

AGRIPRENEURS: WHO THEY ARE AND WHY THEY ARE IMPORTANT?



While entrepreneurship has been talked about since many years, agriprenurship is something which we started discussing only recently. Dr Mahesh Chander explores the characteristics of Agripreneurs in this blog and he argues the need to encourage, support and promote agriprenurship by extension and advisory service providers.

THE CONTEXT

Traditionally, agriculture is seen as a way of life especially in non-industrialized countries of Asia and Africa, where farmers are mostly focused on doing things better rather than doing new things. However, the situation is changing rapidly mainly because of the following reasons:

- Rising levels of literacy and education
- Economic liberalization and commercialization
- Deregulating or opening of agricultural markets
- Better means of communication and transportation.

With the changing market dynamics, many choices are available to the consumers. The agricultural producers and especially the Agricultural companies have to adapt increasingly to the market demand, changing consumer habits, enhanced environmental regulations, new requirements for product quality, chain management, food safety, sustainability, and so on (Lans *et al* 2011).



These changes have cleared the way for new entrants, innovation, and portfolio entrepreneurship (<http://ir.canterbury.ac.nz/handle/10092/878>). Politicians, practitioners as well as scientists have recognised that farmers and growers increasingly require entrepreneurship, besides sound

management and craftsmanship, to be sustainable in the future (McElwee 2008; Pyysiäinen et al. 2005). Recent studies show that agricultural entrepreneurship is not only wishful thinking or a new hype: it has a profound impact on business growth and survival (Lans *et al.* 2011; Verhees *et al.* 2011).

Box 1: Entrepreneur

Entrepreneur is a French word, first used in 1723, to describe a person who organizes and operates a business by taking a financial risk. Entrepreneurship has traditionally been defined as the process of designing, launching and running a new business, which typically begins as a small business, such as a start-up company, offering a product, process or service for sale (Yetisen *et al.* 2015). It has also been defined as the "...capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit.

Entrepreneurship is a concept that encompasses transforming an idea or vision into a new business or new venture creation, or the expansion of an existing business, by an individual, a team of individuals, or an established business (Reynolds *et al.* 1999, cited by Global Entrepreneurship Monitor). By and large, today it implies qualities of leadership, initiative, and innovation in new venture design. But entrepreneurship, as opposed to self-employment, is also defined by the *spirit* of the entrepreneurs.

The entrepreneur either creates new combinations of production factors such as new methods of production, new products, new markets, finds new sources of supply and new organizational forms; or as a person who is willing to take risks; or a person who, by exploiting market opportunities, eliminates disequilibrium between aggregate supply and aggregate demand, or as one who owns and operates a business (Tyson *et al.*, 1994). There is not one but in several ways entrepreneurship has been defined by many different professionals, yet all these definitions have some common elements (Box 2).

Box 2: Characteristics of Entrepreneurs

The literature on entrepreneurship has described entrepreneurs having a number of characteristics viz Initiative, risk taking, leadership, business and profit orientation, unconventional or out of the box thinking, never say die attitude, willingness and ability to follow the new technology. The entrepreneurs have capability to turn their ideas into business. Many of them are daring enough to take a break from traditional jobs and venture into wholly new fields and make a success of it through their own ingenuity or with some institutional or state help. Entrepreneurs tend to be good at perceiving new business opportunities and they often exhibit positive biases in their perception (i.e., a bias towards finding new possibilities and seeing unmet market needs) and a pro-risk-taking attitude that makes them more likely to exploit the opportunity (Zhang and Cueto, 2015).

The entrepreneur is commonly seen as an innovator — a designer of new ideas and business processes. Entrepreneurs are usually creative, take opportunities and accept risks, and can quickly change business strategies to adapt to changing environments. They are often innovators (Kahan, 2012). As per Butler (2006), an entrepreneur is a complex combination of some interacting factors. For instance,

- **Personality:** In terms of possessing resilience, tenacity, opportunity spotting, and risk taking;
- **Attitude:** Having awareness of the importance of customer focus, the application of creativity and imagination, defined personal standards and values, the perception of enterprise as a positive activity;
- **Skills:** such as the ability to network, to think strategically, to gain access to resources, business knowledge and acumen, interpersonal skills and people management capabilities;
- **Motivation:** personal drive and ambition, the desire to make an impact, the need for achievement or self-satisfaction, a desire for status, to create and accumulate wealth, and social responsibility.

The presence, combination and interaction of these factors determine both the way in which an entrepreneur engages in enterprising activities, and ultimately the degree of success that is achieved, concluded Butler (2006).

AGRIPRENEURSHIP

When talking about entrepreneurship in agriculture, it is termed as Agriculture Entrepreneurship or Agripreneurship. Agripreneurs, thus, do not differ from entrepreneurs in their basic traits. While profiling some of the agripreneurs (Chander, 2016, 2016a, b and c), I found them very articulate in personal, interpersonal and process skills. It is their pro-risk-taking attitude that makes them more likely to cash upon the opportunity available in new agricultural ventures compared to conventional farmers. They not only believe in new venture new gains, but also work consistently to prove themselves true. They are the trend setting farmers.

Recently I interacted with five such agripreneurs in India to understand what they do and why they are different.

1. Traditionally many farmers are growing cereal crops since generations in Upper Gangetic Plain Zone, often with declining profit margins. But breaking away from this trend, a farmer switched to vegetable cultivation and marketing and since then has been earning huge profits. He could not only recognize the business opportunity in vegetable growing, but also turned his idea into action by dint of his hard work and disregarding possible risk in new venture.
2. Raising pigs is considered dirty vocation and taboo, not considered good by many castes and communities in India. A young man in family dares to establish pig farm against this taboo and paves the way for improved earning to family enabling them to better standard of living from the extra income generated from this new enterprise in the locality. Looking at good profit prospects due to least competition, he got motivated and dared to defy and challenge the conventional thinking.
3. Instead of growing food crops with little earning, a farmer opts for growing fodder crops and selling it to peri-urban dairies for better profit margins.
4. A farmer chooses to diversify in farm-based tourism by making certain changes in his house to accommodate tourists and create some infrastructure for their relaxed stay and living at the farm. This change brings in better net returns compared to any other farming activity.
5. One retired Air Force officer set up an Organic Dairying Unit of indigenous cows, highlighting A2 milk properties (A2 type of beta-casein protein rather than the more common A1 protein commonly found in regular milk) and free from antibiotics, selling it as labelled and branded milk, at market premium. He is ahead of his counterparts in the region who continue with conventional milk production.



Mr Mohd Afzal- an entrepreneurial farmer from Bisharatganj, Bareilly district in Uttar Pradesh grows capsicum & potatoes and sell to "Mother Dairy"

In all of the cases mentioned above, they were not at ease with their existing situation, so wanted to pursue the dream of making a difference in their life through change in their existing practice with chances of risk or failures. Since every case is unique in itself with the individual circumstances, there is no common formula for entrepreneurship for everyone. Each entrepreneur has to follow his own dream in his own unique way making it a unique case in a class of its own to be seen as a distinct story-mostly successful one!

WHY AGRIPRENUERSHIP NEEDS TO BE PROMOTED?

The need for an entrepreneurial culture in the agricultural sector has been recognized in recent decades (Bergevoet *et al.*, 2004; McElwee & Bosworth, 2010). By developing entrepreneurial and organizational competency, farmers are expected to be able to work in an organized manner and develop sustainable competitive advantages in order to compete successfully in regional, national and international markets. Sustainable development of the agricultural land requires the development of entrepreneurial and organizational competency in farmers. However, the educational processes involved in such development have been insufficiently studied, especially in emerging economies (Díaz-Pichardo, 2011).



Mr Anil Sawhney blend ancient wisdom with scientific knowledge in making variety of value added farm products in his Godson Organic Farm at Bareilly (UP)

Even when farmers are innovative and creative, they often lack experiences, access to services, people, or markets, and skills to have realistic chances to succeed as entrepreneurs (Wongtschowski *et al.* 2013). In addition, agripreneurs are influenced by external, systemic factors, such as economic and social barriers, policies, and regulations (Kahan 2012). While these constraints affect all farmers and especially smallholders, women and youth are affected more. Farmers, thus, need support to

- face multiple existing and emerging challenges in their farming activities
- improve their livelihoods including turning themselves possibly into successful agripreneurs.

PROMOTING AGRIPRENUERSHIP: CURRENT INITIATIVES IN INDIA

On February 26, 2010, Shri Sharad Pawar, the then Union Agriculture Minister honoured 101 enterprising men and women farmers from remote parts of the country, who by sheer dint of their innovation and hard work were more than inspirational for others. The Department of Agriculture and Cooperation, GOI has documented their success stories in shape of a Coffee Table Book titled "Harvest of Hope", with the sponsorship of NABARD (MoA, 2010). Referring to the success stories included in the book, Shri Pawar said that the basic thread underlying all the stories is the dedication, the zeal and the hope to harness resources, skills and enterprises. The path-breaking interventions covered by the true life stories in this book are not limited merely to crops, but cover the entire gamut of rural vocations as diverse as poultry, sheep and fish farming, floriculture and fruit orchards, oilseeds and pulses, and cotton and *ayurvedic* herb cultivation etc.

The entrepreneurial farmers are being felicitated and honoured by agricultural universities and research institutions and agricultural development agencies on different occasions like farmers' fairs (<http://www.icar.org.in/en/node/10275>). Almost all the SAUs, ICAR institutes and KVKs in India have list of enterprising farmers whom these institutions not only have awarded but a few of them utilize their services as resources persons too. The ICAR honours innovative farmers including agripreneurs under different categories every year on its Foundation Day on July 16. The farm magazines, radio, TV and YouTube videos profiling enterprising farmers have become very common in recent times (<https://www.youtube.com/watch?v=7MmdNNfON0Y&spfreload=5>).



Entrepreneurship meet organised at IVRI for the progressive farmers & entrepreneurs of Uttar Pradesh & Uttarakhand (2013)

The Director General, ICAR recently emphasized that the experience of successful entrepreneurs should be documented and disseminated in the form of success stories so that other budding entrepreneurs could be benefitted (<http://www.icar.org.in/en/node/10875>). An important challenge, however, is facilitating farmers' development of entrepreneurial and organizational capacities and attitudes. This requires economic support, beyond awarding and recognizing the successful farmers including a greater emphasis on their education, training and using their services proactively in RAS possibly with suitable remuneration. Research on the development of entrepreneurial and organizational competency in farmers is scarce, especially in context of the developing countries.

The government schemes must focus on attracting youth to the agriculture sector by transforming it into a business and offering them new avenues and opportunities to engage along the agriculture value chain. The Govt. of India has a large number of entrepreneurship development schemes for development in agricultural sector of which one is the Agri-clinics and Agribusiness Centres Scheme (AC&ABC). This is implemented by MANAGE in association of NABARD and it is an appreciable effort to take better methods of farming to farmer across the country (<http://www.agriclinics.net/scheme-home.htm>).

Likewise, ICAR-National Academy of Agricultural Research Management (NAARM) has established a Centre for Agri-innovation a-IDEA to give



incubation support services to the agri-entrepreneurs. This helps in developing their businesses and to provide access to knowledge and networking support services in innovation and entrepreneurship in agriculture towards fostering innovation and entrepreneurship in agriculture (http://www.naarm.ernet.in/index.php?option=com_content&view=article&id=117:a-idea&catid=2&Itemid=435&lang=en).

Attracting and Retaining Youth in Agriculture (ARYA) Scheme of ICAR aims to empower youth in rural areas to take up agriculture, allied and service sector enterprises for sustainable income and gainful employment. It enables youth to establish network groups to take up resource and capital intensive activities like processing, value addition and marketing. Rural and Entrepreneurship Awareness Development Yojana (STUDENT READY) is yet another scheme of ICAR. This is a skill development initiative to strengthen students with skills to take up global challenges and also to improve both their employability as well as ability to set up a venture. ([http://www.gktoday.in/blog/2016-agriculture-schemes-terms-and-updates/#Attracting and Retaining Youth in Agriculture ARYA Scheme](http://www.gktoday.in/blog/2016-agriculture-schemes-terms-and-updates/#Attracting_and_Retaining_Youth_in_Agriculture_ARYA_Scheme))

Many similar schemes are under implementation by various Ministries including a range of schemes being implemented by Ministry of Agriculture and Farmers' Welfare (GoI, 2015).

AGRIPRENEURS AND RURAL ADVISORY SERVICES

Agripreneurs often look towards Extension and Advisory Services/Rural Advisory Services (RAS) for support as they can provide useful information and training to the farmers on the required skills. RAS generally link farmers to technical knowledge. Increasingly they are also linking farmers to market information. But generally their ability to link potential agripreneurs to other agripreneurs, financial services and value chain actors is limited. Rural Advisory Services need to considerably enhance their capacities to support agripreneurs. The RAS should also attain capacities to influence policies and regulations to create an agripreneurship friendly environment, reduce barriers, or change prevailing values in societies. Thankfully, in response to the multiple changes that are impacting on farming, extension services are recognizing the importance of business, management and marketing support to farmers. There is now a wide range of public and private organizations viz, extension services, input dealers and manufacturers, traders, financial and farmer organizations, and NGOs, which are taking interest in improving the efficiency of the farm business.

Considering the growing role and importance of agripreneurship in changing agricultural scenario, the Global Forum for Rural Advisory services (GFRAS) has chosen the topic, "The Role of Rural Advisory Services for Inclusive Agripreneurship" for its 7th Annual Meeting, Cameroon during 3-6 October 2016. This meeting will be an opportunity to discuss, learn, exchange, and formulate recommendations on the roles and required capacities of RAS for supporting inclusive agripreneurship as important element of sustainable rural development (<http://www.g-fras.org/en/annual-meeting-2016.html>).




Agribusiness Incubation Centre Advisory Committee meeting at ICAR-IVRI, Izatnagar held on 11th April, 2016


The progressive farmers, innovative farmers, lead farmers and agripreneurs though differ fundamentally but all of them could be potential resource to motivate other farmers. Many extension services choose farmers to work with them in implementing their programs. For example, the Malawi Ministry of Agriculture works with more than 12,000 lead farmers (Franzel *et al*, 2014). In Malawi, a survey of 37 extension services found that 78 percent used some form of farmer-to-farmer extension (Masangano and Mthinda, 2012).

Entrepreneurship and links to the private sector are essential for the rejuvenation of agriculture, making it more attractive, profitable and moving away from the perception of agriculture as a low prestige career (Box 3). Educational institutions must include business skills and entrepreneurship into the agricultural curriculum and forge stronger links with the private sector. Educational institutions should stimulate potential entrepreneurs through networking opportunities, internship opportunities and business incubators (YPARD, 2012). The research institutes and agricultural universities in India are now increasingly paying attention to entrepreneurship development in rural areas. For instance, ICAR-Indian Veterinary Research Institute has been organizing entrepreneurship development meetings with prospective entrepreneurs on regular basis (<https://drive.google.com/file/d/0B0TX5SvS4IMRV0RsQmsyTzFzN28/view?usp=sharing>).

The approaches on developing entrepreneurship needs to be discovered and appropriately synthesized with extension so as to have a meaningful and relevant extension system that suits to the entrepreneurs who are engaged in agriculture, livestock and related activities. It is this realization that led the Kerala Veterinary and Animal Science University (KVASU) to establish a Directorate of Entrepreneurship under it. Unless the entrepreneurship competencies are added to the extension capabilities, the application of extension may not bear expected results. Thus, entrepreneurial extension must be an essential area for capacity development among extension staff (Ramkumar, 2013). KVASU has recently trained 100 field veterinarians to serve as a resource pool on “Entrepreneurial Advisory Resources on Livestock Farming in Kerala” (Murugan, 2016).

Blog 9: May 2013 

Institutional Shift: From Extension to Entrepreneurship



Unless the entrepreneurship competencies are added to the extension capabilities, the application of extension may not bear expected results, argues Dr S. Ramkumar

Agri-“culture” is increasingly changing to Agri -“business” in rural India. Though youth are generally apathetic to get themselves involved in agriculture, many are keen to pursue agribusiness as an enterprise. They consider agribusiness as a profession which bestows reputation in the society (amidst the competing IT and related sectors). It also offers better income. Such a change calls for an extension approach beyond the conventional thinking on “crop and livestock production” or “technology”. Entrepreneurship development gains momentum in this emerging context. Hence approaches on developing entrepreneurship needs to be discovered and appropriately synthesized with extension so as to have a meaningful and relevant extension system that suits to the entrepreneurs who are engaged in agriculture, livestock and related activities. It is this realization that led the Kerala Veterinary and Animal Science University (www.kvasu.ac.in) to establish a Directorate of Entrepreneurship under it.

Box 3: Agripreneurs & Private sector

Agriculture is business like any other ventures, it should be treated the same way we treat other businesses. One way to treat agriculture like a business is to get the private sector more involved in it, since government can't create agricultural transformation; it can only enable it by making more room for businesses to intervene. The government on its part can do best by putting right policies and regulations in place, by creating strong institutions, and by building sufficient infrastructure. Agricultural transformation has to be led by the private sector since farmers need access to finance, inputs, information, or markets, where government can't do much (Adesina, 2016). The private sector can do much by making available good quality seeds, agro-chemicals, processing facilities and developing markets and value chains for farm products. The Agripreneurs have been found to keep well in touch with these agencies in private sector, while having good liaison with public sector agencies too.

WAYS FORWARD

1. The extension services wings of agricultural universities, research institutions and development departments should organize meetings/workshops regularly to listen to experiences and problems of agripreneurs. In such meetings, line department officials, banks, agro-input companies and farm machinery manufacturers should also be invited to facilitate meaningful discussions. The scientific and agricultural development agencies must consider benefiting from their experiences.
2. The experiences of agripreneurs can be utilized by RAS in framing extension and rural development strategies. The RAS may consider hiring services of these agripreneurs as consultants so that they feel motivated to contribute in agricultural development process.
3. The Agripreneurs may be trained by the RAS on communication and training skills so that they can effectively complement the efforts of RAS.
4. The educational processes involved in entrepreneurial and organizational competency in farmers towards sustainable agricultural development may be studied including by the student researches in agricultural social science disciplines like Extension Education and Agricultural economics.
5. Agriculture is going to be even more market oriented in future, where agripreneurship would matter more. Thus, the policies must be framed to facilitate market-oriented agricultural practices. The Rural Advisory Services should develop strategies to support farmers to become successful agripreneurs, at individual, organisational and system level.
6. The government schemes must focus on attracting youth to the agriculture sector by transforming it into a business and offering them new avenues and opportunities to engage along the agriculture value chain.
7. Agripreneurs can effectively complement the efforts of Extension and Rural Advisory Services. The EAS, thus, should identify agripreneurs, facilitate the business development processes including arranging for funding, while enhancing their capacities on communication skills and training towards enabling them to train farmers.

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