

# Opportunities and Challenges in Agripreneurship in India

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## ABSTRACT

*The Indian economy is dependent on the agriculture to great extent. More than fifty percent of the population in the country is dependent on agriculture for their livelihood. The farmers in India are facing different types of glitches. The major problem faced by them is regarding the marketing of the product. They are producing in the large quantities but they are not able to get the required rate for their produce. Promotion of entrepreneurial skills among them will help them to increase their sale as well as the amount of profits. Agripreneur is an entrepreneur whose base of business is agriculture or agriculture related. They are adopting innovative ideas in agriculture to market their products more efficiently. Agripreneurship is an entrepreneurial process in agriculture for getting better output and better profitability. With regard to the present situation prevailing in the economy there is a lot of opportunities available for the agripreneurs to capture the market and increase their earnings. At the same time there will be hurdles in achieving this objective. This study aims to study the potential areas and opportunities for Agripreneurship in India and to identify the various forms of Agripreneurship. Further it also identifies various problems or challenges and future strategies for promoting Agripreneurship in India*

*Keywords: Agripreneur, Agripreneurship, entrepreneur.*

## 1. INTRODUCTION

Agriculture is cornerstone of Indian economy. More than fifty percent of the population is dependent directly or indirectly on agriculture for their livelihood; therefore a shift from agriculture to agribusiness is a crucial step to bring change or make revolution in Indian agriculture and to make more attractive and profitable venture. Agripreneurship has the potential to contribute to a range of social and economic development such as employment generation, poverty reduction and improvements in nutrition, health and overall food security in the national economy. Agripreneurship has got power to generate growth, diversifying income, providing widespread employment and entrepreneurial opportunities in rural areas. This paper mainly focuses potential areas and opportunities for Agripreneurship in India, its various forms and various problems or challenges and future strategies for promoting Agripreneurship in India. The Farmers are back-bone of our country there comes a need to develop some Agropreneur in current scenario, by adopting the change in terms of use of technology for better productivity and earnings.

## 2. DEFINITION OF AGRIPRENEURSHIP

Rao and Kumar (2016) define 'Agripreneurship as the entrepreneurial process taken up in agriculture or allied sectors. It is the process of adopting new methods, processes, techniques in agriculture or the allied sectors of agriculture, for better output and economic earnings: agripreneurship converts agricultural activity into an entrepreneurial activity'.

Yousoff et al., (2015), define 'Agripreneurship as agricultural entrepreneurship activities which are regulated to produce, distribute, market, or transport agricultural products to generate income, Nagalakshmi and Sudhakar (2013).

### 3. DEFINITION OF AGRIPRENEUR

Agripreneurs may be defined as ‘innovators who drive change in the economy by serving new markets or creating new ways of doing things in the agriculture sector, thus, an agripreneur may be someone who undertakes a variety of activities in the agriculture sector in order to be an entrepreneur’, Ndedi (2017).

Rao and Kumar (2016) define an agripreneur as ‘an innovator, who drives change in a rural economy, by adopting innovative ideas in agriculture and allied sectors. He takes risk, adopts innovation, creates new ways of doing things and taps new markets’.

### 4. LITERATURE REVIEW

Verma, Sahoo and Rakshit (2018) in the paper titled ‘Opportunities in agri-preneurship in India: Need, challenges and future prospects’ importance of agripreneurship discusses regarding the opportunities for agripreneurship, areas of agripreneurship, need of agripreneurship and challenges of agripreneurship. The paper has explained in detailed various challenges and opportunities in agripreneurship.

Reddy (2018) in the paper titled ‘Improving Farmers Income by promoting Agripreneurship on Basis of Shared Economy Principle’ has discussed regarding the benefits and impact of sharing economy to the society, Means of attaining sustainable development in agriculture through agripreneurship based on sharing economy principles. It states that there is a huge need to encourage the agripreneurship in India which make the agriculture more profitable. Adopting the policies of sharing economy in this agripreneurship will make it sustainable.

Uplaonkar, Biradar (2015) in the paper titled ‘Development of agriculture in India through agripreneurs’ has discussed the concept and types, barriers to Entrepreneurship Development. The paper states that Agri-business Centers Scheme can be started to give Training programme. It has also stated the role of Agripreneurship in the economy.

Yoganandan & Vignesh (2016), ‘Challenges in Agro entrepreneurship in Tamilnadu, India’ states that the challenges faced by the agripreneur like lack of funds, lack of infrastructure, risk involved etc. It also states about the role of agripreneurship in national economy.

### 5. OBJECTIVES OF THE STUDY

- i. To study the potential areas and opportunities for Agripreneurship in India
- ii. To discuss the various forms of Agripreneurship
- iii. To identify various problems or challenges and future strategies for promoting Agripreneurship in India

### 6. RESEARCH METHODOLOGY

The research paper has collected required information through the secondary sources. The data has been gathered from various research papers and web resources.

### 7. OPPORTUNITIES IN AGRIPRENEURSHIP

From very beginning to till now India has been considered an agrarian economy. There are several mechanisms worked in the Agripreneurship like forward and backward linkages with secondary and tertiary sectors i.e. manufacturing and service sectors. Opportunities in agriculture and allied sectors can be identified at different phases of agriculture process. Basically, the agripreneurial opportunities are at input stage, farming stage, value chain, output processing and marketing stage and related services. Presently the scope and potential of Agripreneurial opportunities is increasing as a result of globalization and more interconnected world market. Agriculture have several areas of entrepreneurship which include the activities like, Dairying, Sericulture, Goat rearing, Floriculture, Fisheries, Shrimp Farming, Sheep, rearing, vegetable cultivation, nursery farming, farm forestry. There are many potential agripreneurial opportunities for entrepreneurs. Agriculture process needs so many kinds of inputs like seeds, fertilizers, pesticides and innovative and localized farm technology. These favorable prospects and opportunities to establish entrepreneurial activities the areas can be categorized into;

- a. Bio-pesticides, bio-fertilizers, vermi-composting, testing and amending soil etc.: A healthy income can be generated through this process. A health hazards can be prevented by using bio products in vegetables

and foods. These bio products can be easily produced without much hassles and for a minimum cost of production.

- b. Organic farming: Today people are more conscious about health, hence more focused should be given to Organic farming.
- c. Seed development: There is a lot of scope for Research and development in seed development. Today many people are involved in doing research and development. They focuses on how these varieties of seeds can be made of better quality and are expected to serve even in unfavorable climatic conditions for realizing maximum revenue and improving living conditions of our farming community, productivity of the crops should be improved which is possible with good management practices along with good quality of inputs
- d. Agro tech products: In order to obtain maximum output with minimum efforts, modern farming practices should be encouraged in farms. The modern machines and technology aims at minimizing the efforts and hassle-free work. These modern machines and technology should be encouraged and our farmers should made familiar with these practices. Today Government also support farmers to access these technology in their farms. Hence there is a lot of scope to use these user friendly modern practices to increase the revenue of farmers.
- e. Natural manure & pesticide: There is a gradual shift happening from the usage of chemical intensive fertilizers and pesticides to natural manure and pesticides. And this gradual shift is again opening up huge potential and opportunities for production and marketing of bio-pesticides, eco-friendly agro chemicals and natural manures with an objective to maximize the output and leveraging the advantage of seasons. There is an opportunity to go innovative with regard to balance use of fertilizers and pesticides, agrochemicals, adopting multiple cropping and crop rotation to protect and preserves and enhance the quality of soil, using the Agri -tech machines to reduce the cost of cultivation and drudgery of labor etc.
- f. Agriproducts processing units: Agriproducts processing units are booming up, there are plenty of opportunities in the areas of farming vegetables, fruits, food grains, pulses, oil seeds etc., developing greenhouse concept, herbal plantation, dairy and poultry development, animal husbandry, grading and packaging of agri products, establishing food processing units, establishing cold storages, sericulture, horticulture and many more. The Agriproducts processing units are booming up. The opportunities are also felt in the areas of value chain, output processing, marketing, and supply chain management of agriculture produce, distribution and logistics.

The Agripreneurship opportunity can be categorised into following heads, such as;

- i. Agro produce processing units – These units do not manufacture any type of new product. They merely process the agriculture produce e.g. Rice mills, Dal mills etc.
- ii. Agro Produce manufacturing units – These units produce entirely new products based on the agricultural produce as the main raw material. Examples are –Sugar factories, Bakery etc.
- iii. Agro-inputs manufacturing units – These units produce goods either for mechanization of agriculture or for increasing manufacturing plants, e.g.-Fertilizer production units food processing units, agricultural implements etc.
- iv. Agro service centres –These include the workshops and service centre for repairing and serving the agricultural implement used in agriculture.
- v. Agro-Food processing and storage units like Cold storages, Banana ripening chambers, minimal processing units, etc.
- vi. Miscellaneous areas – Besides the above mentioned areas, the following areas may prove to be encouraging to establish agro enterprises such as setting up of feed processing units, seed processing units, mushroom production units, commercial vermin-compost units, organic vegetable and fruits retail outlet, bamboo plantation etc.

## 8. CHALLENGES IN AGRIPRENEURSHIP

Developing entrepreneurship in agri-business is expedient but it is not so easy and simple. In fact, there are several challenges, but not confined to the following only, involved in developing entrepreneurship in agri-business.

- a. **Inadequate infrastructural facilities:** Infrastructural facilities in India are not adequate for development of the agripreneurship. The farmers do not have proper storage facilities and hence their produce has to be kept in open space and it gets spoiled often and due to this they incur huge losses which affects them adversely. Secondly there is lack of transport facilities in the remote areas and due to this their produce does not reach to the market in time. Therefore there is a need for the availability of a minimum level of prior-built up infrastructural facilities to undertake any economic activity including starting an enterprise.
- b. **Lack of education and knowledge:** Most of the farmers do not have formal education; they have mostly inherited the knowledge of cultivating. They lack in use of technology for selling their produce. They are forced to use the traditional method of selling their produce through the middlemen and they have to sell it at very low rate.
- c. **Lack of entrepreneurial skills:** The entrepreneur uses innovative ideas to sell its product in the market and to increase its earnings. Normally the produce of the farmers are not sold in the market by them directly. Hence they were not able to develop qualities of entrepreneur among them. Lack of knowledge and awareness is one of the reasons for slow growth of entrepreneurial culture in India.
- d. **Inadequate knowledge about the market:** One of the obstacles in development of agripreneurship is lack of knowledge about the price offered for their products in the market. Normally they end up in selling their produce in the market at lower prices and hence it reduces their earnings.
- e. **Use of poor technology:** The low level understanding about the use of technology leads to low level of productivity. Awareness about the use of farming equipment will help them to increase their output. Till now many are using same traditional method of cultivating the land, they are not using mechanised farming to improve their productivity. The major challenge is to educate most of them for adopting mechanised farming.
- f. **Heavy dependent on rainfall:** Inadequate water facilities have led the farmers to under utilise the capacity of the land and hence there is decline in the output.
- g. **Lack of skilled and managerial manpower:** Rural areas also suffer from rural-urban migration mainly male migration. This results in denudation of educated and skilled manpower in rural areas. Lack of skilled and managerial manpower in rural areas is mainly due to the absence of suitable educational institutions in rural areas. Moreover, people even otherwise belonging to rural areas do not want to go back to rural areas to work due to various problems the rural areas suffer from.
- h. **Lack of marketing support:** The lack of promotional and marketing support for the goods produced by the farmers is a great concern. Production has no value unless it is sold. The major marketing problems faced by agri-entrepreneurship are lack of marketing channels and networks, promotional facilities, support system, poor quality of products, and competition with medium and large-scale enterprises. The enterprises run by agri-preneurs often do not possess any marketing organization.
- i. **Lack of Awareness about Career in Agripreneurship:** Entrepreneurial career has not been considered respectable in the society for one reason or other. Especially Entrepreneurship in Agriculture as career has not been taken seriously by the people. As it demands lot of hard work and lack of entrepreneurship skills, opportunities and importance. The awareness regarding the career opportunity in agriculture should be imparted to them. So that there would be many aspirants to take the agriculture as their career.
- j. **Unresponsive Government Policies:** That policy facilitates doing things in a desired and more effective manner. Despite of various Government for Micro Small and Medium policies Enterprises Development (MSMED) Act, 2006. However, there has so far not been any separate policy for agri-business in the country and in the absence of specific policy; the desired development of agri-business sector has been hampered.

- k. Inefficiency of government bureaucrats in implementing the schemes: The schemes are not implemented by the bureaucrats efficiently and effectively. The benefits of the schemes do not reach to the needy people.

## 9. CONCLUSION

The present situation prevailing in the economy gives lot of scope for Agripreneurship in our country like easy access to technology, emergence of micro financing, liberalized Government rules, enhancing the potentiality for Agripreneurship in India etc. Many agricultural and allied activities can be adopted as new opportunity in the market in an innovative manner. Agripreneurs can use these precision and innovative techniques to increase the income of agricultural produce. Agripreneurship has got power to generate growth, diversifying income, providing widespread employment and entrepreneurial opportunities in rural areas. The potentiality of the country can be tapped only by implementing effective management of agri elements such as soil, seed, water, market needs & other requirements. The situation prevailing in the economy due to the pandemic, the country has huge scope in the development of entrepreneurial skills for the farmers which will help to boost the economy. It will increase the exports provided the quality of the products is maintained which is demanded by the consumers.

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