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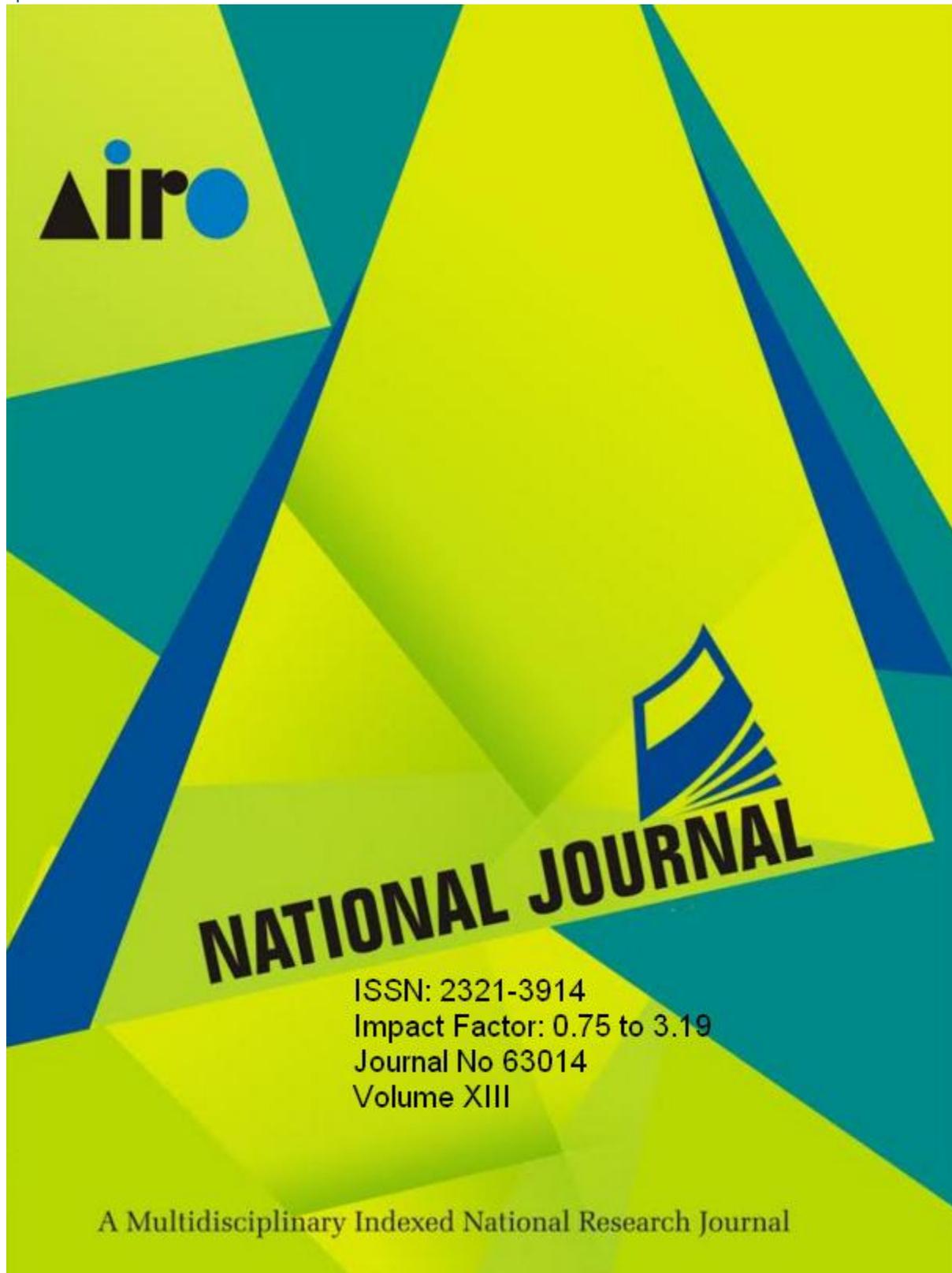
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CONCEPTS OF ENTREPRENEURSHIP IN AGRIBUSINESS IN INDIA

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Abstract:

Intense changes have arisen in global agriculture, yielding a new market reality that is more complex and competitive than before. To confront these changes, Entrepreneurship in Agribusiness works as a Tool to uplift Agriculture sector is necessary. A shift from agriculture to agribusiness is an essential pathway to revitalize Indian agriculture and to make more attractive and profitable venture. Entrepreneurship in Agribusiness has the potential to contribute to a range of social and economic development such as employment generation, income generation, poverty reduction and improvements in nutrition, health and overall food security in the national economy. This paper mainly focused on basic concepts of Entrepreneurship in Agribusiness, entrepreneurship skills, and needs of Entrepreneurship development in India along with major reason for promoting Entrepreneurship in Agribusiness in country. This paper also discussed some marketing strategies for development of agriculture sector and farming business.

Keywords: Agribusiness, Agribusiness Entrepreneurs, Entrepreneurship Skills.

Introduction

Agriculture is the backbone of Indian economy as the economic development of this country is very much relied upon the agricultural activities. Agriculture provides not only food for the nation's population but also provides opportunities for employment generation, saving, contribution to industrial goods market and earning foreign exchange. According to Food and Agriculture Organization world agriculture statistics India is the world's largest producer of many

fresh fruits and vegetables, milk, major spices, select fibrous crops such as jute, staples such as millets and castor oil seed. India is the second largest producer of wheat and rice, the world's major food staples. India is the world's second or third largest producer of several dry fruit, raw materials, agriculture based textile, roots and tuber crops, farmed coconut, pulses, sugarcane and numerous vegetable. India ranked in the world's five largest producers

of over 80% of agricultural produce items, including many cash crops such as coffee and cotton, in 2010. India has lots of opportunities for agribusiness in agriculture sector. Small-scale farmers all over the world have shown are excellence ability to adapt agribusiness. They look for better ways to organize their farms. They try new crops and cultivars, better animals, and alternative technologies to increase productivity, diversify production, and reduce risk and to increase profits. They have become more market oriented and have learned to take calculated risks to open or create new markets for their products. Many small-scale farmers have many of the qualities of an entrepreneur. Agribusiness can be defined as science and practice of activities, with backward and forward linkages, related to production, processing, marketing, trade, and distribution of raw and processed food, feed and fiber, including supply of inputs and services for these activities.

LITERATURE REVIEW

Rajendran and karthikesan (2014) in their study found that in order to avoid isolation of small scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy. Wallace E. Huffman (2010) In developed countries, there have been a wide range of technological advances for agriculture, genetic improvement, usage of chemical fertilizers and pesticides, adoption



of farm equipment and machinery, cultural and management practices. Research in both public and private sectors has been the principal source for new technologies and management. In fact Private sector agricultural R&D expenditures have been growing much faster than public agricultural research expenditures. Adenutsi (2009) concluded that entrepreneurship not only created jobs, generated incomes and reduced poverty, but it is a driver to innovation, redistribution of income, knowledge and technological development. Kaur and Singh, (2009) found that adoption of New Agricultural Technology pushed up the capital requirement of the farm sector manifold as the different components of New Agricultural Technology involve increasing reliance on non-conventional inputs. Kashyap and Raut (2006) in their paper discussed the various challenges typical of the rural environment such as physical distribution, channel management promotion and communication. To overcome these challenges, marketers need to be equipped with technology based system like e-marketing. The “anytime anywhere” advantage of e-marketing leads to efficient price discovery, offers economy of transaction for trading and more transparent and competitive setting.

Objectives of the study:

- 1) To know the basic concepts of Entrepreneurship in Agribusiness.

- 2) To Study the Challenges faced by the Entrepreneur in Agribusiness.
- 3) To understand the need of entrepreneurship skills in Agribusiness.
- 4) Discussed some marketing strategies for development of agriculture sector and farming business.

(1) Basic concepts of Entrepreneurship in Agribusiness

Farmers as entrepreneurs (According to Food and Agriculture Organization of the United Nations)

Farmer-entrepreneurs see their farms as a business. They see their farms as a means of earning profits. They are passionate about their farm business and are willing to take calculated risks to make their farms profitable and their businesses grow.

Agribusinesses process inputs into outputs. An input is a resource used in production. An output is the result of the production process. Agribusiness denotes the collective business activities that cover the supply of agricultural inputs, the production and transformation of agricultural products and their distribution to final consumers. Agribusiness is one of the main generators of employment and income worldwide.

India has Opportunities to do business with Indian Agriculture in Fruit pulp, flowers,

frozen fruits, frozen vegetables, pickled products, Fruits, Vegetables, Food grains, Mushrooms and Medicinal and Aromatic plants etc.

Some other business related to Agriculture:

- Fruit juice-jam-jelly production business
- Tea growing business,
- Spice processing industry
- Flour milling business
- Processed cashew nut processing business
- Soya beans processing business
- Ground nut processing business
- Medicinal herbs Business
- Basket and broom production Business
- Commercial dairy farming
- Soil testing lab
- Agriculture consulting organization
- Potato powder processing business
- Export Business of Fruits and Food Grains
- Nurseries
- Seeds business

- Grain Market
- E-Agriculture

(2) Challenges faced by the Entrepreneur in Agribusiness

- a) **Lack of market information:** Generally, in rural areas there is unavailability of proper infrastructure. Many villages are still out of the reach of Information and Communication Technology. Due to this, farmers are unaware of the present and future prices of their produces prevailing in big markets. Thus, they have to accept any price for their produce offered by middlemen.
- b) **Poor Handling, Packing, Packaging, and Processing Facilities:** Lack of proper instruments for handling and processing and lack of scientific techniques for packaging of agricultural produce result in heavy wastage and loss to the farmers. Poor handling and packaging expose the product to substantial physical damage and quality deterioration
- c) **Marketing problems and competition:** Agribusiness entrepreneurs face severe competition from large sized organizations and urban entrepreneurs. Major problems faced by marketers are the problem of



- standardization and competition from large scale units.
- d) **Lack of funds:** Lack of finance available to rural Agribusiness entrepreneurs is one of the biggest problems. Major difficulties faced by rural entrepreneurs includes low level of purchasing power of rural consumer so sales volume is insufficient, lack of finance to start business, reduced profits due to competition, pricing of goods and services. Major sources of finance in rural areas are loans from regional rural banks or from zamindars but their rate of interest are usually very high.
- e) **Lack of infrastructure:** The growth of rural Agribusiness entrepreneurs is not very healthy in spite of efforts made by government due to lack of proper and adequate infrastructural facilities.
- f) **Lack of technological dissemination:** Information technology is not very common in rural areas. Entrepreneurs rely on internal linkages that encourage the flow of goods, services, information and ideas.
- g) **Legal formalities and regulations:** Rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance in farmers.

h) **Availability of resources:**

Procurement of raw materials is really a tough task for rural entrepreneur. They may end up with poor quality raw materials, may also face the problem of storage and warehousing.

i) **Lack of technical knowledge:**

Agribusiness entrepreneurs suffer a severe problem of lack of technical knowledge. Lack of training facilities and extension services create a hurdle in the development of entrepreneurship in Agribusiness.

j) **Quality Control:** Another important

problem is growth of Agribusiness entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools, techniques and equipment, lack of quality materials.

k) **Low skill level among farmers:**

Most of the entrepreneurs of Agribusiness are unable to find workers with high skills. Turnover rates are also high. They have to be provided with on the job training and their training is generally a serious problem for entrepreneur as they are uneducated and they have to be taught in local language which they understand easily.

(3) Need of entrepreneurship skills in Agribusiness

Entrepreneurial farmers need self motivation, perseverance and confidence with an ability to plan and organize the farm business. These qualities enable entrepreneurial farmers to seek-out business opportunities, conceptualize and initiate new business ideas and guide the farm business to accomplish the goals set. Entrepreneurial Farmers need knowledge in each of the key areas of Agribusiness management: planning, implementing and controlling. They also need information about primary production, harvesting, processing, wholesaling and retailing and about input supply, financial services, and transport, packaging, promotion and advisory services.

Entrepreneurship skills in Agribusiness

1. **Professional Skills:** Its includes Plant and animal production skills and Technical skills
2. **Opportunity Skills:** Its includes Recognizing the business opportunities, Market and customer orientation, Awareness of threats, Innovation skills and Risk management skills
3. **Management Skills:** Its includes Financial management Skills, Human resource management skills, Customer management skills and General planning skills
4. **Strategic skills:** Its includes Skills to receive and make use of feedback, Reflection skills, Monitoring and evaluation skills, Conceptual skills,

Goal setting skills, Strategic decision making skills, Strategic planning skills and Goal setting skills

5. Cooperation and networking skill: Skill relating to cooperating with other farmers and companies

6. Marketing Skills

(4) Marketing strategies for development of agriculture sector and farming business.

E-Commerce strategies

E-Agriculture involves the conceptualization, design, development, evaluation and application of innovative ways to use information and communication technologies (IT) in the rural domain, with a primary focus on agriculture.

Organic Farming

Organic farming is a product strategy -- it defines the type of product you are selling. Farmers select organic farming for several reasons. They may believe in the concept of organic foods and are willing to put in the work involved to achieve and maintain organic standards. In addition, consumers have demonstrated a willingness to pay more for organic food, which leads to a larger profit margin than conventionally farmed food, even if you have less land.

Farmers' Markets

Selling at a farmer's market is a distribution and sales strategy that is ideal if you are a

small or medium-sized agricultural producer. It can also be a stepping stone to larger markets if you want to grow, but with the popularity of these markets, many farmers sell at a different market every weekend within a reasonable distance from their farms. It allows you to sell several types of produce, provide recipes and offer taste samples. Another benefit is that market operators or local communities handle much of the promotion, saving you time and money.

Food Hubs

A food hub is a cooperative effort among farmers in a certain region. Using this model, you address your pricing, selling and promotion marketing strategies. The hub manager handles the logistics of selling to the consumer or commercial customer, and gives you -- the grower -- a commitment to purchase a certain amount of your product. This marketing strategy allows smaller agricultural businesses to share and minimize risk, while also allowing them to compete as a group with large food wholesalers

More investment in Market Research and Surveys:

To make the agricultural marketing more effective it is required to conduct marketing research in the field of agriculture on regular basis. This involves huge amount to conduct marketing research to get the real and effective solutions for agricultural problems. For this, the government should allocate sufficient amount for marketing research and survey.

Market intelligence: It is a process of giving farmers insights into what might happen in the near future. This process requires that to go from market data to information and then to market intelligence. Market information and intelligence are crucial to enable farmers and traders to make informed decisions about what to grow, when to harvest, where to market to produce and whether to store it or not. Marketing intelligence helps in becoming more competitive by improving strategic decisions and this leads to better performance against competitors.

Establishment of finance cells: The financial institutions and banks which provide finances to entrepreneurs must create special cells for providing easy finance to Agribusiness entrepreneurs.

Offering training facilities: Training is essential for the development of entrepreneurs. It enables the Agribusiness entrepreneurs to undertake the venture successfully as it imparts required skills to run the enterprise.

CONCLUSION

Agribusiness is very important to sustain the livelihood of millions of farmers in India. It could be noted that India has a vast scope for agribusiness and also a large number of opportunities for doing agribusiness. Entrepreneurship in Agribusiness as a tool to strengthen of agriculture in India and it is helpful to generate employment in India.

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