



## Agricultural Entrepreneurship – An Indian Perspective

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### ABSTRACT

Predominantly, Indian economy is heavily dependent on Agriculture and other allied activities. Agriculture sector is providing foodstuff to all sections of the people in India and outside India. This sector is not only fulfilling the food needs of the country but also providing employment in larger proportions, supply of agriculture produce to the industry as input, earning of foreign exchange by exporting the surplus produce and keeping the ecological balance. Prior to independence and even after independence also this sector has not given importance by the planners of India, but, aftermath of green revolution this sector has prioritised and widely recognised as prime sector. Further, after globalization, this sector has forced to be oriented in a commercial way. The reasons may vary and vast. Agriculture is no longer as a livelihood activity. Off late, farming is highly risk-bearing activity. When risks are associated with the agricultural activity, enterprising nature come up to surface in the agriculture and allied sectors. Keeping in view of all these aspects, the authors made an attempt through this paper- the orientation of entrepreneurship to agricultural activities in India and discussed the prospects of agricultural entrepreneurship in the VUCA world.

### KEYWORDS

Green Revolution, Enterprising Nature, Agricultural Entrepreneurship, VUCA world.

### Introduction

Economic development has become the main concern of governments, politicians, economists and administrators since the Second World War. In the last two decades, nations of the world in general and people in under developed countries in particular have become more conscious of achieving rapid economic progress than ever more. Consequently, national policies are increasingly becoming development oriented. Economic development has truly become an intellectual religion of the day, a major issue in national and international politics and policies. Self-sufficiency in food grains is an important objective of the economic development policy in several underdeveloped countries. In spite of the bulk employment of work force in agriculture, many developed countries are not in a position to produce adequate food grains to meet growing internal demand.

The main reason for this paradoxical position is that, low farm productivity and the low yield per worker. While several countries are experiencing some increase in agriculture output under schemes of planned development, their per capita growth appears to be negligible. Without a rapid increase in farm productivity, it becomes impossible to have a takeoff from the static growth into steady agricultural growth to raise the standard of living. Entrepreneurial orientation to agricultural sector is becoming inevitable to sustain the sector in the Volatility, Uncertainty, Complexity and Adversity (VUCA) world.

The traditional institutional set up inhibits the growth of entrepreneurship and economic progress in multifarious ways, which cannot be dealt with in detail for reasons of space. It is the institutional patterns and relationships that determine the social behaviour and the cultural values of man in society.

Broadly speaking creation of favourable environment for entrepreneurship postulates not only removal of the institutional obstacles but also the promotion of new values and institutions, without which the innovator will not be welcomed, for, he disrupts the established order of things in promoting new activities, thereby becoming an object of suspicion. Experimentation and innovation cannot flourish in a society where the force of custom, the rigidity of status, the distrust of new

ideas is well established. Similarly, institutions like the joint family system, the village community, the class or tribe also retard innovation, as far as they involve the sharing of fruits on a wide scale, thereby undermining the stimulus of higher reward for better effort.

Aggressive innovation and quick imitation develop in a society subjected to the pressure of upstarts; the new men of successful business enjoying social status. The greater the freedom for individual rewards and responsibilities, the greater will be the development of entrepreneurship. Without rapid educational progress, progressive outlook cannot flourish in a society to facilitate experimentation and innovation.

Technological advance is a perennial source of extending possibilities for innovations and the easier it is to finance innovations, the more likely they are to be forthcoming. Similarly, greater mobility of resources association with foreign entrepreneurs and the existence of multiple centres of initiative facilitate innovation and stimulate enterprising qualities. Motives, abilities and a congenial environment combine to promote entrepreneurship. A framework of public order, stability and legal rights facilitate the growth of entrepreneurship. Similarly public policies designed to provide overhead capital and favourable monetary and fiscal incentives will enable the entrepreneurs to embark on long-term and adventurous projects.

### Agriculture Sector in India

Indian culture has personified in agriculture. It is an age-old income generation activity in India. Predominantly, Indian economy is heavily dependent on Agriculture and other allied activities. Agriculture sector is providing foodstuff to all sections of the people in India and outside India. Indian agriculture sector has dominated by a large number of small scale holdings that are predominantly owner occupied mostly in an unorganised way of activities.

The average size of a holding in India in the late 1990's was about 1.4 hectares and continues to decline. Out of India's 116 million farmers around 60 per cent have less than one hectare together they form 17 per cent of the land. The share of medium to large farms (above 4 hectares) is very small at

just over 7 percent of all holdings, but these farms account for around 40 percent of the land. The implication is that many of the very small farms are subsistence holdings, with low investment and little productivity and growth.

Indian farmers have brought the country up to the ranks of the top global producers of rice, wheat, vegetables, fruits, flowers and milk. Some 85 per cent of India's farmers are small and marginal, 65 per cent of farming is rain-fed. But, high input cost, low returns the consequent inability to repay farm loans and general neglect have made agriculture unviable for small and marginal farmer.

In agriculture production, India ranks second in the world. Agriculture and related activities accounts for about 18 per cent of the total GDP and employ approximately 50 per cent of the total workforce of the country. The agriculture sector's contribution to the economy has been increasing with every financial year.

Agriculture and allied sectors are considered to be the mainstay of the Indian economy. They are the important source of raw material and demand for many industrial products, particularly fertilizers, pesticides, agricultural implements and a variety of consumer goods. They contribute nearly 18 per cent of Gross Domestic Product (GDP) of India. About 65-70 per cent of the population is dependent on agriculture for their livelihood. 'Agriculture and allied' industry is further divided into several segments, namely:- horticulture and its allied sectors (including fruits and vegetables, flowers, plantation crops, spices, aromatic and medicinal plants); fisheries sector; animal husbandry and livestock; and sericulture. India's varied agro-climatic conditions are highly favourable for the growth of large number of horticultural crops, which occupy around 10 per cent of gross cropped area of the country. India is the second largest producer of fruits and vegetables in the world. It is also second largest producer of flowers after China. It is also leading producer, consumer and exporter for spices and plantation crops like tea, coffee, etc.

### Entrepreneurial Orientation for Agriculture

Entrepreneurship is the process by which individuals become conscious of business ownership as an option or viable alternative, develop ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of a business. Entrepreneurship signifies the practical application of enterprise qualities, such as initiation, creativity, innovation and risk taking into work environment.

Rapid agricultural development needs innovating farm entrepreneurship. The stimulation of innovation and increased productivity in agriculture is a long and a difficult business. The habits, innovation, knowledge, and techniques of a very large number of people must be changed. The labour force required to operate social overhead capital, commercial, and beginnings of the industry is very small to compare to that already engaged in traditional agriculture in an underdeveloped country. In short, the task is no less than to alter, usually quite radically the outer look, skills, and resources of majority of the population. But, entrepreneurship does not mean either a specific individual or occupation. It is an activity, which an individual may carry out habitually, occasionally, very rarely or never. Hence clear identification of entrepreneurship with a specific individual as is in economic theory is not correct. An individual may however be characterised by activity of entrepreneurial nature and individuals do constitute the source of entrepreneurial skills.

An expanding economy requires an increasing supply and an improving combination of four factors of production for the

growth of national income. While land, labour and capital are concentrate tangible factors whose increase or decrease can be readily visualised in terms of quality, the supply of enterprise or organisation is not easy to visualise in a similar way. It depends on increasing number of people and groups of people. Enterprise represents the function of combining the other factors for productive purpose and the increase in its supply postulates getting more enterprises and making existing entrepreneurs more enterprising.

Enterprising spirit manifest itself in the work of entrepreneurs, who are often persons possessing of economic opportunity by virtue of their organisational and administrative abilities. While there is no unanimity about the motivation of entrepreneurs, they appear to possess a peculiar knack for perceiving production resources and for utilising them in unfamiliar ways to achieve better and promising results. They have necessary skill to combine people, segments of land, equipment and money into functioning units of production- something more than the mere aggregate of the parts. By their restless search for better ways of doing things and their implacable dissatisfaction with the gap between their achievements and opportunities they contribute immensely to the secular rise of material well-being in the country.

The concept of an "Agripreneur" is slowly gaining ground in the agriculture sector in the country. The term entrepreneur is quite familiar; so is the term agriculturist. The agripreneur is one who plays the role of an entrepreneur in the field of agriculture. The National Bank for Agriculture and Rural development (NABARD) is in the forefront of pioneering this concept.

NABARD has floated another concept also called Producers Organizations, as a first step towards the realization of changing farmers into agricultural entrepreneurs or agripreneurs.

A producer organization comprises of a group of producers who have joined hands for the purpose of either agricultural or non agricultural activities. NABARD has specified that it should be a registered legal body. It has also been specified that only actual producers – especially farmers – should be shareholders in the organization.

### Conclusion

Agriculture is a livelihood activity in India. The inherent ills of India agriculture is that low productivity and prevalence of disguised unemployment. These ills shall be addressed through Agricultural Entrepreneurship. Not only that some of the chronic economic problems like urbanization, poverty and unemployment also be addressed by effective agricultural entrepreneurship initiatives. Thereby, acceleration of rural development and economic development is possible.

Globally, more than 66 per cent of the world's population is predicted to be urban by 2050. A serious implication of expanding urbanization will be a decline in the rural population. To ensure the sustainability of food production, rural communities, and natural resources, there is a need to slow the outmigration of rural populations by accelerating rural development. Agricultural Entrepreneurship is a strategic development intervention that has the potential to accelerate the rural development process. Agricultural entrepreneurship is vital for the generation of employment in the rural areas and for promoting incomes and earnings of people.

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