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## Nature and importance of agricultural entrepreneurship

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### Abstract

Excessive discussion is held these days about farmers' becoming 'entrepreneurs'. What is the meaning of entrepreneurship? How does it help entrepreneurial? How can an entrepreneurial behaviour be formed and sustained? How can entrepreneurial skills be settled? How do entrepreneurial farmers respond to the changing farming trends? What approaches do they use? What preparations do they make? And how can extension workers help farmers develop entrepreneurial capacity? There are two parts of entrepreneurship. The first is the 'managerial skills' needed to start and run a gainful agri-business. The second is 'entrepreneurial motivation'. Both are important. Managerial skills can be taught, but an entrepreneurial motivation cannot. Many farmers are already admirable managers and many also have some of the motivation of an entrepreneur. As 'high earner' many farmers have developed outstanding abilities to make the most of their resources. But being 'high earner' does not suggest that these farmers are not innovative, do not take risks, and lack the drive that is usually associated with an entrepreneurial motivation. The purpose of this paper is to provide a better understanding of the concept and practice of entrepreneurship. With this understanding it is hoped that extension workers will be better able to help farmers develop the skills and motivation of an entrepreneur. Group entrepreneurship is also important. It is an attempt to throw light on agri-business management.

**Keywords:** Entrepreneurship, entrepreneurial skills, managerial skills, agri-business management, entrepreneurial motivation, entrepreneurial dynamics

### Introduction

#### Motivation

This paper is committed to the farmers who want to start agri-business afresh, who have to run the enterprise successfully and the extension workers to guide such farmers. This is the universal truth that both the situations happen. Existing farm business runners need/want to change the nature of business for value addition and make it market oriented. Many farmers want to make changes in their farming system owing to the changing agro-climatic situations and market trends. Many newcomers including all the age groups also want to enter farm enterprises. These are not only farming community but other fields also; the number of women starting agri-business is remarkable. This paper can also help extension workers to help all of these prospective farm-entrepreneurs. Field level extension workers will also have to give input for designing and organizing trainings for entrepreneurship development, as they know actually what the situation on field level is and they have to work with Subject Matter Specialists who arrange farmers' trainings as well as trainers' trainings.

#### What is entrepreneurship?

"Agriculture was the first occupation of man, and as it embraces the whole earth, it is the foundation of all other industries" (*Edward W. Stewart*). Agricultural Entrepreneurship or Agripreneurship is the term that deals with the marketing as well as manufacturing of different agricultural products and inputs also. Agripreneurship is more important in small scale farming in the changing scenario of marketing and globalization. We have to focus on small scale farmers who are the key factor of economy.

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### Entrepreneurship dynamics

Defining entrepreneurship is very complicated. When a farmer starts his business in his farming structure, he has to undergo various stages in developing the same to cope with the market demands. Farmers should be trained in managerial skills to meet the requirements of the enterprise. There are several steps for development of farm enterprise. The first step is establishment of farm enterprise, and then comes continued existence with premature rise. The third is swift followed by development. Decline in the enterprise is also taken into granted. Establishing business is quite simple; the only thing is that the farm entrepreneurs should get assistance from banks if needed. Farmers must have the knowledge of market potential. Extension workers must motivate farmers to couple agriculture with agri-business. They have to be taught how to aptly utilize the available resources and business skills. Farmers have to spotlight on to make the business profitable and how it will impact on their farming altogether. They have to see whether they are able to invest for setting up enterprise. During this juncture organization is easy but the farmer has to arrange everything himself. But the same time he has to take into consideration that the product he is producing is market oriented and must fetch reasonable remuneration. As he is producing the product afresh there is a risk of continued existence. In this situation he has to undergo continued existence stage.

1. **Premature rise:** To run the business ahead of the continued existence stage the farmer has to grow his enterprise; for this he has to produce improvised marketable product that could get better earnings, most importantly profit. At this stage organization might be simple, to grow his business the farmer must acquire better managerial skills and improved farming practices. Decision making for the same is very crucial.
2. **Swift rise:** When farm enterprise runs as a well well-integrated agri-business it is, no doubt, grows swiftly. At this stage the farmer has to increase planting raw material or if he is in dairying business have to raise more livestock. It will enhance productivity. Value addition by processing product and/or packaging may have remarkable increase in profit.

### Managerial Skills

During the swift rise stage the farmer is likely to have to delegate some managerial responsibilities. The farmer has to widen his contact, by this or that way, and adapt to that as a routine activity; it definitely require better managerial skills. In turn, the farmer, as his business enhances, has to improve his entrepreneurial and managerial skills. Small scale farmers must have ambition to better their conditions by upgrading to higher level. When it happens, that the size of his activity increases to meet the requirements of agri-business, he could prefer to raise that level. For this the farmer must have knowledge, skills and opportunity. Here the stage comes where he earns to satisfy his desired wishes because he is comfortable with land holding, marketing and skills required for better farm-entrepreneurship. This is the key to continue and sustain the agri-business profitably along with well managed farm.

### Entrepreneurial motivation

Farmers should go along with the risks in this competitive market trends; there is a need to motivate them to continue with their enterprise. In this respect, agriculture researchers

and extension workers can help them. A farmer with an entrepreneurial motivation vigorously, passionately and cautiously makes many different decisions about his farming in the context of the value chain that influences the profits of the agri-business. This is all happening in a self-motivated, ever-changing and indecisive situation.

The farmers who want develop agri-entrepreneurship have to familiar with these changes in response to develop their business:

- a) Concentrated on their achievement;
- b) Must have ability to change the market trends according their potential to attract the customers;
- c) Have to grab every opportunity to make profit;
- d) Make the entrepreneurship they are undergoing should be favorable for them.

This is source of income in the motivation of entrepreneurship.

### Group entrepreneurship

Farmers are also undergoing community farming who want to start farm business together. These farmers are with mutual goals and objectives and also want to face risks and share benefits. All the group members have to shoulder all the responsibility regarding ownership and control. All the group members bear responsibility of investing and risk. The group members assume the role that they are employees. Community farming is undertaken by the farmers who cannot start the farm enterprise at their own. The farmers engaged are economically from backward class and have no links to farm-economy. These farmers are in the want security through group activities which is helpful to them in sharing the resources, risk and build up a social safeguard. For success, group members must possess entrepreneurial skills and motivation. Group members need the aspiration to be self-employed, the impetus to take on something innovative, the eagerness to take intended risks and the mind-set of always looking for prospects. They must be ready to work together in common creative goings-on and to take full accountability for the result. There are many takings to collective entrepreneurship.

Important ones among them are:

1. Group synchronization
2. better command from shared resources
3. Drawing on common life/trade practice
4. Protection from shared 'risks' in the form of oppressive merchants and markets
5. Drawing on the common target to advancement and move ahead cost-effectively

These are important for a better base for a group enterprise. But in spite of these advantages there are disadvantages also:

The whole group could fail with serious financial and livelihood repercussions if one farmer fails. For the early and prolonged need for advisory, there is a factual danger of creating reliance and the nature of danger aggravates because of the paternalistic approach of extension worker. Usually, because of meager economic standing of the members can result in creating stress in inputs whatever is required for good business. This may result in low saving which is an investment in enhancing the business.

Clearly manifested responsibility and decision making process call for collective efforts for the same; collective

decision making and unclear roles are often depend on cultural standers, which may not go hand to hand for enhancing entrepreneurial business. These challenges need to be overcome, which, if influential members may understand the group functioning.

### Conclusion

This paper brings into limelight on agricultural entrepreneurship and agri-business management. Many new entrepreneurs of all the age groups also want to enter farm enterprises are mainly from farming community. The number of women starting agri-business is remarkable. In this Endeavour extension workers including field level extension workers have to help all of these potential farm-entrepreneurs. Entrepreneurship may help for the survival of small scale farming in an ever-changing and increasingly complex global economy. The development of a farm enterprise as a business occurs in five phases- Establishment, Survival, Early growth, Rapid growth and Maturity (possible decline). If the enterprises are profitable and the farm is well managed, the business can be sustained. Farmers have to cope with the risks they will face in the changing market trends in which they compete; they need to develop an entrepreneurial motivation. Group farming is helpful to small scale farmers but it has advantages and disadvantages also. No doubt, the progressive and large scale farmers earn sufficient remuneration from farming and farm business; small and medium scale farmers should be motivated for agri-entrepreneurship.

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