



Original Article

AGRICULTURAL ENTREPRENEURSHIP AND SUSTAINABLE RURAL DEVELOPMENT

Miss. Anuradha Bansi Walke

Assistant Professor,

Department of Economics, Mahatma Phule Mahavidyalaya, Pimpri, Pune-17

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Corresponding Author:

Miss. Anuradha Bansi Walke

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Abstract:

Agricultural entrepreneurship has emerged as a key driver of rural transformation, income diversification, and sustainable development. Moving beyond traditional farming, agripreneurship promotes value addition, innovation, and market-oriented production systems that connect farmers to dynamic agri-food value chains. This paper examines the conceptual foundations of agricultural entrepreneurship, identifies major drivers and constraints, and reviews common enterprise models adopted by modern agripreneurs. Using secondary data analysis and thematic review, the paper highlights the importance of enabling infrastructure, technology diffusion, finance, and gender inclusion in strengthening the entrepreneurial ecosystem. The study concludes with policy recommendations and strategic directions for promoting sustainable, inclusive, and climate-resilient agricultural entrepreneurship.

Keywords: *Agricultural entrepreneurship, agripreneurship, value chain, rural development, innovation, inclusive growth*

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Objectives of the Study:

1. To understand the concept and evolution of agricultural entrepreneurship.
2. To analyze barriers and constraints faced by agricultural entrepreneurs.
3. To propose strategies and policy recommendations for strengthening agripreneurship.

Data Analysis:

This paper uses secondary data from research articles, FAO/IFAD reports, government publications, and agribusiness case studies. Thematic analysis was used to identify major trends, constraints, and opportunities in agricultural entrepreneurship.



Concept and Evolution:

Concept:

Agricultural entrepreneurship refers to applying **business principles, innovation, and risk-taking** in agriculture and allied activities. It involves identifying opportunities in farming, adopting new technologies, adding value to products, and managing agriculture as a **profitable enterprise** rather than mere subsistence farming.

Evolution:

1. **Traditional Agriculture (Pre-Independence)::**

Farming was subsistence-based with low technology and no commercial orientation.

2. **Post-Independence Development (1947–1960s)::** Land reforms, cooperatives, and rural credit improved the foundation for agri-business activities.

3. **Green Revolution (1965–1985)::** Introduction of HYV seeds, irrigation, fertilizers, and machinery transformed agriculture into a **commercial and technology-driven sector**, giving rise to input suppliers and traders.

4. **Diversification Era (1985–2000)::** Growth in dairy, poultry, horticulture, and food processing encouraged more entrepreneurial ventures.

5. **Globalization Phase (2000–2015)::** Liberalization, contract farming, agri-export promotion, and private investment expanded agribusiness opportunities.

6. **Digital & AgriTech Era (2015–Present)::** Use of drones, AI, mobile apps, precision farming, e-marketing, and value-added processing created modern **agripreneurs**.

Barriers and Constraints Faced by Agricultural Entrepreneurs:

a) Financial Constraints

- Difficulty in obtaining loans, high interest rates

- Limited collateral and delayed subsidies

b) Technological Constraints

- Low adoption of modern tools and smart technologies
- Lack of training in advanced farming practices

c) Market Constraints

- Price instability, dependence on middlemen
- Inadequate storage, cold chain, and market information

d) Infrastructural Constraints

- Poor rural roads, transport, electricity, irrigation
- Lack of processing and value-addition facilities

e) Climatic Constraints

- Dependence on monsoon, droughts, floods, pest attacks
- High production risks and uncertainty

f) Managerial & Skill Constraints

- Limited business knowledge and entrepreneurial skills
- Lack of marketing, finance, and resource management expertise

g) Policy & Institutional Constraints

- Complicated procedures for schemes and licenses
- Lack of awareness about government programs

h) Social & Cultural Constraints

- Traditional mindset and resistance to change
- Youth migration away from agriculture

Strategies and policy recommendations for strengthening agripreneurship:

1. Financial Support Strategies;

- **Easy and low-interest credit** through banks, NABARD, and cooperative institutions.
- **Special credit schemes** for young agripreneurs and start-ups.
- **Crop insurance expansion** to reduce production risks.
- **Subsidies for machinery, drip irrigation, cold storage**, and value-addition units.



2. Technology & Innovation Strategies:

- **Promote** precision farming, drones, IoT, AI, hydroponics, and automation.
- **Establish** Agri-innovation hubs, incubation centers, and rural technology parks.
- **Strengthen** Krishi Vigyan Kendras (KVKs) for **technology demonstrations.**
- **Encourage** public–private partnerships (PPP) for **technology transfer.**

3. Market & Value Chain Development:

- **Create** farmer-to-consumer (F2C) **direct marketing platforms.**
- **Expand** cold chain, warehouses, pack houses, food processing units.
- **Promote** branding, packaging, certification, and export support.
- **Strengthen** e-NAM, digital mandi systems, and **online marketing networks.**

4. Skill Development & Capacity Building:

- **Introduce** entrepreneurship training, financial literacy, and digital skills **for farmers.**
- **Train youth in** agribusiness management, marketing, processing, logistics, and **farm mechanization.**
- **Integrate** agri-entrepreneurship courses in colleges and **polytechnics.**

5. Policy Support & Institutional Strengthening:

- **Simplify** registration, licensing, subsidy procedures, and **compliance norms.**
- **Provide** policy stability for **contract farming, exports, and FPOs.**
- **Strengthen** Farmer Producer Organizations (FPOs) for **collective bargaining.**
- **Encourage start-ups through** incentives, tax rebates, incubation grants, and **innovation awards.**

6. Infrastructure Development:

- **Improve** rural roads, electricity, irrigation, transport, storage, and **cold chain networks.**

- **Establish** cluster-based agri-industrial zones and mega food parks.
- **Promote** solar irrigation pumps, **renewable energy, and water resource development.**

7. Digital Agriculture Promotion

- Provide **digital advisory services**, weather updates, soil health data, and market prices.
- Promote mobile-based apps for **input supply, pest management, crop planning,** and marketing.
- Expand broadband and mobile connectivity in rural areas.

8. Social & Behavioral Interventions

- Motivate youth to join agriculture through **start-up challenges, incubation support, recognition,** and training.
- Promote **women agripreneurship** through SHGs, micro-credit, and enterprise development programs.
- Encourage **awareness campaigns** on modern agriculture as a profitable business.

Conclusion:

Agricultural entrepreneurship plays a vital role in transforming rural economies by fostering innovation, value addition, and income diversification. Although agripreneurs face multiple financial, technological, market, climatic, and institutional barriers, targeted strategies—such as improved financing, digital agriculture, stronger value chains, and supportive policies—can create a dynamic and inclusive entrepreneurial ecosystem. Strengthening agripreneurship is crucial for achieving **sustainable, climate-resilient, and equitable rural development.**

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