

# Agri-Entrepreneurship Models for Rural Employment Generation

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**Available online at**

[www.sunshineagriculture.vitalbiotech.org](http://www.sunshineagriculture.vitalbiotech.org)

## Article History

Received: 25. 9.2025

Revised: 1. 10.2025

Accepted: 5. 10.2025

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## INTRODUCTION

Agriculture remains the backbone of rural livelihoods in India and many developing nations. However, traditional farming systems alone are no longer sufficient to provide sustainable income and employment for the growing rural population. Declining farm profitability, small landholdings, and underemployment have created the need for diversified income opportunities in the agricultural sector.

Agri-entrepreneurship—meaning the operation of identifying, developing, and managing farm business ventures for profitability and sustainability—has been a promising route to create rural jobs, facilitate value addition, and foster economic development. It shifts farmers into entrepreneurs who not only produce crops but also participate in value chains like processing, marketing, and service provision.

Agri-entrepreneurship promotes innovation, entrepreneurship, and rural employment generation. Rural youth can adopt several business models—input supply, farm mechanization services, food processing, agri-tourism, and e-agriculture platforms—to earn lucrative livelihoods while ensuring national food security and rural development.

## 2. Concept of Agri-Entrepreneurship

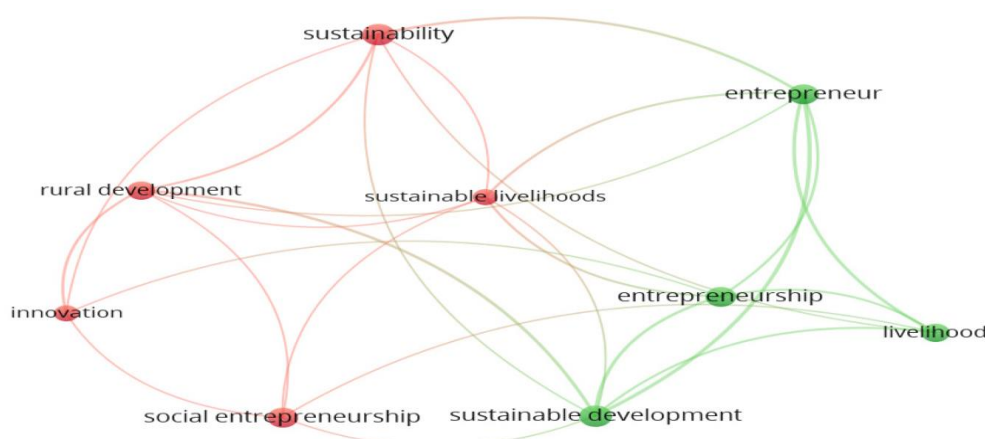
### 2.1 Definition

Agri-entrepreneurship involves setting up and running farm businesses that adopt innovative, market-driven, and sustainable practices in farming and allied industries. It entails production, processing, marketing, and service-based businesses in the agricultural industry.

### 2.2 Significance

- Generation of employment: Generates self-employment and wage employment in rural regions.
- Diversification of income: Minimizes reliance on conventional crop cultivation.
- Value addition: Improves profitability through transformation of raw produce into marketable products.
- Technology adoption: Facilitates the adoption of new tools, mechanization, and ICT solutions.
- Rural industrialization: Facilitates small-scale industries and rural economic development.

Agri-entrepreneurship brings together agriculture and business, supporting sustainable livelihoods and enhancing rural living conditions.



Source: <https://www.mdpi.com>

### 3. Major Agri-Entrepreneurship Models

Various agri-entrepreneurship models have been developed across India and other developing nations, based on the availability of resources, market linkages, and regional requirements. The major models are presented below:

#### 3.1 Input Supply and Agribusiness Model

This model aims at offering quality agricultural inputs like seeds, fertilizers, pesticides, farm equipment, and irrigation tools to farmers. Agri-input entrepreneurs perform the role of an intermediary between agri-manufacturers and farmers, facilitating timely supply of inputs and advisory services. For instance,

Government of India's Agri-Clinics and Agri-Business Centres (ACABC) scheme assists agri-graduates to set up such businesses.

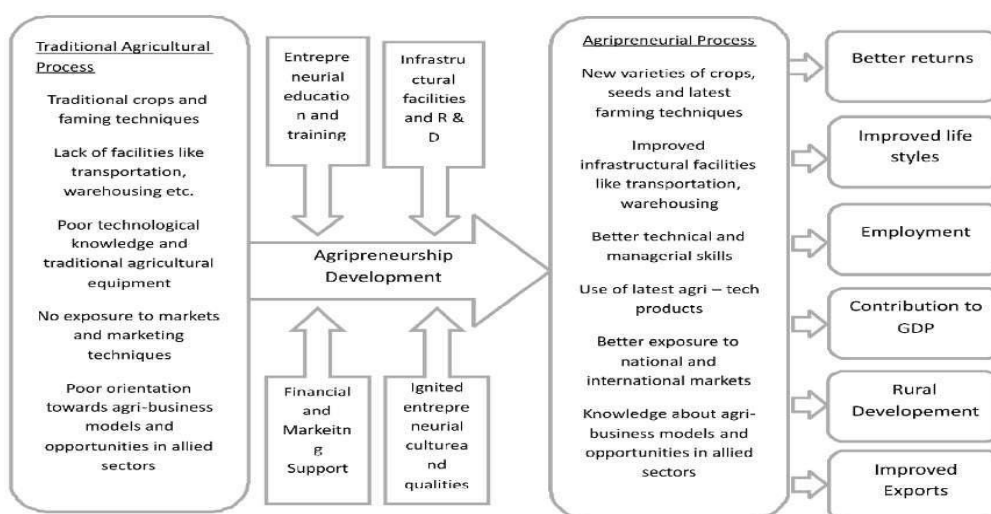
#### Employment Potential:

- Direct employment in input shops and dealerships
- Indirect employment through logistics, transport, and advisory services

#### Example:

Krishi Vigyan Kendras (KVKs) and rural youth operating seed and fertilizer supply chains at the village level.

### A PROPOSED MODEL FOR AGRIPRENEURSHIP DEVELOPMENT



Source: <https://journal.iujharkhand.edu.in>

### 3.2 Farm Mechanization and Custom Hiring Centres

Mechanization has become a necessity to increase farm efficiency and productivity. Yet, the majority of small farmers are unable to purchase machinery. Custom Hiring Centres (CHCs) provide farm machinery—e.g., tractors, harvesters, and sprayers—for rent. Entrepreneurs can set up CHCs with government support and offer services to local farmers.

#### Benefits:

- Reduces cultivator's drudgery and cost of cultivation
- Ensures employment throughout the year in machine operation and maintenance
- Fosters skill development for rural youth

#### Example:

Custom Hiring Centres under the Sub-Mission on Agricultural Mechanization (SMAM) and Farmer Producer Organizations (FPOs) acting as service centers.

### 3.3 Food Processing and Value Addition Enterprises

India's post-harvest losses have been estimated at 15–20% because of poor processing and storage infrastructure. Setting up micro and small-scale food processing units generates jobs, minimizes wastage, and raises incomes for farmers.

Agri-entrepreneurs have the option to produce products like pickles, jams, fruit juice, pulses, edible oils, or spices.

#### Employment Potential:

Processing labour, packers, quality controllers, marketers, and distributors

#### Example:

Start-ups in the PM Formalization of Micro Food Processing Enterprises (PM-FME) scheme and Mega Food Parks promoting rural-based processing clusters.

### 3.4 Dairy, Poultry, and Fishery Enterprises

Supporting allied agricultural activities like dairy, poultry, goatery, and aquaculture are major employment providers. Businesspersons can start small or medium-sized enterprises to process milk, produce eggs, raise fish, or manufacture animal feed.

#### Advantages:

- Round-the-year income
- Lower initial investment than crop production
- Women's and landless laborers' employment

#### Example:

Dairy cooperatives such as AMUL, Mother Dairy, and Blue Revolution Scheme-supported fishery clusters.

### 3.5 Agri-Tourism and Agri-Eco Ventures

Agri-tourism is a practice of taking city dwellers to villages to live farm life, eat traditional food, and experience rural culture. It yields supplemental income to farmers and helps preserve rural heritage.

#### Benefits:

- Generates hospitality employment, guiding, catering, and handicrafts rural employment in
- Spreads environmental awareness and cultural exchange

#### Example:

Agri-tourism activities in Maharashtra, Punjab, and Kerala that link farmers with tourists looking for eco-friendly experiences.

### 3.6 E-Agriculture and Digital Service Platforms

Digital technologies are revolutionizing the agricultural sector. Agri-tech startups and e-Crop platforms offer services such as weather forecasting, crop advisory, market price information, and online trading.

#### Examples:

- e-NAM (National Agriculture Market) for digital sale of produce
- Agri-tech startups like DeHaat, AgroStar, and Gramophone

#### Employment Opportunities:

Software development, data management, mobile application support, and digital advisory services to farmers.

### 3.7 Contract Farming and FPO-Based Models

Contract farming enables farmers to grow crops according to contracts with buyers like food companies or exporters. It provides market guarantee, price stability, and technical assistance.

Likewise, Farmer Producer Organizations (FPOs) aggregate smallholder farmers to market their produce in totality, buy inputs, and get access to finance.

#### Benefits:

- Strengthen rural cooperatives
- Creates managerial and operational jobs
- Reduces exploitation of middlemen

## 4. Role of Institutions and Government Support

### 4.1 Institutional Support

Various organizations are encouraging agri-entrepreneurship in India:

- National Institute of Agricultural Extension Management (MANAGE) – Operates ACABC scheme for agri-graduate training.
- NABARD and SIDBI – Extend credit support and venture capital.
- Krishi Vigyan Kendras (KVKs) – Provide skill development and entrepreneurship training.
- Rural Self-Employment Training Institutes (RSETIs) – Organize business-oriented training programs.

### 4.2 Government Schemes

- Startup India and Stand-Up India – Support rural entrepreneurship.
- PMFME and ODOP Schemes – Support food processing enterprises.
- Agriculture Infrastructure Fund (AIF) – Offers loans for agri-infrastructure.
- Rashtriya Krishi Vikas Yojana (RKVY-RAFTAAR) – Funds agribusiness incubation centres.

These programs look to create an entrepreneurial ecosystem for agri-based businesses run by youth

## 5. Challenges in Agri-Entrepreneurship Development

Agri-entrepreneurship faces several challenges that hinder its widespread adoption in rural areas. Limited access to finance and credit restricts the establishment of new ventures, while inadequate infrastructure such as storage, transportation, and digital connectivity affects business efficiency. Many rural youth lack technical, managerial, and marketing skills necessary for successful enterprise management. Bureaucratic hurdles, inconsistent policies, and weak market linkages further discourage entrepreneurship. Additionally, unpredictable weather, market price fluctuations, and lack of awareness about government schemes create uncertainty and risk. Overcoming these challenges requires improved financial inclusion, capacity building, mentorship, and strong institutional support for sustainable agri-enterprise growth.

## 6. Future Outlook and Way Forward

Agri-entrepreneurship offers immense potential for rural employment generation when integrated with innovation, finance, and market linkages. Its future depends on digital transformation through AI, IoT, and blockchain-based farm management, along with increased youth participation supported by start-up incentives and skill training. Cluster-based agribusiness hubs and food parks will strengthen rural value chains, while public-private partnerships can enhance technology transfer and capacity building. Promoting sustainable, green, and climate-resilient business models will ensure long-term viability. By aligning agri-entrepreneurship initiatives with Sustainable Development Goals (SDGs), rural India can achieve inclusive growth, food security, and significant poverty reduction.

## CONCLUSION

Agri-entrepreneurship is a revolutionary process to secure rural employment and economic empowerment. With various business models running from the supply of inputs and processing to digital farming and agri-tourism, rural youth are able to pursue remunerative activities.

Institutional support, skills development, financial inclusion, and innovation are necessary to realize the entire potential of this sector. Through strategic policy interventions and technology integration, agri-entrepreneurship has the potential to be the bedrock for sustainable rural development and employment generation in the 21st century.

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