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A Study On Need Of Agribusiness And Swot Analysis In Tamilnadu

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ABSTRACT

Agriculture has been the backbone of the Indian economic system. Majority of population depends Agriculture for their livelihood of our country. Increase the Productivity of agricultural products and also improve the agri-business are the major focus of the current agricultural policy. This will help to eradicate poverty and raising the opportunities to the agricultural business. In developing countries like India, the agribusiness sector encompasses four distinct sub-sectors, viz. agricultural inputs; agricultural production; agro-processing; and marketing and trade. It increases the value to the goods. Nowadays Agribusiness is emerging knowledge branch in the field of management sciences. It related to production, processing, marketing, trade, and distribution of raw and processed food, and also supply of inputs and services for the activities. Agribusiness is expected to be booming sector in the next decades. An efficient delivery system for agricultural product and services can play a pivotal role in the agricultural productivity. Farmers has the constraint of direct marketing by 'farmers to consumers' pattern. This study tries to explore he existing agri-business in the country and also highlighted the recent changes that are happening in the Agribusiness.

KEYWORDS: Agricultural business, marketing, agricultural products and services.

1. INTRODUCTION

Agribusiness is defined as the total output arising from farm production and product processing at both pre- and post-farm gate levels. At present, agribusiness is defined as all business enterprises or sells to farmers / traders / consumers. The transaction may involve either an input or a product or service and encompasses items such as: Productive resources (feed, seed, fertilizer, equipment, energy, pesticides, machinery, etc.) Agricultural commodities – (raw and processed commodities of food and fiber) Facilitative services (credit, insurance, marketing, storage, processing, transportation, packing, distribution, consultancy, soil testing etc.).

In January 1956 John H. Davis, director of the program in agriculture and business at the Harvard Business School, published "From Agriculture to Agribusiness" in the Harvard Business Review (Davis 1956). The following year Davis and Ray A. Goldberg published A Concept of Agribusiness. These two publications introduced and defined the term "agribusiness" as the sum total of all operations involved in the manufacture and distribution of farm supplies; production operations on the farm; and the storage, processing, and distribution of farm commodities and items made from them. Thus, agribusiness essentially encompasses today the functions which the term agriculture denoted 150 years ago. (Davis and Goldberg 1957, p. 2)

ISSN:0971-1260
Vol-22- Issue-14-December-2019

REVIEW OF LITERATURE

R. Wes Harrisona and Desmond Ngb, Scientific Pluralism of Agribusiness., International Food and Agribusiness Management Review. Volume 14,Issue 5,2011. The results of this research has shed new light on the perceived state of agribusiness education, research, grantsmanship, and outreach, as well as the balance of these activities in the work of academics currently specializing in agribusiness. In light of growing agribusiness programs and increased demands on agribusiness faculty, this research highlights the need for additional resources and consideration for agribusiness faculty as they move towards tenure. Progress on the 1989 NAEC report recommendations appears to be slow on at least two fronts. First, the reallocation of resources towards agribusiness research, commensurate with the allocation of resources to agribusiness teaching, is lacking. This means that the research component of agribusiness programs is being underfunded. Research is an important component of the Land Grant mission, as it serves as the bedrock for developing faculty expertise in teaching and outreach. Departments expect agribusiness faculty to teach more courses, yet perceived research expectations are similar to their non-agribusiness peers. As a result, agribusiness faculty have less engagement in agribusiness extension programs (industry engagement), despite the importance of agribusiness extension programs in identifying contemporary problems ripe for agribusiness research.

Agribusiness Development for Rice Farmers in Nigeria's Kaduna State by Martins I. Imudia. Walden University, June 2014. The inefficiency in the Nigerian agriculture supply chain has been adversely affecting farmers and other stakeholders in the industry (King et al., 2010; Ogundari, Amos, & Okoruwa, 2012). Although the size of land cultivated in the Nigerian agriculture sector grew by an annual average of 7% between 2005 and 2009 (Ezeh & Nwachukwu, 2010), output has not increased (Brownson et al., 2012). The general business problem is the cost associated with inefficiencies of the agribusiness development supply chain, including the process and timeliness in the supply of seeds, tractors, fertilizers, and agrochemicals on crop yields The specific business problem is that there is limited knowledge about what rice farmers need to increase yields in Nigeria's Kaduna State. The exploratory single case study approach was to explore the needs of rice farmers to increase yields within Nigeria's Kaduna State agribusiness development supply chain system. The exploratory case study was used to explore those situations in which intervention under evaluation had no clear single set of outcome (Yin, 2014). Other designs considered for this study included explanatory, descriptive, intrinsic, instrumental, collective, and multi-case study (Goldblatt et al., 2011). According to Yin (2014), explanatory case study is appropriate when a researcher seeks to answer a question to explain causal links related to the intervention. Explanatory case study design was not used for the study because establishing the needs of small farmers to increase yields in Nigeria's Kaduna State did not require explaining the causal links related to the intervention

2. OBJECTIVE

The general objective of the study is to evaluate the agribusiness in country and to reveal the current structure of agribusiness. Further, the study also focuses on the difficulties and challenges faced by farmers, mediators and consumer. This study is relies on the information and data collected from most of the secondary sources and from different research paper, books, documents etc. for to make this study more useful and relevant.

ISSN:0971-1260
Vol-22- Issue-14-December-2019

GENERAL STRUCTURE OF AGRICULTURAL BUSINESS

Agricultural marketing is part of the Agribusiness. every agribusiness is needed to supply and distribute right quality of seeds, fertilizers, pesticides. at right time and right place, at an affordable price to the farmers, similarity at the time of production various farm consultancy services and supports are required. As the same way the consumer also get the product and services at the right price for their purchase. The government should plays the major role from agricultural inputs, processing and to agricultural output, and also services rendered to them.

NEED FOR AGRIBUSINESS

Lengthening of he marketing channel increased by raised the demand for value-added services and geographic expansion of markets. Direct marketing by 'farmers to consumers' remains negligible. In rural periodic markets, where small and marginal farmers come in contact with the formal economy, facilities for efficient trade are still almost absent. For facilitating trade at the primary market level, market yards/ sub-yards have been constructed, but they have become inadequate, ill equipped, and mismanaged. Food processing industry has a high multiplier effect and employment potential. But in India, the value addition to food production has been only around 7 per cent. Due to lack of proper handling (cleaning, sorting, grading and packaging) at the farm gate or village level, about 7 per cent of grains, 30 per cent of fruits and vegetables, and 10 per cent of seed spices are lost before reaching the market. An estimated Rs 50,000 crore are lost annually in the marketing chain due to poorly developed marketing infrastructure and inefficient system of marketing activities. The State Agricultural Produce Markets Regulation (APMR) legislation has to interfere the contract farming initiatives, which otherwise can be highly beneficial to develop linkages of farmers with the markets. Farmers, shifting to higher-value crops, face increased risks of fluctuations in yield, price and income.

SCOPE FOR AGRIBUSINESS IN INDIA

- There is growing demand for agricultural inputs like feed and fodder, inorganic fertilizers, bio-fertilizers.
- Biotechnology applications in agriculture have vast scope in production of seed, bio-control agents, industrial harnessing of microbes for bakery products.
- Export can be harnessed as a source of economic growth. As a signatory of World Trade Organization, India has vast potential to improve it present position in the World trade of agricultural commodities both raw and processed form. The products line include cereals, pulses, oilseeds and oils, oil meal, spices and condiments, fruits and vegetables, flowers, medicinal plants and essential oils, agricultural advisory services, agricultural tools and implements, meat, milk and milk products, fish and fish products, ornamental fish, forest by products etc.
- At present processing is done at primary level only and the rising standard of living expands opportunities for secondary and tertiary processing of agricultural commodities.
- The livestock wealth gives enormous scope for production of meat, milk and milk products, poultry products etc
- The forest resources can be utilized for production of byproducts of forestry.
- Beekeeping and apiary can be taken up on large scale in India.
- Mushroom production for domestic consumption and export can be enhanced with improvement in the state of art of their production.

ISSN:0971-1260
Vol-22- Issue-14-December-2019

- Organic farming has highest potential in India as the pesticide and inorganic fertilizer application are less in India compared to industrial nations of the world. The farmers can be encouraged and educated to switch over for organic farming.
- Seeds, hybrid and genetically modified crops, have the highest potential in India in the future, since the productivity of high yielding varieties have reached a plateau.
- Micro-irrigation systems and labor saving farm equipment's have good potential for the years to come due to declining groundwater level and labor scarcity for agricultural operations like weeding, transplanting and harvesting.
- Production of vegetables and flowers under greenhouse conditions can be taken up to harness the export market.
- Trained human resources in agriculture and allied sciences will take on agricultural extension system due to dwindling resources of state finance and downsizing the present government agricultural extension staff as consulting services.
- The enhanced agricultural production throws open opportunities for employment in marketing, transport, cold storage and warehousing facilities, credit, insurance and logistic support services.

SWOT ANALYSIS OF AGRIBUSINESS

STRENGTHS

The Favorable terrain and climate for the development of plant growing and animal husbandry sectors. More or less fertile lands, Irrigation water resources, A large number of pasture, tradition of agricultural activities and experience in this field.

WEAKNESS

Limited access to high quality agricultural machinery; Lack of information of different programs (agro loans, grant programs, etc.); Lack of skilled labor; Low level of farmers' knowledge on modern technologies and development of business projects; Low productive varieties in plant-growing and animal husbandry sectors; Lack of business loans and grant programs for small farmers; Frequently changing climate conditions; Failure of irrigation system; Lack of drainage systems; Limited access to high-quality chemicals and fertilizers; Existence of counterfeit products (in particular, wine and honey) on the market; Limited access to the service of qualified veterinarians and agronomists; Lack of soil study and appropriate mineralization of soil; Lack of agricultural insurance products; Non-legalized agricultural land.

OPPORTUNITIES

Providing farmers with various educational courses; Establishing new farms for increasing production and processing of agricultural products; Attracting and maintaining labor; Improving access to the service of qualified agronomists and veterinarians; Control of animal diseases; Providing business consulting in order to develop new business projects; Providing small farmers with business loans and grant programs; Improving species of plants and animals; Development of irrigation systems; Conducting frequent information campaigns about the programs and projects that support agricultural development; Establishing cooperatives of small and medium farmers; Renewal of agricultural equipment, increasing access to new agricultural machinery and introduction of new technologies; Activating the agricultural land legalization process; Reducing probabilities of natural

ISSN:0971-1260
Vol-22- Issue-14-December-2019

disasters; Development of greenhouses; Increase in access to internet; Conducting frequent information campaigns about the programs and projects that support agribusiness development; Development of plant nurseries; Development of agricultural insurance products for local farmers**.**

THREATS

Migration; Natural threats (heavy rains, frost, hail, etc.); Epidemic diseases (mainly diseases of pigs and cattle); Pollution of the environment due to the usage of chemicals; Instability of export markets.

CONCLUSION AND RECOMMENDATIONS

Based on the research the following major needs for agricultural development have been revealed: Farmers are experiencing difficulties in realization of products on local and regional markets. Local small farmers have almost no access to preferential agro loans. It's difficult for them to participate in the programs of preferential loans, which require co-funding or real estate collateral. While preferential agro-loans are more or less accessible for large farmers, it's difficult for small farmers to compete with large farmers. Primary production is negatively affected by fragmentation of land. Farmers don't have appropriate access to skilled specialists. Local farmers face problems in land registration process. They say that due to the lack of appropriate documents, they find it difficult to prove the ownership of the land that belonged to their ancestors. Medium farmers have less access to the qualified labor. Thus, they need the database of the people seeking jobs in agricultural sector. Very often, farmers lack appropriate knowledge and qualification to use modern equipment. In addition, farmers can't buy high-quality fertilizers and pesticides, which are very important for the production of high quality products. Small and medium farmers consider that establishment of cooperatives and operating jointly on the market is one of the good possibilities for expanding their business. Increased frequency of natural disasters, such as heavy rain, hail, landslides and floods have negative effect on local production.

RECOMMENDATIONS

The programs of business loans and grants for small farmers need to be carried out; It's essential to establish a register of farmers and formalized land market. The government should promote development of cooperatives of farmers and Improving access to qualified service ensures increasing productivity in agricultural sector. From strategic perspective, creating the database of the people seeking jobs will support to attracting additional labor and development of agribusiness, Irrigation system should be developed and the network of irrigation channels need to be expanded; this will significantly contribute to the development of agribusiness; It's important to develop a strategy of delivering special training courses for farmers in agricultural sector; Farmers need to be supported in establishing cooperatives. Development of primary production, processing and production chain; improvement of resource base and providing information to market participants; creating a register of farmers and establishing a formalized land market; development of commodity market; integration with international markets; development of infrastructure and technological base.

ISSN:0971-1260
Vol-22- Issue-14-December-2019

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