



Research Article

Entrepreneurship among farmers: A way to rural development

■ V.K. RAMPAL AND C. S ARNEJA

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SUMMARY : The entrepreneur is considered as a person who initiates, organizes the activities, manages and controls the affairs of business unit combining the factors of production to supply goods and services. The study has been conducted to examine the entrepreneurial content of people in Ludhiana district of Punjab State. A random sample of 120 farmers was taken from the selected villages. Those farmers who had allied enterprises along with farming were considered as enterprising farmers (EF) and those having no such enterprise along with crop farming as non-enterprising farmers (NEF). A majority of the medium farmers considered allied enterprises as good source of additional income while the small farmers took it from the angle of fulfillment of family needs without making big investments. More than 64 per cent respondents perceived that an additional enterprise with farming was very gainful. In the terms of risk taking again all the young and about half of the middle aged respondents preferred risk. Most of the old aged respondents' averted risk associated with new technology. . It is suggested that non-enterprising farmers may have multiple farming practices to enhance their social as well as economic status in the society.

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Entrepreneurship,
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Level of adoption,
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Liking

BACKGROUND AND OBJECTIVES

Entrepreneurship is indispensable for the growth and development of any society and has been conceived in many ways such as personality characteristics, innovative activities and managerial abilities. Some Economist reduced it to the risk taking involved in the capital investment. Generally, the entrepreneur is considered as a person who initiates, organizes the activities, manages and controls the affairs of business unit combining the factors of production to supply goods and services. Whether the business pertains to agriculture, industry, trade or profession. It thus reveals that entrepreneur is the multifunctional personality, discharging different roles. The climate of entrepreneurship associated with traditional agriculture remained at the low ebb and uninspiring instead of being attractive and vigorous as agricultural entrepreneurship is governed by tradition and custom instead of professional choice. It is more a way of life rather than business proposition based on necessary economic incentive.

According to prevailing circumstances, the green entrepreneurship is very much essential in Punjab State for increasing per capita income, employing a large unemployed population, economizing on water use and thus preventing hydrological imbalance. This study is a pointer to this direction. It was found that higher proportion of large farmers had allied entrepreneurial activities along with the crop farming. Most of them were from middle age group and education level was higher than those of non- enterprising farmers. A majority of them were involved in dairying and vegetable growing. Though there is no occupational mobility, still farmers added a number of allied enterprises along with crop farming. They gained a lot socially as well as economically. It is suggested that non-enterprising farmers may also adopt other allied occupations to enhance their social economic well being.

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Author for correspondence :

V.K. RAMPAL

Department of
Extension Education,
Punjab Agricultural
University, LUDHIANA
(PUNJAB) INDIA
Email: vipin_75@
rediffmail.com

See end of the article for
authors' affiliations

managerial abilities. Generally, the entrepreneur is considered as a person who initiates, organizes the activities, manages and controls the affairs of business unit combining the factors of production to supply goods and services whether the business pertains to agriculture, industry/trade or profession. It thus reveals that entrepreneur is the multifunctional personality, discharging different roles.

Doubtlessly, the climate of entrepreneurship associated with traditional agriculture remained at the low ebb and uninspiring instead of being attractive and vigorous. Farm entrepreneurship was shadowed by traditions and customs instead of professional choice, as it has more been a way of life rather than a business proposition based on desired economic incentives. Agro-entrepreneurs are the farmers who respond to the new enterprise commonly associated with farm and farm related activities. The essence of entrepreneurship lies in the shedding of inhibiting new values relevant to the emerging realities of the dynamic environment.

Agrobased industries are coming up in towns and cities and rural-urban population intermingling with each other. Now-a-days, everything is interrelated with everything else and it has difficult to find out single cause of single effect. According to the prevailing situation, practicing entrepreneurship is very much essential in Punjab state for increasing income and employment levels.

RESOURCES AND METHODS

The study has been conducted to examine the entrepreneurial content of people in Ludhiana district of Punjab State. Among 12 Blocks of Ludhiana district, three blocks and two villages among each block were randomly selected for this study which was conducted in the recent past. The farmers of six sampled villages were enlisted and grouped into small, medium, and large ones using the National Classification.

There were 44 farmers from small, 42 from medium and 34 from large holdings. They were selected proportionately from the villages. So a random sample of 120 farmers was taken

from the selected villages. Those farmers who had allied enterprises along with farming were considered as enterprising farmers (EF) and those having no such enterprise along with crop farming as non-enterprising farmers (NEF). A schedule was prepared and data collected through personal interview method. The basic features of the respondents such as age, education, size of holding with a detail of their different activities, sources of acquiring new techniques, risk preferences, level of adoption and likings were recorded for this study. Simple analytical tools such as averages and percentages were used for further analysis.

OBSERVATIONS AND ANALYSIS

The main findings and discussion of the research are being presented theme wise below:

Social Background:

The social background of the farmers indicates that a majority of the enterprising farmers (EF) were in the age group of 31 -50 years and non-enterprising in the age group of 51 years and above (Table 1). There were only 2.50 per cent of the farmers in the young age group (Upto 30 years) but majorities were from the middle-aged category. Literacy level showed that the EF respondents were more educated than that of NEF. A large number (51.43 %) of the respondents of EF got education upto graduate level whereas majority of NEF were matriculates. Even, the number of illiterates of NEF was more than double than that of EF farmers.

The farmers were grouped into small (less than 2 hectares), medium (2-4 hectares) and large (above 4 hectares) for the purpose of size of holding. The number of small farmers was the highest among the enterprising farmers (EF) who were carrying out allied activities in addition to crop farming. In the case of non-enterprising farmers (NEF) the respondents from small holding were more than that of large farmers. It was observed from the total sample that in most of the villages, the number of small farmers was much more than that of large

Table 1 : Social background of farmers

Characteristics		EF (n=70)	NEF (n=50)	Total (n=120)
Age	Upto 30 yrs	3 (4.29)	-	3 (2.50)
	31-50 yrs	40 (57.14)	19 (38.00)	59 (49.17)
	51 yrs and above	27 (38.57)	31 (62.00)	50 (48.33)
Education	Illiterate	9 (12.86)	14 (28.00)	23 (19.17)
	Primary	3 (4.29)	14 (28.00)	17 (14.17)
	Upto Matric	22 (31.42)	17 (34.00)	39 (32.50)
	Graduate	36 (51.43)	5 (10.00)	41 (34.16)
Size of holding	Small (< 2 hectares)	26 (37.14)	18 (36.00)	44 (36.67)
	Medium (2-4 hectares)	23 (32.86)	19 (38.00)	42 (35.00)
	Large (> 4 hectares)	21 (30.00)	13 (26.00)	34 (28.33)

Figures in parentheses indicate percentages

farmers.

Income sources:

In addition to the farm income, some of the farmers also had other sources of income *viz.*, government service, pension, building rent, flourmill and remittances from abroad, etc. As shown in Table 2, remittances from abroad were the major source of off-farm income in both types of (EF and NEF) farmers. In the total sample of EF, about 12 per cent of the respondents' brother/relatives/friends were in foreign countries and thus assisting them financially. The corresponding figures for NEF farmers were 8 per cent. The other sources of income in majority of the cases were the rent from building, pension and flourmill for EF and only pension in the case of NEF farmers. The EF farmers had constructed shops and given on rent for additional earnings. Due to the proper location of shops, they were getting good rental income. Pension from service was also an additional income in both the categories of sample farmers. Almost an equal number of sampled farmers were getting salary income from service.

About half (47.14 %) of the selected farmers had income

other than farming. More number of large farmers got off-farm income than that of medium and small farmers in the total sample. Only one-fifth (20.00 %) of the NEF farmers got income other than farming. The results revealed that 11.43 per cent of EF farmers got income from rent of shop. The figure for corresponding NEF farmers was two per cent, of such farmers. It was observed that EF farmers received more help or had higher off-farm income, which motivated them to venture into entrepreneurship. This gave the impression that a person who had better financial position took more risk to venture an enterprise.

Entrepreneurial activities:

In addition to crop farming, farmers adopted a number of allied activities such as dairying, vegetable farming, poultry, bee keeping, piggery and mushroom cultivation. As depicted in Table 3, most of (55.71 %) them had dairying as another enterprise along with farming. About 19 per cent each had poultry and bee-keeping enterprise. Even one of the farmers was also cultivating mushrooms. As the large farmers were able to spend more money and take risk, so their number was

Table 2 : Sources of income other than farming

Source	EF				NEF			
	Small (n=26)	Medium (n=23)	Large (n=21)	Total (n=70)	Small (n=26)	Medium (n=23)	Large (n=21)	Total (n=70)
Service	2 (7.69)	1 (4.35)	-	3 (4.28)	1 (5.55)	1 (5.26)	-	2 (4.00)
Pension	2 (7.69)	3 (13.04)	2 (9.52)	7 (10.00)	-	2 (10.52)	1 (7.69)	3 (6.00)
Shop rent	3 (11.54)	3 (13.04)	2 (9.52)	8 (11.43)	-	-	1 (2.00)	1 (2.00)
Flour mill	1 (3.84)	2 (8.69)	4 (19.05)	7 (10.00)	-	-	-	-
Remittances from abroad	1 (3.84)	3 (13.04)	4 (19.05)	8 (11.43)	1 (5.55)	1 (5.26)	2 (15.38)	4 (8.00)
Total	9 (34.62)	12 (52.17)	12 (57.14)	33 (47.14)	2 (11.11)	4 (21.05)	4 (30.77)	10 (20.00)

Figures in parentheses indicate percentages

Table 3 : Entrepreneurial allied activities and reasons for adoption

Activities	Small (n=26)*	Medium (n=23)*	Large (n=21)*	Total (n=70)*
Enterprises				
Dairying	14 (53.85)	9 (39.13)	16 (89.50)	39 (55.71)
Vegetables	2 (7.69)	6 (26.09)	5 (23.81)	13 (18.57)
Poultry	4 (15.38)	3 (13.04)	4 (19.04)	11 (15.71)
Bee-keeping	3 (11.54)	5 (21.74)	3 (14.28)	11 (15.71)
Fishery	-	1 (4.35)	2 (9.52)	3 (4.28)
Piggery	2 (7.69)	-	-	2 (2.86)
Mushroom	1 (3.85)	-	-	1 (1.43)
Reasons				
Less tension	20 (76.92)	17 (73.19)	18 (85.71)	55 (78.57)
Good income source	15 (57.69)	22 (95.65)	15 (71.42)	52 (74.28)
Family need being fulfilled	23 (88.46)	20 (86.95)	12 (57.14)	55 (78.57)
Enterprise with low investment	15 (57.69)	12 (52.17)	10 (47.61)	37 (52.85)

*Multiple responses

Figures in parentheses indicate percentages

higher than small and medium farmers who adopted dairying and poultry enterprise. However, a large number of medium farmers were growing vegetables and bee-keeping. Only, about 8 per cent of the small farmers had piggery and mushroom cultivation. The sampled farmers gave different reasons for adoption of a particular enterprise. A majority of them reported that they feel relieved as their day-to-day family needs were being fulfilled by these allied enterprises due to regular flow of income. A majority of the medium farmers considered allied enterprises as good source of additional income while the small farmers took it from the angle of fulfillment of family needs without making big investments.

Farmers also evaluated their enterprise *vis-à-vis* farming (Table 4). About 27 per cent said that having an additional enterprise with farming was very gainful. More than 64 per cent perceived these as gainful, but only 8.57 per cent expressed that these enterprises incurred loss. On the whole, those allied enterprises have supplemented the farm income.

Table 4: Perceptions regarding different enterprises

Perceptions	Number	Per cent
Very gainful	45	64.29
Gainful	19	27.14
Loss making	6	8.57
Total	70	100.00

Association of education and age to enterprise adoption:

It was observed that education played a great role to make the people aware about latest technique.

The perusal of Table 5 revealed that 32.86 per cent of the farmers had latest genetically improved materials from the university. The sample farmers who were illiterate or less educated were reluctant to adopt innovations on their farms.

A large number of farmers with higher education, *i.e.* graduates (47.22 %) got information from University, 27.78 per cent received it from other institutional sources, like state department of Agriculture, KRIBHCO, IFFCO etc. The farmers who had education above matric got information and materials even from progressive farmers. Most of the progressive farmers also guided other farmers in a better way. In relation to risk preferences more educated farmers were also ahead of others. A large number of graduates were risk prefers whereas more number of matriculates were the middle movers. The number of risk averters was also among the matriculate respondents. All the illiterates and primary educated ones were risk averters. It shows that with higher level of education, one becomes more aware and develops risk-bearing ability.

The level of adoption showed that about 39 per cent were innovators, 18.57 per cent early and 8.57 per cent late adopters but about one third of them were the acute laggards in the adoption of farm techniques. On the basis of education, a large number (58.33 %) of highly educated (graduates) were the first to adopt new ideas. These venturesome farmers always took the risk because of knowledge about the innovations which can assure higher returns. Among the farmers with graduate level of education, 25 per cent of them were the early adopters or the crust breakers in rural areas and 11.11 per cent were the late adopters. On the other hand, about 48 per cent of the respondents were laggards having education only upto matric level. Similarly all the illiterates and primary educated respondents belonged to this category. As presented in Table 6, a large number of respondents got information from PAU, Ludhiana. All the young and middle-aged farmers had known about new technology from this institution. About 25 per cent of the old aged (51 years and above) got the needed information from progressive farmers. Half of them had not benefited from any sources but had used own experiences. In

Table 5 : Association of education with sources of new technique, risk preferences and level of adoption

Source \ Education	Illiterate (n=9)	Primary (n=3)	Upto matric (n=22)	Graduate (n=36)	Total (n=70)
PAU, Ludhiana	-	-	6 (27.27)	17 (47.22)	23 (32.36)
Other institutional sources	-	-	5 (22.73)	10 (27.78)	15 (21.43)
Progressive farmers	-	-	3 (13.64)	7 (19.44)	10 (14.29)
No response	9 (100.00)	3 (100.00)	8 (36.36)	2 (5.56)	22 (31.42)
Preferences					
Risk prefer	-	-	7 (31.82)	18 (50.00)	25 (35.71)
Middle movers	-	-	10 (45.45)	11 (30.56)	21 (30.00)
Risk averters	9 (100.00)	3 (100.00)	5 (22.73)	7 (19.44)	24 (34.29)
Level of adoption					
Innovators	-	-	6 (27.27)	21 (58.33)	27 (38.57)
Early adopters	-	-	4 (18.18)	9 (25.00)	13 (18.57)
Late adopters	-	-	2 (9.09)	4 (11.11)	6 (8.57)
Laggards	9 (100.00)	3 (100.00)	10 (45.46)	2 (5.56)	24 (34.29)

Figures in parentheses indicate percentages

Table 6 : Association of age with source of information, risk taking ability and level of adoption

Source	Age	Upto 30 yrs (n=3)	31-50 yrs (n=40)	51 yrs and above (n=27)	Total (n=70)
PAU, Ludhiana		3 (100.00)	13 (32.50)	4 (14.81)	20 (28.58)
Other institutional sources		-	8 (20.00)	3 (11.11)	11 (15.71)
Progressive farmers		-	11 (27.50)	6 (22.22)	17 (24.28)
No response		-	8 (20.00)	14 (51.86)	22 (31.43)
Preferences					
Risk prefers		3 (100.00)	19 (47.50)	7 (25.93)	29 (32.86)
Middle movers		-	15 (37.50)	8 (29.63)	23 (41.43)
Risk averters		-	6 (15.00)	12 (44.44)	18(37.14)
Level of adoption					
Innovators		3 (100.00)	16 (40.00)	7 (25.93)	26 (37.14)
Early adopters		-	14 (35.00)	4 (14.81)	18 (25.71)
Late adopters		-	2 (5.00)	-	2 (2.86)
Laggards		-	8 (20.00)	16 (59.26)	24(34.29)

Figures in parentheses indicate percentages

the terms of risk taking again all the young and about half of the middle aged respondents preferred risk whereas higher number of them was a middle mover. Most of the old aged respondents' averted risk associated with new technology.

Regarding the adoption level; all the young farmers were the first to adopt new innovations whereas most of the old aged categories of the respondents were laggards. It indicates that with the increases in age, there was decrease in adoption level of new technologies. Liking of farmers to transformation of traditions.

Linking of farmers to transformation of traditions:

The enterprising and the non-enterprising farmers were compared on the basis of their likings to transformation. As shown in Table 7, all the EF farmers thought of giving higher education to girls and 90 per cent of them considered precision in measured input use more beneficial in farming. They changed their mind to quality, helping the needy and also considered doing service without reward. In the case of NEF farmers,

their likings were more for production of good quality, helping the needy, etc. On the whole, though farmers differed on different aspects, but almost all of them had less difference on transformation of traditions. Similar type of investigations were also made by Ahmed and Kakoty (1993) and Vantaka (1993).

Conclusion:

This study brought out that the higher proportion of large farmers had adopted allied entrepreneurial activities along with crop farming. A majority of the farmers were involved in dairying and vegetable growing. These enterprises were very well adjusted to the crop farming. Some of the farmers also involved in poultry farming and a few in bee keeping, fishery, piggery, and mushroom cultivation. But they were not holistically using integrated farming approach to the desired extent. In addition to this, there was meager occupational mobility. However, the crops included a number of allied enterprises along with crop farming and surely gained socially as well as economically. It is suggested that non-enterprising

Table 7 : Distribution of respondents who liked transformation on traditions

Traditions	EP (n=70)	NEP (n=50)
Higher education to girls	70 (100.00)	41 (82.00)
Use of weighing machines	63(90.00)	39(78.00)
Bartan bhanji system	56 (80.00)	41 (82.00)
Borrowings	50 (71.43)	50 (100.00)
Easy money making	49 (70.00)	36 (72.00)
Do good have good	42 (60.00)	37 (74.00)
Fair dealing	60 (85.71)	39 (78.00)
Quality consciousness	50 (84.29)	39 (78.00)
Service without reward	48 (68.57)	30 (60.00)
Production of good quality	63 (90.00)	46 (92.00)
Helping the needy	48 (68.57)	43 (86.00)

farmers may have multiple farming practices to enhance their social as well as economic status in the society.

Authors' affiliations :

C.S. ARNEJA, Department of Extension Education, Punjab Agricultural University, LUDHIANA (PUNJAB) INDIA

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