

RURAL YOUNG AGRICULTURAL ENTREPRENEURS IN CHITTOOR AND NELLORE DISTRICTS OF ANDHRA PRADESH

A Study on Profile Characteristics

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ABSTRACT

This study was conducted in Chittoor and Nellore districts of Andhra Pradesh to study the profiles of rural young agricultural entrepreneurs. Total 140 respondents were randomly selected for the study and interviewed. Most of the respondents were late young aged (40%), had college and above level education (63.57%), had not undergone any training (72.86%), within training undergone majority (69.29%) of them had only knowledge based training, low entrepreneurial experience (42.86%), manufacturing entrepreneurial activity (52.14%), micro scale of operation (65%), sole proprietorship ownership status (55%), low extension contact (39.29%), nonofficial position (42.14%) and official position (37.86%) in one or more organizations, medium information seeking behaviour (47.14%), high economic motivation (44.29%), low family support (43.57%), medium financial support (35.71%), seasonal raw material supply (67.86%), whole sale market for their product (83.57%) and outside the village market (80.71%).

Key Words: Rural youth, Agricultural Entrepreneurs, Experience, Mode of operations

Introduction

Major population of India is dependent on agriculture for their livelihood. But Indian agriculture is facing the confront of low productivity with large number of concealed unemployed people. Today's knowledge based economy is fertile ground for entrepreneurs, in India. It is rightly believed that India has an extraordinary talent pool with virtually limitless potential to become entrepreneurs. Therefore, it is important to get committed to creating the right environment to develop successful entrepreneurs. To achieve this, India must focus on inculcating entrepreneurial culture in the country. Recent interest in agricultural expansion coupled with the problems of poverty and unemployment and opening of markets has brought the concept of rural agricultural entrepreneurship to the front.

Research Methodology

In the present study Ex-post facto research design was followed. According to Kerlinger (1964) defined Ex-post facto research as: that research in which the independent variable or variables have already occurred and in which the researcher starts with the observation of a dependent variable or variables. In Andhra Pradesh state, chittoor and Nellore districts are rich in Agriculture. So these two districts were selected purposively as the investigator hails from this region. From the selected districts 7 villages from each district were selected randomly and 10 respondents from each village thus constitute total 140 respondents for the study. An interview schedule was developed for the study and presented in non-sampling areas. The data was collected using standardized interview schedule by personal method. The data was organized, tabulated and classified using qualitative and quantitative classification and subjected to statistical tests. The statistical tools were Frequency and percentage.

Results and Discussion

A. Age

From table 1 it could be concluded that most of the respondents (40%) were categorized into late young age group followed by young (22.86%), moderately young (20%) and rest of them (17.14%) were very young age group. Most of the rural young entrepreneurs were found late young aged. The reason might be that majority of the young decide to go for self-employment in the event of failure to get organized employment, which takes considerably more time. Besides idea generation, incubation, establishment and running successfully of an enterprise take quite a long period. Hence majority of the respondents were from late young age group.

B. Education

From table 1 it could be concluded that majority of the respondents had college level and above education (63.57%) and rest of them had high school education (36.43%). Education plays a major role in social and economic development of youth. This situation may be due to more awareness of rural youth about education. Education or literacy is a prerequisite for efficient management of enterprise. Hence more educated youth might be opting to become entrepreneurs.

C. Training undergone

From table 1 it could be concluded that majority of the respondents (72.86%) did not undergo any training and rest of them (27.14%) had undergone training. The probable reason for not getting trained might be lack of entrepreneurial development programmes (EDP's) related to agricultural enterprises being organized by MSME development institutes and respondents inability to access entrepreneurship development initiatives.

Presently agriculture EDP's are organized for agriculture poly-technique students and agricultural graduates under Agricultural Clinic and Agricultural Business scheme and most of the EDP programmes organized in the study area are focusing more on non-agricultural enterprises. Another reason may be the young entrepreneurs in rural area were not much conscious about the importance of training to run the enterprises technically with all formal procedures.

The respondents might have also perceived that the enterprises run by them are on small scale and doesn't require much formal and institutionalized training. The above findings are in accordance with the findings of Ganeshan (2001), Bhagyalakshmi (2002), Anitha (2003).

D. Type of training

Within the respondents who had undergone training, majority (69.29%) of the respondents had knowledge based training, (25%) had both knowledge and skill based training and rest of them are skill based(05.71%)

E. Entrepreneurial experience

From table 1 it could be concluded that most of the respondents (42.86%) possessed low level entrepreneurial experience followed by very low level (27.14%), medium (15.71%) and high level (14.29%) of entrepreneurial experience. The reason for this might be most of the respondents were young aged and some of them have started career in agricultural entrepreneurship late. The above finding is in accordance with the finding of Maroo (2005).

F. Type of enterprise

From table 1 it could be concluded that most (39.29%) of the rural youth had taken up commercial seed growing followed by rice mill (25.00%), vegetable commission agency (10.72%), dairy (9.29%), poultry (8.58%), seed processing (5.72%), and turmeric boilers (1.42%). The probable reason for this might be the favorable agro climatic conditions for commercial seed production and high demand for the commercial seed in the study area and also they have an adequate buy back system with seed processing units as it has secured marketing.

G. Scale of operation

From table 1 it could be concluded that majority (65%) of the respondents having micro enterprises and rest of them had small scale (35%) enterprises. The reasons being were majority of the entrepreneurs were commercial seed growers and it takes less investment in plant and machinery and for operating the existing entrepreneurial activity.

H. Ownership Status

From table 1 it could be concluded that majority (55%) of the respondents having sole proprietorship status and rest of them was having partnership (45%). The reason being was respondents wanted to be owner of their own entrepreneurial activity and even the investment is also low as in commercial seed production, commission agency, dairy, poultry investment is considerably less as compared to processing activities, hence majority of the enterprises were micro enterprises.

I. Entrepreneurial activity

From table 1 it could be concluded that majority (52.14%) of respondents having manufacturing activity followed by processing (35%) and trade (12.86%) related entrepreneurial activity. The reason being was majority of entrepreneurs were commercial seed growers, seed processors including rice mill owners.

J. Extension contact

From table 1 it could be concluded that most (39.29%) of the respondents had low extension contact followed by low (23.33%), medium (18.33%) and (16.67%) high extension contact. The reasons might be that each type of enterprise requires specific contacts for running their enterprise successfully. In case of the commercial seed growers they had contact with the inspection officer of that particular private Seed Company only for all agricultural aspects. Hence they do not have contacts with other extension agencies. The above finding is in partial conformity with the finding of Anitha (2004).

K. Information seeking behavior

From table 1 it could be concluded that majority of the respondents had medium level of information seeking behavior (47.14%) followed by low (28.57%) high (14.29%) and very low (10.00%) information seeking behaviour. The low level of extension contact for enterprise management and less awareness of information sources regarding enterprises management might have contributed the medium level of information seeking behavior. The finding is in accordance with Chaitanya (2004) and Suresh (2004).

L. Economic motivation

From table 1 it could be concluded that most (44.29%) of the respondents had high economic motivation followed by medium (31.42%), low (19.29%) and very low (5%) economic motivation. It

indicates that the selected enterprises were much profitable and yield immediate income to meet their needs. Besides motivation and need for achievement are generally high among entrepreneurs. The finding is in partial conformity with the findings of Bhagyalakshmi *et al.*, (2003) and Chauhan and Patel (2003).

M. Socio political participation

From table 1 it could be concluded that (42.14%) of the rural youth had non-official position in socio political organization, (37.86%) of the rural youth had official position in one or more organization, (10.71%) of the rural youth had official position in social/ political/ formal committees and rest of them (9.29%) had involvement in community work as a member. The reason for this might be in case of commercial seed growing there was no organization where as in case of rice mill and dairy enterprises there were organizations for the members. These results might be due to lack of interest and motivation participating in social organization and political, community and extension activities.

N. Family support

From table 1 it could be concluded that most (43.57%) of the respondents had low family support followed by medium (27.86%), very low (20.71%) and high (7.86%) family support. The reasons for this finding could be most of the youth were having support from their parents with fear of failure; this might be the reason for low family support. For some of respondents the entrepreneurial activity came by succession. The finding is in partial conformity with the finding of Chaitanya (2004).

O. Financial support

From table 1 it could be concluded that most (35.71%) of the respondents had medium financial support followed by low (32.86%), high (22.86%) and very low (8.57%) financial support. Finance plays a vital role in smooth running of any enterprise. The reasons for this might be that the respondents depend on commercial banks and lead bank in the area for finance and now a day's most of the banks are coming forward in giving credit for entrepreneurial activities. There is a minimum support from Govt. and other MSME development agencies also might be a reason for a medium financial support. The finding is in partial conformity with the finding of Chaitanya (2004).

P. Raw material Supply

From table 1 it could be concluded that majority of the respondents had seasonal supply of raw material (67.86%) and rest of them had regular in supply of raw material (32.14%). As the agriculture is mostly seasonal in nature so agricultural entrepreneurs plan their production activities according to the season.

Q. Location of market

From table 1 it could be concluded that majority of the respondents sell their products in outside village (86.71%) followed by both in village and outside village (12.86%) and few of them (6.43%) sell their products in village. The reason might be that majority of the respondents sell their produce outside the village because the respondents had tie up with the other seed companies for their produce.

R. Market for product

From table 1 it could be concluded that majority of the respondents sell their products in wholesale/ retail market (83.57%) rest of them had both wholesale and retail marketing (16.43%). The reasons might be that the majority of respondents were commercial seed growers who had tie up with the seed companies for their produce and in case of processing enterprises they had tie up with the other seed companies for their products.

Table.1 Distribution of rural young agricultural entrepreneurs according to their profile characteristics

N=140

S. No.	Category	Frequency	Percentage (%)
A. Age			
1	Very young	24	17.14
2	Young	32	22.86
3	Moderately young	28	20.00
4	Late young	56	40.00
B. Education			
1	Illiterate	0	0
2	Functionally literate	0	0
3	Primary school	0	0
4	Middle	0	0
5	High	51	36.43
6	College level and above	89	63.57
C. Training undergone			
1	Undergone training	38	27.14
2	Not undergone training	102	72.86
D. Type of training			
1	Knowledge based	97	69.29
2	Skill based	08	05.71
3	Both knowledge and skill based	35	25.00
E. Entrepreneurial experience			
1	Very low	38	27.14
2	Low	60	42.86
3	Medium	22	15.71
4	High	20	14.29
F. Type of enterprise			
1	Seed processing	8	05.72
2	Rice mill	35	25.00
3	Dairy	13	09.29
4	Poultry	12	08.58
5	Vegetable commission agency	15	10.72
6	Commercial seed production	55	39.29
7	Turmeric boiling unit	2	01.42
G. Scale of operation			
1	Micro	91	65

2	Small	49	35
3	Medium	0	0
H. Entrepreneurial activity			
1	Manufacturing	73	52.14
2	Processing	49	35.00
3	Service	0	0
4	Trade	18	12.86
I. Ownership status			
1	Solo-proprietorship	77	55
2	Partnership	63	45
3	Joint venture	0	0
J. Extension contact			
1	Very low	38	27.14
2	Low	55	39.29
3	Medium	25	17.86
4	High	22	15.71
K. Information seeking behaviour			
1	Very low	14	10.00
2	Low	40	28.57
3	Medium	66	47.14
4	High	20	14.29
L. Economic motivation			
1	Very low	07	05.00
2	Low	27	19.29
3	Medium	44	31.42
4	High	62	44.29
M. Sociopolitical participation			
1	Non official position in socio political organization.	59	42.14
2	Official position in one or more organization.	53	37.86
3	Official position in social/ political/ formal committees.	15	10.71
4	Financial contribution or raising funds for community work.	0	0
5	Involvement in community work as a member.	13	09.29
6	Participation in any extension activity.	0	0
N. Family support			
1	Very low	29	20.71

2	Low	61	43.57
3	Medium	39	27.86
4	High	11	07.86
O. Financial support			
1	Very low	12	08.57
2	Low	46	32.86
3	Medium	50	35.71
4	High	32	22.86
P. Raw material supply			
1	Seasonal (3 times/ yr.)	95	67.86
2	Regular (>3 times/ yr.)	45	32.14
Q. Location of market			
1	Within village	09	06.43
2	Outside village	113	80.71
3	Both	18	12.86
R. Market for product			
1	Wholesale/ Retail	117	83.57
2	Both (whole sale and retail).	23	16.43

Conclusion

Rural Agricultural entrepreneurs in chittoor and Nellore districts shares many characteristics of "generic" entrepreneurship, but also has its unique features due to the specific context of the agricultural sector in the two districts, which concludes that Most of the respondents were late young aged, had college and above level education, very few are undergone training, majority of them had responded that they received knowledge based training. Majority of them are having low entrepreneurial experience and engaged in manufacturing entrepreneurial activity, own micro scale of operation with sole proprietorship ownership status. Also find that they have low extension contact and showing medium information seeking behaviour, high economic motivation. Most of them responded that they are receiving low family support, medium financial support. They are availing seasonal raw material supplies, they market their products through whole sale markets and in outside the village Market.

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