

## Entrepreneurial Behaviour of Dairy Farmers

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### ABSTRACT

The study was conducted in Akola district of Maharashtra state with 100 dairy farmers. The results revealed that two third (67.00%) of dairy farmers belongs to medium entrepreneurial behaviour. Education, land holding, annual income, economic motivation, scientific orientation, and attitude towards dairy farming shows positively and only age found negatively significant relationship with entrepreneurial behaviour. Whereas other variables like experience in dairying, livestock possession and market orientation did not establish significant relationship with their entrepreneurial behaviour.

**Keywords:** Entrepreneurial Behaviour and Dairy Farmers.

### INTRODUCTION

Dairy farming in India is an integral part of the farming system, since the remote past. India is largest milk producer in the world (108 million tons), therefore role of dairy farmers are very crucial in dairy industry and socio-economic development of the society. Agribusiness in India is destined to become the next big thing in the surging Indian economy. An entrepreneur may start agri-business or be involved in an innovative activity in agricultural value addition. Entrepreneurship is the capacity for innovations and caliber to introduce innovative techniques in business operations. Entrepreneurship has now been recognized as concept, not only for starting industries but also in the development of agriculture and allied sector.

Keeping above points in mind, this study was taken up in Akola district of Maharashtra to analyse the entrepreneurial behavior of dairy farmer. The specific objectives of the study were to study entrepreneurial behavior of selected dairy farmers and to study the relationship of the characteristics of the dairy farmers with entrepreneurial behavior.

### METHODOLOGY

The study was conducted in Akola and Barshitakli Panchayat Samiti of Akola district in Maharashtra state during 2010-11. From these two Panchayat Samiti, 10 villages (five villages of each) were selected. From each village ten farmers having 3 to 4 animals were selected randomly as respondent. Thus, 100 farmers constituted

the sample for this study. The data were collected by personally interviewing the respondents with help of pre-tested structured schedule. The entrepreneurial behavior was studied under nine components i.e. innovativeness, achievement motivation, decision making ability, risk orientation, co-coordination ability, planning ability information seeking behavior, cosmopolitaness, and self confidence with the help of scale developed by Chaudhari *et al.*, (2007). Percentage analysis and simple correlation analysis were the statistical tools used in the study.

### RESULTS AND DISCUSSION

**Entrepreneurial behaviour of selected dairy farmers :** The entrepreneurial components selected to study the entrepreneurial behaviour of dairy farmers were innovativeness, achievement motivation, decision making ability, risk orientation, co-ordinating ability, planning ability, information seeking behaviour, cosmopolitaness, and self confidence.

**Overall entrepreneurial behaviour of the respondents :** The results on the distribution of respondents according to overall entrepreneurial behaviour are presented in table1.

**Table1: Distribution of respondents according to their overall entrepreneurial behaviour**

Categories	Frequency (n=100)	Percentage
Medium	67	67.00
High	33	33.00

The data in table 1 revealed that about two third (67.00%) of dairy farmers belongs to medium entrepreneurial behaviour, followed by 33.00 per cent of dairy farmers belonged to high level of entrepreneurial behaviour (67 %) whereas, none of dairy farmer observed in low level of entrepreneurial behaviour.

The plausible reasons of medium followed by, high entrepreneurial behaviour might be due to their sound financial condition, higher land holding, higher education level and higher scientific orientation. However, all the major nine components of entrepreneurial behaviour of dairy farmers together reflect their medium entrepreneurial behaviour. The findings of present study are in agreement with the findings of Suresh (2004) who stated that two third of milk producers (66.67%) had medium entrepreneurial behaviour, whereas, remaining milk producers had high (18.33%), followed by low (15.00%) entrepreneurial behaviour, respectively.

**Entrepreneurial behaviour components:** The results pertaining to distribution of respondents according to their entrepreneurial behaviour components is depicted in table 2.

The data in table 2 revealed that a majority of the respondents (50.00%) had medium level of innovativeness and achievement motivation. These results are in accordance with the findings of Suresh (2004). More than half of the respondents fell in to medium category of decision making ability (56.00%) and risk orientation (52.00%). These findings are in line with the findings reported by Vijaykumar (2001) and Bhagyalaxmi *et al.* (2003). More than half of the respondents (57.00%) had high level co-ordination ability. This findings of the present study are in line with the findings of Solanki *et al.* (2006). 48.00 per cent of the respondents had medium planning ability. The similar results have reported by Chauhan and Patel (2005) who concluded that a majority of the entrepreneurs had medium planning orientation. More than

three fourth of the dairy farmers (76.00%) had medium level of information seeking behaviour. A majority of (56.00 %) respondents belonged to medium category of cosmopolitaness This results go to corroborate Anita (2004). More than half of respondents (57.00%) had medium level of self confidence. Findings are in line with the findings of Wankhade *et al.*, (2011).

#### **Relationship between characteristics of dairy farmers with entrepreneurial behavior**

A correlation analysis was carried out to find out as to whether the selected characteristics had any association with entrepreneurial behaviour of dairy farmers. The coefficients of correlation of the personal, socio-economic and psychological variables with entrepreneurial ability of dairy farmers have been furnished in table 3.

The perusal of the data displayed in table 3 clearly indicated that selected characteristics of dairy farmers, viz., education, economic motivation and attitude towards dairy farming have positive and significant relationship at 0.01 level of probability with entrepreneurial behaviour whereas, land holding, annual income and scientific orientation had positive, while only age found negative correlation with entrepreneurial behaviour and significant at 0.05 level of probability. Hence, the null hypothesis was rejected for these characteristics and concluded that these characteristics were correlated with entrepreneurial behaviour.

Further, remaining characteristics of dairy farmers such as experience in dairying, livestock possession and market orientation did not establish significant relationship with their entrepreneurial behaviour. Hence, the null hypothesis was accepted with respect to these characteristics and concluded that these characteristics were not correlated with entrepreneurial behaviour.

**Table 2: Distribution of respondents according to their entrepreneurial behaviour components**

Components of Entrepreneurial behaviour	Low		Medium		High	
	Number of respondents	Per cent	Number of respondents	Per cent	Number of respondents	Per cent
Innovativeness	6	06.00	50	50.00	44	44.00
Achievement motivation	6	06.00	50	50.00	44	44.00
Decision making ability	2	02.00	56	56.00	42	42.00
Risk orientation	0	00.00	48	48.00	52	52.00
Co-ordination ability	3	03.00	40	40.00	57	57.00
Planning ability	10	10.00	48	48.00	42	42.00
Information seeking behaviour	2	02.00	76	76.00	22	22.00
Cosmopolitaness	11	11.00	56	56.00	33	33.00
Self confidence	18	18.00	57	57.00	25	25.00

**Table 3: Correlation between personal and socio-economic characteristics of the respondents and their entrepreneurial behavior**

Sr. No.	Variables	'r' value
1.	Age	-0.2025 *
2.	Education	0.3237 **
3.	Land holding	0.2053*
4.	Annual income	0.2057 *
5.	Dairy experience	-0.1061 NS
6.	Livestock possession	0.0194 NS
7.	Economic motivation	0.3014**
8.	Scientific orientation	0.2090*
9.	Attitude towards dairy farming	0.2629 **
10.	Market orientation	0.1783 NS

\* Significant at 0.05 level of probability

\*\*Significant at 0.01 level of probability

NS= Non significant

Thus, age of dairy farmers was found to have negative and significant relationship with their entrepreneurial behaviour. The age is the factor, which determines the zeal, attitude and enthusiasm to work hard required for determining effectiveness in any activity. Younger farmers are more energetic, more educated and they work for excellence in their life. This could be the reason for negative correlation between age and their entrepreneurial behaviour. The similar results have reported by Murali and Jhamtani (2003) who stated that age of respondents had negatively significant relationship with their entrepreneurial behaviour.

Education of dairy farmers was found positive and significant relationship with their entrepreneurial behaviour. Education broadens the vision of an individual. The educated persons develop more access to extension agencies, mass media, development organizations, economic motivation, achievement motivation, decision making ability and inclined to use of innovations by taking the high risk. Thus, these factors help an individual to manage his enterprise. Hence, education was the influencing factor of entrepreneurial behaviour for dairy farmers. These findings are in accordance with the findings of Murali and Jhamtani (2003) and Mundhawa and Pandheria (1998) who also reported that there was positively significant relationship between education and entrepreneurial behaviour.

Land holding and annual income of dairy farmers was found to have positive and significant relationship with their entrepreneurial behaviour. The probable reason for present findings might be that respondent with large holding, would have more opportunities and potentialities to try and adopt variety of technological innovations. As a result, it is quite

possible that farmers with larger land holding evinced keen interest to know about new farm practices and be more respective to such ideas, and thus leading to better innovativeness, achievement motivation and risk orientation, which turn reflect on their entrepreneurial behaviour. Therefore, size of land holding and annual income must have shown positive and significant relationship with entrepreneurial behaviour. These findings are in line with the findings of Subramanyeshwari and Veeraraghavareddy (2003) who reported that there was positively significant relationship between land holding and annual income with their entrepreneurial behaviour.

Experience in dairying of dairy farmers should have negative but significant relationship with their entrepreneurial behaviour. According to present investigation, majority of dairy farmers belonged to medium and young age category so that they had low experience in dairy management. Younger farmers are more, energetic, economically motivated and they work for excellence in their life. Thus, experience in dairying of dairy farmers was non-significant relationship with their entrepreneurial behaviour due to variation in dairy experience categories. These results were in line with the findings of Chaudhari (2006) who noticed that there was non-significant relationship between experience in dairying and entrepreneurial behaviour of dairy farmers.

Livestock possession of dairy farmers had positively and non-significant relationship with their entrepreneurial behaviour. This was might be due to that of majority of dairy farmers possessed medium herd size and none of dairy farmers possessed cross breed cow. The findings of present investigation whereas in contrasting with the findings of Mundhwa and Padheria (1998) who noticed that there was positively significant relationship between livestock possession and entrepreneurial behaviour of dairy farmers.

Economic motivation of dairy farmers had positive and significant relationship with their entrepreneurial behaviour. In general, economic motivation is the basic character upon which other motives, drives and other attributes are built. It is psychological conditions an individual to orient himself to achieve higher income. Dairying being a remunerative enterprise, one could set higher level of economic motivation. When one develops higher levels of economic motivation and to achieve it, he could strive hard and get internalize him about different aspects of managing enterprise besides aiming profit maximization. Hence, it is quite natural to expect the positive relationship. This finding was in line with the finding of Narmatha *et al.*, (2002).

The positive and significant relationship was observed with scientific orientation of dairy farmers and their entrepreneurial behaviour. The plausible reasons might be that dairy farmers with scientific orientation could be more receptive to latest technologies, employ scientific method in making decision. This ultimately reflects on higher economic profits. Other the probable reasons for above findings might be due to better educational level and higher income level. These findings were in line with the findings of Chaudhari (2006).

Attitude towards dairy farming of dairy farmers had positive and significant relationship with their entrepreneurial behaviour. The plausible reasons might be that younger age dairy farmer with higher level of education. Other probable reasons might be younger farmer had good vision about future than older age farmers. Hence, attitude was influencing factor of entrepreneurial behaviour of dairy farmers. These results were in line with Kokate and Tyagi (1989) who reported that there was positive and significant relationship between attitude towards dairy farming and dairy development.

Market orientation of dairy farmers had positive and non-significant relationship with their entrepreneurial behaviour. The probable reason for above findings might be, low milk yield, lack of cold storage and refrigerated transport to distance market. So dairy farmers preferred to sell milk in close vicinity of village. Other probable reason might be due to most of dairy farmers could found the constraints about market information, demand and supply of milk products. The similar findings were reported by Chaudhari (2006) who noticed the market orientation was

non-significant relationship with entrepreneurial behaviour of untrained dairy farmers.

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