

Abundance of Entrepreneurial opportunities in Agriculture : A Review

P Shrivastava and Anupama Verma

Department of Agricultural Extension, JNKVV, Jabalpur

ABSTRACT

Entrepreneurship involves seeking and exploiting opportunities available for the benefit of the society. The changing agro-economic conditions in our country have offered a prospective context for developing entrepreneurship in agri-business in the country. The World Trade Organization (WTO) agreements have opened new vistas for agricultural development and diversification and, in turn, agri-business in the member countries including India. Agriculture sector provides food for 1.3 billion people in India as well as supports over 60 percent of the population for their livelihood and plays a crucial role in sustainable growth of the country's economy. Traditionally, agriculture has been seen as a low-tech industry with limited dynamics, largely controlled by a huge number of small families, which over the years paid attention to improving crop yield rather than looking at it as money making module. As such, increasing opportunities have emerged for developing entrepreneurship in agri-business sector especially agriculture, horticulture, floriculture, sericulture, animal husbandry and veterinary, fishery, etc. India is second largest producer of agriculture products in the world. Sector wise Indian GDP composition in 2014 was: Agriculture (17.9%), Industry (24.2%), and Service (57.9%). Agripreneurship is the solution to many economic problems like urbanization, poverty, unemployment and economic development. Agri-entrepreneurs need to be innovative, curious, determined, persistent, visionary, hard working, honest, risk takers, being proactive in identifying opportunities for success and have integrity with strong management and organizational skills.

Keywords: *Entrepreneurship, Agriculture and agripreneurship.*

With a population of 1.27 billion India is the world's second most populous country. It is the seventh largest country in the world with an area of 3.288 million sq kms. It has a long coastline of over 7,500 kms. India is a diverse country where over 22 major languages and 415 dialects are spoken. With the highest mountain range in the world, the Himalayas to its North, the Thar desert to its West, the Gangetic delta to its East and the Deccan Plateau in the South, the country is home to vast agro-ecological diversity. India is the world's largest producer of milk, pulses and jute, and ranks as the second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruit

and cotton. It is also one of the leading producers of spices, fish, poultry, livestock and plantation crops. Worth \$ 2.1 trillion, India is the world's third largest economy after the US and China.

India's climate varies from humid and dry tropical in the south to temperate alpine in the northern reaches and has a great diversity of ecosystems. Four out of the 34 global biodiversity hotspots and 15 WWF global 200 eco-regions fall fully or partly within India. Having only 2.4 percent of the world's land area, India harbours around eight percent of all recorded species, including over 45,000 plant and 91,000 animal species.

However, India still has many growing concerns. As the Indian economy has diversified and grown, agriculture's contribution to GDP has steadily declined from 1951 to 2011. While achieving food sufficiency in production, India still accounts for a quarter of the world's hungry people and home to over 190 million undernourished people. Incidence of poverty is now pegged at nearly 30 percent. As per the Global Nutrition Report (2016), India ranks 114th out of 132 countries on under-5 stunting and 120th out of 130 countries on under-5 wasting and 170th out of 185 countries on prevalence of anaemia. Anaemia continues to affect 50 percent of women including pregnant women and 60 percent of children in the country.

Agripreneurship refers to entrepreneurship in agriculture. Entrepreneurship is a concept that encompasses transforming an idea or vision into a "new business or new venture creation, or the expansion of an existing business, by an individual, a team of individuals, or an established business" (Reynolds *et al.* 1999, cited by Global Entrepreneurship Monitor). But entrepreneurship, as opposed to self-employment, is also defined by the *spirit* of the entrepreneurs. Entrepreneurs are usually creative, take opportunities and accept risks, and can quickly change business strategies to adapt to changing environments. They are often innovators (Kahan, 2012). While usually being innovative and creative, farmers often lack experiences, access to services, people, or markets, and skills to have realistic chances to succeed as entrepreneurs (Wongtschowski *et al.* 2013). In addition, agripreneurs are influenced by external, systemic factors, such as economic and social barriers, policies, and regulations (Kahan 2012). While these constraints affect all farmers and especially all smallholders, women and youth are particularly affected.

Rural advisory services play a crucial role in supporting farmers to become successful agripreneurs. They provide important information and access to people, markets, and financial services and train the farmers in the required managerial and other functional skills. Rural advisory services can also influence policies and regulations to create an agripreneurship-friendly environment, reduce barriers, or change prevailing values in societies.

RESULTS AND DISCUSSION

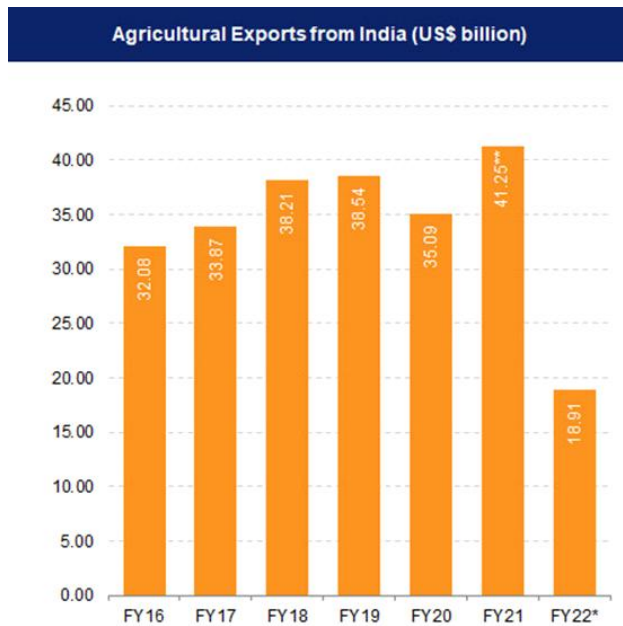
The Economic Survey of India 2020-21 report stated that in FY20, the total food grain production in the country was recorded at 296.65 million tonnes—up by 11.44 million tonnes compared with 285.21 million tonnes in FY19. The government has set a target to buy 42.74 million tonnes from the central pool in FY21; this is 10% more than the quantity purchased in FY20. For FY22, the government has set a record target for farmers to raise food grain production by 2% with 307.31 million tonnes of food grains. In FY21, production was recorded at 303.34 million tonnes against a target of 301 million tonnes.

Production of horticulture crops in India reached a record 331.05 million metric tonnes (MMT) in 2020–21 (as per 3rd advance estimate), an increase of 10.5 million metric tonnes over FY20. India has the largest livestock population of around 535.78 million, which translates to around 31% of the world population. Milk production in the country is expected to increase to 208 MT in FY21 from 198 MT in FY20, registering a growth of 10% y-o-y. Area under horticulture is projected to rise by 2.7% in FY21.

Sugar production in India reached 26.46 MT between October 2019 and May 2020 sugar season according to Indian Sugar Mills Association (ISMA). India is among the 15 leading exporters of agricultural products in the world. Agricultural export from India

reached US\$ 38.54 billion in FY19 and US\$ 35.09 billion in FY20.

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. The private sector's share in seed production increased from 57.28% in 2017 to 64.46% in FY21. India is the world's second-largest producer of rice, wheat, sugarcane, cotton, groundnuts and fruits & vegetables. It also produced 25% of the world's pulses, as of last decade, until 2019.



*In FY22 (until December 2021)

The organic food segment in India is expected to grow at a CAGR of 10% during 2015--25 and is estimated to reach Rs. 75,000 crore (US\$ 10.73 billion) by 2025 from Rs. 2,700 crore (US\$ 386.32 million) in 2015. The processed food market in India is expected to grow to Rs. 3,451,352.5 crore (US\$ 470 billion) by 2025, from Rs. 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.

Traditionally, agriculture is seen as a low-tech industry with limited dynamics dominated by numerous

small family firms which are mostly focused on doing things better rather than doing new things. Over the last decade, this situation has changed dramatically due to economic liberalization, a reduced protection of agricultural markets, and a fast changing, more critical, society. 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. These changes have cleared the way for new entrants, innovation, and portfolio entrepreneurship. It is recognized by politicians, practitioners as well as scientists that farmers and growers increasingly require entrepreneurship, besides sound management and craftsmanship, to be sustainable in the future.

Agripreneurship is generally sustainable and community-oriented. Sustainable agriculture denotes a holistic, systems-oriented approach to farming that focuses on the interrelationships of social, economic, and environmental processes. One in every two Indians relies on agriculture for livelihood. Agricultural landscape has changed drastically, since this intervention, will become a second green revolution, is going to need an entirely new approach and an entirely new set of technology. There was a period when the productivity of global agriculture increased drastically as a result of new advance. We believe entrepreneurs are the key drivers of tomorrow innovations and integral to create a thriving economy. In agricultural businesses, planning may be even more fundamental because of the inherent ambiguity associated with agricultural production. Large population of India is dependent on agriculture for their source of revenue.

But Indian agriculture is low in productivity with large number of disguised unemployment. Entrepreneurial development is a systematic and a controlled development of a person to an

entrepreneur. The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, providing the desirable knowledge, getting higher the technical, financial, marketing and managerial expertise's, and building the entrepreneurial approach.

Entrepreneurs are those people who exhibit common traits such as single-mindedness, drive, ambition, creative, problem solving, practical, and goal-oriented. An entrepreneur is an individual who recognizes an opportunity or unmet need and takes the risk to pursue it. He needs to develop these abilities, managing productivity and seeking out new markets. Personal qualities of an agri-entrepreneur significantly affect the agribusiness. Self criticism, leadership, market orientation and creativity are important for successful entrepreneurship development. Entrepreneurship skills are considered to be those competencies required to accomplish tasks and activities related to the farm business. These can be developed by learning and experience. Experts suggest that in a dynamic environment with fast technical progress, open minded farm entrepreneurs will recognise more problems than they are able to rationally solve. Some authors have categorized entrepreneurial competences in six key areas which includes opportunity recognition skills, relationship building, organizing, strategic competences, conceptual thinking and problem solving skills. Lauweres (2002) studied weaknesses in entrepreneurship and selected seven critical success factors which are management and strategic planning, knowledge of the ecosystem, capable and professional staff, understanding of the value chain perspective, craftsmanship, ability to learn and seek opportunity and enterprising personal characteristics. Thus, management skills are the complete package of skills that a farmer would use in order to develop the farm business. Kallio and Kola (1999) in a study

of farmers in Finland attempted to determine what factors gave farmers competitive advantage over other farmers and suggested that there are seven characteristics of a successful farm and farmer (1) profitable production seemed to be associated with continuous evaluation of production, incomes and expenditures (2) constant development of cognitive and professional skills i.e. Continual Professional Development (CPD) (3) They benefit from a positive work ethic (4) goal-oriented operation, i.e., the ability to set goals, to reach them and to set new ones (5) utilization of recent information that is relevant for the individual farmer's own circumstances and the needs of the farm (6) favourable starting points for the enterprise, meaning good condition of machinery, buildings, land and an appropriate balance between pricing of product and investments in production (7) cooperation with others in the supply chain.

The results of the study conducted by Akrong and Kotu (2022) showed that youth who have a larger number of children are more likely to choose agricultural businesses (agripreneurship) while those who have formal education, who have received training on entrepreneurship, who have registered business, and those who have located in urban areas are more likely to engage in non-agricultural businesses. Within agripreneurship, youth who belong to a larger household are more likely to engage in farming while those who are educated, who have access to credit, and who are located in urban areas are more likely to be engaged in non-farming agri-businesses. The study also revealed that cash crop production among Beninese youth was positively influenced by access to credit. The findings suggest that it would be necessary to promote development programmes that are geared towards enhancing the capacities of the youth with regards to concepts and skills of entrepreneurship in agriculture and measures to

overcome challenges associated with different agribusiness activities.

According to Prashanth (2020), “This is a new decade where we see a digital green revolution.” In the first green revolution, farmers were, in some sense, entrepreneurs but were limited to their field, water supply, and irrigation canals, and so on. In this digital green revolution, the entire supply chain is being addressed, and that is what is getting a lot of investors and entrepreneurs excited about being part of this sector.

But, he said the optimism must be tempered with patience, adding that while there’s going to be a transformation, it will take over a decade for execution considering operational hurdles in India.

Areas of Entrepreneurship Development in Agriculture

1. Agro Produce processing units

These units do not manufacture any new product. They merely process the agricultural products e.g. Rice mills, Dal mills, decorticating mills etc.

2. Agro Produce manufacturing units

These units produce entirely new products based on the agricultural products as the main raw material. e.g. Sugar factories, Bakery, Straw board units etc.

3. 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.

4. Agro service centers

These include the workshops and service centre for repairing and serving the agricultural implement used in agriculture.

5. Miscellaneous areas

Besides the above-mentioned areas, the following areas may prove to be encouraging to establish agri-enterprises such as 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 (Man, Lau & Chan, 2002).

CONCLUSION

An individual with risk bearing capacity and a quest for latest knowledge in agriculture sector can prove to be a right agripreneurs. The agriculture sector has a large potential to contribute to the national income while at the same time providing direct employment and income to the numerically larger and vulnerable section of the society. Agripreneurship is not only an opportunity but also a necessity for improving the production and profitability in agriculture and allied sector. Agripreneurship is solution to many economic problems like urbanization, poverty, unemployment and economic development. Agri-entrepreneurs need to be innovative, curious, determined, persistent, visionary, hard working, honest, taking risks, being proactive in identifying opportunities for success and have integrity with strong management and organizational skills.

LITERATURE CITED

- Akrong R and Kotu B H 2022** Economic analysis of youth participation in agripreneurship in Benin, *Heliyon*, 8 (1).
- Bairwa S L, Lakra K, Kushwaha S, Meena L K. and Kumar P 2014** Agripreneurship Development as a Tool to Upliftment of Agriculture, *International Journal of Scientific*

- and Research Publications, Volume 4, Issue 3.
- Chand K K 2019** Agripreneurship: a tool for economic development of India in the new millennium, ejournal.lucp.net/index.php/ijrtbt/article/view/871/787
- <https://ejournal.lucp.net/index.php/ijrtbt/article/view/871/787>.
- [http://researchjournal.co.in/online/RKE/RKE%2013\(1\)/13_69-72.pdf](http://researchjournal.co.in/online/RKE/RKE%2013(1)/13_69-72.pdf).
- https://www.researchgate.net/publication/275152722_Agripreneurship_Development_as_a_Tool_to_Upliftment_of_Agriculture.
- file:///C:/Users/Prashant/Downloads/www.ijsrp.org_research-paper-0314_ijsrp-p2770.pdf
- <https://www.cta.int/en/youth/all/article/where-passion-is-profitable-why-agripreneurship-is-so-rewarding-sid008cf3bc2-fd0c-4ff9-887a-168d125d8dbe>
- <https://www.sciencedirect.com/science/article/pii/S2405844022000263>
- [https://www.ibef.org/industry/agriculture-india.aspx#:~:text=According % 20to%20 Inc 42% 2C% 20the% 20 Indian, % 2C% 20 groundnuts% 20and% 20 fruits % 20% 26% 20 vegetables.](https://www.ibef.org/industry/agriculture-india.aspx#:~:text=According%20to%20Inc42%2C%20the%20Indian,%2C%20groundnuts%20and%20fruits%20%26%20vegetables.)
- <https://www.fao.org/india/fao-in-india/india-at-a-glance/en/>
- <https://www.g-fras.org/en/agripreneurship.html>

Received on 17.08.2021 and Accepted on 23.12.2021