

Agripreneurship in Karnataka: Opportunities and Challenges

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Abstract – Agriculture and manufacturing industry are the major producing sectors of Indian economy. Agriculture sector plays a major role in the overall development of the country. Indian agriculture sector contributes around 18% of India's Gross Domestic Product (GDP) and engages around 50% of the population of the country. Karnataka is India's 8th largest state in geographical area. Agriculture is the major occupation for a majority of the rural population. Karnataka agriculture sector contribute around 16% (2011-12) to the state GSDP. The contribution to GDP from agriculture sector is decreasing; there is significant growth in manufacturing and services sector. Service sector alone contributes more than 50% to GDP. Growth in manufacturing sector and service sector is contributing for the better living conditions and life style of urban population. The agriculture is the major occupation for a majority of rural population, but growth in agriculture sector is lack in providing better living conditions and life style to rural population. The result is imbalance in development between urban and rural. In keeping these imbalances in mind, to achieve balance economic development, to take advantage of changing life style of urban population and changing socio-economic environment, it is essential to shift from business to agribusiness and promote Agripreneurship. This paper focused on the concept of Agripreneurship, agribusiness, Agripreneurship development, Agripreneurship in Karnataka, the challenges and opportunities of Agripreneurs.

Key terms: Agripreneur, Agripreneurship, Gross Domestic Product, Life Style of Urban Population, Agribusiness

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INTRODUCTION

The economy of India is a mixed developing economy. India is 7th largest economy in terms of GDP and 3rd in Purchasing Power Parity (PPP). India being the youngest country of the world is demanding more young entrepreneurs to operate in whole world. Karnataka is India's 8th largest state in geographical area. Karnataka's economy is an agrarian economy; the large portion of agriculture land is exposed to the vagaries of monsoon with severe agro- climatic and resource constraints. 64.60% of the total geographical area of Karnataka is under cultivation. The state ranks 5th in India in terms of total area under horticulture. It is also largest producer of spices and medicinal crops. Karnataka is the major silk producing state in the country. The economic, social, political, cultural and technological conditions of Karnataka state are demanding for young entrepreneur in agriculture sector. Agribusiness is the thrust area to start new ventures in Karnataka and to achieve the goal of accelerating State's GDP. (karnataka, 2015)

OBJECTIVES OF THE STUDY:

- To study the role agri-business in economic growth of a country.
- To study the opportunities to young entrepreneurs in Agri-business.
- To know the challenges to Agripreneurship in Karnataka.
- To understand the role of Rural Advisory Services in agriculture.
- To know the financial assistance from Karnataka Government in development of business in agriculture.

METHODOLOGY:

This study is based on exploratory research technique. The required data for this paper is collected through secondary sources available such as newspapers, reputed journals, articles, and statistical data available on various websites, reports, internet access.

LITERATURE REVIEW:**1. Shoji Lal Bairwa , Kerobim Lakra, S. Kushwaha , L. K. Meena and Pravin Kumar :**

Agripreneurship is the profitable marriage of agriculture and entrepreneurship. Agripreneurship turn your farm into an agribusiness. The term Agripreneurship is synonym with entrepreneurship in agriculture and refers to agribusiness establishment in agriculture and allied sector. (Bairwa Shaji Lal, 2014)

2. Rabeesh Kumar Verma, Alok Kumar Sahoo and Santanu Rakshit:

Agri-preneurship in sustainable agriculture like natural farming, organic farming, eco-friendly agriculture etc. has -the potential to transform the face of rural India, the prime driver of our economy. Agriculture can a better positioned as a more profitable economic activity by integrating the same with processing, packaging and storage activities. (Rabeesh Kumar Verma, June 2018)

Concept of Agripreneurship:

Entrepreneur: The word entrepreneur is derived from the French word “entreprenre” and entreprenre means “to undertake”. In the early 16th century, the Frenchmen who organised and led military expeditions were referred to as “entrepreneurs.”

The team “entrepreneur” was applied to business initially by the French economist, Cantillon, in the 18th century, to designate a dealer who purchases the means of production for combining them into marketable products.

According to Peter F. Drucker an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service.

Hence entrepreneur is an individual who undertakes risk in running and establishment of new enterprise. An entrepreneur is a risk bearer, innovator and change agent as he utilizes the available opportunities in order to achieve success in business.

Entrepreneurship: Entrepreneurship is the act of being entrepreneur. It refers to the functions performed by an entrepreneur in establishing and running an enterprise. It is the process involving various actions to be undertaken to establish an enterprise which give birth to new enterprise.

Agripreneurship: Agripreneurship refers to entrepreneurship in agriculture. It refers to the functions performed by a farmer in doing the business in agriculture by bearing risk. Entrepreneurship is a process of transforming new ideas into real businesses, same way Agripreneurship is a process of transforming new and innovative ideas in doing agriculture into reality as a business.

Entrepreneurs play important role in economic development of a country. The balance regional development is key agenda of every economic policy in India. In order to achieve rural development agriculture sector must contribute more. Agri-business in Karnataka is growing sector. The economic, social, political, cultural and technological conditions of Karnataka state are demanding for young entrepreneur in agriculture sector. This paper covers the opportunities and challenges in Agripreneurship in Karnataka.

Opportunities for Agripreneurship in Karnataka:

Karnataka is India's eighth largest state in geographical area covering 1.92 lakh sq km and accounting for 6.3 per cent of the geographical area of the country. The state is delineated into 30 districts and 176 Taluks spread over 27,481 villages. In Karnataka, agriculture is the major occupation for a majority of the rural population. As per the population Census 2011, agriculture supports 13.74 million workers, of which 23.61 per cent are cultivators and 25.67 per cent agricultural workers. A total of 123,100 km² of land is cultivated in Karnataka constituting 64.6% of the total geographical area of the state. (Bhende, August 2013).

Karnataka is being called as agrarian economy, as 65% of the total geographical area of Karnataka is under cultivation. The agriculture sector has forward and backward linkages with secondary and services sectors. Agipreneur has many opportunities in agri-business at different phase of agriculture process.

- 1. Demand for organic food:** Organic food is food produced by the organic farming. Organic food produced by methods that comply with the standards of organic farming. Organic farming is an alternative agriculture system by use of fertilizers of organic origin such as compost manure, green manure and bone meal. Organic Farming is a method of farming system which primarily aimed at cultivating the land and raising crops in such a way, as to keep the soil alive and in good health by use of organic wastes (crop, animal and farm waste) and other biological materials along with beneficial microbes to release

nutrients to crops for increased sustainable production in an eco-friendly, pollution free environment.

People become more health conscious and organic products are getting more importance due to increasing health conscious. That result in increase in demand for organic foods. India is exporting organic foods to many countries. Hence there are many opportunities for Agripreneurs in producing organic products and also marketing, distributing, exporting organic products.

Madhya Pradesh and Maharashtra both accounts for almost half of the countries organic farming production. Other major organic produce production states are Uttar Pradesh, Rajasthan Karnataka and Gujarat. Karnataka contributes 6% of the countries organic farming production. (National Project on Organic Farming Annual Report, 2012-13)

2. **Demand for fruits and vegetables:** There is more demand for fruits and vegetables in Hotels and restaurant as hotel industry is growing rapidly. The change in Scio-cultural environments brings adoption of western culture. Peoples are shifting to western culture as result in change of life style and people becoming more health conscious. This gives an opportunity to an agripreneur do to business in producing and supplying fruits and vegetables. The fruit crops include Mango, Banana, Grapes, Guava, Sapota, Lemon and Pomegranate; the vegetable crops are Tomato, Beans, and Cabbage etc. Another small scale industry which can be started very easily is production of various fruits and vegetables, preserved items such as Potato Chips, Potato fingers, Pappad, Jam, Jelly, Mixed vegetables, pickles, sauce, Ketchup etc.
3. **Livestock and animal husbandry:** India ranks 1st in milk and milk production. Karnataka ranks 11th in overall milk production in the country though the State is the second largest milk producer in the cooperative sector after Gujarat. Livestock management and cattle rearing has been the part of our day to day life. Improved breed and their proper's management can give a good return to the farmers.
4. **Bio-pesticides and Bio-fertilizers:** The use of Chemical fertilizers in agriculture is displaying their ill-effects such as polluting water basins, destroying micro-organisms and friendly insects, making the crop more susceptible to attack of diseases and reducing the soil fertility. This causes irreparable damage to the overall system. Bio-fertilizers can help in increasing the yield without causing the damage associated with

chemical fertilizers. Bio means Life, hence bio-fertilizers are living organisms that enrich the nutrient quality of the soil.

Bio-pesticides are biochemical pesticides that are naturally occurring substances that control pests by nontoxic mechanisms. Bio-pesticides are certain types of pesticides derived from such natural materials as animals, plants, bacteria and certain minerals. Increase in importance of using Bio-pesticides and bio-fertilizers opens an opportunity to start new business. Hence another major small scale business which can be started is production and distribution of bio-pesticides and bio-fertilizers.

5. **Horticulture and Poultry:** Karnataka is a predominant player in the horticulture sector in India. Although the sector accounts only 15% of total net area shown in the State, its contribution to gross value of output of agricultural sector is over 40 per cent. Karnataka is the largest producer of spices, aromatic and medicinal crops. Since the past decade, India has witnessed a huge demand for horticultural produce from domestic and international markets due to increase in per capita income and shift in consumption pattern of the population. This phenomenon has provided a big opportunity to the farmers for fetching higher income through high value horticultural crops. (2020)
6. **Supply chain management of agriculture produce:** Supply chains are principally concerned with the flow of products and information between supply chain member organizations, procurement of materials, transformation of materials into finished products, and distribution of those products to end customers. Supply chain management is the integrated process of producing value for the end user or ultimate consumer. Hence one of the important businesses to do in Agri-sector is organized retailer or exporter or processors through contract farming, etc.
7. **Small Farmers' Agri-Business Consortium(SFAC):** SFAC is a Society promoted by Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India. SFAC is giving assistance to new entrepreneurs to establish business in Agri- sector. It has the following schemes to benefit the Agripreneurship in all the states including Karnataka;
 - National Agriculture Market Scheme

- Farmer Producer Organization Scheme
- Venture Capital Assistance Scheme
- Equity Grant Scheme
- Credit Guarantee Fund Scheme

8. Besides above mentioned enterprise there several others which has huge potential to develop as agri-entreprises like;

- Fisheries
- Custom hiring
- Agriclinc
- Grading and packaging of agri products,
- Establishing food processing units
- Establishing cold storages etc.

Challenges for Agripreneurship in Karnataka:

Developing entrepreneurship in agri-business is much useful, despite of huge potential and opportunities in Agripreneurship in Karnataka, there are some important challenges in developing the entrepreneurship in agriculture. They are as follows;

- 1. Inadequate infrastructure facilities:** Infrastructure facilities are essential for all kind of development. In rural Karnataka infrastructure facilities are poor. Inadequate transportation, communication, power and marketing network are becoming challenges in development of Agripreneurship in Karnataka.
- 2. Rapid urbanization:** Urbanization refers to the shift of population from rural areas to urban areas, it is increase in proportion of people living in urban areas and adapting to the urban culture. Urban expansion takes over the forests and agricultural land.
- 3. Farmers are lack in experience to access new services and technology:** information and Knowledge of information technology play important role in development of businesses. Lack of education and knowledge of new farm equipment have an adverse impact on the development of Agripreneurship in Karnataka.
- 4. Lack of skills to have realistic chances to succeed as entrepreneurs:** In Karnataka, agriculture is the major occupation for a majority of the rural population. Lack of education, information and awareness about

Agri-businesses is causing a gap in the development of entrepreneurial culture among people.

- 5. Marketing Problems:** one of the major challenges in Agripreneurship is lack of marketing knowledge. Influence of local mediators, uneven demand due to changing production and consumption pattern, poor transportation, lack of warehousing facilities are creating a lot of trouble for framers in marketing their products.
- 6. Agriculture Graduates are looking for Government Jobs:** Universities and many institutions in Karnataka are offering many courses in agriculture after class 12th. All universities in Karnataka have UG course Bachelor of Science (B.Sc) in Agriculture. However Agri-graduates are not interest in doing agriculture and doing business, they are looking for Government as well private jobs.
- 7.** Illiteracy and lack of knowledge of farmers and insufficient cash in hand to run the business.
- 8.** Change in the climate also reducing the confidence of farmers to involve more in agri-business.

SUGGESTIONS IN PROMOTING AGRIPRENEURSHIP IN KARNATAKA:

Following are the some important suggestions in promoting Agripreneurship in Karnataka;

- Providing training to Agriculture-graduates for creating entrepreneurship qualities.
- Private operators have to entre in Agri-business. Changing consumer demand has opened the doors for investment by private sectors in agri-businesses.
- Issue of agriculture products quality certificates, Grading and Branding to agriculture products.
- The National Skill Development Corporation of India (NSDC) should have course on Agripreneurship, specific technical training programmes to develop the required technical competency among Agipreneurs.
- Promoting entrepreneurial culture among the people in rural areas.

- Extending financial assistance and marketing facilities to develop business in agriculture.

CONCLUSION:

As per National Sample Survey Office (NSSO) employment reports Karnataka, urban unemployment is at 6.3%, compared to rural unemployment of 3.9%. agri-business is imperative for generating employment in rural areas of Karnataka. Sustainable development and to achieve balance economic growth, the development agribusiness is essential. The natural, economic, socio-cultural conditions of Karnataka open for opportunities in development of Agripreneurship. Agripreneurship in natural farming, organic farming, and eco-friendly agriculture has the potential to change the mindset of rural Karnataka towards business. So there is an urgent need of making suitable policies, strategies, plans for development of Agripreneurship in Karnataka with establishment of some supportive institutions or organizations.

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