

## **Enterprising the Farmer Entrepreneur (A case study of Manipur, India)**

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**ABSTRACT:** *The emergence of free market economy has inflicted the Small-Scale-Farmer Entrepreneur more likely in a Continual Basis. Lack of supportive policies and access to funds has marked the Farmer Entrepreneurs with slow growth rate, meagre turnovers, technologically suppressed and even closure of business to some extremes. However, in the recent decades, farmers changing role in a free market driven economy has made them becoming of more entrepreneurial and competitive in their farming businesses. In a State like Manipur, Farm-Entrepreneurship is not an old chapter it is of relatively a new phenomenon. Therefore, the main aim of this research study is to penetrate wider and deeper to the opportunities and challenges of Small-Scale-Farmer Entrepreneurs and their contributions to the State economy. Also, the paper would aim in addressing suggestive and remedial measures and policy implications based on the research findings.*

**KEY WORDS:** *Becoming, Competitive, Closure, Continual Basis, Free-market-economy, Supportive Policies.*

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### **I. THEME OVERVIEW**

Agriculture is one of the principal sources of revenue in the state and plays a pioneering role in strengthening the state's fiscal backbone. Manipur, one of the elite members of the Eight Sisters whose agglomeration forms north-eastern India, is striving to boost its economy. The net cropped area of the State accounts for about 9.41% of the state's total area, Agriculture is the main mean of economic subsistence. It is interesting to note that 52% of the total agricultural area lies in the valley and is responsible for the livelihood of more than half the populace of Manipur valley. Paddy rice is the staple food of the State and form the principal agricultural crop for cultivation. The quintessential Manipuri Rice is famed all over the country for its sweet flavour and aromatic fragrance. This sweet rice can be consumed wholly on its own, without any additional gravy or curry. Apart from rice, wheat, maize and pulses, fruits and vegetables are also grown in plenty.

Although, majority of the State revenue earning is attributable to agriculture, the entrepreneurial spirit of farming amongst the Small-Scale-Farmers and the policy makers remained unaccounted for many past decades. It is only of recent, that underwent a major shift of mindset towards entrepreneurship and farm entrepreneurship. However, though at late, today, small scale farmer entrepreneurs of the state remain a pioneering and a cornerstone for the State economic development. The Small-scale-Farmer entrepreneurs become the biggest job provider of the State and accounts to over 76% of the state workforce.

It is not often that an entrepreneur comes along and creates a successful business opportunity out of nothing. An entrepreneur is someone who builds an enterprise or venture, and who produces for or serves the market. The typical entrepreneur is depicted as a determined and creative leader, constantly looking for opportunities to improve and expand his or her business; somebody who takes more or less calculated risks, and who assumes responsibility for both profits and losses. Accordingly, entrepreneurship and innovativeness go hand in hand, in particular when entrepreneurs face strong competition or operate in highly dynamic environments.

Not surprisingly, small-scale farming in Manipur has undergone enormous changes in recent decades. Many of these changes have not just been driven by external factors. They have also been inspired by farmers who continuously look for better ways to organise their farm, for new crops and cultivars, better animals, and alternative technologies to diversify production, increase productivity or reduce risks. Small-Scale-Farmers have used a variety of ways to develop alternative income earning opportunities. Such incomes may have some link to agriculture (such as the marketing or processing of agricultural products), but are also found outside the direct realm of agriculture. Common examples of this second group include the production of handicrafts, or seasonal migration. In this sense, farmers are and have been “Traditionally entrepreneurial” for quite some time. However, there is no doubt that small-scale farms face challenges that are unique, even if not totally new. In many countries, farmers face the huge challenge of producing enough food, feed and fibre (and possibly even fuel) in a context of rapidly rising urban and rural non-farming populations; and at as low as possible prices, as most of the domestic demand originates from very poor people. At the same time, they are expected to “pull” the country forward as entrepreneurs.

## **Objectives**

Small Scale Farmers face many challenges globally from every seen and unseen angle, and are among the most marginalized entrepreneurial group in the world despite their immense and indispensable roles and contributions to the economic development of every nations. The increasing prevalence of free market economy, multinational corporations and a consolidated agricultural supply chain in Manipur puts downward pressure on producers and thus wages and working conditions for labour. Agricultural manual labour is often seasonal employment, which increases job insecurity and can inhibit small-scale-farmers from effectively organizing for better working conditions.

Thus the objectives of the study evolve around following four cardinals:

1. To study the role and contributions of small-scale-farmers in the economic development of the State.
2. To study the different potential agriculture produce in the State.
3. To study the opportunities and hindrances of small-scale-farmer entrepreneurs in the State.
4. Also, to address remedial policy measures and recommendation based on the research findings.

## **Methodology**

The present study is of descriptive and exploratory, relevant source of literature search and information are extensively adhered during the course of study. Moreover, primary data are used so as to provide coherent and meaningful conclusions of the study. The study encompasses the nine district of Manipur. The Researcher also classifies the scope into two broad categories as: 1.Hill District (Five Districts) and 2.Valley District (Four Districts). In the conduct of field survey, Direct Personal Interviews is carried out. Moreover, structured questionnaires were also used to avoid inter-personal misunderstanding and bias.

The information such collected both secondary and primary data are then analysed by using relevant statistical and social sciences tools to arrive at an optimistic concluding remarks. However, the researcher does not limit the study to the present findings alone. Hence, the present study would be a milestone for the near future research studies.

## **Agriculture Scenario of Manipur**

The State Domestic Product and the per capita income reflect overall performance of the state's economy during a given period. The growth in State Domestic Product of Manipur is largely dependent on agricultural productions. Agriculture sector has a vital place in the economy of the state. It contributes a major share to the State Domestic Product. 76 per cent of the workers in Manipur are engaged as cultivators and Agricultural labourers. However, the performance of agriculture in the state mainly depends on timely rainfall and weather conditions. Permanent cultivation is generally practised both in the valley and Hill districts. Terrace cultivation formed the main practice of the populace cultivation while, Jhum or Shifting cultivation is almost negligible in today's generation as compared to the past decades. Rice is the staple food and is grown in hill and plain areas and it accounts for about 98 percent of the total food grain production of the State. The State has 0.18 million ha under rice cultivation, which covers both irrigated and rain-fed areas. The area has increased dramatically during the last seven years from 0.16 to 0.18 million ha. The State average productivity of rice is about 2.5 tonnes/ha.

## **Horticulture**

Manipur is suitable for the development of horticulture. Besides, there is ample scope for bringing more land under fruit cultivation in the hill areas. Even in the plains, soil conditions are conducive to production of citrus fruits, banana, guava, peaches, apricot, papaya etc. There is sufficient scope for cultivation of pineapples in the medium high range of the hills in Manipur. The major fruits grown in the state are pineapple, orange, lemon, banana, guava, peaches etc. Now-a-days apples are grown in the hills of Manipur. For the promotion of healthy growth of horticulture in Manipur, it is essential to develop horticultural marketing. The annual average productions of fruits and vegetables during the year 2007-08 were 2.74 lakh MT and 0.11 lakh MT respectively.

## **Livestock**

According to the livestock census conducted in 2003, there were 11.03 lakhs livestock in Manipur. Of these 4.18 lakh were cattle, 0.77 lakhs were buffaloes and 4.15 lakhs were pigs. The poultry population was recorded to be 29.41 lakhs. The main livestock productions in the State are milk, egg and meat. The total milk production in 2007-08 was 78.21 thousand tonnes which was 2.24 percent less than the production of 80.00 thousand tonnes in 2006-07. The estimated production of eggs in 2007-08 was numbering at 840 lakhs showing a decrease of 2.33 percent over the production of 860 lakhs in 2006-07. The estimated meat production for the year 2007-08 was 18.29 thousand tonnes which is about 23.79 percent less than the production of 24.00 thousand tonnes in 2006-07.

### **Forest**

The state has vast area of forest covering 17,418 sq.kms., which forms about 78 percent of the total geographical area of the state. The actual area under forest is about 15 percent higher than the recorded forests area of the state. Of the total forests area, reserved forests and protected forests accounts for 1,467 sq.kms. and 4,171 sq.kms.(2005-06), the remaining 11,780 sq.kms. is treated as 'Unclassed forest'. The important major forests products are timber, firewoods, bamboos, cane etc. The production of timber other than teak has shown a raise from 3.17 thousand cubic metres in 2004-05 to 8.78 thousand cubic metres in 2005-06. The Forest Department have distributed 7,70,000 seedlings under the scheme of Social Forestry during Vanamahotsava 2007.

### **Aqua-culture**

Though the state has no marine fishery, it has vast inland fishery resources like ponds, tanks, natural lakes, marshy areas, swampy areas, rivers, reservoirs, submerged cropped land, low lying paddy fields etc. The target source of fish is the Loktak lake. The production of fish in Manipur for the year 2006-07 was estimated to be 18.50 thousand tonnes as against the 18.22 thousand tonnes in 2005-06 showing an increase of 1.54 percent over the previous year.

### **Floriculture**

The suitable agro-climatic conditions of the state clearly indicate that wide range of ornamental crops can be grown, which can improve the economic conditions of the growers. The most promising flowers, which grow extremely well in different parts of the state are Gladiolus, Lillies, Chrysanthemum, Roses, Anthurium, Gerbera, Dahlia etc. Special mention may be made about orchids. Cymbidium, Paphiopedilum, Dendrobium are in great demand and can be successfully grown. Siroi Lilly is endemic to Manipur. However, there is no perceptible area under floriculture as it is confined to courtyard of the houses, government institutions etc.

### **Aromatic & Medicinal plants**

The vast plant resource (medicinal) recorded upto now are limited to about 1200 to 1300 species. Out of this partly a few hundred(400/500) are used by the local people for the treatment of ailments so far recorded and local uses of the rest could not be available. The villagers living in direct natural plant- environment rather than the modern allopath treatment should be emphasized as priority. In the context, it is an apt to say that the state herburiem, plantation policy, development of medicinal plants and pollution control, proposed during the year, 1994 under the Chairmanship of the then Advisor (P), Shri P.P. Shrivastav, Advisor, to the Governor of Manipur initiated the importance of medicinal plants.

Moreover, aromatic plants also will play a main role in social, economic upliftment and environmental friendship.

### **Crop diversification**

Olive, amla, ber, pumelo etc. were already growing wild. It should be cultivated as a regular crop. Similarly, strawberry could be grown to earn quick return in the prevailing/increasing demand for the fruit in the cities. Kiwi is another fruit, which could be introduced for Mao and Ukhrul areas. It is high in demand and fetches very high price in the market besides its long keeping quality. Large-scale cultivation of crops like black pepper, cinnamom and other tree spices should be encouraged.

The strategies for the state should be low volume high value crops preferably those having low perishability. Cashewnut can be introduced in suitable areas. The launching of Passion fruit farming in Senapati Dist. has opened a new approach to in situ Horticulture based farming in the state. Common varieties grown are Australian Purple, Common Purple, Kapha selection, Prat Hybrid, Kaveri etc.

### **Role and contributions of Small Scale Farmer Entrepreneurs**

The role of the farmer has drastically changed and being changing ever since the emergence of Free market economy in the state. This fact also contributed by the birth of LPG in the state of Manipur. Today, Farmers of Manipur have to develop new skills to be competitive and are becoming more entrepreneurial and most effectively managing their businesses in an enterprising way. Although, many of the skills associated with running a successful business are not necessarily skills that the farmer has. Farmer entrepreneur form the nexus of economic change and development in a rural set up like Manipur. Some of the important role and contribution of the small scale farmer entrepreneurs which have been clearly depicted in the frontline of economic and social development of the state are pointed out in the following manner.

***Important role and contribution of small scale farmers in the economic and social development of the state are:***

1. Major share of the state domestic product is contributed by the agricultural sectors.
2. The small scale farmer entrepreneurs accounts for 76% of employment generation in the total workforce of the state.
3. Revive and retain the State cultural heritage.
4. Contributes about 98 percent of the total food grain production with an average productivity of about 2.5 tonnes/ha.
5. Encourages others through success stories and provide a means for self employment.
6. Alleviate poverty and food insecurity problems with the increasing production of food grains in the state as compared to the recent past decades.
7. Conduct community welfare services like, sanitation programmes, health care, village level tree plantation, etc.
8. Mobilisation among themselves by conducting workshops, talk series, conference and seminars which are sponsored by the state and central government.

**Opportunities for Small Scale Farmer Entrepreneurs**

Every Nations' economy has a closely connected link with the agriculture sector. These sectors contribute and continue to play a pivotal role in the dynamic and fast changing nature of the market economy. The success rate of country's economic development can be stated to with the defined and congenial environment for the small scale farmer entrepreneurs. The wide and competitive business environment has also provided succinct opportunities in the broader aspects to the small scale farmer entrepreneurs. Some of such opportunities prevailing in the State of Manipur for the small scale farmer entrepreneurs are briefly studied below:

***1. At Household and Farm Level***

Production of agriculture produced rich in nutritional values by making best use of the available technology, resources and creating active demand in the State market.

***2. Service Providers***

Small scale farmer entrepreneur act as a service provider in the sense, that it exhibit the characteristics of input procurement and distribution, hiring of machines like tractors, seed drills, sprayers, harvesters, threshers, dryers and also technical services such as installation of irrigation facilities, weed control, plant protection, harvesting, threshing, transportation, storage, etc.

***3. Input Producers***

Small scale farmer also act as a survival instinct for many Agro-based industries. There are many potential business opportunities viz. bio-fertilizers, bio-pesticides, vermi-compost, soil amendments, plants of different species of fruits, vegetables, ornamentals, root media for raising plants in pots, agricultural tools, irrigation accessories, production of cattle feed, mineral mixture and complete feed. There are good opportunities to support sericulture, fishery and poultry.

***4. Processing and Marketing***

Small scale farmer entrepreneurs are however engaged in activities such as agriculture produce processing, pre and post harvest management etc. Grading Vegetables, Seed Processing, Fruits and Food processing, cold storage, etc. Moreover, they also sometimes undertake marketing activities such as, direct or indirect sale of produces; buy others produces, export-import activities. Etc. Small scale farmer also facilitate more social friendly market conditions

***5. Social values***

Culture, Art and Traditions of the society are closely connected to the agricultural practices in a State like Manipur where majority population belongs to Tribes. As such they help retained the aged old culture and traditions most vibrantly and a store house of cultural Heritage. They also add values to the social life by taking up activities such as Herbal Plantation, Agro Forestry, Logistic Floriculture, Herbal produce cleaning, Organic farming, Dairy & Animal Husbandry, Agro Tourism, Landscaping, Natural dyes, Farm equipment manufacturing and repairing, poultry farming, fishery, waste land plantation, Tree planting service, Community sanitation service, etc.

## **Challenges**

The growth and survival of any business units is most contradictory in nature. Complex and dynamic nature of business entities also provides a ground for the existence of certain complexities. However, this factor is solely the question of *adaptability* and *vision* which is also the quintessential qualities of an entrepreneur, who can create value for himself and the ecosystem in the most alien of environments. It is not often nor a supernatural gift that an entrepreneur comes along and creates a successful business opportunity out of nothing, he encountered and thrived against all odds and shaped his business destiny before time and time beyond fortunes.

In the light of the above statement, some major challenges to the small scale farmer entrepreneurs of the state are studied here below:

1. Risk factor involve the investment were high and may lost permanently depending on how the business is run.
2. Return on investment may be comparatively low.
3. Constraints in marketing of their produces.
4. Less seed capital, access to financial credits and borrowing sources.
5. Transportation, communication and sometimes storage facilities pose as some of the major challenges to the small-scale farmers in Manipur.
6. Lack of policies promoting entrepreneurship in the state.
7. Lack of EDPs programmes and Trainings.
8. Less motivational factors.

It may be noted; being associated by such living challenges, failures in the business of the small scale farmer entrepreneurs are vivid in the state of Manipur. Whereby, prompt intervention of the state government remains an indispensable input for the success of their businesses. Policy makers need to make 'failure friendly' environment that helps foster entrepreneurship among others and push forward the existing entrepreneurs to work beyond their failures.

## **Findings**

The research thus carried out in the state of Manipur against the small scale farmer entrepreneurs and their economic viability in the state Manipur and from the above study opines the following major findings:

1. They small scale farmer entrepreneur remains the major provider of employment in the state accounting to about 76% of the state total workforce.
2. They have remained enterprising in many fields of businesses starting from households to market and the society in general.
3. One major finding is small scale farmer entrepreneur are deprived form the adequate availability of finance; less access to credit and borrowing facilities.
4. Usage and implementation of High Yielding Variety Seeds are given only to some selected farmer for trial. In other words, it is still in its infant stage.
5. Lack of finance has also depicted a sorry picture in the adaptation of modern sophisticated agri-technologies.
6. Greater investment in the industrial fertilizers, insecticides, fungicides, pesticides, etc has become reluctant to the state small scale farmers due to lost and the traditional taboos and practices as imposed.
7. Marketing of agricultural commodities in Manipur has not been systematically organized till date. Innumerable farm produces have not even crossed the state's boundary due to its strategic geographical location.
8. Maximum benefits of the farmers and entrepreneurs have been deprived off by the middleman / brokers etc. This is mainly because of non existence of Regulated Market system.
9. In most cases farmers are handicapped mainly in securing a fair and reasonable price for their produces. The reasons are many i.e lack of market news and information coupled with inadequate credit support ungraded produce, no AGMARK Laboratory, inadequate storage and warehousing facility etc. consequently the farmer may dispose of his surplus produces by many ways.
10. Up till now in Manipur, there is no any private organization or corporate body to disseminate market information/news pertaining to availability of commodities and prevailing price for the benefit of producers and consumers.
11. The daily market rate available for few selected commodities through AGMARKNET Portal of the DMI is not accessible by the farmers of the state. It would take some years for the farmers of Manipur to access AGMARKNET Portal through Computers. Therefore, under the present situation print media is the only option for disseminating market news for promoting agribusiness.

## **Policy implications**

The findings of the research study aims in attaining policy implication to the responsible Policy Makers and the society so as to encourage the small scale farmer entrepreneurs go beyond failures and to inhibit entrepreneurial spirit to the younger generation despite the numerous failures and complexities associated therein. Hence, some optimistic policy measures are drawn as under:

### **1. Government policies and procedures**

Government can influence and should influence the market mechanism and make them function efficiently by removing conditions that create market imperfections and administrative rigidities.

### **2. Supportive Socio-economic environment**

Ideological shift and attitude of the society towards small scale farm entrepreneurship should be favourable and conducive for growth and survival of the farmer entrepreneurs. More motivation and support should be given to start and run a business.

### **3. Entrepreneurial and business skills**

Unless entrepreneurs are well equipped with technical and business skills, they may not able to flourish amidst various problems they encounter every stages of their business life. Therefore, this calls the importance of setting up Trainings Centres in the state, more conduct of Entrepreneurial Development programmes, conference and seminars which are specifically meant for imparting entrepreneurial knowledge among the rural and urban farmers of the state and to groom thousands trained/skilled personals.

### **4. Financial assistance**

Finance is the life blood of business. Every stages of business operations like Start-up, Business diversification, Growth and Expansion, etc. needs finance. Therefore accommodative financial support systems like credit, grants, incentives and bonus, loans, borrowing, etc should initiated towards the benefits of the small stake holder farmer entrepreneurs.

### **5. Non-financial support**

Support services in addition to financial assistance such as Networks should be initiated. Existence of Network provides four important ingredients for the growth and survival of small business units. Viz; Support and motivation, Examples and role models, expert opinion and counselling, and access to opportunities, information and resources. Moreover, making contingencies available to cope up the losses in the case of natural calamities

### **6. Infrastructural assistance**

Availability of finance is not alone the success factor of any business enterprise. It is a mix factor. Making available of sophisticated modern agriculture equipments at reasonable price remains all the more important which would result in higher yield and production of agricultural produce and employment generation in particular.

## **Conclusions**

Agriculture has and been the chief source of livelihood of the state since time immemorial and is the biggest organisation engaging 76 percent of the total workforce in the State of Manipur. However, inadaptability of modern agricultural practices is prevailing even in today's time which may be construed upon the state traditions and cultural practices and reasons more. The questionable unavailability of High Yielding Variety Seeds and the reluctant approach on usage of heavy dosage of industrial chemicals contribute largely to the poor agriculture output in the state. Nevertheless, in the past seven years, it has shown an increase factor in term of rice cultivation in the state from 0.16 to 0.18 million ha. with state average productivity of about 2.5 tonnes/ha. and these uptrend is attributable to every agricultural sectors in the state.

Despite the enormous potential opportunities availability for the growth and survival of small scale farmer entrepreneur in the state, the State's environment also exhibits certain mesmerising challenges to the state small scale farmer entrepreneurs which could be seemingly averted if proper intervention from the State government and the society in general take to the shift of negative to positive mindset. It should be understood that a business project in this context can range from selling tomatoes and potatoes in the street to the one with high level of business investments across the world. It is important that another window is opened from which ideas can be formulated to offer valuable assistance to the small scale farmers especially in the creation of a marketing platform for their products.

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