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## Entrepreneurial Extension for Promoting Agribusiness - A Case Study

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### Abstract:

Commercialization of agriculture is possible by performing agribusiness activities. Entrepreneurial extension is now indispensable and has to perform different roles of promoting production, processing, value addition, trade and marketing. The case study of mango business was conducted in the Ramanagara district of Karnataka state during 2014 and 2015. Thirty young growers were selected for Entrepreneurship Development Program (EDP) as part of the National Mission on Food Processing and trained. Pre-EDP training findings indicated that 50 percent of the respondents involved only in production followed by the supply of the local markets (33%) and direct sales (17%). Post-EDP training found that 50 percent of the respondents expressed interest in direct marketing, followed by direct supply to the processor, exporter and retailers and remaining 20 percent were willing to start their own processing units individually or in groups. The majority felt that the reasons for a change in mindset was due to an understanding of the value chain (70%), family support (15%) and support from agencies (15%). Training module should focus on value chain analysis, feasibility study and business plan. Linking the stakeholders like producer, producer groups, processor, retailer and consumer will help in improving the value and profit of the mango business.

**Keywords:** Agribusiness, Youth, Entrepreneurship Development Programme (EDP)

### 1. Introduction

Agribusiness is basically commercialization of agriculture, has been the priority of various rural development programs at the recent times and increased substantial marketable surplus of various agricultural commodities like vegetables, fruits, spices, cash crops and other agricultural products within the country. Agribusiness has also gained momentum globally in view of the substantial increase in production and trading activities between the countries. However, the success of agribusiness depends on the effectiveness of the value chain that controls production to market in response to consumer demand.

The role of extension in bringing about the turnaround and making the country self-sufficient cannot be denied. The production has increased dramatically, but could not translate into better remuneration to the farmers. Entrepreneurial extension is now indispensable and has to perform different roles of promoting production, processing, value addition, trade and marketing. The new strategy would require that the technology transfer be supported by a strong agribusiness research base, entrepreneurial approach targeting farmers, farm women and rural youth, focus on small/marginal farmers and comprehensive approach to agriculture.

The training module of entrepreneurial extension consists of soft skills for business, supply chain management, financial management and institutions, management of resources, food laws, marketing, bookkeeping & accounts, costing & pricing, dialogue with entrepreneurs and visits to agribusiness units. This training module will enable the growers a holistic understanding of the value chain of a crop and to explore agribusiness opportunities rather than focusing only on production. Therefore, a case study was conducted to see the effects of the entrepreneurial extension among the mango growers who have all potential to do business.

Mango is the most important fruit of India and is known as “King of fruits”. Karnataka is the third largest mango producing state in the country and accounts for about 12% of the mango production. The majority of the production is marketed as raw mangoes to the retailers and processing units in other states. The concentration of production is in Kolar, Tumkur and Bangalore (R &U) districts.

### 2. Material and Methods

The study was conducted in the Ramanagara district of Karnataka state during 2014 and 2015. Ramanagara stood second in area and production of mango in Karnataka and produces varieties which can be exported and processed. Four taluks of Channapatna, Kanakapura, Ramanagara, Magadi were selected for the study. The list of villages having highest area under mango crop in Channapatna, Kanakapura, Ramanagara, Magadi taluks was obtained from Horticulture department. The list of growers was prepared in consultation with officials of the state department of horticulture and mango producers association. Based on random sampling, 60 mango growers preferably youth were interviewed to understand their knowledge of mango value chain and their orientation on food processing. Thirty young growers were selected for Entrepreneurship Development Program (EDP) as part of the National Mission on Food Processing and trained.

### 3. Results and Discussion

Data presented in Table 1 indicated that 50 percent of the respondents were involved only in managing mango orchard, 33 percent of the respondents were involved in supply to the local markets and 17 percent of the respondents participated in direct sales. Local traders dominated the mango business activities in the region. Traders harvested mango at the farm gate, consolidate and supplied to processing units in Tamil Nadu, export units and retail market.

N=60			
Sl. No.	Particulars	n	%
1.	Production of Mango up to harvest	30	50
2.	Harvest and supply to local markets	20	33
3.	Direct sales in Bangalore	10	17
4.	Processing and Value addition	0	0
5.	Exports and supplies to exporters	0	0

Table 1: Pre- study business activities of Mango growers

No processing unit exists in the region in spite of huge production of mangoes. Horticulture department and Karnataka State Marketing Board (KSMB) has taken the initiative to increase production and direct marketing respectively.

In continuation of the study, an Entrepreneurship Development Program was conducted for training the trainers. Thirty participants were selected among the respondents of the study. Eighty percent of the participants belong to the age group of < 30 yrs. and the remaining belong to >30 yrs. group as shown in the Table 2 the majority of the participants were totally unaware of agribusiness opportunities, mango value chain, schemes and support from government agencies.

N=30			
Sl. No.	Age group	No	%
1.	<30 yrs.	24	80
2.	Between 30 and 40 yrs.	3	10
3.	> 40 yrs.	3	10

Table 2: Age group of the participants of Entrepreneurship Development Programme

The participants were exposed to a mango value chain, processing, marketing, branding, market research, costing, exports, retailing, factory visits to pulping and juice units, banking, supporting institutes, standards, business plan, feasibility reports and interaction with successful and unsuccessful entrepreneurs. Feedback and follow up study was done after one year of the program and same respondents were interviewed.

It was found in Table 3 that 50 percent of the respondents expressed interest in direct marketing of mango in Bangalore, 30 percent of the respondents preferred to sell mango directly to the processor, exporter and retailers in Tamil Nadu and Karnataka and remaining 20 percent were willing to start their own processing units individually or in groups. The majority felt that the reasons for a change in mindset were due to an understanding of the value chain (70%), family support (15%) and support from agencies (15%).

N=30			
Sl. No.	Particulars	No	%
1.	Direct marketing of mango in Bangalore	15	50
2.	Selling mangoes directly to the processor, exporter and retailer.	9	30
3.	Starting processing units individually or in groups.	6	20

Table 3: Interest expressed after Entrepreneurship Development Programme

### 4. Conclusion

This case study clearly highlighted the low level of awareness of growers about agribusiness. Growers and rural youth in particular should be exposed to complete supply and value chain of a crop. Entrepreneurial extension should be given more prominence among youth, women and farmers groups. Training module should focus on value chain analysis, feasibility studies and business plans. Linking the stakeholders like producer, producer society, processor, retailer and consumer will help in improving the value and profit of the mangoes as shown in the figure.

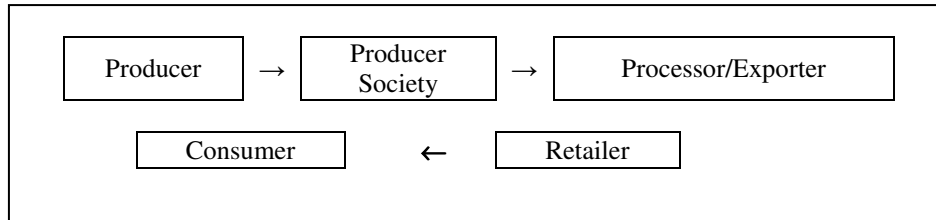


Figure 1

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