



AGRIPRENEURSHIP: AN INTEGRAL PART OF RURAL DEVELOPMENT

*** Dr. Santosh Ram Pagare**

Professor, M.Com, SET, GDC&A, Ph.D.

**** Dinesh Ganpat Shelke**

Research Scholar, Research Centre in Commerce Management,

K.J. Somaiya College of Arts, Commerce & Science, Kopargaon, Ahmednagar.

Abstract:

Rural entrepreneurs are vital to India's economic growth. Rural entrepreneurship helps underdeveloped nations develop. Rural entrepreneurship can solve rural poverty in India. Thus, rural development programs must be prioritized. Agriculture is the foundation of the Indian economy, which could support agricultural entrepreneurship, food processing, and other associated businesses. Agriculture contributed more than half of the GDP by 1947, when the nation won independence. The First Five Year Plan prioritized agriculture. In addition, the 1960s Green Revolution methods helped India produce its own food. Since 1991, the New Economic Policy has changed the situation.

Despite accounting for 14% of India's GDP, agriculture employs roughly 2/3 of its workforce. India has 161 million hectares of arable land, but 55 million are inundated. These facts make it clear that agriculture and food security have immense potential. India has had several agricultural and economic successes, including the "green revolution," "white revolution," "blue revolution," and "yellow revolution." As times have changed, we now face new challenges like agriculture's development, "disguised employment" in the sector, rural unemployment, food waste, insecurity, and high food prices, as well as "inclusive growth." India produces as much milk, lentils, and tea as any other nation. It also produces the most rice, wheat, and fruits and vegetables. India has a large agricultural output base, yet much of it is wasted. Traditional supply chains squander 35% of Indian fruits and vegetables. Post-harvest losses in India may exceed Rs. 2.50 lac crore by 2017–2018. The latest incident is West Bengal farmers dumping tomatoes on the roads. Most farmers sell their tomatoes at a loss since they spent eight rupees to produce one kilogram of tomatoes but only received one rupee on the market. Customers pay 12–15 rupees for a kilogram of tomatoes, even if growers lose a lot. Food grains are wasted at 15%, greater than Australia's total production. The entire production of agricultural items and their availability to customers are far apart.

Key words: *Agripreneurship Skills, Management Skills, Farmers and Socio-economic Aspect*

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Introduction:

The term "agripreneur" can be described as an individual who engages in a wide range of activities within the agricultural industry and the industries that are closely

related to it. An agripreneur may be involved in the beginning of an agrobusiness, the alteration of a business's direction, the acquisition of a business, or the participation in an innovative activity that adds value. To



be more specific, an agripreneur is someone who is willing to take risks, is an opportunist, and is an initiate who works with the uncertain agricultural business environment of the company. Entrepreneurs are frequently addressed in relation to the process of beginning a business. Agripreneurs are becoming very successful by conducting business in Agri Export Zones due to the following reasons: the success of the impoverished farmers in agriculture has been unsuccessful.

- The Art of Agripreneurship fosters growth, in contrast to agriculture's selective nature.
- While agriculture may only advance in a certain way, agribusiness is an art form that can create new directions.
- While farming follows a strict chronological order, agribusiness as an art form allows for leaps and bounds.
- When practicing the Art of Agripreneurship, it is not necessary for every step to be perfect, in contrast to agriculture.
- The Art of Agripreneurship is not limited by the rigid classifications and labels used in agriculture.

A farmer who wants to become a successful agripreneur needs to be energetic, interested, determined, persistent, visionary, hardworking, creative, communicative, and possess good management and organizational abilities. Additionally, they need to be able to recognize acceptable marketing possibilities, manage the optimal resources, and be willing to take risks. There are three variables that have a significant impact on agripreneurship in India: the economic climate, the educational system, and the cultural norms. The socio-economic analysis of agripreneurs and traditional farmers in selected districts of Uttar Pradesh in India makes it abundantly clear that if the appropriate environment is established and farmers are provided with adequate infrastructure, technology, and timely availability of credit through financial institutions, it is

possible to increase food production without compromising food security, income, or quality of life for the farmers. Contrary to what most people believe, the abilities that are linked with agribusiness are not always innate; rather, they are something that the farmer can learn through education and training. They need to undergo consistent and appropriate training in order to keep their skills and competencies up to date. These skills and competencies essentially comprise self-initiative, the ability to make sound decisions, problem solving, opportunist seeking, the capacity to concentrate on customer requests, self-confidence, and other similar qualities. Uttar Pradesh is responsible for producing around one third of the total wheat yield in the country. Likewise, around forty percent of the sugar cane was grown in the state of Uttar Pradesh. Planning, executing, and controlling are three of the most important aspects of farm management, and farmers need to have knowledge in all of these related areas. In addition to this, they require information regarding major agricultural processes and practices such as production, harvesting, processing, wholesaling and retailing, financial services, transportation, packaging, promotion, and advice services.

Objectives of the study:

1. Recognizing the obstacles that impede the evolution of entrepreneurial abilities within the Agripreneurship domain.
2. Looking into the agricultural entrepreneurship model of rural growth and how important it is.
3. Coming up with a different way to encourage farmers to become agribusiness owners.

Review of Important and Relevant Literature on the Study:

Considering the contribution previously made to the present area of research, the following works are reviewed to chalk out the borders of the proposed research work.



1. **Sivagami, (2020) Titled: “A study on Empowerment of Rural Entrepreneurs in Agro and Manufacturing Industries with Reference to Krishnagiri District”** The major topic of this research is the hazards faced by business owners. Knowing what consumers want and need is essential for entrepreneurs, but so is a willingness to take chances, to think outside the box, and to find novel approaches to meeting those needs and wants. India is home to many rural communities; the majority of whose residents rely on agriculture for their livelihood. The government is making significant efforts to promote the growth of rural business to ensure that people in rural regions enjoy the same economic growth as those in cities and to prevent people from fleeing rural areas for cities.
 2. **Meenu, (2021) Titled: “An Analytical Study of Factors Affecting Rural Entrepreneurship in Youth for Developing Entrepreneurial Environment in Western Uttar Pradesh”.** This study found that the key to helping young people in rural regions find decent employment is to encourage entrepreneurialism. For rural prosperity, India's development is essential. Young people in western Uttar Pradesh are prepared to take advantage of the region's many commercial opportunities with their innovative and entrepreneurial spirit. The government's support and emphasis on rural enterprise has contributed to its rapid expansion.
 3. **Raju Challagali, Madhu Sudhana, (1993) Titled: “A Study of Agricultural Growth in Rayalaseema Region in Andhra Pradesh”.** This research suggests that Agriculture remains the essential foundation for India's economic growth even after four decades of planned expansion and industrial development. Increased access to irrigation and mid-20th-century advances in Agro-technology including high-yielding-variety seeds, fertilizers, and pesticides have revolutionized India's agricultural sector.
 4. **Pal Chhatra, (2013) Titled: “Role of Food Processing Industry in Agricultural Development of India”** The provision of remunerative pricing to the farmer for their produce and consumers without incurring the additional load of subsidies is the primary emphasis of this study. Increasing the amount of processing and value addition of the raw produce to fulfil the rising demand for processed meals might be one solution to this problem. The Food Processing Industry (FPI) in India is crucial since it connects farmers in the country with customers both at home and abroad. It becomes important to study inter-linkages between the FPI and agriculture sector of the India.
 5. **Matta Richa, (2017) Titled: “Problems and Prospects of Food Processing Industry in Gujarat”** This research suggests that agriculture and industry are crucial to a country's economic growth and development. In a country like India, where so many people still rely on farming for their livelihood, the agricultural and food processing industries take on added significance.
- Research Methodology:**
The research methodology used for the research will be analytical and exploratory based on primary and secondary sources. The books on the topic will be studied thoroughly. The data collected through survey will also be studied. The study used both primary and secondary data sources. The primary data include data collected from various entrepreneurs. Secondary data was collected from internet and online database. The MLA Handbook of Research Methodology will be followed for citation and documentation of resources.
- Discussion:**
❖ **Why India Promoting Agripreneurship**
There are all 15 of the world's major climates in India, from the snow-covered Himalayas to the hot and humid southern peninsula and from the Thar Desert to places that get a lot of rain. The country has 20 agro



climatic areas and almost 46 of the 60 types of soil. India has a lot of different kinds of plants, animals, insects, and microorganisms. It has 17% of the world's animal genetic resources, 12% of its plant genetic resources, and 10% of its fish genetic resources. Some of the crops that have been getting a lot of attention lately are horticulture (fruits, veggies, ornamental plants, medicinal and aromatic plants, and spices), plantation crops (coconut, cashew nuts, and cocoa), and related activities. Unemployment, underemployment, and "hidden" unemployment are all big problems in the country, especially for regular people who live in rural areas. Two-thirds of the Indian population works in agriculture, so creating viable and long-lasting business chances in Indian agribusiness is important for creating jobs in the country.

❖ **Level of Skills in Entrepreneurship**

It is possible to define skills as the most effective and appropriate method of carrying out duties that are associated with the farming company. The abilities can be acquired through training that focuses on delivering the necessary information, experience, and knowledge to establish a foundation for improved decision making. Institutes, EDC cells, and universities are responsible for imparting the skills to farmers through the use of lectures, field work, and demonstrations. Workshops, seminars, and other similar activities are also utilized to do this.

- **Primary Level of Skills:** Basic knowledge of soil, working the land with tools, good communication, building teams, level of skill, confidence, creativity, initiative, need to succeed, willingness to take risks, desire for freedom, and so on.
- **Medium Level of Skills:** Practicing more complex tasks such raising loans, awareness about the inputs or equipment's, establishing the mini farms, use of technology, mobilization of money-investment pattern and price mechanism,

designing the task etc.

- **Enterprise Skills:** Farmers need professional skills (technical and production), management skills (financial and administrative), opportunity skills (spotting and taking advantage of business opportunities), strategic skills (making and evaluating a business plan), and cooperation and networking skills (contacts and networking). People think that the last three skills are the real ones you need to run a business, like an Indian farmer's food preparation unit.

The main goal of the study is to suggest changes that can be made to the social, economic, political, and cultural environment to make it easier for farmers to learn how to be entrepreneurs. Agribusiness men, farmers, academics, and the government have all come to realize over time that the agriculture business needs more people with an entrepreneurial spirit. In order for the farming network to work well, everyone involved needs to work together to help farmers learn how to be entrepreneurs. If you want to help people become more entrepreneurial, you shouldn't forget to teach them about the social and economic surroundings of farming. This is because entrepreneurship is the system of innovation.

❖ **Why India promoting Agripreneurs**

24.2% of the country's GDP comes from agriculture, which also makes up 15.2% of all exports and employs 58.4% of the work force.

- Agriculture is still an important part of India's economy. It makes up 25% of the country's gross domestic product (GDP) and 13% of all foreign earnings.
- About 25% of the total value added to the economy still comes from farming, which is a big chunk. For this reason, agriculture will probably continue to be important for both companies and



policymakers for a while to come. To grow the sector, we need a multifaceted plan.

❖ Challenges Faced by the Agripreneurs in India

1. Insufficient funding:

One of the biggest problems entrepreneurs are having right now, especially because of the global slowdown, is that they can't get the money they need to start their own businesses. Rural consumers don't have a lot of buying power, so businesses don't make as much money as they'd like. Other problems include not having enough money to start a business, losing money because of competition, and setting prices for goods and services. If you live in a rural area, you can get loans from regional country banks or zamindars, but the interest rates are usually very high. The government has many organizations that are supposed to do this, but the results are not what is expected. A number of national level (SFC) organizations help rural business owners. These include the Industrial Finance Corporation of India (IFCI), the Industrial Development Bank of India, the Industrial Credit and Investment Corporation of India (ICICI), and the Small-Scale Industry Development Bank of India (SIDBI). There are also institutions at the state level that are working, such as the State Financial Corporation and the State Industrial Development Corporation (SIDC). These institutions help people start new businesses and also help old businesses get updated and grow, but they have very strict rules about how they can be used.

2. Absence of Infrastructure:

Even though the government is trying to help, the growth of rural entrepreneurs is not very good because they don't have the right infrastructure.

3. Lack of Training and Development Skill:

Agripreneurs may lack access to specialized training programs that enhance their entrepreneurial skills. The absence of tailored courses and

workshops focused on agribusiness management could hinder their ability to navigate challenges effectively.

4. Risk:

Because they don't have as much money or outside help, rural businesses can't take on as many risks.

5. Issues with Marketing and Competition:

Entrepreneurs in rural areas have to deal with tough competition from entrepreneurs in cities and big businesses. There are two big problems that marketers have to deal with: standardization and competition from large scale groups. The trouble is that they can't agree on standards and stick to them.

6. Issues with Management:

- a. **Absence of Technology Adoption:** Information technology is not very common in rural areas. Entrepreneurs rely on internal linkages that encourage the flow of goods, services, information and ideas.
- b. **Regulations and Legal Formalities:** Farmers' lack of literacy and knowledge makes it very hard for rural businesses to follow the many legal requirements needed to get licenses.
- c. **The Availability of Materials:** Rural entrepreneurs really have a hard time getting raw products. They could end up with bad raw materials and have trouble storing and keeping them.
- d. **Insufficient Technological Expertise:** Entrepreneurs in rural areas have a big problem: they don't know enough about technology. Lack of training facilities and extension services makes it hard for rural businesses to grow.
- e. **Control of Quality:** Another big problem with the rise of rural entrepreneurship is that the things people make aren't very good because they don't have access to standard tools, techniques, and equipment or good materials.
- f. **Farmers Low Degree of Skill:** A lot of business



owners in rural places can't find workers with certain skills. There is also a lot of turnovers. Because they haven't gone to school, they need to be taught on the job, which can be hard for entrepreneurs because they need to be taught in a way that they can easily understand.

❖ Solutions to Address These Issues

These issues are being looked into by a number of groups, including IFCI, ICICI, SIDBI, NABARD, and others. Marketing problems have to do with things like price, promoting products, getting them to the right people, and so on.

In order to get country business owners to talk about their plans, the following steps could be taken:

1. Creation of Financial Cells

Financial companies and banks that lend money to business owners need to set up special departments to make it easy for rural business owners to get loans.

2. Concessional Interest Rates:

Entrepreneurs in rural areas should be able to get loans with low interest rates and easy terms for paying them back. It is best not to have too many formalities when giving loans to businesses in rural areas.

3. Interest Rates that are Concessional:

Priority should be given to making sure that businesses in rural areas have access to scarce raw materials. A subsidy could also be given to help rural businesses make their goods more affordable and competitive.

4. Supplying Training Resources

Training is very important for the growth of businesses. It gives businesspeople in rural areas the skills they need to run their businesses, which helps them succeed. Under the Prime Minister's Rozgar Yojna, businesses who aren't doing well financially are currently given this kind of training. (PMRY) Programmed FICCI, non-governmental

organizations (NGOs), Lions Clubs, Rotary Clubs, and other volunteer groups can also set up these kinds of training programs for rural businesses to help them and give them advice.

5. Establishing Co-Operatives for Marketing:

Entrepreneurs in rural areas should be encouraged and helped in the right way to start business cooperatives. These cooperatives will help people get the things they need at fair prices, and they will also help people sell their goods at fair prices. So, middlemen can be cut out, and businesses in rural areas can enjoy the benefits of business.

❖ Creation of a Substitute Model to Encourage Farmer Entrepreneurship

Because of these issues, the agribusiness industry needs tailored financial services that help both the service providers and the people who use them. Here are some possible solutions that need to be looked into and tried in the real world.

1. Novel Financial Instruments:

Weather index-based insurance and micro insurance are two other great ways for small farmers to deal with the risks they face.

2. Combining Non-Financial and Financial Services into one Package:

Small farmers have access to new options, such as marketing and extension services, that can help them raise their productivity and ultimately their incomes.

3. Auxiliary Infrastructure:

A policy climate and legal framework that are conducive to innovation, the implementation of laws and regulations, and a rural infrastructure that is supportive are all factors that significantly contribute to the realization of sustainable access to financial resources.

4. The Financial Literacy Issue:

It is necessary to provide the agripreneurs with information regarding the financial services that are available to them.



Every plan and project that pertains to them needs to be brought to their attention.

5. Assisting with Electronic Payment Methods:

Through the implementation of an electronic payment system, the financial institutions have the ability to significantly cut down on the fees associated with transactions. Because of this, banks and other financial institutions would be more likely to seek out to agricultural entrepreneurs who are located in remote places.

6. Bank without Branches:

Additionally, this technology has the potential to drastically reduce transaction costs for services providers as well as for customers.

7. Carrying Around Intelligent Technology:

It is possible to greatly lessen information asymmetries and hence contribute to an improvement in payback rates by establishing identification and monitoring customers.

❖ Models for providing Agripreneurs with sustainable financial services

- For the purpose of providing agripreneurs with financial services, it is necessary to develop alternative methods of service delivery.
- An additional set of alternative financial instruments needs to be established in order to address the deficiencies in the existing financial instruments, which can ultimately lead to the elimination of social and economic barriers.

Findings:

1. The study might show that the entrepreneurial approach in agriculture leads to increased productivity through the adoption of innovative farming techniques, technology, and efficient resource management.
2. The agricultural entrepreneurship model plays a crucial role in ensuring food security by promoting sustainable farming practices and strengthening local food production systems.

3. The study may reveal that encouraging the adoption of modern agricultural technologies can improve efficiency, reduce labor requirements, and make agribusiness more attractive to farmers seeking ways to optimize their operations.

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