

Agribusiness in the Vision of Rural Youths: A Study in Odisha

C. Satapathy¹ and Sabita Mishra²

ABSTRACT

Agri-business is gaining more attention in the domain of entrepreneurship development. It has been realized that small enterprises, like agri-business run by rural youths can contribute significantly to economic growth and poverty elimination program. But sometimes it happens that the stakeholders do not become serious in this profession. Keeping this in view, a study was undertaken in the coastal belt of Odisha to examine the status of agri-business in relation to rural youths. A sample of 80 youths fulfilling the criteria was randomly selected to form the sample size. A well tested interview schedule was used for data collection along with intimate interaction. The data so collected were statistically analyzed to reveal relevant information. The result indicate that rural youths lack many of the entrepreneurial traits like ability to identify opportunities, commitment, optimism, creativeness, hard work, achievement orientation, creating a gap in between expected and existing situation. These traits should be induced in them before the youths are motivated for agri-business. The study also examined the knowledge of respondents about scanning of opportunities with respect to agri-business. However, the sample lack in the areas of net-working, ideas of resource availability, market analysis, vision and overall ideas about project formulation. In case of factors like problem identification, need analysis, creativity, locating resources and change perception, the respondents possess considerable knowledge. Through a focus group discussion, the rural youths mentioned seed production as most profitable agro-enterprise which was ranked first followed by vegetable farming (II), growing of scented rice (III), oil seed production (IV) and goat rearing (V) and comparatively less preference for agro-processing unit, agro-science center, fingerlings production, raising planting materials and floriculture. For promotion of agri-business, the important environmental factors identified were market demand (2.62), labor (2.35) and credit (2.27). The other factors mentioned were found to be preference of consumer, technical support, training, storage facility and market survey.

In this era of globalization and liberalization, Entrepreneurship Development (ED) is gaining more importance. It is the key to economic development and human welfare of an economy. There has been a great deal of deliberation in the subject of entrepreneurship over the years stemming from discovery that smaller firms contribute considerably to economic growth and vitality. Agribusiness is a recent addition to the world of entrepreneurs and it has to gain momentum. Agriculture is vast in coverage as well as dimensions. To make agriculture more remunerative, it has been accepted as business, that too more in rural areas, where production system operates. The concept "agribusiness," is being conceived out of this consideration. The hypothesis is that rural youths can very well understand the theme, get

involved and undertake agribusiness in real spirit so that poverty can be eliminated. In spite of great concern, the Agribusiness in Odisha is almost invisible. The state has enormous scope having ten identified agro-climatic zones to promote agribusiness, but the farmers particularly youths are not interested to these ventures in a very good number.

Agri-business operates in the hands of four main stakeholders. They are agri-entrepreneurs, producers, distributors and technology generators. As a matter of fact, these four stakeholders are not much serious in this field compared to other business. Fulton and Clark (1996) observed that about 33.00% of field officers made contribution to increase of crops and productivity. Nayak

¹Director, Amity Business School, Bhubaneswar, Odisha.

²Senior Scientist (Agril.Extn.), Directorate of Research on Women in Agriculture, ICAR, Bhubaneswar-3, Odisha.

(1997) on a study reveal that productivity of farm enterprises can be increased in combination of crops, dairy, poultry and horticulture to a significant level. Satapathy and Nayak (1997) on a study on land based enterprise and rural youth reported that youth prefer to take up dairy, vegetable farming, dealership of agro-inputs and poultry in Odisha. Chadha (1997) emphasizing farm and non-farm activities revealed that in farm sector the youth can be trained to take up agri-business and ancillary units provided infrastructural efficiencies are taken care up. Gupta and Prakash (1997) emphasizing role of food processing in generating rural employment concluded that horticulture, dairy and fish product industries can provide good percentage of employment for which holistic approach is required. Singh (2001) while reviewing the concept of Multinational Corporation and agricultural technology transfer revealed that field officers of different companies dealing with farmers did not have major roles in strategic and practical decision of farmers. Power and Patel (2001) on a study on agro-service centers remarked that AGROCEL venture started with an initial investment of 6 lakhs has grown up to about 374 lakhs in 2000 – 01. About 50.00% of business has been from export of agri-produce. In order to examine the situation, of agribusiness in relation to rural youths, a study was undertaken in coastal belt of the state with the following objectives.

1. To make an assessment of entrepreneurial traits of rural youths who aspire to work in this domain.
2. To ascertain the knowledge, interest and aspiration of the rural youths towards agribusiness.
3. To know the potential areas of agribusiness as perceived by rural youth with adequate justification.
4. To scan the socio-environmental factors associated with agribusiness.
5. To determine effective stimulants that can attract rural youths into this world of entrepreneurship.

METHODOLOGY

The study was conducted in rural areas of coastal zones of the state taking a sample of 80 youths characterized by (i) within age group of 25-30 years (ii) educated beyond high school standard (iii) in search of job not less than five years (iv) having interest to start own business and(v) belonging to families of medium

and low socio-economic status as referred by the villagers. The sample respondents were selected at random. The data for the study were collected through a well tested interview schedule and intimate interaction with each of them. Data so collected were statistically treated to reveal relevant information.

RESULTS AND DISCUSSION

I. Entrepreneurial traits: The management experts have indicated certain attributes that individuals must possess or acquire before initiating enterprise. These attributes are essentially required on the part of the individuals to take up sustainable as well as profitable enterprises. The results contained in Table 1 reveal status of entrepreneurial traits of the sample.

II. Table 1. Entrepreneurial traits of the sample (n=80)

Sl. No.	Attributes	Score	Gap (%)
1.	Hard working	1.77	41.00
2.	Logical bent of mind	1.95	35.00
3.	Optimistic	1.71	43.00
4.	Communication skill	1.87	37.66
5.	Creativity	1.72	42.66
6.	Ability to identify opportunities	1.65	45.00
7.	Risk bearing	1.92	36.00
8.	Commitment	1.68	44.00
9.	Quick decision making	2.82	30.67
10.	Achievement orientation	1.82	39.33

The possession of attributes was studied in a three point scale containing scale points of very much, much and little. The results are indicative of rural youths aspiring to enter into agribusiness lack in many traits needed for entrepreneurship. These are ability to identify opportunities, commitment, optimism, creativeness, hard work, achievement orientation, communication skill etc. Therefore, it is necessary that these basic traits are to be induced in youths before they take up agro-business. The results can be used as parameters while selecting individuals for this purpose.

III. Scanning of Opportunities:

The youths who are interested for agribusiness should have knowledge as how to scan the opportunities in their favor. The study examined the steps of scanning with respect to agribusiness in case of the selected sample which yielded the following results.

Table 2. Knowledge of sample about scanning of opportunities

Sl. No.	Scanning Variables	Knowledge Score	+/- than average
1.	Problem identification	1.71	+
2.	Need analysis	1.66	+
3.	Creativity	1.88	+
4.	Locating of resources	1.76	+
5.	Net-working	1.45	-
6.	Ideas about resources	1.58	-
7.	Market analysis	1.65	+
8.	Vision	1.63	-
9.	Change perception	1.91	+
10.	Ideas about project formation	1.45	-
Average		1.66	

Scanning of opportunities in own favour is an important task. To move ahead it is must that every

entrepreneur should have such analysis. For gaining insight into the enterprise, one has to understand the steps involved in scanning of opportunities. An examination of the situation in relation to selected sample reveals that sample lack in respects of net- working, ideas about resources, raw materials, market analysis, and overall ideas about project formulation. While inducing individuals into agribusiness, the above aspects have to be improved and side by side change perception, creativity, locating of resources and correct identification of problems are to taught in an effective manner. On the whole the study suggests that scanning of opportunities have to be taught to the rural youths to ensure success in agribusiness.

IV. Perceived Profitable enterprise

The samples were exposed to a focus group discussion on “what are the profitable enterprises” that they can take up taking the existing facilities of coastal areas in to consideration. After a great deal of interaction the respondents mentioned the desired enterprises as have been contained in table below.

Sl. No.	Enterprises	Mentions	Percentage	Rank
1.	Vegetable farming	65	81.25	II
2.	Raising of planting materials	39	48.75	VII
3.	Growing of scented rice	61	76.25	III
4.	Finger ling production	38	47.50	VIII
5.	Floriculture	52	65.00	VI
6.	Goat rearing	54	67.50	V
7.	Seed Production	66	82.59	I
8.	Agro-service center	28	35.00	IX
9.	Oil seed Production	59	73.75	IV
10.	Agro-Processing Unit	18	22.50	X

Results contained in table reveal ten potential enterprises for profit making in the coast areas of the state,

(i) Seed Production: Seed production is a big business in farming. Quality seeds of paddy, vegetables, oilseeds and pulses have increasing demand in the market. Each

and every family in the villages seeks quality seeds. The supply of quality seeds by the state has been inadequate. To save farmers from uncertainty of seed supply, the youths prefer to take up seed production to overcome the problems like low quality seeds, and high price and non availability. This enterprise has been favored by about 82.50% of the sample.

(ii) Vegetable farming: This enterprise scored second position in preference because of daily requirements of the consumers may it be in towns or rural areas. There exists a great market throughout the years for vegetables. Many households live on vegetable farming. It can be more remunerative provided a cooperative approach is made on Mondri concept. The percentage of preference is as high as 76.25.

(iii) Scented rice: The choice of consumers for quality and fine rice is on increasing trend. With rapid increase in hotel industries, there is need to supply scented and fine rice. With existing facilities in coastal areas, scented rice like Basmati can be grown in a commercial mode. For this reason youths have ranked this enterprise in third position.

(iv) Oilseed Production: Oilseed particularly ground nut has become a cash crop. So also mustard, sunflower and staff flower. The youths argue that in both irrigated and non-irrigated land areas these crops can be grown commercially. These crops now top the list under profitable farming in the state.

(v) Goat rearing: Rearing of goat is a very profitable business. In coastal tract goat rearing can be taken up on stall feeding to gain desirable body weight. This old aged business with scientific approach can provide good income and employment for which youths have ranked this enterprise in fifth position.

(vi) Floriculture: Demand for flowers particularly cut flowers has been increased unexpectedly in Odisha. Each and every function needs good quantities of flowers. Odisha has excellent climate for many kinds of seasonal flowers. The cities of Odisha get flowers from neighboring states. The business is opened for throughout the years. Youths prefer this business on the ground of demand and scope of flower cultivation in the state with existing technology.

(vii) Raising of planting materials: Planting materials particularly fruit and flowers have great demand in town as well as in rural areas. During the months from June to September the demand for planting materials goes very high. This short term business is very profitable for which sample have given preference.

(viii) Finger ling production: The increased importance of pisciculture has opened new path for business. In coastal tract of the state each and every household have pond behind their houses.. There is great scope for fish production in scientific methods but quality finger lings is a problem. All the times farmers depend on neighbouring

states for finger lings. This enterprise can provide seasonal employment to many besides considerable profit.

(ix) Agro service Center: Now day's tractor, power tiller, sprayers, and other farm equipments are available at village level. The bullock power is being replaced gradually. To maintain and repair this equipments agro-service center can be opened on commercial basis where youths can get more job opportunities. Looking to this aspect the sample youths have mentioned it as one of the good enterprises.

(x) Agro-Processing units: Rural based agro processing units on fruits and vegetable can open new avenue for business. The state produces good quantities of fruits of different kinds and vegetables throughout the year. Processing plants for these raw materials can be of good business venture for which preference has been received by 22.50% of the sample.

IV. Environmental Factors: The aspiring agro entrepreneurs should have knowledge about the associated environmental factors that may affect the business. Starting of enterprise may be easy but difficult to sustain. On finding out important factors associated with rural enterprises in coastal areas, the following results were obtained.

Sl. No.	Factors	Score	Rank
1.	Preference of consumer	2.25	IV
2.	Availability of substitute	1.81	IX
3.	Market demand	2.62	I
4.	Storage facilities	1.96	VII
5.	Labour	2.35	II
6.	Technical support	2.10	V
7.	Training	2.07	VI
8.	Credit facilities	2.27	III
9.	Market strategy	1.87	VIII
10.	Insurance	1.77	X

The environmental factors for agribusiness are many and location specific. For promotion of Agribusiness market demand (2.62) labor (2.35) and credit (2.27) are most important factors in coastal belt. The other environmental factors are found to be preference of consumer; technological support, training, storage facilities and market strategy were mentioned in order.

CONCLUSION

The study “Agribusiness in vision of Rural Youths” with a random sample of 80 youths characterized by age group of 25-35 years, educated beyond high school standard and in search of jobs revealed the following conclusions.

- (1) Rural youths lack in entrepreneurial traits like ability to identify opportunities, commitment, and creativeness.
- (2) For scanning of agribusiness opportunities, the youth need advocacy on knowledge about market analysis, change in orientation, creativity, and net working in business matter.
- (3) The preferred agro enterprises mentioned were seed production, vegetable farming, growing of scented rice, oil seed and goat rearing.
- (4) For promotion of agribusiness the environmental factors like market demand, labour availability, credit facilities and change in customer choice need to be given top priority.

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