infrastructure or complex technologies.
3. These small-scale industries are economically viable and environmentally sustainable.
4. Agricultural entrepreneurship does not require significant financial investment.
5. Developing agricultural entrepreneurship has the potential to generate new job opportunities for rural youth.
6. Agricultural entrepreneurship can help reduce rural-urban migration and improve the livelihoods of farmers by offering an alternative income source.
7. There is availability of land for agricultural use.
8. Adequate agricultural funding is needed.
9. Literacy and education are essential for the population involved in agriculture.
10. Both backward and forward linkages are important, highlighting the relationship between agricultural development and industrial development.

Developing Entrepreneurs in Agriculture Can Immensely Benefit Indian Economy by

1. Agricultural entrepreneurship helps alleviate the burden on traditional agriculture.
2. It creates job opportunities for rural youth, addressing unemployment in rural areas.
3. It reduces the need for rural-to-urban migration, thereby easing the pressure on urban cities.
4. Agricultural entrepreneurship contributes to the increase of personal and national income by generating additional sources of revenue and economic growth.

Entrepreneurship Can Help the Agribusiness Food Processing

Developing a strong food processing industry can significantly benefit rural areas. Currently, many developing countries primarily export raw agricultural materials, missing out on the value-added benefits of processed goods. By enhancing food processing capabilities, rural areas can generate higher income and employment opportunities, leading to economic growth.

Flower Cultivation

Flower cultivation can be a profitable venture, even on small areas of land. "Micro farms" can be established where farmers can grow seasonal flowers alongside their regular crops. However, proximity to markets or access to processing and storage facilities is crucial. Entrepreneurs with expertise in flower cultivation and marketing can establish parallel industries in fertile rural areas, further boosting the local economy.

Fish Farming

Fish farming has the potential to increase farmers' income, but it is often conducted on a small scale and with limited expertise. Encouraging entrepreneurial activities in small pond fish farming can transform it into a valuable branch of the rural economy. This requires knowledge and the adoption of modern fish farming techniques, similar to practices followed in Western countries.

Agricultural Technology

Outdated and inefficient farming methods hinder productivity and limit income potential,

particularly among small-scale farmers. While larger farmers have embraced modern agricultural technologies, small farmers still rely on traditional manual methods. Promoting entrepreneurship in agriculture can facilitate the adoption of modern technologies, thereby improving productivity and enabling better management of risks such as monsoon variations and market price fluctuations.

By focusing on these areas and fostering agricultural entrepreneurship, rural areas can diversify their economic activities, increase income levels, and achieve sustainable growth.

Regenerate Response Obstacles to Business Development

- 1) Lack of knowledge, capital, technology, and market linkages make it challenging for uneducated farmers to transform agriculture into a business.
- 2) Creating awareness among farmers about the benefits of entrepreneurial services is essential before promoting these services.
- 3) The provision of free services by public organizations should be discontinued to encourage farmers to value and utilize entrepreneurial services.
- 4) There is a perception among some farmers, especially those with political connections, that government is solely responsible for providing extension and technical advice.
- 5) Specialists in the agricultural sector require consistent support in terms of technical and commercial information, communication with marketing agencies and input suppliers, and access to research stations for modern technology development.
- 6) Legal restrictions and obstacles imposed by NGOs and cooperatives hinder the promotion of entrepreneurship in agriculture, while private entrepreneurs may ignore these rules, disrupting fair trade practices.
- 7) NGOs often hesitate to make significant investments and adopt modern technologies, which adversely affects profitability and diminishes farmers' interest in their businesses.

Conclusion

The agricultural sector holds significant potential to contribute to national income and provide employment opportunities, particularly for vulnerable sections of society. Agribusiness is not just an opportunity but a necessity for enhancing agricultural productivity and profitability. Agricultural development allows the economy to leverage its strengths, achieve substantial growth in the primary sector, and promote rural development, leading to balanced economic growth in India. The government should formulate targeted policies and establish development organizations to support agricultural development. Such efforts yield positive outcomes at both the rural and macro levels. Sustainable agricultural entrepreneurship, including practices like natural agriculture, organic agriculture, and ecological agriculture, can bring about transformative changes in rural areas. India, being a major driving force in our economy, requires appropriate policies, frameworks, and action plans to realize the potential of agribusiness. The cultivation of entrepreneurship in agriculture necessitates efforts to make farming more attractive and profitable, emphasizing effective management of agricultural resources such as soil, seeds, water, and market demands. An individual who is willing to take risks and seeks the latest knowledge in the field of agriculture can emerge as a true agricultural entrepreneur. Therefore, the agricultural sector's potential to increase national income and provide employment opportunities to a large segment of society highlights the importance of promoting agribusiness and implementing strategic management practices in agriculture and related sectors.

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