



## Research Paper

### Problems faced by entrepreneurs during establishment of agriventures under AC and ABC scheme in Gujarat

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**Abstract:** Agriclincs and Agribusiness Centres Scheme (AC & ABC Scheme) was launched in April 2002 by Government of India with the objective to supplement the public extension system through committed private extension services at free or nominal cost by educated and trained candidates in a self employment mode. The present research was conducted to study the problem faced by entrepreneurs during establishment of under the AC & ABC scheme in Gujarat. Total 100 established agripreneurs under the scheme were selected for the study. The primary data were collected during the year 2018 to 2020 from established agripreneurs using a structured questionnaire. Garrets ranking method and percentage analysis techniques were used for analysing the problems faced by entrepreneurs during the establishment of the agriventures. From the present study, it can be concluded that major problems

perceived by agriprenurus during the establishment of agriventure were high rate of interest on loan and not getting correct picture about the rate of interest, subsidy and collateral security by banks and NABARD. Majority of agripreneurs suggested that the rate of interest and margin money should be low, facilitate frequent interactions, better co-ordination and networking opportunity for agripreneurs and better linkage between the training institutes with financial institutions for loan sanction can help in establishment of agriventures.

**Keywords:** *Agriclincs, agribusiness centers, agripreneurs, agriventures*

#### **Abbreviations:**

AC & ABC: Agriclinics and Agribusiness Centres

NABARD: National Bank for  
Agriculture and Rural Development  
NTIs: Nodal Training Institutes  
NGOs: Non-Governmental  
Organizations

### **Introduction:**

Agriculture and allied sectors are considered to be mainstay of the Indian economy because these are important sources of raw materials for industries and they demand for many industrial products particularly fertilizers, pesticides, agriculture implements and a variety of consumer goods. Due to the changing socio, economic, political, environmental and cultural dimensions over the world, farmers' and nations' options for survival and for sustainably ensuring success in changing their respective economic environments has become increasingly critical. It is also worth noting that the emergence of the free market economies globally has resulted in the development of a new spirit of enterprise "Agripreneurship" and the increased individual need for responsibility for running their own businesses (Rajashekhar *et. al* 2009). Entrepreneurship development is a major area of focus today as it has huge potential in creating jobs and self-employability and thus contributing to economic development. India, in the last few years in particular, has seen exponential growth of start-ups and new-age entrepreneurs. Both the Central and State Governments have been taking proactive steps towards the development of entrepreneurship in the country (Bairwa *et. al* 2015). AC & ABC Scheme was launched in April 2002 by

Government of India with the objective to supplement the public extension system through committed private extension services at free or nominal cost by educated and trained candidates in a self employment mode.

The present paper aims to study the problem faced by entrepreneurs during establishment of under the AC & ABC scheme in Gujarat.

### **Research Methodology:**

The present study was conducted in entire Gujarat State. Location of study is spread over the four zones of the Gujarat i.e. Saurashtra, North Gujarat, Middle Gujarat and South Gujarat. Proportionate Random sampling technique was used for the selection of the sample of established agripreneurs from the four zones of the Gujarat. Similar technique was used by the Rajashekhar *et. al*. Total 100 established agripreneurs under the scheme were selected for the study. The primary data were collected during the year 2018 to 2020 from established agripreneurs using a structured questionnaire. The Garrets ranking method and percentage analysis techniques were used to draw meaningful interpretations and inferences of the study.

### **Results and Discussions:**

#### **Problems Faced by Entrepreneurs during the Establishment of the Agriventures:**

To analyse the problems faced by entrepreneurs, the Garret ranks were calculated by using appropriate Garret Ranking formula. Then based on the

Garret table, the garret value was calculated (Table 1).

**Table 1: Percent Position and Garret Value**

S. No.	100 ( Rij- 0.5) Nj	Percent Position Value	Garret Value
1.	100 (1 – 0.5)/ 14	3.57	<b>85</b>
2.	100 (2 – 0.5)/ 14	10.71	<b>75</b>
3.	100 (3 – 0.5)/ 14	17.85	<b>69</b>
4.	100 (4 – 0.5)/ 14	25.00	<b>63</b>
5.	100 (5 – 0.5)/ 14	32.14	<b>60</b>
6.	100 (6 – 0.5)/ 14	39.28	<b>56</b>
7.	100 (7 – 0.5)/ 14	46.43	<b>52</b>
8.	100 (8 – 0.5)/ 14	53.57	<b>49</b>
9.	100 (9 – 0.5)/ 14	60.71	<b>45</b>
10.	100 (10 – 0.5)/ 14	67.86	<b>41</b>
11.	100 (11– 0.5)/ 14	75.00	<b>37</b>
12.	100 (12 – 0.5)/ 14	82.14	<b>32</b>
13.	100 (13 – 0.5)/ 14	89.29	<b>26</b>
14.	100 (14 – 0.5)/ 14	96.43	<b>16</b>

Table 2 shows the total Garrett's Value for the each problem statement. Based on the total Garrett's Value, the percentage of each problem statement was given and subsequently ranks were assigned to each statement.

It could be seen from Table 2 that high rate of interest on loan, NABARD & Commercial banks does not give correct picture about the rate of interest, subsidy and collateral security were the major problems faced agriprenerus during the establishment of agriventure which accounts to average score of 67.25 and 61.92 with first and second rank, respectively.

The second order problems faced by these agriprenuers in establishing their agriventure were lengthy procedures/rejection/non-response in obtaining bank loans (III rank & 61.82), lack of proper handholding support from NTIs (IV rank & 58.52), lack of knowledge about the AC & ABC scheme to the banks (V rank & 56.54), seasonality of business (VI rank & 55.57), hesitation from bankers to finance (VII rank & 52.64) and fear of failure of business due to huge risk involved (VIII rank & 47.57), respectively.

**Table 2: Ranking of problems faced by agripreneurs during the establishment of agriventure**

Sr. No.	Problem statements	Total Garrett's Value	Average Score	Rank
1.	High rate of interest on loan	6725	67.25	I
2.	Lack of proper handholding support from NTIs	5852	58.52	IV
3.	Hesitation from bankers to finance	5264	52.64	VII
4.	Lack of collateral security	4736	47.36	IX
5.	Lack of family support	3409	34.09	XIV
6.	Lengthy procedures/ Rejection/ non-response in obtaining bank loans	6182	61.82	III
7.	Lack of knowledge about the AC & ABC scheme to the banks	5654	56.54	V
8.	Fear of failure of business due to huge risk involved	4757	47.57	VIII
9.	Public/private sector job opportunity	3882	38.82	XII
10.	Fear of collection of money from the farmers	3994	39.94	XI
11.	NABARD & Commercial banks does not give correct picture about the rate of interest, subsidy and collateral security	6192	61.92	II
12.	Lack of business and field experience	4629	46.29	X
13.	Lack of own money to start business	3767	37.67	XIII
14.	Seasonality of business	5557	55.57	VI

The other problems like lack of collateral security (IX rank & 47.36), lack of business and field experience (X rank & 46.29), fear of collection of money from the farmers (XI rank & 39.94), public/private sector job opportunity (XII rank & 38.82), lack of own money to start business (XIII rank & 37.67) and lack of family support (XIV rank & 34.09) were responded by the agripreneurs.

This finding is more or less in conformity with those reported by Bairwa *et al.* (2015), Deshmukh and Naik (2019).

**Suggestions given by the Agripreneurs for the Establishment of Agriventures:**

It could be seen from Table 3 that most of agripreneurs suggested that the rate of interest and requirement of margin money should be low followed by frequent interactions, better co-ordination and networking opportunity for agripreneurs and better linkage is required between the training institute with financial institutions for loan sanction, as these things were suggested by 93, 93 and 88 per cent of the total respondents, respectively.

Agripreneurs suggested that the banks should support the agripreneurs for availing the loan and subsidy timely, agripreneurs should have some business and field experience before starting the agriventure, AC and ABCs

should be treated on par with government agriclinics in distribution of seeds and other inputs to the farmers at subsidized rates and concentrate more on providing training on need based and economically viable projects by putting trainees under in plant training for 15-20 days, which were suggested by 85, 81, 71 and 70 per cent of the total respondents, respectively.

Provide training only to the interested candidates (62%), government should

promote agricultural graduates to start agriclinic at every gram panchayat level (61%) and do not encourage NGOs and private training institutes as they are not capable of training efficiently (45%) were some other suggestions made by the trained agripreneurs for supporting the establishment of agriventures under AC and ABCs scheme in the study area.

This finding is in line with those reported by Kalsariya *et al.* (2019).

**Table 3: Suggestions given by the agripreneurs for the establishment of agriventures under AC & ABC Scheme (n=100)**

Sr. No.	Suggestions	No. of respondents	Percentage
1.	The rate of interest and requirement of margin money should be low	93	93
2.	Frequent interactions, better co-ordination and networking opportunity for agripreneurs	93	93
3.	Better linkage is required between the training institute with financial institutions for loan sanction	88	88
4.	Banks should support the agripreneurs for availing the loan and subsidy timely	85	85
5.	Agripreneurs should have business and field experience before starting the agriventure	81	81
6.	AC and ABCs should be treated on par with govt. agriclinics in distribution of seeds and other inputs to the farmers at subsidized rates	71	71
7.	Concentrate more on providing training on need based and economically viable projects by putting trainees under in plant training for 15-20 days	70	70
8.	Provide training only to the interested candidates	62	62
9.	Government should promote agricultural graduates to start agriclinic at every gram panchayat level	61	61
10.	Do not encourage NGOs and Private training institutes as they are not capable of training efficiently	45	45

**Conclusion:**

From the present study, it can be concluded that major problems perceived by agripreneurs during the establishment of agriventure were high rate of interest on loan and not getting correct picture about the rate of interest, subsidy and collateral security by banks and NABARD. Majority of agripreneurs suggested that the rate of interest and margin money should be low, facilitate frequent interactions, better co-ordination and networking opportunity for agripreneurs and better linkage between the training institute with financial institutions for loan sanction can help in establishment of agriventures.

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