



Constraints Faced by Agripreneurs in Managing agro based Enterprises and Suggestions to Overcome

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ABSTRACT

“Agriculture is the back bone of India where the agro based industry is considered as an extended arm of agriculture”. A shift from agriculture to agribusiness is an essential pathway to revitalize Indian agriculture. An agripreneur may be defined as entrepreneur who undertakes a variety of activities in agriculture and its allied sectors. The most important constraints faced by agripreneurs in managing agro based enterprises were: Personal Constraints - inadequate risk taking ability, low level of self confidence, Technical constraints - inadequate training on agri – enterprises, inadequate consultancy and counseling services, Economic and Marketing Constraints - poor marketing facilities, stiff competition with other entrepreneurs, Financial Constraints - inadequate working capital, inadequate guidance and financial assistance, high rate of interest, Institutional constraints - poor access to formal credit facilities, poor infrastructural facilities and the suggestions offered by agripreneurs for development of agripreneurship include provision of good marketing facilities and simplifying procedure for obtaining loan.

Key words : Agripreneurs, Constraints, Suggestions.

Agriculture is the back bone of India where the agro based industry is considered as an extended arm of agriculture”. Indian economy is basically agrarian economy. Agriculture and allied sectors are considered to be mainstay of the Indian economy because these are important sources of raw materials for industries and are in demand for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods. Applying the thought and practice of entrepreneurship in the field of agriculture generates wide range of economic benefits.

A shift from agriculture to agribusiness is an essential pathway to revitalize Indian agriculture. Agripreneurship plays various roles in the growth and development of national economy through entrepreneurship development which increases the income level and employment opportunities in rural as well as urban areas. An agripreneur may be defined as any entrepreneur who undertakes a variety of activities in agriculture and its allied sectors. An agripreneur may start an agro business, change a business direction, acquire a business or may be involved in innovatory activity of value addition. Explicitly an agripreneur is a

risk-taker, opportunist, initiator who deals with the uncertain agricultural business environment of the firm. Keeping in view the increasing importance of agripreneurship, an attempt has been made to identify the constraints being faced by agripreneurs in managing agro based enterprises and eliciting suggestions for development of agripreneurship.

MATERIAL AND METHODS

The research was conducted during the year, 2014-15 in Visakhapatnam district of Andhra Pradesh. Ex-post facto research design was followed. Visakhapatnam district was selected purposively as the district stands first in the number of agro based enterprises in the North coastal zone of Andhra Pradesh. The Agro based enterprises existing in the district, registered with DIC and MSME were considered for the purpose of present study. Agripreneurs were selected randomly in proportion to their number from different agro based enterprises, thus making a total of 120 agripreneurs. The constraints being faced by agripreneurs and suggestions offered by them for development of agripreneurship were collected through an open ended interview schedule, which was subjected for statistical analysis and were given ranks accordingly.

Table 1. Constraints being faced by agripreneurs in managing agrobased enterprises.

S.No.	Constraints	Frequency	Percentage	Rank
Personal constraints				
1	Inadequate risk taking ability	46	38.33	I
2	Low level of self confidence	38	31.66	II
3	Inadequate decision making ability	32	26.66	III
4	Inability to spare much time to business	30	25.00	IV
5	Multiple role conflicts	26	21.66	V
6	Inadequate support from Family	26	21.66	V
Technical constraints				
7	Inadequate training on agri – enterprises	112	93.33	I
8	Inadequate consultancy and counseling services	104	86.66	II
9	Inadequate managerial experience	46	38.33	VI
10	Non availability of skilled labour	64	53.33	IV
11	Inadequate organizational guidance and support	71	59.16	III
12	Inadequate knowledge about emerging techniques in enterprise	62	51.66	V
Economic and Marketing constraints				
13	Poor marketing facilities	109	90.83	I
14	Stiff competition with other entrepreneurs	90	75.00	II
15	Inadequate demand for the Produce	69	57.50	IV
16	Inadequate market information	71	59.16	III
Financial constraints				
17	Inadequate working capital	89	74.16	I
18	High rate of interest	85	70.83	II
19	Inadequate guidance and financial assistance	89	74.16	I
20	Non availability of collateral security for getting loans	70	58.33	III
Institutional constraints				
21	Multiple taxation	69	57.50	IV
22	Tedious registration and licensing procedures	62	51.66	III
23	Poor infrastructural facilities	82	68.33	II
24	Poor access to formal credit facilities	89	74.16	I

RESULTS AND DISCUSSION

An attempt was made to find out the constraints perceived by the agripreneurs in managing agrobased enterprises and presented in Table 1.

The Personal Constraints in percentage rank order of their importance include inadequate risk taking ability (I rank), low level of self confidence (II rank), inadequate decision making ability (III rank), inability to spare much time to business (IV rank), multiple role conflicts (V rank) and inadequate support from family (V rank).

Technical Constraints include Inadequate training on agri – enterprises (I rank), inadequate

consultancy and counseling services (II rank), inadequate organizational guidance and support (III rank), non availability of skilled labour (IV rank), inadequate knowledge about emerging techniques in enterprise (V rank), Inadequate managerial experience (VI rank). This is due to the agripreneurs having no training exposure except attending one training programme at the time of establishment of the venture. No awareness programmes also conducted on emerging technologies by supporting institutions in the sample area. Skilled labour was not available due to migration of labour and MGNREGA.

Table 2. Suggestions offered by agripreneurs for development of agripreneurship.

S.No.	Suggestions	Frequency	Percentage	Rank
1	Provision of good marketing facilities	91	75.83	I
2	Simplifying procedure for obtaining loan.	83	69.16	II
3	Provision of timely credit facility	83	69.16	II
4	Organisation of training programmes and regular follow up	76	63.33	IV
5	Organising awareness programmes on different schemes and policies of government and banks	73	60.83	V
6	Increasing subsidy component under different schemes.	70	58.33	VI
7	Setting up of marketing cooperatives	67	55.83	VII
8	Providing fiscal incentives for agripreneurs	59	49.16	VIII
9	Capacity building initiatives of agripreneurs in their specific ventures by the nodal agencies	47	39.16	IX
10	Introducing various concessions and incentives for agripreneurs.	45	37.5	X
11	Establishment of information centres and help desk at local level to help agripreneurs.	41	34.16	XI
12	Wider publicity with regard to agripreneurship as a means of self employment	40	33.33	XII

Economic and Marketing Constraints include poor marketing facilities (I rank), stiff competition with other entrepreneurs (II rank), inadequate market information (III rank), inadequate demand for the Produce (IV rank). The reason for stiff competition among the entrepreneurs is establishment of similar ventures in the same location and lack of value addition to the produce.

Financial Constraints include inadequate working capital (I rank), inadequate guidance and financial assistance (I rank), high rate of interest (II rank), non availability of collateral security for getting loans (III rank). Poor access to finance has been perceived as an important limitation by a considerable number of enterprise owners. Entrepreneurs experiencing acute difficulties in accessing formal credit for working capital purposes, which indicates that banks (and government development schemes) are reluctant to fund working expenditures. Lengthy and bureaucratic banking procedures in the loan approval process are quoted by the agripreneurs.

Institutional Constraints include poor access to formal credit facilities (I rank), poor infrastructural facilities (II rank), tedious registration and licensing procedures (III rank), multiple taxation (IV rank).

These findings are similar to Sarah and Atchuta (2003), Vani (2013).

Based on the constraints the suggestions offered by agripreneurs for development of agripreneurship were collected and presented in Table 2. Suggestions were ranked based on frequency and percentages.

A persual of the Table 2. indicated that, the suggestions given by the respondents for development of agripreneurship in percentage rank order of their importance include provision of good marketing facilities (I rank), simplifying procedure for obtaining loan (II rank), provision of timely credit facility (II rank), organisation of training programmes and regular follow up (IV rank), organising awareness programmes on different schemes and policies of government and banks (V rank), increasing subsidy component under different schemes (VI rank), setting up of marketing cooperatives (VII rank), providing fiscal incentives for agripreneurs (VIII rank), capacity building initiatives of agripreneurs in their specific ventures by the nodal agencies (IX rank), introducing various concessions and incentives for agripreneurs (X rank), establishment of information centres and help desk at local level to help agripreneurs (XI rank),

wider publicity with regard to agripreneurship as a means of self employment (XII rank).

These findings are similar to Dhiman and Rani (2011), Usha (2012).

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