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Constraints faced by agripreneurs and their clients in management and adoption of dairy enterprise activities in Karnataka state

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Abstract

The study was undertaken to delineate constraints perceived in managing the dairy enterprise as well as in getting the service from agripreneurs. Garrett's Ranking Technique (GRT) was used to identify the major constraints. The constraints were studied separately for successful and unsuccessful agripreneurs and their clients. Lack of adequate financial institution in the locality was the financial constraint of successful agripreneurs. Major reason for discontinuance of dairy enterprise by unsuccessful agripreneurs was because of employment received from both public and private sector. Negative attitude of the agripreneurs towards poor families was the top most constraint faced by clients of agripreneurs.

Keywords: Agri-clinics and Agribusiness centre, Constraints, Successful agripreneurs, Unsuccessful agripreneurs, clients

Introduction

India is a land of enterprises, where almost 70% of the population is still self-employed, among all, Livestock sector has emerged as an important sector for employment generation as well as providing a stable source of income. It provides regular employment to 9.8 million people in subsidiary status, which together constitutes 5 % workforce. The share of livestock output to the agriculture is 25% of the total and 6 % GDP. Milk alone contributes Rs. 450 billion to the GNP of the country. The strength of Indian sector lies in the fact that in spite of limited investment, it has shown consistent and sustainable growth (Kadirvel, 2002) [4].

The implementation of various dairy development programmers/schemes by Government of India has changed dairy farming scenario tremendously and helped the dairy entrepreneurs to obtain higher profits. Among that agri-clinics and agribusiness centre scheme which is initiated jointly by Ministry of agriculture Government of India, NABARD, National Institute of Agricultural Extension Management (MANAGE) and SFAC.

This scheme was initiated to strengthen the transfer of technology and extension services and also provide self – employment opportunities to technically trained agriculture graduates. Training is the process of improving knowledge, skills and changing the attitude of an individual for doing a specific job. Training is the base for inculcating managerial abilities in an individual. Keeping in view these important considerations, present study was undertaken in Karnataka state with the objective of identifying the constraints perceived by successful agripreneurs, unsuccessful agripreneurs and their clients.

Materials and methods

A study was conducted in the state of Karnataka by selecting four districts (Bengaluru urban, Belagavi, Dharwad and Vijayapur) purposively. From each district five successful and five unsuccessful agripreneurs were selected. From each successful agripreneurs eight clients were selected. Thus it becomes 20 agripreneurs and 160 clients. Thus, a total of 200 respondents were selected for the study.

Constraints vary from individual to individual and region to region. In the course of study, first hand information with regard to constraints was collected and a well structured interview schedule was prepared to measure the constraints faced in management of the dairy enterprise as well as in getting the service from agripreneurs.

For measuring these constraints Garrett's ranking technique was used. The respondents were asked to rank the factors. The order of merit given by the respondents was changed into ranks by using formula:

$$\text{Percent position} = \frac{100 * (R_{ij} - 0.50)}{N_j}$$

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Where,

R=Rank given for i^{th} item by j^{th} individual

N=Number of items ranked by j^{th} individual

Results and discussion

1. Constraints perceived by successful agripreneurs in running the dairy enterprise

a) Social constraints

Social problems faced by maximum (73.10) agripreneurs were fear of failure because of more risks and uncertainties. Other social problem was lack of family encouragement, increased stress due to the dual responsibilities, Social pressures and taboos. The findings of Srilatha (2013) [9], Bhagyaakshmi (2002) [3] and Ushakiran (2012) [10] were in the same line of the present findings.

b) Financial constraints

Finance is a most important aspect of any business. The major problems faced by agripreneurs related to finance were, lack of cooperation of bank officials (58.05), lack of financial

support from family and friends (57.75). The findings were in line with the findings of Prakashkumar (2011) [7].

c) Marketing constraints

Competition from established and large units was the major marketing constraint (64.25) followed by lack of regulated markets (57.30), distance location of market (50.90), low/uncertainty of prices (49.15) and exploitation by middlemen (37.10). The findings were in line with the findings of Pooja *et al.* (2007).

d) Technical constraints

Major technical problems faced by agripreneurs are inadequate training skills (68.40) followed by high cost of equipments (42.90), technologies not matching with entrepreneur immediate needs (38.40) and non-availability of A.I. facility and timely veterinary services (33.30). These findings were in consonance with the findings of Jaiswal (2012).

Table 1: Constraints perceived by successful agripreneurs in running their dairy enterprise, n=20

SI No.	Statements	Average score	Rank
Social constraints			
1	Lack of family encouragement	71.65	II
2	Increased stress due to the dual Responsibilities	57.70	III
3	Lack of sound health and good physique	43.40	IV
4	Lack of successful enterprise in the locality	31.40	VI
5	Social pressures and taboos	33.70	V
6	Fear of failure because of more risks and uncertainties	73.10	I
Financial constraints			
1	Delay in milk payments from dairy co-operative societies	46.40	VI
2	Lack of cooperation of bank officials	58.05	I
3	Lack of financial support from family and friends	57.75	II
4	Lack of awareness of different funding schemes and their procedures	50.30	IV
5	Hurdles in getting credit due to unnecessary and irrelevant stipulations of conditions	49.20	V
6	Lack of surety for getting loans	54.05	III
Marketing constraints			
1	Competition from established and large dairy units	64.25	I
2	Low/ uncertainty of prices	49.15	IV
3	Difficulty to store milk in summer season	41.30	V
4	Exploitation by middlemen	37.10	VI
5	Less orientation towards processing and other value adding activities	50.90	III
Technical constraints			
1	Non-availability of A.I. facility and timely veterinary services	33.30	IV
2	Technologies not matching with entrepreneur immediate needs	38.60	III
3	Inadequate training skills	68.40	I
4	High cost of equipments	42.90	II

2. Reasons for discontinuance of dairy enterprise by unsuccessful agripreneurs

From the Table 2 it can be observed that three fourth of the agripreneurs quit the dairy enterprise mainly because they employed by private and public sector organizations. There was a fluctuation in flow of income from dairy enterprise and involved more risk. So these agripreneurs preferred safe job

than that of dairy enterprise. Nearly 70 per cent of the agripreneurs felt that there was high fluctuation in demand for their produce. Majority (60.00%) of the agripreneurs said that they are concerned about their future aspirations and the comfort zone the job provides as compared to the risk a dairy enterprise was subject to.

Table 2: Reasons for discontinuance of dairy enterprise by unsuccessful agripreneurs, n=20

SI No.	Statements	Frequency	Per cent
1	Concerned about future aspirations and the comfort zone the jobs provide compared to the risk a dairy enterprise is subject to.	12	60.00
2	Moved on for higher studies.	6	30.00
3	Non availability of required fodder for maintaining the dairy enterprise	9	45.00
4	Better opportunity provided by public and private sector organizations	15	75.00
5	Lack of finance and non co-operation from the banks	8	40.00
6	Non marketability of the project	10	50.00
7	Personal reasons of the agripreneurs	7	35.00
8	Fluctuating demand for the product of the enterprise	14	70.00

3. Constraints perceived by clients of agripreneurs in availing the service from successful agripreneurs

Less preference given by the agripreneurs towards poor families (67.78) was the major constraint faced by clients of agripreneurs. As because of variability in social stratification based on economy and caste status. Agripreneurs possessed high education, social status and were economically sound in society and in contrast to clients as they possessed low literacy, social status.

Other constraints like lack of adequate awareness regarding the dairy enterprise (51.29) which is because of less usage of mass media in that area and no proper advertisement from

agripreneurs which leads to the unavailability of services to the farming community, High charges for services from the agripreneurs (63.62). Anujkumar *et al.* (2002) ^[1] Aravindkumar and Vasanthakumar (2003) ^[2] and Singh *et al.* (2004) ^[8] also reported the similar findings.

Non availability of proper equipments for the clients in emergency period (36.99) was another constraint. This might be due to limited number of agripreneurs in the area and due to multiple users of same particular equipment lead shortage of equipments. Michael L.L. K *et al* (2012) ^[5] also reported the similar findings

Table 3: Constraints perceived by clients in availing benefits rendered from successful agripreneurs, n=160

Sl. No.	Statements	Average score	Rank
1	The information given by agripreneur was not very useful to undertake dairy activities	52.29	V
2	High charges laid from the agripreneurs	63.62	III
3	Lack of awareness regarding the dairy enterprise	64.94	II
4	The information provided from agripreneur was not satisfactory.	56.64	IV
5	Less preference given by the agripreneurs towards poor families	67.68	I
6	The received information not helped clients to take right decisions	51.29	VI
7	Inadequate technical knowledge of the agripreneur	44.58	IX
8	Not facilitating the adoption of improved dairy management practice	40.89	X
9	The information received by agripreneur was not in time.	36.34	XII
10	Service provided by agripreneur has not helped to improve the profit margin of the clients	33.33	XIII
11	Non availability of proper equipments for the clients in emergency period	36.99	XI
12	Non availability of the agripreneur at work place	47.29	VIII

Conclusion

It can be concluded that dairy enterprise was hindered by constraints in all the areas like social, financial, marketing and technical aspects from the point of view of successful agripreneurs. In case of the unsuccessful agripreneurs the major reasons for discontinuance of the dairy enterprise are, securing employment from other sectors and concerned about the future as dairy enterprise involves risk taking ability. Whereas clients were facing the constraints in the areas like charges for service, on time availability of information and availability of equipments to the clients. Steps may be taken to provide the financial support to the clients to bear the service charges laid by agripreneurs. There is an inevitable need to focus these constraints and to evolve suitable solutions to overcome these limitations.

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