
Subject IV

Role of Agri-Business Entrepreneurship, Innovation and Value Chains/Networks in Farmer Income Improvement: Models, Policies and Challenges

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INTRODUCTION

There is a role for policy interventions and incentives for entrepreneurial ventures and innovative mechanisms, for making farming and other allied livelihoods more remunerative and sustainable, as these are growing in importance and need to be encouraged. However, there are many challenges that various value chain players face which range from social (including gender) barriers, economic barriers, ineffective regulations, lack of access to finance and information, and their own capacity to cope with risks and to seize the opportunities. There are issues of scale, viability and sustainability which most agribusiness start-ups and producer agencies face while creating new or while participating in the existing value chains and networks.

The session commenced with the rapporteur highlighting the major aspects of the papers accepted for discussion and raising some research and policy issues, i.e., role of innovations like contract farming and franchising, need for study of failures as much as successes, nature of entrepreneurship, both individual and collective, and business models which can help viability and scale up. He also brought to the fore about the objectives of the theme session, i.e., evidence on entrepreneurship beyond farm, business models in allied and off- and non-farm sector, performance of various ventures and their relevance for impacting small producer and worker livelihoods besides policy issues in such domain. Of the six accepted papers, four were presented in the session.

ORGANIC PRODUCTION AND MARKETING

Examining the opportunities in organic agriculture in South 24 Pargana district in West Bengal one of the papers found that cost of cultivation of organic paddy and vegetables was lower by ₹4280 per ha and ₹11910 per ha respectively but yields of

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organic crops were also lower by 1.37 tonne per ha and 3.12 tonne per ha for paddy and vegetables, respectively, as compared to inorganic practice-based production. Still, net return was positive for both organic paddy and organic vegetables. However, farmers producing organic vegetables were not gaining profit as compared to that by inorganic farmers, mainly due to absence of specialised market/linkages for organic produce which led to lack of premium price for organic commodities. Promotion of high value paddy such as aromatic and scented rice variety increased the interest of farmers in organic farming as price premium was available for such quality rice. There were some pertinent issues raised by participants on the organic farming study findings like scale up versus adoption of organic farming by farmers and different dynamics of various vegetables studied as one group by the author.

Two papers assessed impact of Agribusiness Clinics (ACs) and Agri-Business Centres (ABCs) in Maharashtra and Gujarat respectively. While one paper showed that the agri-ventures established by agri-entrepreneurs had a positive impact in Maharashtra since the beneficiaries of agri-ventures generated substantially high income from crop enterprises as against that by their non-beneficiary counterparts, the second paper found that majority of the agripreneurs established agri ventures by their own small investments in Gujarat but they were profitable, economically viable and financially sound. It was pointed out in the discussion that followed that the quality of service provided in Maharashtra should have been assessed. In the case of Gujarat, where new ventures created only a couple of jobs each, it was asked whether such entrepreneurship is sustainable and scalable to make an impact on local rural livelihoods. Also, it was pointed out that since the enterprises studied differed in their profile, their impact could not be expected to be similar.

PPP IN FOODGRAIN STORAGE

The last paper on public private partnership (PPP) in foodgrain storage made a case for public investment in foodgrain storage at the APMC mandi yard level in terms of foodgrain wastage and higher cost of private storage used by public agencies especially in Punjab and Haryana. The paper attracted questions on the very rationale for public storage as the wastage in public storage was found to be very meagre and utilisation of storage capacity around 80 per cent. It was pointed out that perhaps better utilisation and efficiency could help rather than public investment in storage infrastructure as suggested by the authors. It was also suggested that it is better to provide space to private players in this domain rather than the state doing the entire buildup of facilities.

CONCLUSIONS

The outcome of the discussions emphasises the need to use more robust research tools to assess the impact or effectiveness of the entrepreneurial ventures besides their own viability and sustainability. Further, there is a need for bringing out policy

implications clearly from such studies. Finally, it was felt that there is need for undertaking more research in innovative initiatives and interventions in agricultural and rural areas to capture the dynamics of changing agriculture and agro value chains in order to leverage the latter for small producers and workers' livelihoods and wellbeing.