



Agro - Entrepreneurship: Challenges and Steps to Tackle them for Small Scale Agro – Entrepreneurs

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Agro-entrepreneurship presents a dynamic path for rural development, economic growth, and sustainable agriculture because it sits at the intersection of agricultural methods and entrepreneurial spirit. The complex fabric of agro-entrepreneurship is explored in this study, with a particular emphasis on the difficulties encountered by small-scale agro-entrepreneurs in Kerala. As this project develops, its goals are to identify the difficulties small-scale agro-entrepreneurs in Kerala encounter, as well as to provide practical solutions and mitigating measures. Therefore, the purpose of this study was to determine the obstacles experienced by small-scale agricultural entrepreneurs and to evaluate potential solutions for these problems. The perishable nature of the products is the primary important problem since improper storage of agricultural production can lead to large financial losses. One of the great rivalries these small-business owners faced came from interstate sellers of agricultural supplies. Their large-scale, low-cost production processes in surrounding states enable them to sell their products at discounted prices. Government departments must constantly keep an eye on the shipment of goods that include chemical fertilizers. Governments at all levels should loosen the restrictions for the establishment of new agro companies in order to avoid delays in the development of new units. Another strategy to prevent harmful competition is to enforce laws and regulations from the government.

Keywords: *Agro Entrepreneur, Entrepreneurship, Small Scale Farmers, Sustainable Agriculture.*



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1. INTRODUCTION

Almost 60% of the population relies on farming, agriculture dominates India's economy. Approximately 14% of the nation's GDP is comprised of it. Given that agriculture makes up the majority of India's economy, agripreneurship is essential to the agricultural value chain. Through the process of adding value, they make a substantial contribution to the growth of the

agricultural GDP. Even if India's economy is growing at a rate of 7– 8% overall, the country's rural development is hampered by the extremely low growth rate in the agricultural sector. In contrast to those who live in metropolitan areas, most people who live in rural areas are unable to take advantage of India's developmental initiatives. In order to attain balanced economic development and to address these imbalances,

agriprenurship must be encouraged for the advancement of rural areas. Agriprenurship has a vast potential to unlock the rich and unknown agricultural resources that remain untapped. The main areas of opportunity are agricultural inputs, farming technologies and procedures, processing agricultural products, and other related industries such as dairy development, poultry, horticulture, sericulture, and so on. Diversification, value addition, precision farming, high-tech agriculture, international marketing, organic farming, and other related practices are examples of sustainable value addition.

1.1 Agriprenurship

Dollinger (2003) defines entrepreneurship in agriculture as the creation of innovative economic organizations for the purpose of growth or gain under conditions of risk and uncertainty in agriculture. **Sudharani (2002)** defined agriprenurship as "generally sustainable, community-oriented, directly marketed agriculture. Sustainable agriculture denotes a holistic, systems-oriented approach to farming that focuses on the interrelationships of social, economic, and environmental processes." Entrepreneurship in the agricultural sector is known as agriprenurship. An idea or vision may be transformed into a "new business or new venture development or the growth of an existing firm, by an individual, a team of individuals, or an established business," according to the notion of entrepreneurship. **(Reynolds et al., 1999)**

2. NEED AND IMPORTANCE OF AGRIPRENEURSHIP

India's average agricultural production per hectare is reportedly only half that of the global average (50%) which highlights the potential and need for progress in this field. India's agricultural sector is now performing below expectations. Thus, the demand for agriprenurship development is evident. Below is a discussion of the necessity for agriprenurship in India:

- There are local sources for agricultural and horticultural items.
- These small-scale industries are both commercially and environmentally feasible; they do not require massive infrastructure or sophisticated scientific advances.

- The growth of agribusiness has the potential to significantly improve the job prospects for young people living in rural areas.
- It also helps to prevent young people from migrating from rural to urban areas and enhances the standard of living for farmers by offering alternate sources of income. (Verma and others, 2018)

3. REVIEW OF LITERATURE

India's economy is dominated by agriculture. Approximately 16–17% of India's GDP comes from agriculture, which is the primary source of income for over 65% of the country's citizens, either directly or indirectly. Local farmers and smaller farms face competition from some of the largest agricultural companies globally. **(G B Murthy, 2020)**. For millions of Indian farmers to continue to make a living, agribusiness is crucial. Agriprenurship is the concept of entrepreneurship brought to the agricultural sector by individuals who have new ideas to enhance established methods for higher yields. Farmers face challenges related to funding, marketing agricultural goods, transportation, and generating more varied revenue in order to foster growth, create jobs, and make efficient use of the resources at their disposal **(R Rahul, 2020)**. One of the most important steps towards modernizing Indian agriculture and making it a profitable company is the shift from agriculture to agribusiness in the future. Demand for agriprenurship skills and a qualification is rising because of the potential of farming **(Damarla 2015)**.

Agriprenurship has the capacity to promote a number of social and economic advancements, such as the production of income, the elimination of poverty, the improvement of health, nutrition, and overall food security in the country's economy. In rural areas, agribusiness may promote economic growth, diversify revenue streams, and create a plethora of employment and business opportunities. **(L K Meena, 2014)**. The world has become like a local market as a result of globalization, privatization, and liberalization, where local farmers and their goods must compete with international corporations on both quality and price **(Rasmi Singh, 2006)**. As in the case of the international scenario, cases are similar at the same time varied. Poor extension delivery is a major factor in Nigeria's rural

economy's low agricultural productivity. Inadequate funding, inadequate basic utilities, inadequate past government programs and policies, inadequate and poorly qualified extension staff, price volatility for inputs and outputs, and a lack of suitable technologies are among the challenges to Nigerian agribusiness growth. (M J Abah, 2017).

For rural firms, competition from large corporations and owners of businesses in metropolitan areas is strong. Two of the biggest problems facing marketers are standardization and rivalry from large organizations. The many legal procedures that must be met make it difficult for them to obtain permits as well. The development of rural enterprises is not very healthy, despite government efforts, because of insufficient and inappropriate infrastructure. Proper road infrastructure, adequate electrical supply, and drinking water supplies are lacking in rural towns. (Yoganandang, 2016). The most popular industries in which to launch a company were horticulture crops, organic farming, and food production (International Journal of Innovative Research in Engineering & Management (IJIREM) Innovative Research Publication 212). Reactions indicate that the agricultural activities perceived as most difficult are marketing and selling. To attract younger people to the agricultural sector, policymakers should focus on addressing the middleman margin issue. (Dr. Raju M Rathod 2019). In the past, middlemen in the Indian agribusiness sector's Agri-product marketing chain generated enormous profits at the expense of farmers and final consumers. The arrival of modern structured retail outlets infuriated these established dealers and vendor groupings. They had protested, sometimes violently, and issued threats. (Mita Brahma, 2020)

In the new synchronized competitive environment that has emerged in agriculture, creative, adaptive, structured farms with management control are needed to respond to market demands. To optimize the country's comparative advantages and boost its productive potential, it is imperative to have people with an entrepreneurial attitude and innovative ideas. (Alexandra Pliakoura. 2021). The capacity to take calculated risks and the drive to stay up to date on industry developments is essential for success as an agriprenuer. In addition to directly

employing and paying a sizeable percentage of the population that is more disadvantaged in society, the agriculture sector has the ability to significantly increase national income. (Saket Kushwaha, 2014). Higher incomes, a stronger sense of achievement, and improved living conditions were the three main advantages mentioned by the women. Additional benefits included stronger peer recognition, more investment in children's education, enhanced social connection, increased awareness, self-confidence in entrepreneurial activities, and improved leadership among women. (Rashmi Singh, 2016)

Given the range of options and resources currently available, it would be advantageous to combine traditional education with cutting-edge technology and integrate business education with farmers. It will be advantageous to increase agricultural productivity in the current environment, with the potential to quadruple revenue. (Frederick, 2022). Production quantity and quality combined to a greater degree the creation and management of commercial farms, Offer guidance to the government regarding policy modifications, and take action to create an environment that is favourable for foreign direct investment (FDI). Ensure that everyone has access to seeds, fertilizers, and farming supplies. (Shivani Katakwar, 2022).

4. STATEMENT OF THE PROBLEM

Even though it seems like a highly attractive and promising path, it is not simple to follow due to issues like government policies, insufficient infrastructure development, a lack of entrepreneurial culture, and a lack of public awareness. There are a plethora of opportunities available for the growth of agribusiness despite these limitations.

India's post-LPG era of entrepreneurship is blooming. Due to the financial and advisory support offered by numerous government organizations and institutions, a sizable segment of the community adopted various forms of entrepreneurial companies. Most people have embraced small-scale agro-entrepreneurship, especially those who come from rural and semi-urban areas. These areas do have agricultural enterprises, but not without challenges. These agro-entrepreneurships face competition from interstate business operators, middlemen, a lack

of infrastructure, and insufficient government action. The enormous hurdles faced by small-scale agro-entrepreneurs impede their capacity to make meaningful contributions to the agricultural industry.

Post-harvest losses are exacerbated by inadequate infrastructure, which includes inadequate storage and transportation options that impede the timely delivery of products to markets. Moreover, bureaucratic obstacles brought about by legislative and regulatory restrictions make it more difficult for small-scale agro-entrepreneurs to conduct business. The paper that follows will look at this matter and then make some suggestions for workable fixes.

5. OBJECTIVES OF THE STUDY

- To identify the challenges that small-scale agricultural entrepreneurs encounter.
- To assess what might be done to address the issues and difficulties faced by small-scale agricultural enterprises.

6. SCOPE OF THE STUDY

This study only considers owners of small-scale agricultural businesses. The survey only includes agricultural entrepreneurs who reside in the state of Kerala. Small-scale farmers in rural and semi-urban areas will be the study's respondents. This study examines the difficulties experienced by small-scale agro-entrepreneurs in Kerala, India's countryside and semi-urban areas in relation to the growth of agro-entrepreneurship. The scope includes a thorough examination of the several barriers impeding the expansion and viability of small-scale agro-entrepreneurship endeavours in the designated geographic areas. To collect thorough data and insights, the research technique will combine quantitative and qualitative methodologies, such as surveys, interviews, and case studies.

7. METHODOLOGY OF THE STUDY

The present study aims to investigate the difficulties encountered by small-scale agricultural businesses. In order to accomplish the study's goals, the literature review approach is first used in the research. Additionally, a survey method is used to conduct descriptive research on a random sample of business people in the state of Kerala.

7.1 Data collection

The study's main source of information, primary data, comes from a purposeful sample of 180 respondents who are actively involved in small-scale agro-entrepreneurship. One of the main methods of gathering data is via distributing a well-designed, standardized questionnaire.

Secondary data is obtained from a variety of credible academic journals, industry reports, periodicals, and newspapers to supplement the primary data. This thorough literature analysis is essential to adding historical background, industry trends, and a variety of viewpoints on small-scale agro-entrepreneurship to the study. The research's breadth is increased by the addition of secondary data, which offers a thorough background for understanding and interpreting the main conclusions.

7.2 Data Analysis

With a particular focus on the Statistical Package for the Social Sciences (SPSS) and other pertinent statistical software, advanced statistical tools are employed to facilitate the analytical dimension of the study. These resources are essential for doing a thorough analysis of the primary data that was gathered from the 180 respondents. The extraction of significant patterns and insights is made possible by the application of statistical approaches such as mean scores, frequencies, and descriptive statistics, among others.

8. RESULTS

Table 8.1 shows the percentage of respondents in gender-wise. It is clear that men make up more than 60% of agro entrepreneurs. Less than 40% of the participants were female. It demonstrates that, in Kerala, men are more likely than women to be involved in agro-entrepreneurial ventures. Women constitute about 50% of Kerala's population, even though, their participation in agro entrepreneurial sector is negligible in comparison with their population in the State.

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	109	60.6	60.6	60.6
Female	71	39.4	39.4	100.0
Total	180	100.0	100.0	

(Source: Primary data)

Table 8.2 shows the age category of respondents to this study. It has been discovered that the majority of agro entrepreneurs are older than 51. Compared to other age groups, the elder generation engages in agro entrepreneurship more actively. Those in the age range of 31 to

50 make up the second category age group involved in agro entrepreneurship. Over 31% of individuals in this age group rely on agricultural entrepreneurship. Those under 30 make up the least number of individuals involved in agro entrepreneurship.

Age of Respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Below 30	56	14.4	14.4	45.6
31 - 50	26	31.1	31.1	31.1
51 and above	98	54.4	54.4	100.0
Total	180	100.0	100.0	

(Source: Primary data)

Table 8.3 clearly indicates the problems faced by the agro-entrepreneurial sector of Kerala. The data indicates that the perishability of the items produced by agro entrepreneurs is most likely the issue. It is evidently a core issue given the higher mean score of 4.5. The competition from multistate or national giants is another major issue. The second significant issue is the increase in product prices, which is followed by

increased farming costs, the danger of competition from vendors in other states, restrictions on licenses, and delays in government machinery procedures. The two issues that Kerala's agribusiness owners face the least are inadequate infrastructure and an adverse geographic position.

Table -3: Problems in agro entrepreneurship

Problems in agro entrepreneurship	Minimum	Maximum	Mean	Std. Deviation
High cost for farming	1.00	5.00	3.1944	1.38264
Price Inflation	1.00	5.00	3.5056	1.29242
Government Licence Measures	1.00	5.00	2.8111	1.48658
Competition from other states	1.00	5.00	2.8833	1.47711
Competition from multi state, national giants	1.00	5.00	3.9000	1.23315
Perishability of products	3.00	5.00	4.5556	.65350
Lack of infrastructure	1.00	5.00	2.6944	1.68496
Location disadvantage	1.00	5.00	2.4000	1.49711

(Source: Primary data)

9. DISCUSSION

This study provides a detailed picture of the difficulties or hazards faced by Kerala's agro-enterprises. According to the report, men make up the majority of those who pursue agribusiness in Kerala. This also demonstrates a general trend of the group of people involved in agro-entrepreneurship. Compared to people in lower age groups, older citizens are more actively involved in the agribusiness sector. It is unmistakable evidence that, the younger generation in our nation is not as inclined toward agro-entrepreneurship. There is a significant divide between agricultural entrepreneurs in different age groups. A declining pattern is noted when the age group declines.

The perishability of the goods they are producing is the source of the major problems. Kerala agribusiness owners primarily produce goods using organic methods. If they are not sold within a few days, they will quickly spoil. Agribusiness owners are losing money as a result of perishable goods. In this regard, the prospect of competition from large, multinational corporations or multistate corporations is a major issue. Big-box retailers that are present throughout the state or country give their clients larger discounts on their products. Their extensive product range and big business allow them to provide these price cuts. Discounts will inevitably draw customers, which will ultimately result in a loss of revenue and business.

An additional threat to agribusiness is the rise in the price of agricultural products. Price inflation is typically associated with our economy and is impacted by both domestic and global events. A reflection of these events will certainly affect consumers' purchasing power. There are fewer business possibilities for small-scale agro-entrepreneurs as a result of the recent increase in the price of agricultural products linked to global events. The state of the economy has a significant impact on how much farming costs. The majority of respondents believe that farming costs have increased during the past ten years. The cause of this is an unusual increase in the price of agricultural inputs. In addition to these, there are a few more elements that affect how well agro-entrepreneurship is conducted.

10. SUGGESTIONS AND CONCLUSION

Since agriculture makes up the majority of the Indian economy, agro-entrepreneurial businesses in our nation must be given top priority. Every firm has challenges, but how they are handled determines its long-term existence. This study about the difficulties faced by agro-entrepreneurs highlights a few critical issues that require immediate attention to be resolved. It is imperative to address the significant issue of the generation gap. It is crucial to use effective advocacy strategies to inform the next generation of the value of agribusiness. It is also important to start encouraging more women to enter the agro-enterprise sector at the same time. Despite making up over 50% of the Indian population, women lag significantly behind men in agribusiness activities. Their proactive participation will undoubtedly propel the Indian agro-entrepreneurship industry to unprecedented heights. It is necessary to consider important difficulties or challenges for agricultural entrepreneurs. Customers may buy things at considerably reduced prices from large business units, retail malls, grocery stores, and online delivery services. In the end, they are drawn to them, which cause significant losses for the small-scale local agribusiness owners.

It is necessary to create a just business environment to protect these small-scale vendors against large corporations. Enforcing proper oversight of these entities by government organizations such as competition commissions is necessary to protect small-scale entrepreneurs' rights and ensure the seamless operation of larger entities. It is important to take steps to connect small and big-scale businesses. For example, local small-scale farmers can supply their goods to large business owners and set up shop in malls. In grassroots groups, proper storage facilities, such as cold storage facilities, must be guaranteed. Economic policies should be able to control price inflation, lower input costs, and so on. Doing so will lower production costs and raise people's purchasing power. Therefore, a nation like India needs a vibrant agro-entrepreneurial ecosystem to meet the needs of its large population. The government also has a prominent role in ensuring a favorable ecosystem for developing agro-entrepreneurship by initiating schemes and policies in India.

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