

## An Overview of Agri-Entrepreneurship Development in India

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### Abstract:

Agriculture plays a predominant role in India as for about 58% of the total population is dependent on agriculture for their livelihood. And India being second largest populous country in the world, the demand for food grains is exponentially increasing and hence there is a great demand for agricultural inputs and allied services like warehousing and storage and many more. This development has been able to give solution to many of the traditional farmer problems like poverty, unemployment, and migration etc through the emergence of agri-entrepreneurship. Agri-entrepreneurship or agri-preneurship is adopting the skills, technology, innovative ideas in the field of agriculture by efficient and effective utilisation of resources in order to optimise the profits of farming business by engaging in agri-entrepreneurial activities. Developing agri-enterprises and transforming larger mass of the farmers into agri-entrepreneurs is going to bring phenomenal changes in our economy through sustainable development and growth.

**Key Words:** *Agriculture, Agri-entrepreneurship, Innovation, Sustainable Development*

### 1. Introduction:

An entrepreneur is a person being innovative, challenging, passionate, result-oriented and having risk bearing capacity has brought radical changes in the field of education, entertainment, media and business sector as a whole. The application of entrepreneurial skills are much demanded in the agricultural field as well in order to cater to the growing demand for agricultural produce like grains, spices, commercial crops our country and the world at large. The application of various entrepreneurial skills and implementation of innovative ideas to the field of agriculture is emerged as Agri-entrepreneurship.

Majority of the farmers in India lack access to production support, including high-quality inputs like quality seeds, fertilisers, chemicals, irrigation technology, advisory services, equipment rentals, crop health, yield data, and weather forecasts. A number of agri start-ups have created a better channel to provide the inputs to

the farmers at various levels with low-costs. For example Agrostar is a mobile app provides a farmer call centre where the customer get the weather details, production related information, agriculture technology etc.

### **Objectives of the study:**

The present study is being taken to understand the emergence of Agri-Entrepreneurship in India with an insight to understand the prospective opportunities available in agricultural produce and understand gap between the present penetration and prospectus available for agri-preneurs

### **Methodology of the study:**

The present study is a conceptual study which is based on secondary data and also little understanding by the authors about the farmers and their lacking in technology through close observation and interaction with the informally is also been incorporated in the present study.

### **Limitations of the study:**

Agri-entrepreneurship is an emerging area for a farmer with entrepreneurial orientations to the field of agriculture, the literature is very limited in the Indian perspective. All the inferences, conclusions are based on such limitedness that may limit the scope which could be considered as a research gap of the future study.

## **2. Review of Literature**

As Agri-entrepreneurship is an emerging concept, to understand the previous contributions in connection with the present study the following work has been reviewed to get some inputs.

**Nagalakshmi et.al (2013)**, in their paper have made an attempt to study the growth of agri-entrepreneurs. The demand for food grains is increasing and production of agricultural produce is so promising for the agri-processing industry in the post-independence period. With an increase in urbanisation, many of farmers are converting their agricultural land to commercial and as a result there is a scarcity in the agricultural land which has ignited many of the farmers to implement innovation in the agricultural field. Majority of the agriculturalists have been able produce commercial crops with the government financial assistance and are able to sell their produce through better marketing technology.

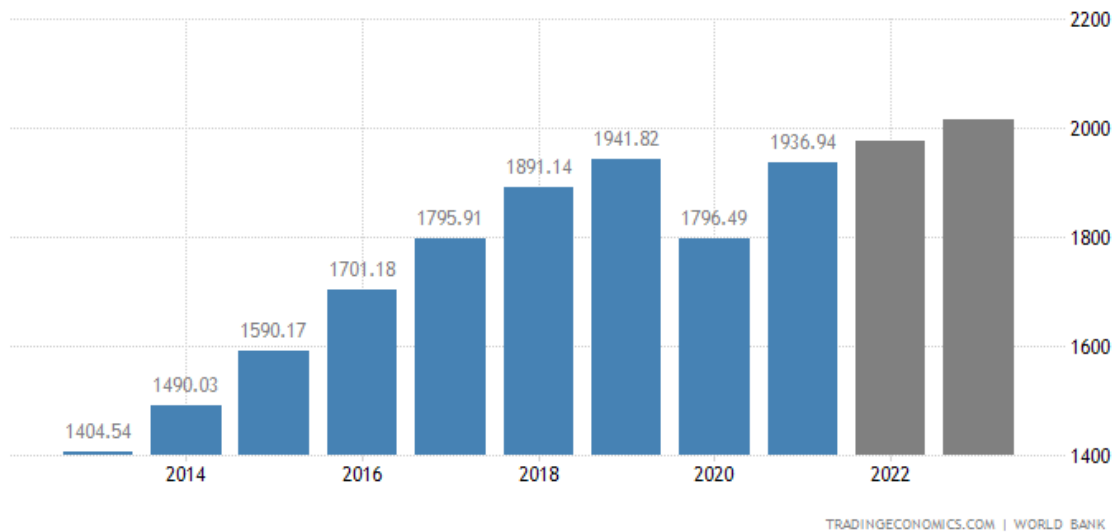
**Bairwa et.al (2014)**, have tried to understand the development of agripreneurs which is very vital in the present scenario as the agri-preneurship promotes economic development by taking up several agri-based activities and they are also of opinion that the agri-industry will not only increase agricultural produce and also adds nutrition by adding modern production technology, creates employment, diversifying the imbalances in the income and overall economic development. Development of Agri clinics and Agri Business Centres under the assistance and support of the government and through private participation has geared up the speed of growth in agri-entrepreneurship.

**Rakesh et.al (2018)** in their study, have tried to critically examine the contribution of agricultural enterprises towards the economic development. They opine that agri-entrepreneurship is becoming highly important in finding the solution to many of the social problems like unemployment, mobility of rural towards urban areas leaving behind the agricultural land and hence it should be nurtured to meet growing demand in this field.

**Shivacharan et.al (2017)**, have tried to study the characteristics profile of the young rural entrepreneurs in order to understand the entrepreneurial skills present in the youngsters by selecting a random sample of 120 respondents. As per their study majority of the respondents are graduates and having little interest to involve in entrepreneurial activities, and they have very poor knowledge about the growing demand for agri-based products. And also they get poor support from the family, most of the respondents are not highly keen about getting the information.

### **Growth of Agri-produce in India:**

As there is an ever-increasing demand for the food grains and agri-based processing industries there is a consistence in the contribution of said field towards the gross domestic product and relatively per capita income of our country which could be traced from the below graph which is very much clear that per capita income is exhibiting an increasing trend except in the year 2020 due to covid-19 pandemic. It is signalling that there is an ever-increasing demand from food grains and other agricultural products in India.



**Prospective areas of development for Agri-preneurs:** There are ample opportunities for agri-preneurs to grow contrary to the traditional belief. Some of them are Herbal Processing unit, Honey agri-business, Plant Clinics, Crop Insurance Services, Mushroom Cultivation, Landscaping and Nursery, Agri-business hubs, Herbal based mineral water, Micro-irrigation, Food Processing, Animal Feed Unit, Bio-fertilizers production units, Contract Farming, Dairy, Horticulture, Floriculture, Poultry etc.,

### Invest India Initiatives to promote and support Agri-entrepreneurship

In order to motivate agri-entrepreneurship, government is ready to extend hand-hold support under Invest India program for the budding and emerging agri-preneures to come-up with solutions and models for the various problems which are detrimental for the growth of agri-preneurs in the following aspects.

- To develop an e-market place to link between food processing industries with agri-preneurs/farmers.
- To forecasts prices for pulses, oilseeds, onion and other crops at the time sowing.
- To minimise the risks of farming by providing handful information at the time
- To estimate the yield at farm level and village level
- Use of technology in sorting/grading/ increasing the shelf life of agricultural produce
- Technology to test adulteration of fresh produce

- To manage small agricultural implement micronutrients/ certified quality seeds digitally
- How can we discourage farmers from burning paddy straw and provide alternate uses for the same especially in Haryana and Punjab
- Substitution of technology for pesticides and insecticides to prevent pre and post harvesting problems
- How to use technology to enhance agricultural productivity in India
- Develop a sensor-based quick testing methods to test nutrients and micro-nutrients of soil.

The Paramparagat Krishi Vikas Yojana (PKVY), launched in 2015, is an extended component of Soil Health Management (SHM) under the Centrally Sponsored Scheme (CSS), National Mission on Sustainable Agriculture (NMSA)<sup>1</sup>. PKVY aims at supporting and promoting organic farming, in turn resulting in improvement of soil health. The scheme promotes Participatory Guarantee System (PGS) For India (PGS- India)<sup>2</sup> form of organic certification that is built on mutual trust, locally relevant and mandates the involvement of producers and consumers in the process of certification. PGS – India operates outside the framework of “Third Party Certification<sup>3</sup>”. Funding pattern under the scheme is in the ratio of 60:40 by the Central and State Governments respectively. In case of North Eastern and Himalayan States, Central Assistance is provided in the ratio of 90:10 (Centre: State) and for Union Territories, the assistance is 100%. The Scheme targets to form 10,000 clusters of 20 ha each and bring nearly two lakh hectares of agricultural area under organic farming by 2017-18.

### **Government Initiatives to promote and enhance Agricultural output:**

Some of the recent major initiatives by the government in the sector are as follows:

- The Agriculture Export Policy, 2018 was approved by GoI in December 2018 which aims to increase India's agricultural exports to US\$ 60 billion by 2022.
- The Government of India announced Rs 15,053 crore procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and private partnership to ensure fair prices for farmers in the country.
- The Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore assistance package for the sugar industry in India.
- To enable cooperative digital technology GoI going to provide Rs 2,000 crore for computerisation of Primary Agricultural Credit Society (PACS).

- With an aim to boost innovation and entrepreneurship in agriculture, the GoI is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore aimed at development of irrigation sources for providing a permanent solution from drought.
- The GoI plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crores investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

### **Challenges of Agri-Entrepreneurs:**

- Drop in the landholding proportion versus a growing population due to urbanisation
- Drop in the groundwater levels
- Poor quality of seeds
- Lack of mechanisation.
- Not well established and organised marketing structure for agricultural produce
- Malpractices and price manipulation in the existing unorganised agricultural markets by middlemen or brokers
- Inadequate infrastructure for transportation and storage of the perishable items like fruits and vegetables
- Shortage of credit,
- Access to superior technology is very narrow.

## Conclusion:

India being a developing country, marching ahead towards the developed country status at a consistent and faster growth rate along with catalytic changes in the field of agriculture through agri-entrepreneurship. Combining the entrepreneurial skills and innovative go in the agricultural field, many of the prospective opportunities are being widened along with the support and financial assistance by the government. Penetrating this area to the last farmer of country would definitely accelerate growth.

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