

Increasing role of Entrepreneur in the field of Agribusiness

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Abstract - The research organizations like State Agricultural Universities (SAUs) and ICAR institutes have always proved with their rigorous efforts that the food processing sector is the sunshine sector in Indian Economy. The processing of food finds its roots back in the Stone Age when the man learnt to make fire and (32%) of the total food industry. With a very wide product line, India stands as one of the largest producers in fruits and vegetables, milk, livestock, fish, food grain, etc. Foreign Direct Investment (FDI) is also very lucrative in the country as 100% FDI is allowed under automatic route in food processing industry; thus making India a huge potential market for public-private partnership in food processing. This paper focus on business rule of ministry of food processing industry towards agribusiness, elaborate Entrepreneurship Development Program (EDP) and analyze Gross Value Added (GVA) By Food Processing Industries (FPI) at Constant 2011-12 Prices.

Keywords: EDP, GVA, Entrepreneur and Agribusiness.

I. INTRODUCTION

In developing countries like India, the base for agricultural growth is due to its agricultural research and innovation. This paper focuses majorly on research and innovation through the involvement of private hands along with the public sector organizations into the agribusiness by way of making big investments which are extremely important to farmers and also throws light on the Indian policies that influence research and innovation.

Both domestically and globally, the rising demand for agricultural products is leading to rising prices to the heights which were never recorded before. Concurrently the resources to fulfill these demands are either growing at slower rates or at some places, even declining. Equally worrisome, productivity growth of major food crops is leveling off (Singh and Pal 2010). All these trends generate demand for innovations to increase productivity. Indian public-sector research, international agricultural research centers, and foreign public and private research provide a flow of new technology. Increasingly, private agribusinesses in India have been playing an important role—accessing and introducing available technology, and advancing what is available with further research.

The Oxford dictionary defines the word ‘business’ as buying and selling or trade or commercial work. The word trade or commerce means exchange of goods as a means of livelihood or profit. In our National Accounts, agro processing, production of agro-chemicals and farm machinery, and trade (wholesaling and retailing) are considered as parts of manufacturing (industrial) or service (tertiary) sector. With structural transformation of the economy, the share of agricultural production (farming) in the economy is going down, and that of processing, distribution and trade is increasing.

II. REVIEW OF LITERATURE

Manisha Mani, Alka Vasani, and S. K. Sethi in their article “Innovations in Food Business: The Agribusiness and Entrepreneurship Perspective” they examined different types of innovation in food business which are product innovation (offering variety of new products), Process innovation (licensing, buying, simply copying). Many companies like Tata tea, Hindustan and Goodrick Tea innovated nutritionally enhanced tea, flavored tea and instant tea etc. Factors which are helpful in innovation includes intellectual property right, liberalization of export and import policy, higher market demand, govt. investment in research center, seed, biotech and veterinary medical etc.

S.S. Acharya in his paper “Agribusiness in India: Some Facts and Emerging Issues” studied issues for agriculture sector such as marketing infrastructure, marketing channel, proper handling of agricultural products, cold storage facilities, warehouses facilities etc. He focused on opportunities in agribusiness includes production of high yield seed, high quality planting material, nurseries, organic farming, floriculture, processing of sugarcane and maize, medicinal plant, processing dairy products, poultry products, live stock product etc.

Olatomide Waheed Olowa & Omowumi Ayodele Olowa Factors Affecting “Entrepreneurship Development in Agribusiness Enterprises in Lagos State, Nigeria” their aimed to study factors (economic, social, managerial, marketing, training, psychological and cultural factors) effecting Entrepreneurship Development in Lagos. For this purpose they used primary data from 120 owner and manager of small and micro agribusiness and apply descriptive statistics and multiple regressions. Value of adjusted R is 0.78 which means 78% of the variation in

level of involvement in agribusiness entrepreneur is explained by a number of independent variables which are age, gender, marital status, business size, family size, primary occupation, education qualification and membership.

Ashish Kumar in his study “Entrepreneurship in Agriculture Development with Special References to Indian Agriculture Sector” analyze use of technology in agriculture Entrepreneurship, problems, prospects and types of entrepreneurship. He further focused on different approaches for development in agriculture sector likes Canal Irrigation Project 1991, MP Local Area Development Fund 1993, National Agricultural Technology Project, and National Horticulture Mission 2005. At last author suggested that Entrepreneur can help for farmer to get him right MSP (Minimum Support Price) for their crops.

Ravindra Tripathi, and Sweta Agarwal, “Rural development through Agripreneurship: A study of farmers in Uttar Pradesh” through this paper they focused on different types of social and economic barriers in development of entrepreneurship skill in Uttar Pradesh. There barrier are lack of finance available for entrepreneur, lack of proper and adequate facilities, risk involved in new venture, problems of standardization, competition, lack of information technology, availability of raw materials, inferior quality of products, unskilled and uneducated farmer etc. To face these problems, Govt. should support different financial organization likes ICICI, IFCI, SIDBI, NABARD etc which are provided financial and marketing related facilities.

R.R. Blesson Hrangao and Robita Sorokhaibam “Enterprising the Farmer Entrepreneur (A case study of Manipur, India)” with the help of this article authors investigated different opportunities and challenges of farmer entrepreneur in Manipur. Opportunities included technical service provider, production of agriculture product at household and farm level, bio fertilizer, bio pesticides, agriculture tool grading, vegetables, seed processing, cold storage, warehouse, herbal plantation, organic farming etc. they founded that there are various challenges which are barrier in proper use of opportunities. Author suggested that only Govt. and Society can encourage small scale farmer and entrepreneur in agriculture sector by providing various types of facilities, incentives and other types of help.

Saurav Negi (2013) in his paper “Food Processing Entrepreneurship for Rural Development: Drivers and Challenges” identified main divers and challenges in rural development. He suggested that Govt. can overcome these challenges with the help of proper training program, suitable policy, schemes, financial help, and proper infrastructure facilities in rural area. Apart from Govt. help, Entrepreneur should also focus on agro horticulture

products, reduce number of wastage and increase farmer’s income.

Baljeet Singh (2014) “Technology Based Entrepreneurship in Agriculture-Role of Agribusiness Incubators” they confirmed that agribusiness incubator promote development in agribusiness with the help of 10 agribusiness incubator in India. They founded that large number of consultancy assignment have completed with help of ABI which supported entrepreneur. ABIs have a good access to technology generated Institutes. Author studied these ABI on the basis of technical attributes, business and social attributes. These ABIs provide nurturing of innovation, innovative ideas, new hybrid of crops etc.

Shoji Lal Bairwa , Kerobim Lakra, S. Kushwaha , L. K. Meena and Pravin Kumar(2014) in their investigation “Agripreneurship Development as a Tool to Upliftment of Agriculture” they examined entrepreneurial skills and need of agribusiness development in India. Agripreneurship help in increase agricultural products, reduced food cost, improving diet of rural people, generate employment, growth income and providing entrepreneurial opportunities. Entrepreneur have various types of skills which are very important in agricultural activities like dairying, sericulture, rabbit rearing, floriculture, fishery, nursery farming and forestry etc. So it is clear there are many opportunities in agriculture sector.

Objectives

- (1) To study business rule of ministry of food processing industry towards agribusiness.
- (2) To elaborate Entrepreneurship Development Program(EDP)
- (3) To analyze Gross Value Added (GVA) By Food Processing Industries (FPI) at Constant 2011-12 Prices.

III. RESEARCH METHODOLOGY

This paper is a descriptive study in nature. The secondary data and information have been analyzed for preparing the paper extensively. The secondary information have been collected from different scholars and researchers, published books, articles published in different journals, periodicals, conference paper, working paper and websites.

Analysis and Explanation

Ministry of Food Processing Industries

The Ministry of Food Processing Industries was set up in July, 1988 to give an impetus to development of food processing sector in the country. Subsequently, vide notification No.DOC.CD-442/1999 dated 15.10.1999 this Ministry was made a Department and brought under the Ministry of Agriculture. It was again notified as the Ministry of Food Processing Industries vide Cabinet Secretariat’s Note No.1/22/1/2001-Cab (1) dated 06.09.2001.

Allocation of Business Rules:

The subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:-

1. Industries relating to:
 - (a) Processing and Refrigeration of certain agricultural products (milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products), poultry and eggs, meat and meat products.
 - (b) Processing of fish (including canning and freezing);
 - (c) Establishment and servicing of development council for fish processing industry;
 - (d) Technical assistance and advice to fish processing industry;
 - (e) Fruit and vegetable processing industry (including freezing and dehydration); and
 - (f) Food grains milling industry.
2. Planning, development and control of, and assistance to, industries relating to bread, oil seeds, meals (edible), breakfast foods, biscuits, confectionery (including cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready to eat foods)
3. Specialized packaging for food processing industry
4. Beer including non-alcoholic beer
5. Alcoholic drinks from non-molasses base
6. Aerated water and soft drinks

Organization under the Ministry:

National Institute of Food Technology Entrepreneurship & Management (NIFTEM):

The National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) at Kundli, Haryana has been set up as an international centre of excellence, which will work synergistically with the industry and similar institutions within India and outside. The Institute has been granted Deemed University status under de-novo category by the Government on 08-05-2012. The first academic session has commenced from 16-08-2012. The Institute is offering B.Tech. (Food Technology and Management), M.Tech. and Ph.D. courses.

Modernization of Food Processing Industries

Ministry has been implementing the Scheme of Technology Up gradation/ Establishment/ Modernization of Food Processing Industries since 9th Plan. Under this Scheme, Ministry extended financial assistance to food processing units including fruits and vegetables units in

the form of grants-in-aid to the implementing agencies/ entrepreneurs @ 25% of the cost of Plant & Machinery and Technical Civil Work Subject to maximum of Rs. 50 lakhs in general areas and 33.33% up to a maximum of Rs. 75 lakhs in difficult areas.

Entrepreneurship Development Programme (EDP)

The Ministry has been providing Financial Assistance for conduct of EDPs in food processing through Central/State Governments Organizations, R & D Institutes, Universities, SNAs & NGOs. The objective of EDP is to enable trainees to establish commercially viable enterprises in Food and Agri processing sector by providing basic knowledge of project formulation and management including technology and marketing, motivating the trainees and instilling confidence in them, educating on the opportunities & financial assistance available and providing escort services to enable them to avail credit facilities from banks/financial institutions and other support services from the development organizations. The duration of the EDP is 6 weeks with a follow-up phase of 12 months and the number of trainees should not be less than 25. Maximum financial assistance of Rs. 2.00 lakh per EDP is provided.

The ‘way of life’ of a farmer-entrepreneur

- Freedom in making decisions about the business and the relationship with family
- Control over what has to be done, when and in what order
- Working alone often in solitude
- Coping with a wide range of managerial and ‘day to day’ tasks
- Lives with uncertainty; if you can’t generate profit you may not survive in the future
- Risking personal assets and security
- High level of responsibility and risk of failure
- Lives with an inability to control the actions of stakeholders upon whom the success of the business depends
- Develops trust and alliances with other stakeholders where mutual benefits exist
- Works long and irregular hours to meet demands
- Closely interwoven family and business life
- Social status is linked to the success of the business
- ‘Learns by doing’ under pressure from stakeholders, by solving problems, experimenting, seizing opportunities, and learning from competitors

Gross Value Added (GVA) By Food Processing Industries (FPI) at Constant 2011-12 Prices

(Rs. in Lakh Crore)

Sl. No.	Economic Activity	2011-12	2012-13	2013-14	2014-15	2015-16
1	GVA - All India	81.07	85.47	90.84	97.27	104.27
2	GVA - Manufacturing	14.10	14.95	15.80	16.67	18.22
3	GVA- Agriculture, Forestry And Fishing					
		15.02	15.24	15.88	15.84	16.04
4	GVA- FPI*	1.47	1.33	1.35	1.43	1.53

(% Growth)					
Economic Activity	AAGR	2012-13	2013-14	2014-15	2015-16
5 GVA - All India	6.50	5.43	6.29	7.08	7.19
6 GVA Manufacturing	6.63	6.05	5.65	5.53	9.29
7 GVA- Agriculture, Forestry And Fishing	1.67	1.50	4.19	-0.25	1.25
8 GVA -FPI	1.18	-9.69	1.91	5.78	6.71
(% Share in Total GVA)					
Economic Activity	2011-12	2012-13	2013-14	2014-15	2015-16
9 GVA - FPI	1.81	1.55	1.49	1.47	1.46
10 GVA Manufacturing	17.39	17.50	17.39	17.14	17.47
11 GVA- Agriculture, Forestry And Fishing	18.53	17.84	17.48	16.29	15.38
(% Share of FPI)					
12 GVA Manufacturing	10.42	8.87	8.56	8.58	8.37
13 GVA- Agriculture, Forestry And Fishing	9.78	8.70	8.51	9.03	9.51

**Expenditure under HRD scheme pertains to committed liabilities of 11th plan.

Note: The above said scheme has been subsumed in the National Mission on Food processing in 12th Plan (2012-17)
(Rs. in Lakh)

S.No	Scheme	11th Five Year Plan		2012-13	2013-14	2014-15	2015-16	2016-17	
		No.	Fin.	No. *Fin.	No *Fin.	No *Fin.	No. *Fin.	No *Fin.	
1	Setting up of Food Processing Training Centre	159	617	8	55.32	3 31.83	1 14.55	1 13.61	0 1.61
2.	Creation of infrastructure facilities under the scheme of HRD	34	2392.4	3	106.7	3 134.88	5 272.3	0 255.42	0 42.50
3	Entrepreneurship Development Programmes	994	1282.8	62	236.4	67 211.15	10 77.65	3 30.97	0 10.04
	Total		4292.2		398.42	377.86	364.5	300	54.15

* Amount indicated also includes 2nd/3rd installment of grant.

IV. CONCLUSION

Food processing sector is the sunshine sector in Indian Economy. Entrepreneur played important role in Agribusiness. Government Helped Entrepreneur by setting up of food processing training center, creation of Infrastructure facilities under scheme of HRD and initiated many Entrepreneurship Development Program in India. As a result Gross Value Added (GVA) By Food Processing Industries (at Constant 2011-12 Prices) are constantly increased from 81.07lakh core to 104.27 lakh crore in Indian economy. Author explained different business rule of ministry of food processing industry towards agribusiness. FDI in this sector allowed 100% which promote growth, innovation, advanced technology, better facilities of marketing in agriculture.

Recommendations

1. Govt. should adopt adequate entrepreneurship policies likes' price stabilization.
2. To provides Entrepreneurial education.

3. To provides loan facilities in development in agribusiness.
4. Govt. should consider incentives for entrepreneur to develop innovation that will improve health and rural environment.

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