

Agribusiness in India: An Overview

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ABSTRACT

Agribusiness venture has huge contribution in the economy to foster rural development in the nation. The current agribusiness venture in India is mainly in the nature of food processing units. They have implications on food security and essential necessities of human beings. The current article aims at recognizing qualities, shortcomings, opportunities, and threats for agribusiness ventures with economic and financial perspectives in India. The article also proposes sufficient agribusiness entrepreneurship strategies, for example, price adjustment strategy and programmers for tending to factors that obstruct the development and improvement of agribusiness entrepreneurship in India.

Keywords: SWOT Analysis, Agri-business and Agri-entrepreneurship

Agribusiness is a wide idea used to portray corporate agricultural endeavors independently and aggregately. Agribusinesses are organizations engaged with at least one phases of the creation of harvests and livestock (Mugonola and Baliddawa, 2014). The expression "agribusiness" was coined during the 1950s by John Herbert Davis and Ray A. Goldberg to focus the two-way relationship among financial specialists and agribusiness ventures as the dual roles of suppliers and buyers (Wortman, 1990). Firms that serve agribusiness depend on farmers for their business sectors and for a portion of their provisions (Yessentemirova *et al.* 2019). Anyway, in the mid nineteenth century, agribusiness was an independent industry. The typical farm family delivered its own food, fuel, shelter, draft animals, feed, devices and clothing, only a couple of necessities had to be bought off the farm Klerkx and Leeuwis (2008). The farm family performed all purposes and all tasks relating to the creation, handling, stockpiling, and distribution of farm commodities. In the resulting years, however,

agriculture advanced from self sufficiency to intricate relationship with different sections of the economy, especially those identifying with the assembling of creation supplies, handling and circulation of food and fiber items (Escalante and Turvey, 2006). While as agribusiness comprises of a several million farm units and a few thousand business units, each an autonomous entities, allowed to settle their own choices. Agribusiness is the sum total of thousands of trade Associations many exchange affiliations, farm associations, semi research bodies and councils, each focusing on their own advantages (Gielen *et al.* 2003). The U.S. government likewise is a part of agribusiness to the extent that it is engaged with research, the guideline of food and fiber activities, and the possession and exchanging of farm commodities and having colleges and universities with their teaching

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and experimental stations, and extension capacities from another areas of agribusiness (Gielen *et al.* 2003). Agribusiness exists in a huge mosaic of decentralized substances, capacities, and activities identifying with food and fiber (Gielen *et al.* 2003). Subsequently the advancement from farming to agribusiness has carried with it various advantages, these incorporate creation of new jobs due to agribusiness Saiymova (2018). The creation of farm jobs has been the reason for the nation's monetary development and advancement throughout the previous 150 years, and is indirectly responsible for increment of national income of any nation (Gielen *et al.* 2003).

The present study is an attempt to understand the strengths, weaknesses, opportunities and threats of Agribusiness entrepreneurship in India

MATERIALS AND METHODS

This article intends to survey on advancement of agribusiness venture including agricultural cooperatives consolidating monetary and financial viewpoints (Wortman, 1990). The specific aim of the current article are to identify the qualities of agribusiness venture in India, study the shortcoming of agribusiness venture, recognize the chances of success and recognize the dangers before the agribusiness venture in India. In this investigation, a SWOT examination was done to analyze factors being developed of business in farming area of India. SWOT examination makes it conceivable to evaluate the different qualities, shortcomings, opportunities and threats inside the agricultural extension and advisory framework as a whole (Kurttila *et al.* 2000; Ncube and Washburn, 2010). SWOT is an insightful method that gives answers to the inquiries identified with every one of the four words whose first letter frames the abbreviation (Herliana *et al.* 2018). Strengths relate with qualities, areas of greatness, applicable assets and accessible establishments. Shortcomings incorporate things to improve, regions of terrible performance. Opportunaties are accessible empowering factors, positive patterns and relative preferences while Threats are snags that meddle with and hinder achievement, and regions to avoid (Wortman, 1990). In the use of the SWOT strategy for the examination, the hierarchical setting of augmentation administrations and the pointers for deciding their adequacy, capacities and efficiencies

were inspected (Mayo *et al.* 2002). Completing an examination utilizing the SWOT system assists with centering exercises into regions of qualities and where the best open doors lie (Sanchez and Omar, 2012). The essential wellspring of the data in this exploration study is optional information. The accessible data on web with respect to the SOWT analysis, accessible Journals, Articles and papers gave important data to finish this investigation (Wortman, 1990).

Agribusiness and Society

Agribusiness incorporates all the exercises inside the agricultural food and natural recourse industry engaged with the creation of food and fiber. Individual agribusinesses may offer things to farmers for production; offer types of assistance to other agribusiness organizations; that are to be engaged with the advertising, transportation, handling, and distribution of agricultural products. Agricultural services are of significant worth to the client or purchaser (Senker and Faulkner, 2001). Agribusiness sector likewise provide food clothing and shelter in addition agribusiness gives jobs to a large number of individuals in science, research, engineering, government agencies, commodity organizations and trade organizations. Agribusiness relates to general society and private areas (Nwibo & Okorie, 2013). The public area is the financial and managerial elements of managing the conveyance of products and ventures by and for the public authority (Wortman, 1990). The private area is the area of the economy related with private benefit and isn't constrained by government (Wortman, 1990).

The Scope of Agribusiness

Agriculture is the establishment of civilization, cultivation of different agricultural commodities for agricultural purposes permitted farmers to settle in villages instead of comfortable cities and towns. Agribusiness has played a significant role in the development of national and international levels (Rivotti *et al.* 2019).

Local Economies

Agriculture is a generous contributor of local economies, monetary yield and worth added

financial effects can be generous (Herliana *et al.* 2018). Important non-conventional financial impacts of local agriculture are made through the travel industry, wild life viewing, fisheries, and entertainment. Numerous individuals are occupied with regular work tied directly or by indirectly to agricultural activities (Smagulova *et al.* 2018). Rural Agricultural land and agribusinesses pay taxes to support government in day today activities Saiymova (2018). Hence, the huge amount of taxes paid by different agribusiness activities to local economies in India leads to the development of local economies

State Economies

Agriculture is probably the biggest business in numerous states. The farming business creates huge money receipts inside most states and provides numerous jobs Smagulova *et al.* (2018). In addition, agriculture has an enormous monetary multiplier impact, so it contributes positively to different areas of the economy (Yessentemirova *et al.* 2019). Hence, the huge amount of taxes paid by different agribusiness activities to state economies in India, creation of business activities and creation jobs by different agribusiness activities leads to the development of State economies in India

World Economy

For a significant part of the total world's population, agriculture is a subsistence activity. Around 90% of the food cultivated on the planet is consumed through in the nation producing it (Saiymova, 2017). However, trade of agricultural merchandise on a worldwide basis has expanded. Trade brings down expenses of rural products and extends choices. Trade, alongside with aid and innovation, can expand agricultural part in the worldwide economy, bringing about more prominent food security, financial turn of events, and ecological supportability (Smagulova *et al.* 2018). Hence, globalization of Agribusiness products leads to development of World Economy.

SWOT Analysis of Agribusiness

SWOT is precise information that can be used to make a strong activity plan for tending to a shortcoming

and dangers, and emphatically exploiting your qualities and openings (Schenck and Gangrened, 2013). It is difficult to precisely outline business' future without first assessing it from all points, which incorporates an exhaustive look at all inside and outer assets and threats (Taylor, 2004), so this examination prompts business mindfulness and the foundation of any effective key arrangement and also proposes sufficient agribusiness entrepreneurship strategies, for example, price adjustment strategy and programmers for tending to factors that obstruct the development and improvement of agribusiness entrepreneurship in India.

Strength, weakness opportunities and threats of Agribusiness entrepreneurship in India

Strength	Weakness
<ul style="list-style-type: none"> • Huge natural recourses • Suitable geographical conditions • Availability of Raw material • Strong traditional knowledge • Large domestic as well as International demand 	<ul style="list-style-type: none"> • Financial problems • Lack of professional management • Limited access to technologies • Dependence on climatic conditions • Lack of proper infrastructure facilities
Opportunity	Threats
<ul style="list-style-type: none"> • Value addition • Increasing market demand for Agricultural products • Employment generations • Proper utilization of natural recourses 	<ul style="list-style-type: none"> • Unorganized market • High competition • Price Fluctuations • High cast of infrastructure

Inference of SWOT Analysis

Internal

India is one of the flexible nations on the planet where numbers of huge natural recourses are available. Every natural asset giving a possibility to set up new agro based venture in the country. It prompts to undertake an attempt to establish agribusiness venture in rural region (Saparaliyev *et al.* 2019). Also India has a wealthy natural resources for fitting geological conditions for Agriculture creation where tremendous agriculture production is possible (Wortman, 1990). Agro based firms predominantly depend on farming yields so it is

one of the significant qualities of the agribusiness venture to the extent its advancement are thought of (Saparaliyev *et al.* 2019). Anyway crude material is the fundamental contributions for getting an end result for agribusiness venture. India is delivering enormous agribusiness items, which become the crude material for agro exercises Saiymova (2018). India is additionally ready to trade its item in the worldwide market. Agribusiness venture can procure an important unfamiliar trade, which will reinforce public economy. Consequently Agribusiness venture in India has a solid conventional information, which is permeated from the generations to generations, which is giving contributions to the skill in assembling like craftsman's industry, material industry, cashew industry, handicraft industry and so forth Saiymova (2018). Also agribusiness venture in India produces additional employment in rural areas and this opportunity may help an individual from poor family and helps in reducing the poverty by providing income sources for day to day lives. Agriculture venture Creation has an enormous demand in the homegrown market (Wortman, 1990). Huge homegrown market demand is making an alternate point of view for agribusiness venture it is viewed as one of the significant positive parts of this industry Saiymova (2018).

Agribusiness business in India has a few shortcomings, which are talked about beneath

Infrastructure is the significant component, which is important to be considered deliberately. If there should arise an occurrence of the agribusiness venture outcomes in India, foundation isn't satisfactory like street, transportation, banks, media communications etc the same is counted as shortcoming in agribusiness sector Saiymova (2017). Anyway the export procedures are exceptionally complicated as export procedures require additional time that may make issues for agribusiness venture, like wise it needs to complete various kinds of customs it requires additional time and efforts for them (Saparaliyev *et al.* 2019). Utilization of innovation and technology increases the production of the organization with the ease and time, however the expense of present day innovation and technology is exceptionally high which isn't affordable to small and medium agribusiness ventures, there the high

price of modern technology and innovation is become the shortcoming (Herliana *et al.* 2018).

External Factors

Agribusiness business venture is the significant component in the provincial economy of the India. These agribusiness industries especially have the accompanying chances; initially just neighborhood market was accessible for agribusiness ventures however at present market range has expanded. It isn't essential agribusiness venture is depend just to the neighborhood market it tends to move outside market (Herliana *et al.* 2018). Anyway the rural industry can make esteem expansion item like reprocessing on milk, reprocessing on sugar and so on (Saparaliyev *et al.* 2019). This is zone where agribusiness venture has considered large open doors likewise agribusiness ventures can create more employment in the rural areas of a country, this may likewise considered as one of the opportunities for agribusiness entrepreneurship in India (Yessentemirova *et al.* 2019). India is rich with natural assets, to use the proper natural assets is huge opportunities for agribusiness ventures.

The accompanying variables are making threats for agribusiness entrepreneurship

Agribusiness entrepreneurship are facing the worldwide rivalry; it is hard to agribusiness entrepreneurship to maintain a business in the high competitive zone with the position of safety (Herliana *et al.* 2018). For the most part, agribusiness venture is having little capital in the remote zone of the nation so it is hard to face the huge organizations (Yessentemirova *et al.* 2019). While as it is exceptionally hard to establish the efficient market for agribusiness item; good market is the essential to have the fitting cost for the end result. Issue of the marketing is viewed as one of the significant threat for agribusiness business (Senker and Faulkner, 2001) anyway to maintain the economical development of any industry good trade practices are essential. If there should arise an occurrence of agribusiness with absence of good trade practices like quality of products, weight, packaging and so forth are making the issue of this industry (Herliana *et al.* 2018), also because of the price variances it is hard to maintain pricing technique some time organization

may have losses, these losses agro based industry couldn't bear, thus this factor making the threat for agribusiness business venture (Herliana *et al.* 2018). Henceforth the expense of present day innovation is in every case high it is hard to buy new technology for little association in India (Saparaliyev *et al.* 2019). The significant expenses of machineries are making dangers for the agribusiness venture in India (Herliana *et al.* 2018).

CONCLUSION

It is important to create agribusiness entrepreneurship as a significant device to change rural economy of the nation. India's current circumstance of agribusiness entrepreneurship has incredible qualities and more opportunities in the competitive business climate. While as , the nation has some shortcoming and the threats , which are important to dispose of with cautious arrangements at macro level and micro level. India has to be increased the agribusiness production according to demands of the agro based industry at the large extent with the quality. It requires making the exploration on various parts of agribusiness venture models. There is need of the revision of government schemes in the light of arising business climate at domestic and worldwide level, with advancements, the board aptitudes, management skills and innovations agribusiness venture can come up as significant tool in economy as well as a tool for rural development, it requires rural industry potential study to be directed based on rural assets management. Agribusiness venture has been given a privileged driving situation in rural change in both developing and developed nations; in such provincial advancement approach agricultural cooperatives are incontestable entertainers.

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