



## AGRO BASED START-UPS IN INDIA- A BOON FOR FARMERS AND CONSUMERS.

### Management

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### ABSTRACT

Start-ups are new business ventures that are carried out either by single individual or in groups. Apparently, entrepreneurs are those who run these start-ups, which involve tremendous risks in terms of financial issues, apart from creating innovative and successful products or services. Over the years, entrepreneurship has proven to be critical to India's growth and development, given its increasing significance and visible impact in wealth-creation and employment-generation.

This research paper is based on secondary research and it ponders over startups its importance to Indian economy and startups in agriculture sector.

### KEYWORDS

#### Introduction

A start-up company is an entrepreneurial venture which is typically a newly emerged, fast-growing business that aims to meet a marketplace need by developing a viable business model around an innovative product, service, process or a platform. A start-up is usually a company designed to effectively develop and validate a scalable business model. Start-up India campaign is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start-ups with jobs creation. The campaign was first announced by Prime Minister Narendra Modi in his 15 August 2015 address from the Red Fort. It is focused on to restrict role of States in policy domain and to get rid of "license raj" and hindrances like in land permissions, foreign investment proposal, environmental clearances. It was organized by Department of Industrial Policy and Promotion (DIPP).

#### Startups-Importance to Indian Economy

With the gen-next cool trend to start working on new and innovative ideas, India is all set to outperform all other nations on the world stage in the years to come. Setting up of small businesses by these young entrepreneurs is definitely going to boost the Indian economy in the near future. India is a home for almost 3100 startups starting per year standing just behind US, UK and Israel according to the NASSCOM report of 2015. If the growth is continued on the same pace then it is expected that Indian tech startups will generate almost 2.5 lakh jobs in the next five years.

Tech startups are leading the growth of startup era and it is ready to boost revenue generated by IT-BPM sector by almost 12-14 per cent for the current fiscal year as well. It is anticipated that the e-commerce market of India will grow by more than 50% within the next five years. India witnessed the largest infusion of capital from overseas through venture capital funds in the year 2014 in the indigenous startups. Foreign investors have started looking towards India as a favorable investment destination. Indian startups are proving to be the major tool for diverting a huge chunk of foreign wealth into the Indian economy.

Venture capital funds from abroad and angel investors are proving to be a big boon for Indian startup story. Indian startups such as Flipkart, Olacabs, Snapdeal, Hike, Shopclues, Freecharge, Inmobi etc. receive various rounds of follow-on financing as well either from their existing investors or from any new investor. These various rounds of funding also help these firms to hire more talent into the company. This helps the company to grow strategically and also add some more experienced people in the firm.

Apart from funding, mergers and acquisitions are also helping these startup companies to grow by acquiring new capabilities directly and expanding into the market share of the acquired company. The best example of this could be buying of Myntra, an app based shopping portal by another technology giant Flipkart to gain the market share.

Snapdeal recently acquired Freecharge to grow into the area of mobile payment gateways, since mobile payments are a next hot spot sensed by various startups presenting immense opportunities for further penetration.

Startups are flourishing in India not only in the field of internet but in various other fields as well. Educational tech startups are a new hot bed among various investors since it is anticipated that the complete educational system will be digitized in the near future. Similarly, startups are also eyeing big data for analytics, healthcare, beauty and fitness, biotechnology and other areas as well. Several startups have also ventured into food delivery service as well. Examples include Mast Kalandar in Mumbai and Bangalore, Eatlo, Freshmenu, TinyOwl etc. These have generated employment opportunities in large number for unorganized sections of the society in the form of delivery persons. At the same time, it has increased convenience for consumers as well.

Considering the importance of role that the Indian startups are all set to play in the growth of Indian economy, the amount of income and the huge number of jobs that can be created by facilitating startups. Also startups will not only make the lives of the people easier through their affordable and convenient services but will also act as a major booster for the development and the progress of the Indian economy.

#### Startups in Agriculture Sector

In India 60% of rural Indian households make their living from agriculture thus creating a huge scope for agritech startups in the country. For startups opportunities lie in areas like how to increase crop production, improving the nutritional value of the crops, reduction in input prices for farmers, improving the overall process-driven supply chain, reducing wastage in the distribution system, making easy farm mechanization available and enabling connectivity of the farmers with the masses by interlinking the consumer and producer. Various agro based startups have emerged to provide value to farmers. Examples of some agro-based startups are as follows:

#### CropIn

CropIn Technology is a movement which relies on ground level farm data and adds to it the muscle of India's software strength. Based in Bangalore, India, CropIn Technology is a Farm Management-Monitoring-Traceability business solution provider. It provides Software as a service subscription (SaaS) based service to Agribusinesses in India and abroad. This helps in enabling partners to analyze, interpret and gain real-time insight on crops and farms, so as to be able to take corrective measures on time by consulting their farmers, increasing crop yield and also ensuring fair pricing to farmers for their produce. These are sustainable in not just improving the lives of Indian (and Global) farmers but also, in making farming productive and lucrative for farmers and all in the ecosystem of Agriculture sector.

#### FarMart

Many farmers want to adopt modern farming techniques but lack the means to do so as equipment is expensive and not very accessible to the common farmer with smaller land holdings. So Alekh Sanghera, inspired by his farmer grandfather, started a portal where farmers could rent farming equipment and machinery as needed. Far Mart is a unique model that optimises the use of underutilized farm equipment thus offering them at cheaper rates to those who need them while providing an additional source of rental income to owners of machinery which are lying idle. Machinery can be rented via the FarMart app and also offline through a call centre and payments can be made via the government's United Payments Interface.

### Ninja Cart

This Bangalore-based start-up has developed a technology-propelled supply chain to reduce the distance between what farmers grow on their land and retailers/merchants looking to buy their product. The firm got rid of the middlemen stationed in our inefficient government-sanctioned mandis and has been able to increase the income of over 2500 farmers, while also reducing crop wastage. At present, Ninja cart deals in over 14,000 tonnes of fruits and vegetables, while reaping of about Rs 4 crore in revenue every month.

### Kamal Kisan

To reduce the cost of farming for small-scale farmers and their labour requirement, engineer and business graduate Devi Murthy started a company called Kamal Kisan, which develops customised low-cost farm equipment based on their specific needs. Her company has developed vegetable planters, power weeders, sugarcane planters, versatile mulch layers and bed makers, among other equipment. The response of those buying her products has been overwhelming.

### FlyBird Innovations

This Bangalore-based start-up has developed sensors, among other products, that are used across farmlands in Karnataka and Tamil Nadu to reduce the need for water while growing crops. These sensors, for example, allow farmers to observe moisture content levels and consequently spell out their irrigation requirements. Reports indicate that these sensors have allowed affected farmers to improve their crop-yield by 15-20% while saving up to 25-30% of water.

### EDGE

EDGE is a Pune based start-up which manufactures juices that are organic, cold pressed and made fresh everyday only to be delivered at your doorstep. With a sincere aim to help people live healthy cold pressed juices are a healthy and nutritious substitute to the heavily processed juices manufactured by big conglomerates. They are 100% raw and the cold pressed technology helps to retain all the nutrition of the fruits and vegetables.

### Carbon Masters

Carbon Masters, a Bengaluru based social enterprise, converts wet waste into biogas, which it then bottles and supplies to restaurants. The bottles and cylinders bear the Carbonlite brand. "Carbonlite cylinders are priced almost at par with LPG cylinders. But through using the former, there is a minimum savings of 15%, when you think of things like an efficient kitchen and a better cooking performance," continues Narayan. Currently, the price of a Carbonlite cylinder is at 50.5 per kg, whereas a commercial LPG costs 55 per kg. Masters has been running a 10-tonne capacity bottling plant in Doddaballapur outside Bengaluru, from where it supplies biogas to its customers and converts the remnant slurry into bio fertiliser. The company is also in the process of building onsite biogas plants as well.

### Conclusion:

Start-ups are risky in nature, but a successful entrepreneur tries to minimize risk and promote business venture through in-depth research, proper planning, and appropriate skill development. One of the main features of being a successful entrepreneur is his/her flexibility in adapting to recent trends, market growth, modern technologies, dynamic rules and financial environments. The agro based startups discussed in this research paper provide solutions to farmers in terms of technology, making farm mechanization easily available, interlinking the consumer and producer, providing customized low-cost farm equipment, developing sensors to reduce water requirement and increase crop yield, providing fresh cold pressed juices to consumers and converting waste into biogas and bottling it for commercial use. These startups have provided value and solutions to farmers and consumers and it is expected that many more

startups in future will help the farmers to lower cost and help build cost value proposition for the farmers.

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