

## **AGRI-BUSINESS IN RURAL MANAGEMENT AND SUSTAINABLE AGRI-MANAGEMENT APPROACH**

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### **Abstract**

India has a vigorous marks of change in agricultural activities. Noticeable enhancement has originated with the implementation of managing practices by on-farm & off-farm operation in Agriculture sector. Agriculture business has grown out of new input and output matrix. Agripreneuers come to understand the need of a quality change and price accumulation in farming. Risks and uncertainties are certain parameter of up-to-date business. Helping farmer and valid farming has become the essentiality of an hour. This paper observe that how under liberalization & globalization, agriculture-business has untied new views for growth & development of the rural income and of agricultural economy. The challenges of the rural income must be balanced that will provide superior management in Indian economy. The precise type of administrative skill and innovative knowledge sprinkled with appropriate events by government that support in fulfilling the growing desires of agriculture-business. Development of management practices undertakes environmental concerns and promotes towards the productivity of crops. Agroindustry has opened latest outlooks for growth & development of rural budget and of agricultural income, under liberalization and globalization. With the help of current study tasks of rural economy can be well-balanced provided there is improved management in an economy Organic farming, Green manuring and Biodynamic agriculture are the fewer alternatives but economic viability and acceptance are some limitations that have to be examined for wider implementation of such practices.

**Key words:** AgriBusiness, Agriculture, Economic, India, Management, Rural development, Sustainable.

### **Introduction**

Organic farming, Biodynamic agriculture and Green manuring are some of the upcoming alternatives offering against conventional farming practices based on chemical Inputs. The major concern behind the introduction is a decrease in soil fertility, ground water contamination, acid rain and depletion of the ozone layer. Agricultural production releases residuals that may destroy the quality of the water resources and enforce costs on water users. Applications of these practices are in their beginning phase and their broader acceptability is a big question due to economic as well as other concerns like lack of experienced persons, awareness and market for organic products. Therefore, understanding the actual condition of agriculture market with special reference to developing countries needs an alternative. The concept of major understanding is to find out the probable reasons behind the environmental deterioration caused by chemical agents used in the agriculture fields. The prominent reason behind this is an over-application of chemical fertilizers in need of higher productivity that raises environmental concerns due to their uncooperative nature. Policy-makers are creating changes and the public is taking that changes. The people of India are in the period of Second Generation Reforms. There is a need to improve agriculture which supports majority of our population. The National Agricultural Policy was presented in Parliament on July 28, 2000 which has clearly spelt out all the measures: Efforts to increase the produce and the production of various crops to meet the needs for raw materials for expanding agro-based industries, thrust to the development of horticulture, floriculture, sericulture aromatic plants development of dairying and aqua-culture for expanding agriculture, engagement of co-operative and private-sectors in these activities, applications of biotechnology, remote-sensing technology, pre & postharvest technology and increasing the investment on agricultural research, post-harvest management and marketing; setting up agro-

processing units, boosting teamwork between producer co-operative & the corporate-sector, manufacture legal requirements for handing private land on tenancy for cultivation and agribusiness.

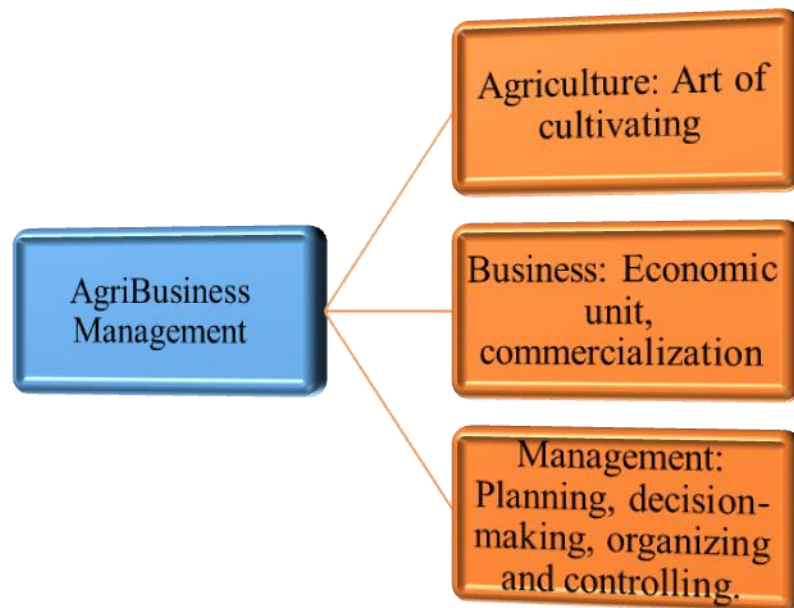


Figure 1: Illustrating the description of AGRIBUSINESS MANAGEMENT.

Agribusiness Management (Figure 1) comprises of three parts – Agriculture, Business and Management. Agriculture is an art of promoting different categories of crop including animal husbandry, fishery, forestry and other related activities. Business is a financial unit that projects to sell goods & services to customers at price that provide an acceptable return to holders and commercialization of initiative. Management is a regular set of activities that is planning and decision-making, leading or directing, organizing and controlling which is directed at organization resource that is human, physical, financial and information with the goal of attaining organizational objectives in an effective manner. The financial liberalization and its associated initial of the Indian economy have considerably reduced the structural determination in the system. This trend should be belief for India's future agrarian reforms. Agri-business has strong & direct consequence of universal markets. Indian farmer have produce valued goods to meet the global standards. India is a vast country with a large farming base. It must not be impossible for India to develop as a major presence in the agro-industry sector. Out of the 320 million work force of India, 170 million (53%) are working in agriculture. India ranks 2<sup>nd</sup> in the world in positions of arable land and in terms of irrigated area[1]. India ranks 1<sup>st</sup> in the world in produce of milk and milk products, 2<sup>nd</sup> in terms of rice, groundnut, wheat and tobacco and 3<sup>rd</sup> in coffee[1]. There is a problem of less productivity and the produce for each crop is only 30% of the world average[1]. Inequity in socioeconomic progress and urban rural division can only be stopped if the arrangement in rural areas is made supportable, qualitative and growth concerned with business atmosphere is created. While main advantages in eliminating this inequity are however to take momentum to achieve assured goals. The trend towards agribusiness in India are more noticeable than before. Agriculture has changed from deficit oriented to surplus oriented sector. New-inputs and new-technologies are striking the market everyday. Output marketing has switched over to value added pivot rather than selling raw.

The willingness of Indian farmers to adopt new farm practices need not be questioned. Many farmers have already implemented biotechnology.

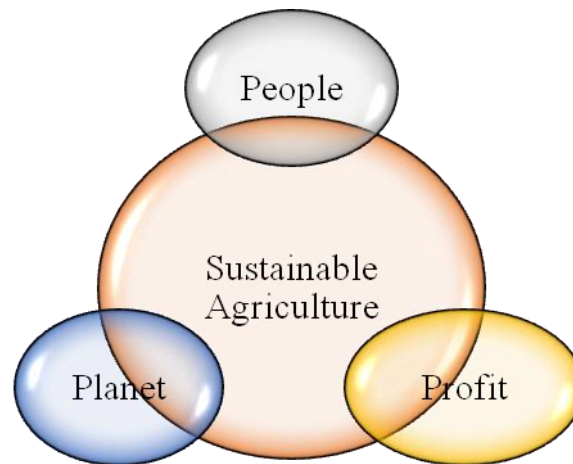


Figure 2: Three main components and goals of Sustainable Agriculture approach

Developing sustainable agriculture, industrial growth in 'secondary cities' can be vigorous for job formation and controlling opportunities to bring local and regional financial development. Sustainable agriculture produces long-term crop and live stocks without harming the environment. It is a technique and methods that defend the environment, human communities, public health and animal welfare while generating food, plant, fibre or animal products. It is term for agriculture practices tending towards human and nature because it enable us to yield healthy food without cooperating future generation ability to do same. The sustainable agri-Management approach has 3 major components and that are:(Figure 2) environment health (Planet), economical profitability(Profit) and socioeconomic equality(People).

Diversity means farmers need cross-crop rotation to vary their characters and crop protection products and practices and combine them with non-chemical measures that reduce weed populations. Sustainable agriculture gain increasing support by means of disabling the existing and future challenges of protection of food security for growing world's population. Bayer's Integrated Weed Management (IWM) Program, to support this goal to take a global method to increase agriculture productivity and safeguard food provisions in long term by contribution of improved explanations for weed control and encouraging best weed management practices[2]. Bayer's[2] main concern are to manage the best promising crop rotation that distracts the development of target weeds, improves a farm's efficiency, gears best performs to shield groundwater and surface water and conserves the strength of the soil. Bayer has established an settled network of onward farmhouses. These are self-governing farmhouses dependable as information platforms to govern sustainable agricultural practice and offer chances for negotiation among applicants along with the value chain and for understanding better-quality that how agriculturalists make decisions and in what way a farm is planned in line with best agricultural practices to enhance the sustainability of the manufactures systems. Each farm has recognized an Integrated-Weed-Management-

plan.

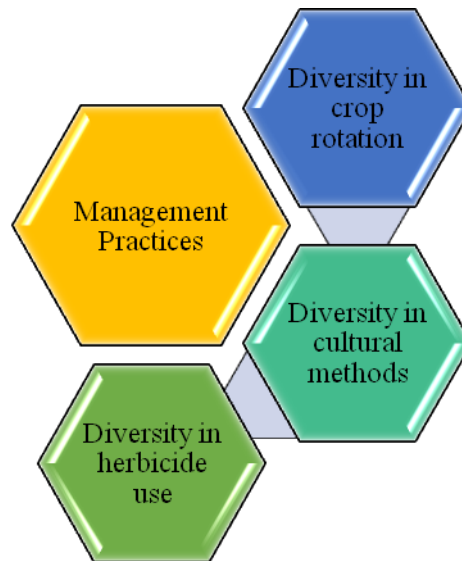


Figure 3: Best Management Practices in Sustainable agriculture in improving Weed Management[2]

Various management practices (Figure 3) are there for the improvement of weed management in sustainable agriculture and they are: Diversity in crop rotation, diversity in herbicide use, diversity in cultural methods like contour-ploughing, no till farming, drip-irrigation and agro-forestry. Agro-forestry has a lot common with intercropping that have major challenges like: delayed returns or investments, under developed market, commercial agriculture, less awareness of advantage of agro-forestry, contrary regulations and lack of management between sectors.

### Literature Review

Sustainable development deals with the growth to meets the need of present without disturbing the ability of future generation to meet their specific needs. The concept of Sustainable improvement relies on concept of social, economic, environmental and institutional dimensions that contain three major goals: environment health, economic-profitability and socioeconomic impartiality. Desai[3] studied that the procedure of structure and preserving the architecture is quite challenging. It is necessary to have in-built stabilizers to withstand any economic or noneconomic. Agricultural performance is to a large extent ruled by non-price aspects like: technology & infrastructure that led government investments but time and price problems is evident in the current situation of Agri-inflation in India. The Government of India is planning to formulate a new farm package, well appreciating the on-going economic reforms. These realities require a change in public policies on agricultural and its markets and competition from the tradition of regulation and support and view of agriculture as agri-business studied by Gopalakrishnan[4]. It is the time for larger confidence in Indian agriculture reform. The Agribusiness Council (ABC) of the US defines 'agri-business' as a wide term covering every aspect of agriculture production, processing and its distribution. This comprises food, fibre and forest production their by-product consumption, agriculture chemical and pharmaceutical, agriculture finance & trade, agri-business management, agroenvironmental concerns and land development. All the major elements essential for the formation and action of efficient agrifood advantages. Hans, V. Basil [5] studied that the agribusiness is a process and product of applying economics in business and development of agriculture. It surrounds efforts to modernize and diversify agricultural operations by using industrial approach and management expertise.

Mohanty[6] studied that the so-called second green revolution is essential for advertisement of agri-business and agri-trade and also for suppression of poverty and unemployment in the country. Patro and Bhagabata[7] studied the concept that brings out the complementarity of agriculture and industries in nation-building. Some form of agribusiness was prevalent even in the past. The attempts have been made to combine agriculture with industry without damage the age-old rural asset, village. Desmond Ng, John W. Siebert[8] studied the significance and the implications of agribusiness firm's existence, growth, heterogeneity and behavior. A simple

idea of social network and its related associated research in agri-business studies that the agri-business firm is not an atomistic object but agri-business firm is 'socially-embedded' in pattern of shared associations that can improve the benefits of the firm. Natalia Vladimirovna Bannikova & Andrei Nikolaevich Baydakov [9] studied the problem of planned managing using the method of multidimensional geometric analysis. In the agribusiness difference occur in use of current management tools. Therefore, various strategies used by agrarian manufacturers are not each time formalized. The Common Agriculture Policy and its future improvement should give to attain sustainable development by growing its importance on inspiring healthy, high-quality harvests, sustainability production methods that includes organic production, protection of biodiversity and renewable materials. The purpose of this paper is to examine agri-business of globalization with specific reference to rising countries like India.

A set of management practices to reduce the potentially negative influence of agricultural operations like IPM, Water management, good housekeeping and Safety related to chemical uses are termed as Best management practices. After reviewing the current status of agriculture farming practices, we come to know a bio formulation as a sustainable alternative that increases the availability of chemical fertilizer in the crop field that limits the over-application of chemical Inputs. There is a need to upgrade agriculture that still supports majority of our population. Market-oriented changes are being carried forward with more thrust, the government also has presented several measures to modernize the agriculture, that is most important among them being the introduction of new generation technologies. The new agricultural policy expects a better deal of products and people in terms of price, protection and profit. The New Agriculture policies have both quantitative and qualitative targets for Indian Agriculture. It has to encompass all the regions, resources and activity of rural economy. The economic benefit must reach the poor through rural- value added initiatives and their corporation with private sector [10].

## **DISCUSSION**

Indian farming has to undertake major changes for rural profits to go up significantly. Dependency on grant has to give place to income generation from market integration. Changes like rising productivity in various activities rather than pure crop husbandry, market reforms, formation of new capacity in agro services like storage, sorting, handling and processing of food allowing farmers to value from the improved value addition. The framework (Figure 4) explained the agricultural and rural expansion involvements are gathered by micro-credit advantages that leads to the execution of crop-farming, live stocks and small initiative projects by recipients. Receivers are projected to endure operative after sustainable farming while feedback is providing in the plan of future donor-funded developments that activate within defined socioeconomic and official frameworks.

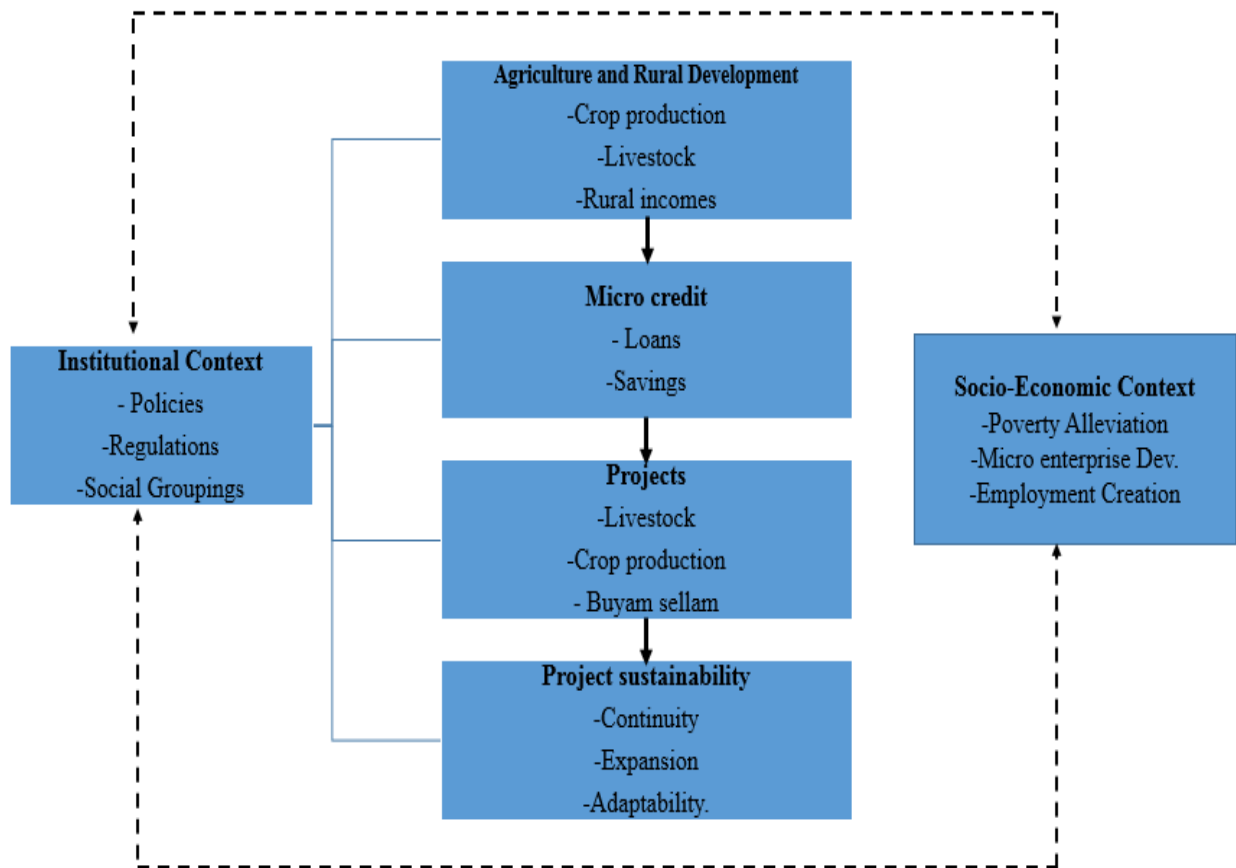


Figure 4: Framework on Rural Development and project sustainability

Poverty is unreasonably determined among countryside population who are still depend mainly on agriculture and rural off farm activities for their living. Goals have set for decline of scarcity and deprivation for school employment, reduction in infant, gender equality, child & maternal mortality, reproductive health services access and the approval of national approaches for sustainability development. Poverty alleviation (Figure 5) has among the administrative principles of planning process in our country. Economic growth is providing huge employment opportunities to the population. Agricultural growth holds importance to poverty lessening in the India. There is significant scope of increasing agriculture efficiency through development of better land, irrigation and water management and increasing infrastructure support. Poverty improvement programme have aimed to report several faces of rural insufficiency. Salary employment programme address the issue of poverty.

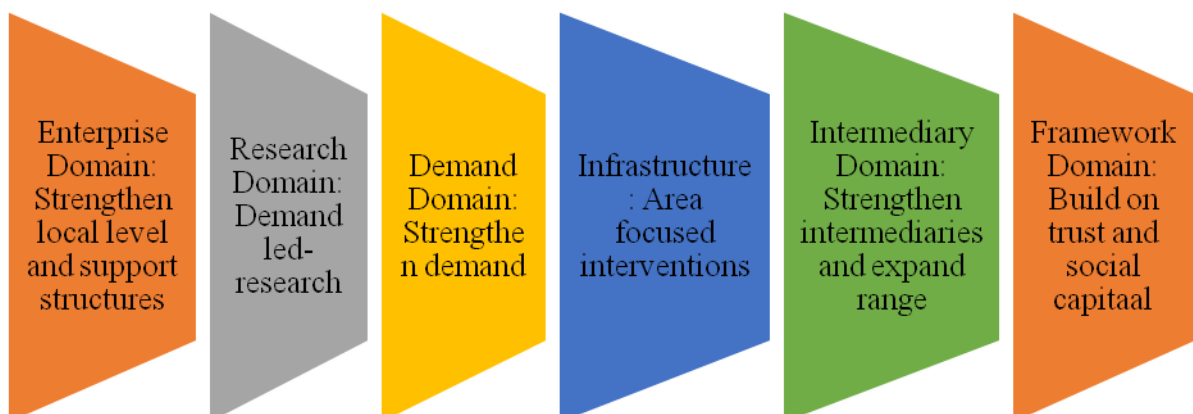


Figure 5: Poverty Alleviation in Rural agribusiness Management

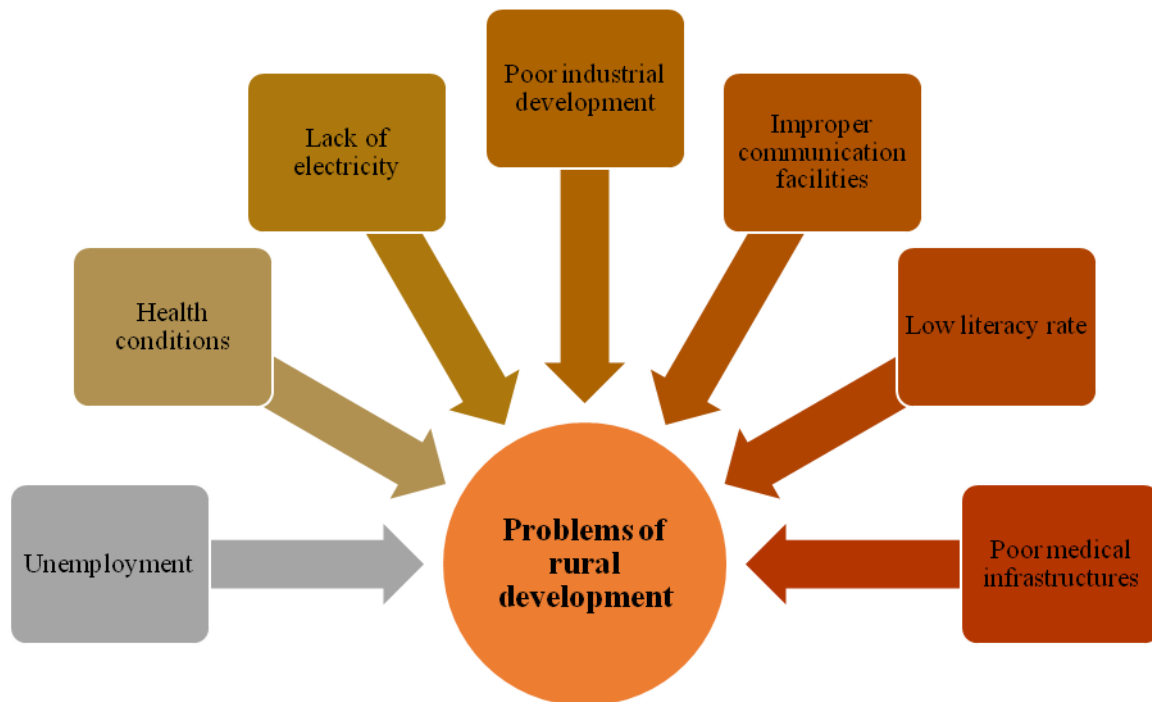


Figure 6: Illustrating major problems and challenges faced by Rural areas that restrict their development

The problems (Figure 6) clearly highpoints the challenges which are being faced by the rural India. The challenges are almost same to every Indian village. The problem like electricity supply is a major drawback in terms of mobilization of resources without electricity. It is almost impossible to channelize other sources like IT and Industrial development. Lack of employment opportunities in rural areas is also a challenge which is to be taken into consideration. Literacy is the major problem in rural development programme. Rural development is a challenging and slow process of undertaking varied range of activities for welfare of common people which are deprived of luxury and comfort of developed cities. It requires a great amount of coordination between various sectors with the influence of external environment posing a challenge due to its tendency to change quickly.

### Conclusion

Technology has valuable role in Indian agriculture. Now management has to take the initiative. The so-called second green-revolution or farm variety is essential for the promotion of agri-business and agri-trade but also for eradication of poverty and unemployment in the country. There is need to change in agriculture related education – management education – for countryside labourers & industrialist. Education that gives knowledge and not just publishing information or providing data. The impact of real and executive education will be on cost, quality enhancement and knowledge sharing. Indian agriculture is composed for a great rise forward. The important pattern changes in agriculture post liberalization are from the following: Existence farming to profitable farming, import oriented to export oriented, Crop specialized for farm variance, Organic inputs to bio-inputs, Exploitative agriculture to experimental and sustainable agriculture, limited post-harvest technology to more post-harvest technology, Supply-driven technology to demand-driven technology, Transfer of subsidies to investment.

The principal areas of agribusiness that desires specialized decision-making techniques are: Management of surplus – because of changing food habits and consumer preferences. Quality Management – due to increased competition. Cost Management – Since market has become a buyer's market. Knowledge Management – because research, education and extension also need re-organization from the basic level. Agribusiness management includes study of input supply system, agricultural production system and output marketing system. Agriculture must implement a systems approach to achieve the goals of increased production, enhanced quality and reduced cost of production. The “management students” being oriented towards achieving the goal of

understanding the distinctions of a globalized agriculture. The end-result will be an alleviated agricultural production system. The essence of agribusiness lies in rural resource management. Agri-infrastructure is interlinked with modern farm practices and hence farm managers of the day cannot supervise it. Finance is not the only picture obtained in the emerging scenario of agribusiness sector, it is “management” of resources and returns. The principle of agribusiness lies in rural resource management. Factors like irrigation, transport, power, literacy, marketing finance constitute the main components of Agri-infrastructure. Farm managers (agriculturists) and agro manufacturers (agro-producers) have an inter-relationship with the consumers. The producers could manage with “make and sell decisions” In the hi-tech virtual economy, they have to switch over to “sense and respond” techniques of production and marketing. The impact of work has to be judged in terms of real time resource allocation and management. Farm managers get the benefit of inventions and innovations by the engineering and science faculty. One of the modern Indian agriculture is the rapid improvement in agro-climatic mapping and weather forecasting for diverse zones and conditions.

Agriculture is one of the important sources of income for developing countries like India which is an agriculturally primed nation. The economic status of the farmers mainly relies on the agricultural production. Therefore, there is a need to think sustainably and strong implementation towards managing agricultural practices will be essential. India is a land of villages as maximum of Indian population resides in villages. Development in the urban areas is requirement but development of rural areas is important. One third of total population cannot be neglected. There are various problems in the rural India which are required to be taken care off. This paper found that the employees working in rural development programme agree that reporting areas of programme have succeeded in creating better opportunities for the development. The selection criteria for beneficiaries’ act as a source of reducing poverty in the rural areas. A better selection criteria and an effective selection process to choose beneficiaries for a programme ensures reduction of poverty in the selected area. The participation of local people in implementation of level results in the formation of effective programme designs and effective execution of programme. There are better opportunities to the development of rural areas by effectively implementing programmes in the reporting areas and selecting right beneficiaries for the programmes. The involvement of local communities also ensures the success of development of rural areas by being an active stakeholder in the journey of development process. The objectives for development to generate likeness among the several populations to promote living standard, cost-effective improvement to support the agreement among the rural masses. Agriculture depends on the service area provided by ecosystems on a large extent. Sustainable farming approaches focus mainly on enhancing production while diminishing negative environment impact and encouraging actions for the security, maintenance, improvement and well-organized use of natural resource. The main concern about sustainable agriculture and agri-business are to grow technologies & practices that don’t have any opposing effects on environment related goods and service that can be easily accessible and are more industrious

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