

## **Agriculture and Agribusiness in India: An Entrepreneurial Development of Agriculture**

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### **Abstract**

Agriculture and agriculture-related sectors are important sources of revenue in India. It is especially critical for persons living in rural regions. In light of technical improvements, several service and manufacturing industries have emerged. Agribusiness has profited immensely from technical advancements as well. Agriculture is an important element of the Indian economy, contributing to more and over 17 percent of the total GDP and supporting more than 60 percent of the workforce. Agribusiness encompasses a wide variety of commercial operations that occur from farm to fork. It entails the supply of agricultural inputs as well as the production and processing of farm commodities. Agribusiness comprises all activities in the agricultural, food, and natural resource industries that are connected to food manufacturing and fibre. This article's goal is to highlight the sustainability of agricultural progress and development in the field of the business sector. Transformation of Agriculture to Agribusiness is a big move for farmers to become entrepreneurs in the Agribusiness as agri-Entrepreneurs.

### **Keywords**

Agriculture, Agribusiness, Agri-entrepreneurs, Entrepreneurship, Portfolio entrepreneurs, and Agriprenneurship.

### **1. Introduction**

India is a vibrant nation with a rising economy. Manufacturing, services, and agriculture account for the majority of the country's GDP. Agriculture is the major financial means of support for around 58 percent of India's population. In 2019 - 20, agriculture, forestry, and fisheries generated a Gross Value Added of Rs. 19.48 lakh crores (US\$ 276.37 billion). At current prices, agriculture and allied industries contributed 17.8 percent of India's gross value added (GVA) in 2019 - 20. Following a pandemic-driven dip, consumer expenditure in India might increase by up to 6.6 percent in 2021. Agribusiness provides people with food,

clothes, and shelter. Masses of people are employed in disciplines such as research, science, technology, marketing, promotion, administration decision-making, and distribution to major trading and commodities groups. Agribusiness involves both the governmental and private sectors. The public sector refers to the economic and administrative functions associated with the delivery of products and services by and for the government. The area of the economy that the private sector makes up is primarily concerned with private profit and is not governed by the government. India's agro-climate diversity allows for the production of temperate, subtropical, and tropical agricultural crops. Organic fertilisers, food and feed, and bio-fertilizers are in great demand as agricultural inputs. The Indian food sector is poised for significant development, with its contribution to global food commerce expanding year after year, owing to its enormous value-adding potential, notably in the food-producing industry. The market for groceries and food in India is the world's sixth biggest, with retail accounting for 70 percent of total sales. The Indian food processing sector is among the country's major sectors, accounting for 32 percent of the total food market and ranking fifth place regarding production, utilization, export, and expected growth. Agriculture and associated product exports reached \$41.25 billion in Financial Year 2021.

## **2. Agriculture's Contribution to the Indian Economy**

Agriculture and agribusiness provide important contributions to India's economic growth and riches. The agriculture industry's most recent contributions to the national economy are listed below.

- In 2019-20, India's total horticultural product production was over 310 million tonnes.
- In 2019-20, India produced about 24 million tonnes of onion and exported nearly 2 million tonnes.
- Potato output was over 51 million tonnes in 2019-20, while tomato production was around 19 million tonnes.
- Total fresh vegetable output was predicted to be over 97 million tonnes, with roughly 16 lakh tonnes exported.
- In 2019-20, grape output was 1.9 lakh million tonnes, while mango production was about 49 thousand million tonnes (as well processed mango pulp adding a further 85 thousand tonnes).

- Cattle, buffalo, goats, sheep, pigs, and poultry account for around 530 million of the number of livestock in India in 2019.
- India is the biggest milk factory in the world, sending milk to countries such as Bangladesh, Nepal, Bhutan, the United Arab Emirates, and Afghanistan.
- India exported around 11 lakh million tonnes of buffalo meat, 14,000 million tons of sheep/goat meat, and 3.5 lakh million tonnes of poultry goods in 2019-20.

### **3. Agribusiness Advancement and Indian Government Initiatives**

The agrarian sector in India will be worth INR 63,506 billion in 2020. As per IMARC Group, the market would be worth INR 125,350 billion by 2026, with a 12 percent CAGR from 2021 to 2026. Agriculture has always been a priority for the Indian government due to its importance to residents' livelihoods. Here are a handful of the most important projects launched by the Indian government.

- The Krishi UDAN 2.0 concept was launched by the Civil Aviation Ministry in October 2021. The proposal suggests financial assistance and incentives for agri-produce air transportation. Growers, logistics providers, and airlines are anticipated to benefit from the Krishi UDAN 2.0, which will be installed at 53 airports around the country, with a focus on the Northeast and tribal regions.
- A Memorandum of Agreement (MoA) was signed in October 2021 by the “Agricultural and Processed Food Goods Export Development Authority” (APEDA) and the ICAR-Central Citrus Research Institute (ICAR-CCRI), Nagpur, to promote citrus exports and significant goods.
- According to the “Union Ministry of Agriculture and Farmers Welfare,” 820,600 seed mini-kits would be given free of charge in 343 specified districts from corner to corner in 15 major producing states under a special initiative in October 2021. This strategy is projected to boost production and the effectiveness of increasing seed replacement rates, allowing farmers to make more money.
- Prime Minister Narendra Modi announced 35 crop varieties with distinct features such as higher nutritional content and weather resistance in September 2021.

- Prime Minister Narendra Modi inaugurated the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) on February 24, 2019, sending Rs. 2,021 crores (US\$ 284.48 million) to the bank accounts of over 10 million beneficiaries.
- According to the Union Budget 2021-22, the Indian government has announced the “Digital Agriculture Mission” for 2021-25 for agriculture projects utilising cutting-edge technology such as artificial intelligence, block-chain, remote sensing, and GIS technology, drones, robots, and others.
- In September 2021, the Union Ministry of Agriculture and Farmers' Welfare signed Memorandums of Understanding with CISCO, Ninja cart, Jio Platforms Limited, ITC Limited, and NCDEX e-Markets Limited. The memorandum of understanding will comprise five pilot projects to help farmers decide which crops to grow, which seeds to use, and which best practices to use to optimize output.
- The 'Production-Linked Incentive Scheme for Food Processing Industry (PLISFPI)', with a budget of US\$ 1.46 billion, was established in order to develop global food manufacturing champions commensurate with India's natural resource endowment and to strengthen Indian food brands in global markets.
- In the Union Budget 2021-22, the Pradhan Mantri Krishi Sinchayee Yojana received Rs. 4,000 crores (US\$ 551.08 million) (PMKSY-PDMC).

#### **4. Why is Agricultural Entrepreneurship Important?**

Agriculture has always been viewed being a low-tech sector with little dynamism controlled by a plethora of tiny family businesses concentrated on completing tasks well rather than developing unique things. This scenario has altered considerably over the previous decade on account of economic liberalization, diminished agricultural market shelter, and a rapidly changing, more determined society. Agricultural enterprises are increasingly required to react to market fluctuations, changing customer lifestyles, strengthened environmental rules, new requirements for product quality, chain management, food security, sustainability, and so on. These changes have paved the path for new participants, innovators, and portfolio entrepreneurs.

## 5. Types of Agribusinesses

Agribusiness ventures of many forms.

- **Farm Level Producers:** At the individual family level, each family is to be viewed as a venture, with the goal of increasing output by making the greatest use of technology, assets, and market demand.
- **Service Providers:** Services of several kinds are required at the village level to optimize agriculture by every family company. These comprise obtaining and distributing input, renting machinery including tractors, sprayers, seed drills, threshers, harvesters, and dryers, and utilising scientific services such as irrigation facility setup, weed curb, plant security, yielding, threshing, conveyance, warehouse, and so on. Aside from the distribution of cattle feed, mineral combinations, fodder grains, and so on, there are chances in the animal husbandry industry to provide breeding, vaccination, illness detection, and treatment services.
- **Input Producers:** There are many thriving businesses that require vital inputs. Bio-pesticides, soil amendments, bio-fertilizers, vermicomposting, plants of various species of vegetables, fruits, ornamentals, root media for raising plants in pots, production of cattle feed concentrate, agricultural tools, irrigation accessories, mineral mixture, and complete feed are some of the inputs that can be produced by home entrepreneurs at the village level. During the sponsorship of vital service facilities in rural regions, there are strong opportunities to promote fisheries, sericulture, and poultry.
- **Farm Produce Processing and Marketing:** A well-organized administration of post-production processes necessitates a greater degree of knowledge as well as investment. People's Organizations can manage such ventures in the form of cooperatives, service joint stock corporations, or societies. In several states, dairy cooperatives, sugar cooperatives, and fruit producers' cooperatives have been the most successful examples. The success of such an endeavour, however, is entirely contingent on the dependability and competency of the leaders engaged. Such a venture requires solid specialized assistance to manage the operations as a competitive trade and to successfully compete with other market players, mostly retail merchants and intermediaries.

## **6. Agriculture Entrepreneurship Development Opportunities**

Currently, simple usage of technology, the beginnings of microfinance, liberalized government rules, awareness and training programs on agri and allied sectors, and, finally, a shift in the mind-set of highly qualified people to pursue self-employment in agriculture have all contributed significantly to enhancing India's entrepreneurship potential (Bairwa et al., 2014) Dairying, Sericulture, Goat rearing, Rabbit rearing, Floriculture, Fisheries, Shrimp Farming, Sheep rearing, vegetable cultivation, nursery farming, farm forestry are all examples of entrepreneurship in agriculture (Pandey, RK 2009) **Agriculture Entrepreneurial Opportunities Include:** Agroprocessing units - These units do not create new products. They just process agricultural products, such as rice mills, dal mills, and decorticating mills. **Agro-Produce Manufacturing Activities** - These units create completely new items using agricultural produce as the primary raw material. Sugar plants, bakeries, and straw board units, for example. **Agro-inputs Manufacturing Units:** These units create commodities for agricultural mechanization or for growing manufacturing facilities, such as fertilizer production units, food processing units, agricultural tools, and so on. **Agro Service Centres:** These include facilities for repairs and maintenance for repairing and servicing agricultural implements. Aside from the aforementioned areas, the following may be encouraging for the **Establishment of Agri-enterprises:** Apiaries, feed processing units, seed processing units, mushroom production units, commercial vermin compose units, goat rearing farmers club, organic vegetable and fruits retail outlets, bamboo plantation, and jatropha cultivation.

## **7. Agripreneurship's Role in the National Economy**

Agripreneurship performs a variety of functions in the growth and development of the national economy by fostering entrepreneurship, which raises income levels and job prospects in both rural and urban regions (Bairwa et al., 2012). Agripreneurship also plays the following role in the economic system: it helps smallholder farmers increase production and integrate them into local, national, and worldwide markets. It helps to reduce food costs, supply uncertainties, and improve the diets of the country's rural and urban poor. It also promotes growth, increases and diversifies income, and creates business possibilities in both rural and urban locations.

## **8. Conclusion**

In the past few years, India's agribusinesses and agro-food processing sectors have grown quickly, and they have received special attention due to their significant potential to contribute to revenue and development. India's agricultural companies and food processing sectors have grown quickly in recent years. The government has prioritized agro-industries due to their tremendous potential for adding value to agricultural products and enhancing small farmer incomes and rural employment. India has prioritized agro-processing and marketing agribusinesses due to their significant potential to contribute to economic growth.

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