

Investigation of technical, financial and marketing needs of agripreneurs in Karnataka

Abstract:

Agripreneurship is a key factor in removal of poverty and to bring economic progress of India. As Indian economy is basically an agrarian economy; it can serve as a platform for agricultural entrepreneurship, food processing and other allied activities. A study was undertaken in 2022 in Karnataka state. Snowball sampling technique was employed for the selection of agripreneurs and about 200 agripreneurs were interviewed covering 30 enterprises across 14 districts of Karnataka. The study was conducted with the help of pre-tested schedule through personal interview method. Rank Based Quotient (RBQ) technique was employed to analyze the needs of agripreneurs. From the results of the study, it can be found that adequate infrastructure facilities and required inputs, provision of subsidies to reduce initial cost of investment and strategic solution for competition around found to be the major technical need, financial need and marketing need of agripreneurs respectively. And also, it can be suggested that Government and extension agencies have to take some measures like certainty in prices, provision of subsidies and creating awareness regarding modern techniques, and financial and marketing assistance to agripreneurs which will help them to earn more income and also inspires others to start new agrienterprise.

Key-Words: Rank Based Quotient (RBQ), Needs, Agripreneurs, Agri enterprise.

Introduction:

The Indian economy is basically agrarian. In spite of marked economic development and industrialization, agriculture continues to be the backbone of the Indian economy. The father of nation, Mahatma Gandhi once said, "India lives in villages and agriculture is the soul of Indian economy". Nearly two-thirds of its population depends directly on agriculture for its livelihood. It contributes about 13.70 percent of the gross domestic product (GDP) during 2010-2011 census. India has vast expanse of level land, rich soils, wide climatic variations suited for various types of crops, ample sunshine and long growing season but the productivity of agriculture is very low. There are many reasons responsible for the low productivity of agriculture, like small size of land holdings and even

today, the farmers are using very old methods, tools and implements in farming. Inputs like better quality seeds, fertilizers and plant protection chemicals are not used by most of the farmers and farm credit are also minimum. Agricultural development is a precondition of our national prosperity as it is the main source of earning livelihood of the people. Agriculture will continue to be central part to all strategies of planned socio-economic development of the country.

Agriculture is the single largest sector having immense potential opportunities for entrepreneurial activities. About 54.6 per cent of total workforce in India is engaged in agriculture and allied sector activities (Annual report, 2021-22). Agriculture and allied sectors are important sources of raw materials for industries and their demand for many industrial products particularly fertilizers, pesticides, agricultural implements and a variety of consumer goods. Hence, agriculture and allied sectors are considered to be mainstay of the Indian economy. Due to changing socio, economic, political, environmental and cultural dimensions over the world, farmer's and nation's options for survival and for sustainability ensuring success in changing their respective economic environments has become increasingly critical. It is also worth noting that the emergence of the free market economies globally has resulted in the development of a new spirit of enterprise "Agripreneurship" and the increased individual need for responsibility for running their own business (Alex and Lwakuba, 2011). Dollinger (2003) defines entrepreneurship in agriculture as the creation of innovative economic organization for the purpose of growth or gain under conditions of risk and uncertainty in agriculture. In the face of growing unemployment and poverty in rural areas and slow growth of agriculture there is a need of entrepreneurship in agriculture for more productivity and profitability.

Applying the thought and practice of entrepreneurship in the field of agriculture generates wide range of economic benefits like – increased productivity, creation of new business ventures, new jobs, innovative products and services, development of rural areas and increased wealth. Traditional farmers who are unaware of scientific agriculture and effective agri management systems are unable to cope up with the delaying monsoons, drought, crop debris, fake seeds and shortage of fertilizer, as a result resort to committing suicide. The managerial, technical and innovative skills of entrepreneurship applied in the field of agriculture may yield positive results and a well-trained agripreneurs may become a role model to all such disheartened farmers. But, some constraints or requirements of agripreneurs restricting them to become successful. In this backdrop, the present study aims at exploring the technical, financial and marketing needs of the agripreneurs.

Material and methods:

The primary data related to needs from the 200 agripreneurs among which 142 agripreneurs under manufacturing sector and 58 agripreneurs under service sector, covering 30 enterprises across 14 districts of Karnataka through the snowball sampling technique in the year 2022 with the help of pre-tested schedule through personal interview method. The limitation of the study is the result of the study would be relevant to the study area only so the future similar studies can be done by considering other sampling area.

Chart 1: Sampling frame

SI No.	Districts	Samples	Percent
1	Bagalkot	11	5.50
2	Bengaluru rural	12	6.00
3	Bengaluru urban	12	6.00
4	Chickballapur	13	6.50
5	Dharwad	09	4.50
6	Hassan	20	10.00
7	Kodagu	17	8.50
8	Mandya	24	12.00
9	Mysuru	17	8.50
10	Ramanagar	07	3.50
11	Shimoga	14	7.00
12	Tumakuru	17	8.50
13	Uttara Kannada	10	5.00
14	Vijayapura	17	8.50
	Total	200	100.00



Source: Pngitem.com

Fig 1: Map depicting the study area

Rank Based Quotient

Rank based quotient estimation (RBQ) was used to analyze the needs of agripreneurs. It is applied to rank a set of needs as perceived by the sample respondents based on their priority. The order of merit assigned by the respondents was converted into scores using the formula given by Sabarathnam (1988):

$$RBQ = \frac{\sum f_i(n + 1 - i) * 100}{N * n}$$

Where,

F_i = Frequency of agripreneurs for i^{th} rank of the needs

N = Number of agripreneurs

n = Number of ranks

i = concerned ranks (1,2,3...n)

Results and discussion

Needs of the agripreneurs

The major requirements of agripreneurs are **divided into** 3 major categories i.e., Technical needs, Financial needs and Marketing needs.

a) Technical needs of the agripreneurs: -

The technical needs of agripreneurs for establishing a new enterprise and its maintenance is presented in the Table 1. From the results it can be found that with respect to manufacturing sector, use of low quality or fewer amounts of inputs could be result in wide range of adverse changes in output level as it is mainly depending on quality and quantity of inputs hence, the adequate infrastructure facilities and required inputs was the major requirement among technical needs for the agripreneurs with the RBQ value of 69.52 followed by professional expertise on latest technologies (63.08), availability of skilled labour in time (58.55) and periodic skill-oriented training to update the knowledge related to business (58.15).

Whereas with respect to service sector, agripreneurs could not find suitable skilled workers to do some specialized jobs especially while incorporating modern techniques, the availability of skilled labour in time (68.97) and periodic skill-oriented training to update the knowledge related to business (63.10) were major technical needs of agripreneurs. The other technical needs were adequate infrastructure facilities and required inputs (61.08), need to find out loyal customers (53.79), and adequate organizational support and guidance (51.03). Similar needs were found from the study of Gowramma and Kumar (2018) in which they opined that adequate training, proper assistance and frequent workshops were the needs of women entrepreneurs. **And in the study conducted by Kumar and Lakshminarayana (2022) also found that there was a need of encouragement with entrepreneurship development programmes, high quality training facilities and disseminating information about government schemes and initiatives to encourage rural business, etc.**

b) Financial needs of agripreneurs: -

Table 2 indicates the financial needs of agripreneurs for establishing a new enterprise and its maintenance. The findings of the study showed that the major drawback that restrict to establish enterprise was the high cost of initial investment therefore, provision of subsidies to reduce initial cost of investment found to be the foremost financial needs of agripreneurs belonged to both manufacturing (66.60) and service (62.41) sector followed by provision of timely credit from the financial institutions since, lack of finance was one of the major problems faced by agripreneurs. Along with these, other major financial needs of

agripreneurs were adequate financial guidance and assistance, need of loan at low rate of interest, need of awareness regarding different funding schemes and their procedures, surety of loans, and need of financial support from family and friends. These results are in line with the results of the study made by Shiralashetti (2012) and stated that quick release of subsidy and incentives, special scheme for financial assistance and awareness regarding financial institutions were the major needs of entrepreneurs. Also, similar results can be found from the study of Balaganoormath *et al.* (2018) in which they found that there was a need of family encouragement, cooperation of bank officials, surety for getting loans and certainty in prices.

b) Marketing needs of agripreneurs: -

The marketing needs of the agripreneurs in establishing a new enterprise and its maintenance are presented in the Table 3. From the results of the study, it was found that under manufacturing sector, major problem confronted by the agripreneurs who have started new enterprise was the severe competition with large enterprises or already established enterprise especially in terms of standardization, marketing, built loyalty, etc. so, strategic solution for competition around with the RBQ value of 62.78 was the prime need of agripreneurs related to marketing aspects. Subsequently, adequate demand for produce (62.58), adequate and timely availability of market information (57.14), certainty in raw material prices (45.17) as price fluctuation was a multifaced problem confronted by agripreneur, improved storage facilities (41.85) were the major marketing need of agripreneurs.

Whereas, under service sector since, most of the farmers purchase the crop protection materials on credit basis, hence timely payment from clients (61.38) was major marketing need of agripreneurs followed by strategic solution for competition around (61.03) and simplifying the registration and licensing procedure (60.00). Parallel findings were found in the study of Gayathridevi (2014) in which they stated that, lack of demand, tough competition from large scale units and lack of marketing knowledge were the major constraints faced by entrepreneurs. And the study made by the Timmapur and Hasalkar (2017) also found that intime collection of payment financial support were major needs of the women entrepreneurs.

Table 1: Technical needs of agripreneurs

(n=200)

Sl No.	Needs	RBQ value	Rank

A. Manufacturing sector (n=142)			
1	Adequate infrastructure facilities and required inputs	69.52	I
2	Professional expertise on latest technologies and market trends	63.08	II
3	Availability of skilled labour in time	58.55	III
4	Periodic skill-oriented training to update the knowledge related to business	58.15	IV
5	Adequate knowledge about government schemes and programmes related to agribusiness	51.51	V
6	Adequate organizational support and guidance	51.11	VI
7	Mechanization through custom hiring centres	47.89	VII
B. Service sector (n=58)			
1	Availability of skilled labour in time	68.97	I
2	Periodic skill-oriented training to update the knowledge related to business	63.10	II
3	Adequate infrastructure facilities and required inputs	61.08	III
4	Need to find out loyal customers	53.79	IV
5	Adequate organizational support and guidance	51.03	V

Table 2: Financial needs of agripreneurs

(n=200)

SI No.	Needs	RBQ value	Rank
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A. Manufacturing sector (n=142)			
1	Provision of subsidies to reduce initial cost of investment	66.60	I
2	Adequate financial guidance and assistance	66.30	II
3	Provision of timely credit from the financial institutions	63.98	III
4	Need of awareness regarding different funding schemes and their procedures	60.06	IV
5	Surety of getting loans	52.82	V
6	Need of loan at low rate of interest	49.40	VI
7	Need of financial support from family and friends	40.85	VII
B. Service sector (n=58)			
1	Provision of subsidies to reduce initial cost of investment	62.41	I
2	Need of loan at low rate of interest	62.07	II
3	Provision of timely credit from the financial institutions	60.69	III
4	Adequate financial guidance and assistance	58.62	IV
5	Need of awareness regarding different funding schemes and their procedures	56.21	V

Table 3: Marketing needs of agripreneurs

(n=200)

SI No.	Needs	RBQ value	Rank
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A. Manufacturing sector (n=142)			
1	Strategic solution for competition around	62.78	I
2	Adequate demand for produce	62.58	II
3	Adequate and timely availability of market information	57.14	III
4	Certainty in raw material prices	45.17	IV
5	Improved storage facilities	41.85	V
6	Orientation towards processing and other value adding activities	41.55	VI
7	Timely payment of sale proceeds	35.61	VII
8	Simplifying the registration and licensing procedure	27.46	VIII
9	Minimum marketing charges	25.86	IX
B. Service sector (n=58)			
1	Timely payment from clients	61.38	I
2	Strategic solution for competition around	61.03	II
3	Simplifying the registration and licensing procedure	60.00	III
4	Certainty in raw material prices	59.50	IV
5	Adequate and timely availability of market information	57.59	V

Conclusion:

Agripreneurship is a key factor in removal of poverty and to bring economic progress of India. The managerial, technical and innovative skills of entrepreneurship applied in the field of agriculture may yield positive results and a well-trained agripreneurs may become a

role model to all such disheartened farmers. The present study has revealed that adequate infrastructure facilities and required inputs, need of professional expertise on latest technologies and availability of skilled labour were the major technical needs of agripreneurs. While, provision of subsidies to reduce initial cost of investment, adequate financial guidance and assistance, and timely credit from the financial institutions were the prime financial needs, and strategic solution for competition around, adequate demand for produce and timely payment from clients were the major marketing needs of agripreneur. And also, it can be suggested that Government have to take some measures like certainty in prices, provision of subsidies and financial support to agripreneurs. And extension agencies have to come forward to create awareness regarding modern techniques, and financial and marketing assistance to agripreneurs which will help them to earn more income and enhancement of enterprise which will also inspires others to start new agrienterprise.

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