Barriers Faced by Agripreneurs in Starting and Operating Agriventures under ACABC Scheme: An Analysis

Deepak Pal[1], Laveena Sharma[1]

10.18805/ag.R-2204

ABSTRACT

The ACABC (Agri Clinics and Agri Business Centres) scheme is being implemented by Ministry of Agriculture and Farmers' Welfare, Government of India, with National Bank for Agriculture and Rural Development (NABARD) ("NABARD-National Bank For Agriculture And Rural Development" n.d.) acting as subsidy channelizing agency and National Institute of Agricultural Extension Management (MANAGE) will be responsible for providing training to eligible candidates, through Nodal Training Institutes (NTIs) and motivating them for setting up of Agri-Clinics and Agri-Business Centres. Whereas the Nodal Training Institute (NTI) is desirous of undertaking to implement the training and handholding component of the said Scheme with MANAGE ("MoU-ACABC" n.d.). JNKVV, Jabalpur is a Nodal Training Institute (NTI) of MANAGE, Hyderabad for providing training on Agripreneurship under the Agri-Clinic and Agri. Business Centre scheme 2010 (www.agriclinics.net) of Govt. of India, Ministry of Agriculture, Department of Agriculture and Cooperation. ("Revised Guideline ACABC-2010" 2011). The present study was conducted in Jabalpur district of Madhya Pradesh state during 2014 to 2020 and based on the primary data collected through field survey by personal interaction, telephonic interaction, pre-tested questionnaires from 60 sample agri-graduates of NTI. Used statistical methods such as frequency, score and percentage to find this out the problems of agripreneurs in establishing and operating agriventures after successful completion of training programme. In the results, it was found that lack of own fund to start venture, status of confusion between job or entrepreneurship, lack of proper handholding support from NTIs, lack of family support, lack of business and field experience (Managerial and technical), high rate of interest on loan and a difficulty bank documentation process in getting bank loans were the major problems in establishing agriventure, while heavy competition from existing market players, marketing and infrastructural problems, perishability and seasonability of products, fluctuation in demand and prices of products, illiteracy and lack of knowledge of the farmers and insufficient working capital to run the business were the major problems faced by agripreneurs in operating agriventure (Lal *et al.* 2015). Thus, the present study mainly focused on the major problems faced by agripreneurs in starting and operation of agriventures under the agriclinic and agribusiness centre (ACABCs) scheme.

Key words: ACABC, Agribusiness, Nodal Training Institute, Scheme.

INTRODUCTION

The Ministry of Agriculture and Farmers Welfare, Government of India, in association with NABARD has launched ("AAU Incubator" n.d.) a unique programme to take better methods of farming to each and every farmer across the country.

This programme aims to tap the expertise available in the large pool of Agriculture Graduates ("ACABC Scheme Information" n.d.). Irrespective of whether you are a fresh graduate or not, or whether you are currently employed or not, you can set up your own Agri-Clinic or Agri-Business Centre and offer professional extension services to innumerable farmers.

Committed to this programme, the Government is now also providing start-up training to graduates in Agriculture,("ACABC-NTI Details" n.d.) or any subject allied to Agriculture like Horticulture, Sericulture, Veterinary Sciences, Forestry, Dairy, Poultry Farming and Fisheries, *etc*.("ACABC-About Scheme" n.d.) Those who have completed the training can apply for special start-up loans for business. Nodal Training Institute (NTI)-JNKVV, Jabalpur, M.P. has successfully organised only 04 training program from 2014 to 2020 under which 63 Agripreneurs got trained this scheme.

[1]Nodal Training Institute-BPD Unit, Jawaharlal Nehru Krishi Vishwavidyalaya, Jabalpur-482 004, Madhya Pradesh, India.

Corresponding Author: Deepak Pal, Nodal Training Institute-BPD Unit, Jawaharlal Nehru Krishi Vishwavidyalaya, Jabalpur-482 004, Madhya Pradesh, India. Email: deepakpal2010@gmail.com

How to cite this article: Pal, D. and Sharma, L. (2023). Barriers Faced by Agripreneurs in Starting and Operating Agriventures under ACABC Scheme: An Analysis. Agricultural Reviews. 44(3): 405-409. doi: 10.18805/ag.R-2204.

Submitted: 24-03-2021 **Accepted:** 26-07-2021 **Online:** 09-12-2021

This training program was 60 days (02 months) duration from the launching to mid-2019. For the betterment of this scheme a decision to reduce the training duration from existing 60 days to 45 days was taken in reference of the order No. F.No.1(4)/2015-EM/56 of MoA&FW Dated: 05 August 2019. Nowadays, the training duration for the scheme is 45 days even without compromising with objective of the scheme. In compliance to above, the Course Curriculum has been suitably revised on following major counts: -

a. Duration is reduced from 60 days to 45 days.
b. Requisite focus is given to allied sector activities like Horticulture, Animal Husbandry, Dairying, Fisheries, Bee-Keeping *etc*.
c. Requisite weight-age is given to developing entrepreneurial and management skills with commencement of hands of training.

Revised training curriculum under Agri-Clinics and Agri-Business Centers (ACABC) Scheme on major subject areas, Days and Percentage wise are mentioned in (Table 1).

As such there is no fee for the training program, all the cost toward this training at NTI for food, accommodation and other training cost is borne by Govt. Although there is provision for one meal (lunch only) and no accommodation for day-scholars. On the name sake of fee, there is need of demand draft (D.D) of Rs. 500.00 payable to MANAGE, Hyderabad after the final selection of participants and there is centralized online system for applying to the scheme developed and managed by MANAGE, Hyderabad.

Mode of operation of ACABC scheme

National Institute of Agricultural Extension Management (MANAGE) will be responsible for providing training to eligible candidates, through Nodal Training Institutes (NTIs) and motivating them for setting up of Agri-Clinics and Agri-Business Centres ("Training and Hand Holding" n.d.).

Project cost ceiling

Ceiling of project cost for subsidy is Rs. 20 lakhs for an individual project (25 lakh in case of extremely successful individual projects) and up to Rs. 100 lakhs for a group project (Established by a group comprising at least 5 trained persons under the scheme).

Earn money and prestige by becoming a consultant to farmers

Agribusiness Centres would provide paid services for enhancement of agriculture production and income of farmers. Centres would need to advice farmers on crop selection, best farm practices, post-harvest value-added options, key agricultural information (including perhaps even Internet-based weather forecast), price trends, market news, risk mitigation and crop insurance, credit and input access, as well as critical sanitary and phyto-sanitary considerations, which the farmers have to keep in mind (SAMETI-ASSAM_ACABC Guideline n.d.).

Free training to set up your Agriclinic or Agribusiness Centre

As an integral part of this nationwide initiative, specialised training will be provided to Agriculture Graduates interested in setting up such a centre. Being provided free of cost, the 2-month (Nowday, 45 day) training course will be offered by select institutes across the country ("Compendium of Instructions for Implementation of Revised ACABC Scheme-2018" 2018). Initiated by Small Farmers' Agri-Business Consortium (SFAC) and co-ordinated by MANAGE, the course comprises Entrepreneurship and Business Management, as well as skill improvement modules in your chosen areas of activity ("AAU Incubator" n.d.).

Bank loans available for Agriclinics and Agribusiness Centres

Ceiling of project cost for subsidy has been enhanced to Rs.20 lakhs for an individual project (25 lakhs in case of extremely successful individual projects) and to Rs.100 lakhs for a group project ("CARD India" n.d.). Depending on the type of venture you want to set up and with a moratorium of up to 02 years, Agriclinics and Agribusiness Centre Loans can be repaid within 5 to 10 years as per easy instalment plans. The rate of interest, margin and security on loans will be decided by the respective bank, as per RBI norms. Depending on your entitlement, you can even apply for margin money assistance. The objective of present study was to find out the major problems of agripreneurs faced in starting (establishment) and operation of agriventures of NTI-JNKVV ("Krishi Vistar" n.d.).

METERIALS AND METHODS

The present study was based on the primary data collected by field survey during the year 2014-2020 in Madhya Pradesh state (Pal and Sharma 2021). A wide range of available prior art was also reviews to know-how the various issues and aspects of agriclinics and agribusiness centres scheme.

The sample is 30 candidates (group of individuals who participate in the study) and population (broader group of people to whom your results will apply) is 63 candidates that is the total no. of candidates got trained from NTI-JNKVV, Jabalpurand the selection of sample is based on 47.62%. randomly from each batch trained from NTI. Primary data were collected through personal meeting/interaction (unstructured interaction) and general discussion over voice and messages mode, that we extracted the targeted data. A district level workshop is organised yearly by NABARD for bankers, NTI personnel's and trained candidates of ACABC to review about the status of scheme and resolve the queries and issues of bankers and trained candidates. we opted this workshop as a base for suitability check for already framed questions. The validation and relevancy of these questions were done by NABARD ACABC workshop to know the whether the contents and forms of the questions (unstructured) were valid, reliable and easily understandable by the respondents or not. To study the problems faced by the trained agripreneurs, the data was collected from 30 agripreneurs who have successfully completed the training program of ACABC from NTI-BPD, JNKVV Jabalpur; broadly categorised on the basis of pre and post stages (The term pre and post implies that the related problems face when a agripreneur planning to start a venture and related problems face after the establishment of agriventure respectively) of starting an agriventure under which we studied the problem faced by the Agripreneurs who have not started their

agriventure and agripreneurs who has already established their agriventure for successful running of agriventure respectively. The statistical techniques such as frequencies, scores and percentages were used to find out the problems of agripreneurs in starting and operation of agriventures under the agriclinics and agribusiness centres (ACABCs) scheme in Madhya Pradesh state (Kumar and Prajapati, 2020).

RESULTS AND DISCUSSION

To study the problems faced by the trained agripreneurs, the data was collected on problems such as shortage of margin money to start business, issue of customer creditability for loaning, lack of awareness about the scheme among bankers, lack of proper handholding support from NTIsand high rate of interest on loan *etc* (Table 1). The results about problems faced by the agripreneurs were presented under the two headings which are as follows:

Problems faced by the trained agripreneurs in establishing their agriventure

Table 2 shows the factors that are directly or indirectly impacting the trained agripreneurs to restrict the path of starting/un-curtained their new venture under this scheme and the problem faced by the agripreneurs in pre stage is 80% in terms of weightage and rest of 20% of post stages' problems. These factors are likewise, lack of own money to start business, lack of handholding support from NTIs, lack of family support, lack of business and field experience, high rate of interest on loan and a lot of formalities in getting bank loans were the major problems faced by agripreneurs *etc*. Poor family conditions are the basic reason to causes the incapability of self-financed for venture/business and the last resort to ask money from bankers/money lenders (Lal Bairwa *et al*., 2015). Likewise, these problems may be inferior complexity of agripreneurs about their experience in business field, they might have felt that bank loan procedures were cumbersome, more risk of investment in agriventure, agriculture depends on nature and agriventure in turn depends on agricultural activities and along with this the major problem in central part of country about the fear of English as mostly used Hindi as working language. Few of important situation that may be barrier for the hitting this scheme to its objective are, of not attaining for the proposals might be due to its improper report formation, soundness in economic and financial status of the project or project location specified in the proposal not comes under banks jurisdiction. High margin money problem was mainly due to their problem of lack of owned funds as 10 per cent (minimum) of the total cost of the project should bear by the agripreneurs. Banks hesitate to finance for AC and ABCs might be due to failure of agripreneurs in convincing and bringing confidence among the bank officials. Lack of support from the family might be due to high-risk involvement in the agriventures (Bairwa *et al.* 2014). Whereas, some trained graduates were working in private/government sector jobs face problems in starting their agriventures due to their priority of regular income from job over riskier mode of earning by business. Here is some related information also made available by Karjagi *et al.* (2006) who has reported that high interest on loan, lack of hand holding support, lack of subsidy and high rate of margin money were the major problems in starting the agriventures under the AC and ABCs scheme in southern part of country.

Table 1: Revised training curriculum.

Particulars	Days	Per cent (%)
Self-transformation Curriculum	06	13.33
Specific domain skills/Technical skill	08	17.78
Entrepreneurial and management skills	25	55.56
Extension strategies for entrepreneurship	06	13.33
Total	45	100

Source- MANAGE website.

Table 2: Problems faced by the trained agri-graduates in starting their agriventures (N=24) (Reasons of non-starting agriventures and failure at planning level) (80%).

Particulars of problem	No. of respondents	Percentage	Rank
Lack of own money to start business	22	91.67	1
Lack of family support	22	91.67	1
Lack of proper handholding support from NTIs	20	83.33	2
Banks not responding to the proposals	20	83.33	2
High rate of margin money (15-25%)	20	83.33	2
A lot of formalities in getting bank loans	20	83.33	2
Fear to fail business due to risk	19	79.17	3
Lack of collateral security	18	75.00	4
Banks hesitate to finance	16	66.67	5
Lack of business and field experience	16	66.67	6
Many banks do not know about the AC and ABCs	15	62.50	6
High rate of interest on loan	10	41.67	7
Employment in public and private sector	6	25.00	8

Source: Interaction based.

Table 3: Problems faced by the trained Agri graduates in Operating Agri Venture (N=06) (20%).

Particulars of problem	No. of respondents	Percentage	Rank
Less knowledge of consumer/customer	5	83.33	1
Marketing and Infrastructural	5	83.33	1
Cut throat competition from existing market players	4	66.67	2
Insufficient physical fund in hand to run business	4	66.67	2
Family support	4	66.67	2
Volatility in demand and prices of products	3	50.00	3
Distributing channels for products	3	50.00	3
Nature of products	2	33.33	4
Product sale on credit	2	33.33	4

Source: Interaction based.

Problems faced by the trained agripreneurs in operating their agriventure

Table 3, containing the factors that related to cut throat market competition of heavy competition from existing market players. The key obstacles that agripreneurs confront include marketing and infrastructure issues, perishability and seasonability of products, demand and price fluctuations and other similar variables. The common reason behind to facing such issues are the mind set of factors like business are the term for an elite people of community, business skill is a birth born trait so it is for not developed further and the few of the problems related to business are not getting from book it come from practising it (Naik and Helen 2019). Although the expert's session on these issue as per the curriculum of ACABC scheme is provided during the training. Here it is matter of uncountable factors for that reason we conclude the most relevant factors of agriventures. Insufficient working capital of trained agripreneurs to operate their venture may be due to most of the agricultural trained force come from farming society.

These findings are consistent with previously published data on this topic.

CONCLUSION

This programme aims to tap the expertise available in the large pool of Agriculture Graduates ("ACABC Scheme Information" n.d.). Irrespective of whether you are a fresh graduate or not, or whether you are currently employed or not, you can set up your own Agri-Clinic or Agri-Business Centre and offer professional extension services to innumerable farmers ("ICCMRT" n.d.). Those completing the training can apply for special start-up loans for venture. ACABCs scheme become popular among agrigraduates due to specialized training, credit facility, subsidy and handholding support for the starting of agribusiness, but the success rate of total agriventure starting is low against total trained candidates due to several problems faced by agripreneurs during starting and operation of agriventure. In concluding line, we suggest to re-thinking on the whole gamut of components of the scheme and government should made suitable policies for the problems faced by agripreneurs under the ACABCs scheme, so that the objectives of scheme can be achieved accordingly. Failure rate at pre-stage level is very high and it's about 80%. To decrease the failure rate there is a dire need of targeting the causes of failure. *Viz.* if we can target the cause (ranked no. 1- Lack of own money to start business) at pre-stage by prioritizing the ACABC trained candidates under Rashtriya Krishi Vikas Yojana – Remunerative Approaches for Agriculture and Allied Sectors Rejuvenation (RKVY-RAFTAAR) ("RKVY - RAFTAAR" n.d.) is a unique scheme of Government of India, Ministry of Agriculture and Farmers' Welfare (MoA&FW). It is aimed at strengthening infrastructure in Agriculture and Allied sectors to promote Agripreneurship and Agribusiness by facilitating financial aid and nurturing a system of business incubation("MANAGE" n.d.). Under this scheme grants are available for eligible entities of up to 05 lakhs and 25 Lakhs for tier-1 and tier-2 respectively. Then, this can be an option to target the causes. So likewise, there is lots of space for enhancement of effectiveness of this scheme.

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