

TRANSFORM AGRICULTURE TO AGRIPRENEURSHIP TO ALLEVIATE RURAL POVERTY IN INDIA

Pooja Sasi V S

Research Scholar

Department of Commerce, Government College Attingal

Thiruvananthapuram Kerala

poojav1312@gmail.com

Dr. T Rajesh

Professor

Department of Commerce, Government College Nedumangad

Thiruvananthapuram Kerala

rajeshvjd@rediffmail.com

ABSTRACT

India is one of the fast-growing economies in the world. But still, poverty remains the most prominent challenge to the economy. The MPI (multidimensional poverty index) report of NITI Aayog identified that 25.01% of the Indian population is multidimensionally poor. Agriculture has a significant role in alleviating poverty in India since more than 70% of the population lives in rural areas, and 152 million depend on the primary sector for their livelihood. But still, the agriculture scenario in India is not vibrant. According to the MPI report of NITI Aayog 2021, Bihar, Jharkhand, U.P, M.P, and Meghalaya are the poorest states in India. All these states are well diversified with agricultural resources and have a good share in national agriculture production, yet the poverty rate increases in these states. Over-dependence on traditional farming pushes the farmers deeper into poverty. So it is very imperative to transform traditional agriculture into agribusiness. Agripreneurship is a strategic solution for enhancing the productivity and profitability of the sector. Rural India has wide opportunities in organic farming, agri tourism, value addition, and output processing of agri products. Agripreneurship can uplift rural people and the Indian agriculture sector. The development of Agripreneurship also helps the economy to revive from poverty to a great extent.

Keywords: Agriculture, Agripreneurship, Poverty, Productivity, Value addition

Poverty is a situation where a person or community lacks the economic supplies and essentials to meet a minimum standard of living. Poverty is both a personal as well as social crisis. So poverty alleviation is necessary for the well-being of individuals and the economy as a whole. According to the World Bank estimate, 711 million people lived in extreme poverty in 2021, which is equal to 10% of the world population. The poverty level of India is almost similar to the global situation. According to the World Poverty Clock 2021; around 86.8 million of India's population lives below the poverty line and out of this 78.7 million belong to rural areas. Food security, and rural employment, are critical for reducing rural poverty. Both can be achieved through Sustainable agriculture development.

Agriculture can contribute a lot to poverty alleviation in India, being an agrarian nation. India has the second largest agricultural land in the world with 20 agro-climatic zones, 15 major climates, and 46 soil types. These privileges make India a forerunner in the production of spices, pulses, milk, tea, cashew, wheat, rice, fruits and vegetables, sugarcane, jute, cotton, and oilseeds. India has these numerous specialties but still, the agriculture sector's contribution to GDP was negligible due to the high growth rate of the industrial and service sectors. However, agriculture has some economic and social significance beyond other sectors. The agriculture and allied sector is undoubtedly the largest employer in India, more in rural areas. Approximately 152 million of the Indian population works in the industry. India's food security depends on the production of cereal crops, fruits, vegetables, and milk. Sufficient agricultural productivity is necessary to meet the demands of the growing population.

Review of Literature

As most of the poor live in rural areas and depend on agriculture for their livelihoods, agricultural growth is more effective in poverty reduction than in any other sector. So enhancing agricultural productivity is a crucial starting point in devising poverty reduction strategies (Christiaensen 2007).

A study on the uneven progress and poverty in China reveals that growth in the agriculture sector helps to lessen poverty and inequality more than other sectors (Ravallion 2007).

Agricultural productivity growth and investment in agricultural R&D have a notable effect on poverty alleviation in African and Asian countries (Cervantes 2010).

Unskilled and semi-skilled labour-intensive sectors like agriculture, construction, and manufacturing have a significant role in poverty eradication (Loayza 2010).

Growing agricultural productivity can boost rural income by increasing farmers' income, job opportunities, and earnings (Sharma 2014).

But now dependence on agriculture leads to heavy loss and throws the farmers into poverty. Poverty reduction cannot be achieved by focusing on agriculture alone. Instead, balanced growth between agriculture and manufacturing is needed to gain the maximum advantage of forward and backward linkages (Anjum 2017). Agripreneurship has the potential to improve the productivity and profitability of the agriculture sector. This has got forward and backward integration with the manufacturing and service sectors. Effective utilization of existing resources is better than adopting a new one. Agriculture is part and parcel of the Indian population. Therefore converting traditional agriculture into a profitable agribusiness opportunity will ensure the well-being of the rural population and thereby reduce rural poverty.

Focus Of The Study

The prime objective of the study is to make an explicit effort to explore and analyze the agricultural productivity of the poorest states of India. The study aims to identify the role and opportunities of Agripreneurship in eradicating rural poverty in India. The study is confined to the five poorest states (Bihar, Jharkhand, UP, MP, and Meghalaya) according to the MPI of NITI Aayog.

Poorest States Of India

Poverty is both a personal as well as a social issue. At the personal level, poverty is a condition where people are unable to meet their necessities. At the societal point, high poverty rates adversely affect economic growth and lead to crime, unemployment, poor health, and education. Governments constantly arrange welfare programmes to uplift individuals, families, and communities out of poverty.

The MPI (Multidimensional Poverty Index) report of NITI Aayog identifies that 25.01% of the Indian population is multidimensionally poor. According to the headcount poverty ratio Bihar (51.91%), and Jharkhand (42.16%), has the first two positions, followed by Uttar Pradesh (37.79%), Madhya Pradesh (36.65%), Meghalaya (32.67%).

States	Rural Population		Total (Million)	Urbanization rate (%)	Population Density (per square km)	Poverty ratio(as per the MPI 2021)
	(million)	(%)				
Bihar	92.3	88.66	104.1	11.3	1106	51.91
Jharkhand	25.05	75.96	32.98	24.1	414	42.16
UP	155.31	77.73	199.81	22.3	829	37.79
MP	52.55	72.36	72.62	27.6	365	36.65
Meghalaya	2.37	79.80	2.97	20.1	132	32.67
India	833.1	68.85	1210.1	34.92	382	25.01

Table 1 Poverty Rate and Rural Population of top poorest states in India

Source: Census 2011 Multidimensional Poverty Index report of NITI Aayog 2021

The demographic profile is a vital element of the macroeconomic scenario of the region. Table 1 indicates the major share of the population of the poorest states is in the rural region. In the case of Bihar, 88.66% are rural populations and more than half of them are multidimensionally poor. The density of the population in Bihar, Jharkhand, and UP is higher than in India. Another demographic disadvantage is related to the level of urbanization. These five states have a very less rate of urbanization compared to the Indian urbanization rate. As per the report of the Periodic Labour force Survey 2020, Agriculture, forestry, and fishing is the major sector that absorbed male (45.9%) and Female (74.5%) workers in Bihar. There is a similar scenario in the other four states. Therefore agriculture has a lead role in lessening rural poverty in India.

Agricultural Potentials Of The Poorest States

Bihar is a fascinating state of India with bountiful natural resources, fertile soil, ample water, an assorted climate, and rich culture and heritage. Agriculture is an indispensable income source for Biharis, the majority of

its population is engaged in it. Bihar stands in the third position in the production of vegetables and the fourth position in fruit production in the nation. Rice, wheat, maize and oil seeds, cabbage, tomato, radish, carrot, potato, and barley are the chief agricultural products grown in the state.

Jharkhand is a plateau region containing red laterite soil and varied climatic conditions. Cultivation is the prime employment and revenue-earning activity of 80% of the population. The major agricultural products of the state are paddy, maize, pulses, and fruits. Out of the total cultivated area, 92% is unirrigated, so the agricultural productivity in Jharkhand ultimately depends on the Vagaries of the rain. Jharkhand's agrarian economy is portrayed by over-dependence on nature, moderate investment, low productivity, insufficient irrigation capacity, and small and marginal holdings.

Agriculture is called the backbone of **Uttar Pradesh**. It is the leading producer of food grain in India. UP is an agrarian economy where around 65 % of the total population is dependent on agriculture and allied activities. Rice, wheat, maize, millet, gram, potato, and mango are the main agricultural produce of UP. Agriculture significantly contributes to the economic development of the state and becoming self-sufficient in food safety.

Madhya Pradesh is the second-largest state in India. More than 72% of the state's population lives in the rural side and 78% are directly employed in agriculture. The contribution of agriculture and allied services to the state economy is very significant, i.e., more than 44%. M.P. is blessed with varying weather conditions, soils, and mixed cropping practices. The state enjoys the first position in the production of pulse and oil seeds and has the third position in food grain production. M.P. contributes 7.7% of total food grain production in India.

Agriculture has a predominant role in **Meghalaya**. Nearly 80% of society depends on the primary sector, which has a crucial impact on the economic development of the state. The diverse range of soil types enhances the production of rice, maize, pulses, oilseeds, cotton, and the state has achieved success in the cultivation of tea, cashew nuts, oilseeds, tomato, mushrooms, etc.

Agriculture Productivity Of Poor States

Table 2 indicates the Production, Yield, and share of agricultural productivity of five poorest states in 2020-21. Data reveals that more than 6% of total rice and 5% of total wheat is produced in Bihar. But the productivity of food grains (rice, wheat, pulses) in Bihar is low when compared to the food grain productivity of India. In the case of vegetables and fruits, the state has the upper hand. The yield of Bihar in potato, onion, banana, litchi, and mango is greater than the average yield of India. Along with that, more than 42% of litchi and 16% of potatoes is produced by Bihar. The productivity of tomatoes and papaya is comparatively low in Bihar.

Production in 000 tones

Yield in kg/hectare (Crop)

Yield in 000 tones (vegetables & fruits)

% - Share in total production

			Bihar	Jharkhand	UP	MP	Meghalaya	India
CROP	RICE	Production	7392.72	3010	16650	4800	304.54	122270
		Yield	2447	2423	2984	2061	2734	2713
		%	6.04	2.46	13.62	3.93	0.25	
	WHEAT	Production	6635.02	439.44	35500	17760	0.9	109520
		Yield	2955	2130	3604	2758	1935	3464
		%	5.79	0.40	32.42	16.22	0.00	
	PULSES	Production	378.57	940	2560	5300	11.91	25720
		Yield	843	1084	1079	1084	1444	892
		%	1.47	3.64	9.97	20.6	0.05	
VEGETABLES	POTATO	Production	9041.9	767	15811	3566.94	187.3	56172.54
		Yield	27.6	15.6	25.5	22.81	9.89	25.5
		%	16.1	1.37	28.15	6.35	0.33	
	ONION	Production	1328.3	295.57	470.84	4548.56	5.09	26641
		Yield	22.7	16.8	16.4	24.3	8.9	16.4
		%	4.99	1.11	1.77	17.07	0.02	
	TOMATO	Production	1161.79	276.05	902.38	3001.21	35.12	21180.51
		Yield	18.52	12.3	39.9	28.9	16.02	28.08

		%	5.49	1.3	4.26	14.17	0.17	
FRUITS	BANANA	Production	1612	33	3387	2025	95	33062
		Yield	45.7	5.83	45.9	68.71	13.02	35.78
		%	4.88	0.1	10.24	6.12	.28	
	LITCHI	Production	308	65	38	-	-	720
		Yield	8.4	15.81	8.71	-	-	7.35
		%	42.78	9.03	5.28	-	-	
	MANGO	Production	1550	452	4806	798	-	20386
		Yield	9.67	8.17	17.21	14.07	-	8.8
		%	7.6	2.22	23.58	3.91	-	
	PAPAYA	Production	96	126	111	503	3	5540
		Yield	29.1	42.89	48.25	41.14	7.99	37.98
		%	1.73	2.27	2	9.08	0.11	

Table 2 Production, Yield, and share of agricultural productivity of top poorest states in 2020-21

Source: Economic Survey 2020-21

Jharkhand has good productivity for litchi, papaya, pulses, and onion. Similar to Bihar, the productivity of rice and wheat is also less in Jharkhand. The share of Jharkhand in total production is low. But, the state has numerous agricultural products. Uttar Pradesh is a cellar of food grains, vegetables, and fruits. The productivity of all major crops, vegetables, and fruits of UP is much more than the average yield of India. Out of the total production, 32% of wheat, 28% of potato, 23% of mango and 13% of rice was produced in UP.

Madhya Pradesh has a good share in the production of pulses (20%), onion (17%), wheat (16%), tomato (14%), and banana (6%). But when we look at the yield of rice (2061) and wheat (2759) is less compared to the average yield of India (2713 & 3464). The productivity of papaya and mango is better than average. The yield of pulses in Meghalaya is almost double the average yield in India. The productivity of rice is moderate. But the situation is worse in the case of wheat, fruits, and vegetables. The share of Meghalaya in total production is also low.

It is evident from the data that the poorest states are rich in agriculture production. Each of these states has a good share in total agriculture production. Still, it has not realized its full agricultural potential. Rural poverty, low nutrition, and labor migration are frequent crises in these states. The over-dependence on agriculture creates the population poorer. Rural poverty alleviation is imperative for the sake of society and the economy. By comprehending its significance the government adopts numerous programs to alleviate poverty. Still, in states like Bihar, more than half of the population is multidimensionally poor.

Role And Opportunities Of Agripreneurship In India

The Agripreneurship has the potential to enhance economic growth, providing rural employment (Ambedkar, 2019). Agripreneurship development helps to reduce poverty, guarantees food security, and provides immense job opportunities, thereby can achieve economic growth. (Otache, 2017). Agripreneurship can make more contributions to social and economic developments like job opportunities, income creation, poverty eradication, improve nutrition, and health, and achieve overall food security. Agripreneurship serves to minimize food costs and enhance the diets of rural and urban poor. (Chand, 2019). Technological know-how, Government aid, and entrepreneurship development programmes have extensively contributed to Agripreneurship growth (Bairwa et al., 2014).

Agripreneurship opportunities are hidden at different phases of the agriculture process like the input stage, farming stage, and post-harvest stage. Development and production of bio-pesticides, bio-fertilizers, vermicompost, testing of soil, etc. A lot of scope in R&D concerning the development of distinct varieties of species, fruits, vegetables, and other crops that improve the agri output. The manufacturing of low-cost machines for small-scale farming can be considered an agribusiness opportunity. Agripreneurship has tremendous opportunities concerning animal husbandry, herbal plantation, food processing units, cold storage, sericulture, and horticulture. Value addition, output processing, marketing, distribution, and logistics are the opportunities at the post-harvest stage.

Conclusion

A transformation from traditional agriculture to agribusiness is essential for reviving agriculture and the rural population. Agripreneurship can uplift rural people and thereby support the economic growth of the countryside. Bihar, Jharkhand, U.P, M.P, and Meghalaya are rich in biodiversity. Agripreneurship have great scope in these

states to enrich the agriculture sector of India. Numerous Agripreneurship opportunities are there at different stages of the farming process. Development and production of bio-pesticides, bio-fertilizers, vermicompost, natural manures and pesticides, testing of soil, developing greenhouse, value addition, output processing, and marketing, distribution, and logistics are some of them.

Entrepreneurship in agriculture will increase farm production and profitability which will open new opportunities in the agriculture field. By comprehending the role of agripreneurship, the government introduced various schemes and training programmes for the promotion of agripreneurship. The government should introduce more beneficial schemes to promote agripreneurship. Agripreneurship is a sound solution that can reduce the problems of unemployment, underemployment, and disguised unemployment, especially among rural people. It boosts the wealth of rural people and alleviates rural poverty to a great extent.

Reference

- Ambadkar, S. (2019). Increasing Opportunities, Advantages and Future Enhancement in Agripreneurship. *International Journal of Researches in Social Sciences and Information Studies*, 7(January), 154–156.
- Anjum, S., & Tarique, M. (2017). Agriculture and poverty reduction in India: An empirical study. *Asian Journal of Research in Social Sciences and Humanities*, 7(9), 35.
- Bairwa, S. L., Lakra, K., Kushwaha, S., Meena, L. K., & Kumar, P. (2014). Agripreneurship Development as a Tool to Upliftment of Agriculture. *International Journal of Scientific and Research Publications*, 4(3), 1–4.
- Cervantes-Godoy, D., & Dewbre, J. (2010). Economic Importance of Agriculture for Poverty Reduction. *OECD Food, Agriculture and Fisheries Working Papers*, No. 23.
- Chand, K. K. (2019). Agripreneurship: A Tool For Economic Development Of India In The New Millennium. *International Journal on Recent Trends in Business and Tourism*, 3(4), 19–25.
- Christiaensen, L., & Demery, L. (2007). Down to Earth: Agriculture and Poverty Reduction in Africa. In *World Bank* (Vol. 56, Issue 8).
- Loayza, N. V., & Raddatz, C. (2010). The composition of growth matters for poverty alleviation. *Journal of Development Economics*, 93(1), 137–151.
- Otache, I. (2017). Agripreneurship development: a strategy for revamping Nigeria's economy from recession. *African Journal of Economic and Management Studies*, 8(4), 474–483.
- Ravallion, M., & Chen, S. (2007). China's (uneven) progress against poverty. *Journal of Development Economics*, 82(1), 1–42.
- Sharma, D. A., & Ahmed, H. (2014). Role of agriculture in poverty reduction in India. *Indian Journal of Applied Research*, 4(4), 131–132.
- Uplaonkar, S. S., & Biradar, S. S. (2015). Development of agriculture in India through agripreneurs. *International Journal of Applied Research*, 1(9), 1063-1066.
- Vinoth, R., & Paramasivam, R. (2016). Innovation in agricultural research and education for agripreneurship development in India. *Innovative farming*, 1(3), 72-78.