

Agripreneurship Development : Breaking the Ice?

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Abstract

Agriculture is the world's largest sector and employs billions of people. It accounts for 3% of the global GDP. It offers a plethora of opportunities along the entire value chain. In nations in Asia and Africa, where industrialization is still in its infancy, agriculture is a predominant means of livelihood for the people. Globally, the current scenario is highly volatile due to various reasons like literacy, economic liberalization, better means of conveyance, and deregulation of agricultural markets. As such, the mainstream occupation of agriculture cannot fetch profitable returns unless it is synergized with entrepreneurship. Also, farmers of developing economies shirk away from adopting entrepreneurship as a means of improving their standard of living, thereby, reflecting a risk-averse behavior, which is one of the major impediments to agripreneurship development. Against this backdrop, the present paper highlights the status of agripreneurship development with respect to several initiatives undertaken by the Government of India.

Keywords : Agriculture, agripreneur, agripreneurship development, government schemes

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Dabson and Markley (2010) defined an agripreneur as *an entrepreneur whose main business is agriculture or agriculture-related*. Consequently, agripreneurship offers several options within the value chain such as cooking, processing, packaging, logistics etc. With an inherent trait of risk taking, agripreneurs have the tendency to exploit whatever opportunity falls into their lap. Furthermore, they are optimistic about the prospects of venturing into new areas and work consistently towards their targets. This attribute is however lacking in traditional farmers who are comfortable in their own skin and hence, are averse to anything perceived risky. Agriculture accounts for 3% of the global GDP (OECD & FAO, 2016).

The significance of agripreneurship lies in the fact that it offers sustainability to farmers in the long run through various channels of diversification such as food processing, mixed cropping, and agri-tourism. Various scholars have suggested the term 'diversification' for farmers who drift away from mainstream activities, and focus on activities which would foster growth (McElwee & Robson, 2005). The diversification may be perceived as on-farm and off-farm. The former primarily refers to farm based activities such as production of additional crops along with existing ones for an additional income. The off farm diversification strategy implies diversifying to new business ventures other than that of farming. Agripreneurship also aids in rural development. It escalates the growth and economy of the nation, besides the surplus positives such as self-employment, job opportunities, food security, and poverty alleviation.

However, it also poses some notable challenges especially for the emerging economies. These challenges are primarily associated with information, security, infrastructure, skills, and resources such as poor networking skills, lack of funds and entrepreneurial support, inefficient infrastructure, and inadequate mentorship programmes to mention a few. The role of agripreneurship development is therefore, undisputable in addressing these challenges. Agripreneurship development is aided through government initiated schemes and capacity building programmes with a vision to train as many people as possible with potential agripreneurial traits.

Entrepreneurial Setup in India

(1) Entrepreneurship Development Institute of India (EDII) : Entrepreneurship Development programmes were

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initiated in 1968 with a vision to empower people who had a zeal, and potential to do something new. The programme was designed to plant the saplings of entrepreneurship throughout the nation. The training module offered by the Entrepreneurship Development Institutes of India (EDII) embeds a three step protocol, that is, *selection, training, and follow-up*. Selection of aspiring entrepreneurs is based on the entrepreneurial orientation score of individuals, particularly, parameters such as the need for achievement, risk taking, positive self image, problem solving, and self-independence are considered for screening out a chunk of population that does not display these qualities. The training module is based on the requirements varying from individual to individual. In plant training, field visit, and various other support drives are necessitated for aspiring entrepreneurs. The follow up stage falls in the end, encouraging the implementation of business ideas, the standard time for the training being six weeks.

Since, it has been observed that 60% of the trainees do establish their own ventures after acquiring the skill-set from EDIIs, it can be safely concluded that EDIIs play a pertinent role in Entrepreneurship Development in India.

(2) Schemes for Agripreneurship Development : Scant research has been done in the purview of agripreneurship development when developing economies are to be considered. However, opposite is the case in developed nations where research projects are being undertaken by the government itself for the empowerment of farmers. One of the reasons of this deviation is that large land holdings of farmers in developed nations hold excellent business prospects. However, it had remained long 'an unstated need' that the government schemes must cater to the agripreneurial spirit of the youth. In this regard, the Government of India initiated several entrepreneurship development schemes in the agriculture sector. One such scheme is Agriclincs and Agribusiness Centers Scheme. (AC & ABC). This scheme is implemented by MANAGE in collaboration with National Bank for Agriculture and Rural Development (NABARD). Besides imparting training to potential agripreneurs, it aids them in establishing a venture, that is, from the inception of the idea till the execution (State Level Bankers' Committee, Tamil Nadu, n.a.). Similarly, National Academy of Agricultural Research Management (NAARM), an extension wing of ICAR fosters innovative practices in agriculture through its centre for agri-innovation. The center provides incubation support services to agri-entrepreneurs and aids in developing their businesses.

Another scheme which is also known as *Attracting and Retaining Youth in Agriculture (ARYA)* of Indian Council of Agricultural Research (ICAR) was formulated so that the rural youth may embrace agripreneurial activities for better income. It also encourages youth to adopt resource and capital intensive activities like processing, value addition, and marketing in addition to introducing them to entrepreneurial campaigning. Yojana, another initiative of ICAR aims to strengthen students with skills that are needed to compete globally and make them capable of getting and giving jobs. Likewise, numerous schemes have been launched by the government since 2015, fostering the growth of entrepreneurship in the agriculture sector.

(3) Rural Advisory Services : Rural advisory services lend valuable support to farmers through different training programmes. Rural advisory services act as corridors to technical knowledge besides imparting knowhow on market linkages to farmers. It is presupposed that the Rural Advisory Services needs to work with a diverse range of rural actors such as producers, processors, traders, men and women of varying needs and roles in order to operate effectively (Ferris, Chander, & Ernst, 2017). However, their ability to network agripreneurs, financial services, and middlemen in the value chain is limited. It is believed that with the revamp of rural advisory services, a plausible contribution to agripreneurship development can be made.

With the dawn of such novel drives, the extension services are now recognizing the importance of interlinked facets of agripreneurship, for instance, marketing support, business, and management. The extension services extend a helping hand to thousands of farmers.

Entrepreneurship and agriculture is therefore, a combination which can change one's perception about agriculture.

Exclusive Schemes for Agripreneurs

Aspiring agripreneurs can benefit from several schemes which focus on different facets of agripreneurship. These schemes not only empower farmers to seek financial help in establishing, running, and operating an enterprise but

also assist them in business plan preparation, technology transfer, and various developmental aids. Various government sponsored schemes for assisting agripreneurs are given as follows (State Level Bankers' Committee, Tamil Nadu, n.a.):

(1) Dairy Entrepreneurship Development Scheme : The scheme was launched by the Department of Animal Husbandry, Dairying and Fisheries in the year 2005-06. The primary motive was to provide assistance to farmers in establishing small dairy farms, and to bring structural changes in the dairy sector. The scheme has witnessed several changes in due course of time including a name change from 'Venture Capital Scheme for Dairy and Poultry' to 'Dairy Entrepreneurship Development Scheme'. The revised scheme came into effect from September 1, 2010. The scheme benefits farmers, individual entrepreneurs, NGOs, companies, organized, and unorganized sectors etc. The objectives of this scheme is to primarily assist farmers in setting up of modern dairy farms, encourage good breeding stock such as heifer calf rearing, upgrade the traditional technology for commercial sale of milk, generate self employment, and bring structural changes in the unorganized sector.

(2) Capital Investment Subsidy Scheme : The scheme lays emphasis on the production of organic/biological inputs through infrastructure development. The scheme though implemented by the department of Agriculture, Cooperations and Farmers Welfare is run by National Center for Organic Farming in collaboration with NABARD. It was implemented in 2004-05. The objectives of the scheme are pivoted around the satisfactory supply of organic inputs such as bio fertilizers and bio pesticides to agripreneurs, enhancement of agricultural productivity, conversion of organic waste into plant nutrient resources, and abatement of environmental pollution. The objectives of this scheme are to provide full-fledged support to agripreneurs through the development of agriculture, self-employment opportunities, and extension support.

(3) Agrilinic and Agribusiness Centres Scheme : The scheme aims at establishing Agribusiness centers and Agrilincs throughout the country.

(4) Agrilincs : The main motive of setting up of Agrilincs is to provide advice to farmers on various aspects of agriculture like productivity, inputs, soil health, insurance, cropping practices, plant protection, prices of various crops, clinical services for animals, feed, and fodder management.

(a) Agribusiness centers : Agribusiness centers are commercial agri-ventures which are established by well-trained agriculture professionals. A few among the various services provided by these centers are dealing with the inputs of agriculture sector, market linkages, post harvest management, equipment leasing, and hire purchase. The scheme has the provision of full financial support for training, loan procurement, and subsidies.

(b) National Livestock Mission : National Livestock Mission is the brainchild of the Ministry of Agriculture and Farmers' Welfare. It was launched in 2014-15. It ensures sustainable development of the livestock sector. It embeds various components such as poultry venture capital fund, pig development, integrated development of small ruminants, and rabbits, salvaging, and rearing of male buffalo calves.

(5) Interest Subvention Scheme : The scheme was announced in 2006-07. This scheme ensures that farmers receive short term credit at 7% interest rate with an upper limit of 3 lakhs on the principal amount. This scheme came into effect with the purpose of providing relief to farmers who are afflicted with natural calamities. The scheme also provides extra benefits to farmers who pay their loans in time.

Discussion and Implications

This paper provides brief insights into Agripreneurship Development in line with the government schemes and

policies. In this context Fölster, (2000) and Kritikos (2014) had rightly said that the existence and survival of the entrepreneurial business relied upon the policies made by the government. Henceforth, in order to foster productivity in a nation, it is a must that the government reviews its policies on entrepreneurship (Mahadea & Pillay, 2008). It is to be further noticed that policy making is rendered ineffective because of a dearth of adequate entrepreneurial skills among farmers and rural youth. Therefore, it is suggested that the Government takes initiatives to reform the existing entrepreneurial support structures such as Rural Advisory Services and Extension Centers, which might serve as 'unbendable backbone' for the rural farmer and agripreneur in decades to follow.

Conclusion

Agripreneurship has greatly lagged behind in several aspects against various pecuniary advancements in recent decades. One of the major reasons for this is restricted entrepreneurial culture in rural areas. The need for entrepreneurial culture in the agriculture sector has been emphasized by Bergevoet, Ondersteijn, Saatkamp, van Woerkum, and Huirne (2004), and McElwee and Bosworth (2010). However, fostering an entrepreneurial culture demands a rigorous capacity development programme which is possible by reviewing and reframing policy measures from time to time. Through agripreneurship, various developments in the business environment can be addressed such as markets, consumer habits, sustainability, strict environmental regulations, concerns over food safety and quality, supply chain integration etc. Hence, the role of policy makers can go a long way in strengthening the economy through promoting agripreneurial activities like direct marketing, processing, and farm tourism.

Limitations and Scope for Further Research

Given the abundance of literature on agripreneurship development, this review does not cover factors related to successful agripreneurship development and various hurdles faced by agripreneurs regardless of the availability of schemes and policies. Further research can focus on bottlenecks in the implementation of agripreneurship related policies besides mapping the entrepreneurial attitude of farmers for suitable institutional support. It is also evident from existing literature that the related challenges can be studied in sector specific and cross-country context in order to arrive at tenable conclusions. Alternatively, there is a dearth of studies on venture creation in different sectors as well, which constitutes a significant research gap in this domain.

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Oshin Gulsia is pursuing Doctorate in Food Business Management from NIFTEM (de-novo Institute under MoFPI). Her doctoral research work constitutes developing an agri-entrepreneurship model for small scale farmers in Haryana. She has attended various conferences, seminars, and workshops in the domain of agripreneurship. She has also presented papers in various conference proceedings.