



AGRIPRENUERSHIP: A CONCEPTUAL FRAMEWORK OF AGRICULTURAL ENTREPRENEURSHIP IN INDIA

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ABSTRACT

The performance of the agriculture sector influences the growth of Indian economy. Agriculture and allied sectors are considered to be the mainstay of the Indian economy. They are the important sources of raw materials and they create demand for many industrial products like fertilizers, pesticides, agricultural implements and a variety of consumer goods. They contribute nearly 22 percent of Gross Domestic Product (GDP) of India. It is known that 65-70 percent of the population is dependent on agriculture for their livelihood. Considering these facts, it is imperative that there is an urgent need to focus upon government initiatives and a policy framework for agripreneurship and thereby rural development. Agriculture Business Management is emerging as an important area in the agricultural sector with the liberalization of World Trade in order to examine the issues / processes related to entrepreneurship development among farmer's, to analyze different experiences of agripreneurs and to understand the issues related to sustainability of agricultural enterprise. The paper highlights the various aspects of agripreneurship education and its development.

Keywords: Agripreneurship, Entrepreneurship Development

Introduction

Robust growth in agriculture is instrumental in development-induced rural diversification in the country. One of the recent studies shows weakening of the above linkage in rural economy. There is a need to identify reasons for weakening of such linkages and strategies for balanced development of rural sector. Existing institutional framework for agriculture and rural development is often found to be inadequate; though alternate institutions are emerging and their performance needs to be evaluated. There is also need for reorienting the existing public institutions to promote agripreneurship and rural development through public private partnership and knowledge management as rural development in general is used to denote the actions and initiatives taken to improve the standard of living in non-urban neighbourhoods, countryside and remote villages. Agricultural activities may be prominent in this case whereas economic activities would relate to the primary sector, production of foodstuffs and raw materials.

Rural development actions mostly aim at the social and economic development of the areas. These programmes are usually top-down from the local or regional authorities, regional development agencies, NGO'S, national governments or international development organizations. But there is need of initiatives for development like agricultural entrepreneurship.

Though government has taken number of initiatives for creation of socio-economic development of the rural areas but addressing the challenge of unemployment in the rural areas and to bridge the rural-urban divide, there is a pressing need of policy reforms to encourage entrepreneurship in agriculture and rural development.

The present paper describes the role of agripreneurship and how it is a need of the day for development and growth of a nation like ours. The paper



also highlights the importance of developing entrepreneurship in the area of agriculture.

Review Literature

At the time of independence, more than half of the national income was contributed by agriculture along with more than 70 percent of total population was dependent on agriculture (Pandey, 2013).

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 demands for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods (Bairwa *et al.*, 2014a).

It is also worth noting that the emergence of the free market economies globally has resulted in the development of a new spirit of enterprise "Agripreneurship" and the increased individual need for responsibility for running their own businesses (Alex, 2011).

Dollinger (2003) defines entrepreneurship in agriculture as the creation of innovative economic organization for the purpose of growth or gain under conditions of risk and uncertainty in agriculture.

Gray (2002) on the other hand defines an entrepreneur as an individual who manages a business with the intention of expanding the business and with the leadership and managerial skills necessary for achieving those goals.

The Agripreneurship program is necessary to develop entrepreneurs and management workforce to cater agricultural Industry across the world (Bairwa *et al.*, 2014b).

Agripreneurship is greatly influenced mainly by the economic situation, education and culture (Singh, 2013).

Personal qualities of an agri-entrepreneur/farmer significantly affect the agribusiness (Brockhaus and Horwitz, 1986; Verhaar and Hoeve, 1999; Elfring, 2000; Nandram and Samson, 2000; de Buck et al, 2000). Brockhaus, R.H. and P.S. Horwitz. (1986), The psychology of the entrepreneur (in D.L. Sexton and R.W. Smilor (eds.),

Nandram, S.S. and K.J. Samson. (2000), Successful entrepreneurship: more a matter of character than of knowledge (in Dutch with English summary). Self - criticism, leadership, market orientation and creativity are important for successful entrepreneurship (Nadram and Samson, 2000). Based on the field experience, twelve personal qualities of farmers were identified as the most important factors that influence agri-business (Cardien de Lauwere et al, 2000).

Objective

- To unearth the concept of agripreneurship in Indian context of agrarian economy.

Methodology

The study is to unearth the concept of agripreneurship in India and its importance in upliftment of farmers in the country. The study is a descriptive analysis of the present literature available in this area.

Background

Indian economy is basically agrarian economy. On 2.4 percent of world land India is managing 17.5 percent of world population. India's economic reforms that began in 1991 have barely scraped the surface of agricultural policy in the country. This in a context where over 700 million Indians directly depend on agriculture for a living is not just a drag on the economy but also raises fundamental questions on the "inclusiveness" of the



economic policies of the country. Many of the government interventions, policy barriers and market distortions in agriculture hinder efficient use of scarce resources and even as value addition remains low in the sector.

Due to the changing socio, economic, political, environmental and cultural dimensions over the world, farmers' and nations' options for survival and for sustainably ensuring success in changing their respective economic environments has become increasingly critical. Farmers are taken initiative to supply high value added agri-products despite the constraints with regard to input and infrastructure availability and marketing arrangements. Farmers have taken several initiatives to deal with the constraints such as credit and marketing arrangements, accessing new technologies, etc. These "agripreneurs" have demonstrated that given a fair chance they could transform Indian agriculture to meet the emerging challenges and needs of the country and perhaps the world.

Agricultural Entrepreneurship

Agriculture all over the world is going through a phase of transition. Introduction of new economic policy leads to many drastic changes in agricultural activities. Agricultural companies increasingly have to adapt to the vagaries of the market, changing consumer habits, enhanced environmental regulations, new requirements for product quality, chain management, food safety, sustainability, and so on. Activities like diversification, value addition, precision farming, high-tech farming, global marketing, organic farming etc. are gradually getting due attention of people involved on redefining agriculture. These changes have cleared the way for new entrants, innovation, and portfolio entrepreneurship. In the face of growing unemployment and poverty in rural areas and slow growth of agriculture there is need of entrepreneurship in agriculture for more productivity and profitability of agriculture

Agripreneur defined as *"entrepreneur whose main business is agriculture or agriculture-related"*

Agriculture + Entrepreneur = Agripreneur

There is no single definition of the term "Agripreneur". However, an agripreneur may be thought of someone who undertakes a variety of activities in agricultural to be agripreneur. Thus an agripreneur may undertake a range of different activities which have a common link - the perception of an opportunity and the willingness to do something to take advantage of it. In short, agripreneur is a risk-taker and has the opportunity to initiate and to implement decisions which deal with the uncertain agricultural business environment within which the firm operates.

Agripreneurship defined as *"generally, sustainable, community-oriented, directly-marketed agriculture. Sustainable agriculture denotes a holistic, systems oriented approach to farming that focuses on the interrelationships of social, economic, and environmental processes"*.

Agripreneurship requires more than just the identification of new opportunities. Additional qualities such as imagination, commitment, decisiveness and self confidence are also important elements of the entrepreneurial process. Thus the agripreneur introduces change into the market place but must also be aware of the outside pressures for change which are being experienced as the result of other entrepreneurial activity. Agripreneurship can result in improved performance of an individual that can contribute to employment generation, poverty reduction and human resource development.

Agripreneurs world wide

In China, Cargill is collaborating with the Coca-Cola Company and the World Wildlife Fund to help smallholder corn farmers improve their



livelihoods through training and information in techniques to improve yields, conserve water, improve crop storage, protect wetlands, and reduce the environmental impact of agriculture in Jilin Province. Only in its first year, the project has already reached 6,000 farmers. Their experience shows that the private sector – including some 450 million smallholder farmers and entrepreneurs in the global food chain – can be an engine to alleviate hunger and poverty. However, there are preconditions for lasting success. Among the most critical are policy frameworks that enable smallholder farmers to evolve into commercially viable businesses – policies that include property rights, markets and trade, infrastructure and investment and risk management. There is ample and compelling evidence that investing in agricultural intensification is among the most effective means to reduce global poverty and hunger and save the environment. Doing it all right requires the public and private sectors to work together to implement policies and make investments that motivate farmers at every level to increase production responsibly and that enable food to move more freely from areas of surplus to areas of deficit.

Legislation

National Agricultural Policy (NAP) in July 2000 seeks to actualize vast untapped growth potential of Indian agriculture, strengthen rural infrastructure to support faster agriculture development, promote value addition, accelerate growth of agribusiness, create employment in rural areas, secure a fair standard of living for farmers and agricultural workers and their families, discourage migration to face challenges arising out of economic liberalization and globalization, etc. National agricultural Policy (NAP), among other things, accord a very high priority to application of frontier sciences like bio-technology, pre and post harvest technologies, adequate and timely supply of quality inputs NAP also envisaged development of human

resources through capacity building and skill up gradation of public extension functionaries and other extension functionaries.

The draft policy frame works for Agricultural Extension (2001) envisages a multi-agency, pluralistic extension system for the future. Draft policy recognize and accept other players such as farmers organizations, farmers cooperatives, agree-graduates, etc. which are expected to play an increasing role in agricultural extension in the future.

Personal Traits of Agripreneurs

Personal qualities of an agri-entrepreneur/farmer significantly affect the agribusiness (Brockhaus and Horwitz, 1986; Verhaar and Hoeve, 1999; Elfring, 2000; Nandram and Samson, 2000; de Buck et al, 2000). Self criticism, leadership, market orientation and creativity are important for successful entrepreneurship (Nadram and Samson, 2000). Based on the field experience, twelve personal qualities of farmers were identified as the most important factors that influence agri-business (Cardien de Lauwere et al, 2000).ie. Market-orientation, Perseverance, Empathy, Leadership, Achievement-orientation Inspiration, Flexibility, Creativity, Self-criticism, Laziness, Initiative, Passivity.

In any country or region, strategies for improving agricultural productivity or income of the farmers, it is necessary to develop an entrepreneurial culture among farmers. This has been rightly indicated by Peter Drucker (1985) that "The essence of economic activity is the commitment of present resources to future expectations, and that means to uncertainty and risk". This has been rightly stated by Best (2001) that it has to be focused and riveted on the breeding of local agripreneurs, who are not just farmers, but are also thinkers, risk takers and business people. To make this approach successful all the aspects such as cultural, social and political situations must be addressed in a holistic way at the regional level



Amidst the changing paradigms and demanding global structure, India, in order to remain a front-runner needs to primarily focus on the agriculture sector, the backbone of the economy. This specialization is developing agripreneurs with distinct traits and skills to exploit opportunities galore in the field of agriculture. Among the various strategies to promote planned growth in this sector, focus on promoting viable enterprises is certainly helping to exploit its operational efficiency to the hilt.

Why India Promoting Agripreneurship

In India, 52% of total land is cultivable as against 11% in the world. All 15 major climates of the world, snow bound Himalayas to hot humid southern peninsula; Thar Desert to heavy rain areas all exist in India. There are 20 agro-climatic regions and nearly 46 out of 60 soil types in the country. Sunshine hours and day length are ideally suited for round the year cultivation of crops. India is the centre for biodiversity in plants, animals, insects, micro-organism and accounts for 17% animal, 12% plants and 10% fish genetic resources of the globe. In the live stock sector, India has 16% of cattle, 57% of buffalo, 17% of goats and 5 % of sheep population of the world. Agriculture contributes 24.2% to GDP, 15.2% of total exports and provides employment to 58.4% of country's work force.

- Agriculture remains a key sector of the Indian economy accounting for 25 per cent share in the gross domestic product (GDP) and about 13 per cent of the total export earnings.
- India is the second largest producer of rice and wheat in the world; first in pulses and fourth in coarse grains. India is also one of the largest producers of cotton, sugar, sugarcane, peanuts, jute, tea and an assortment of spices
- In terms of the real value added, the Indian agriculture sector ranks third, after China and the United States.

- The share of agriculture in the total value added to the economy, at around 25 per cent, is still quite high. This implies that agriculture is likely to remain a priority, both for policy makers as well as businesses, in the foreseeable future and any move to ramp up the sector calls for a multi-pronged strategy.
- In recent years, there has been a considerable emphasis on crop diversification towards horticulture (fruits, vegetables, ornamental crops, medicinal & aromatic plants and spices), plantation crops (coconut, cashew nuts and cocoa) and allied activities.
- Creation of critical infrastructure for cold storage, refrigerated transportation, rapid transit, grading, processing, packaging and quality control measures open major opportunities for investment.
- Second highest fruit and vegetable producer in the world (134.5 million tones) with cold storage facilities available only for 10% of the produce.
- Second highest producer of milk with a cold storage capacity of 70,000 tonne.
- Fifth largest producer of eggs. Investments in cold chain required to store 20% of surplus of meat and poultry products during 10th plan requires ₹ 500 Crore (US\$100M)
- Sixth largest producer of fish with harvesting volumes of 5.2 million tones.

The need of the hour is to set a new goal for "Agri-Export Revolution" to strengthen and revitalize the economy of the country. While India holds an important position in the export market for a set of traditional agricultural commodities, new areas and new commodities are likely to emerge such as live animals and animal products, fruits, vegetables, floriculture, medicinal

plants and processed agricultural products. In order to anticipate the emerging challenges and to identify ways and means of placing our country as a major player in the global export market for agricultural products.

Innovation and skilled man power is the need of the hour as the economy moves towards a competitive innovation based economy. Increasing focus on knowledge creation is required to fuel innovation and productivity, growth. Government requires a focused approach towards spearheading innovation, entrepreneurship and skill enhancement in the economy. The skill shortage needs to be plugged and effort is required towards acquisition of new skills. Government has to take adequate steps for creating and encouraging an environment which promotes research and development, nurtures entrepreneurial skills and helps in acquisition of new skills attuned to the needs of the economy so as to raise productivity levels in the economy. Agro processing and value addition, and safe to eat and organic mode of production are to be supported further to improve incomes of the farmers.

Since, two-thirds of the Indian population is employed in the agriculture sector, providing viable and sustainable business opportunities in agribusiness is imperative for generating employment for the rural people. Sustainable agribusiness can promote job-led economic growth in rural areas through harnessing science and technology. Entrepreneurship in sustainable agriculture has the potential to transform the face of rural India, the prime driver of our economy.

Conclusion

There is a need for efficient support organisations to monitor the activities of small enterprises. Prediction of the future demand, introduction of modern technologies, cost control and business expansion is the important areas, where entrepreneurs need regular support. Suitable legal support may

also be required to protect the traders engaged in unfair trade practices. It is better to promote agro-based enterprises in rural areas, as the local people have the required skills and most of the businesses help the entrepreneurs to ensure food security. The outputs of such business have ready demand even in rural areas and hence the market opportunities are better. With a strong agro-based programme, nonfarm activities can also be initiated when the entrepreneurs are more experienced and capable of taking risk and can manage the programme better. Promotion of direct marketing by establishing close interaction between producers and consumers will further enhance the benefits, while encouraging a large number of unemployed rural youth to turn into micro entrepreneurs and traders.

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