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SWOC analysis of agro based enterprises in Tamil Nadu

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Abstract

Agro-based industry has significant role in the economy to foster rural development in the country. The present study revealed that to identify the strength, weakness, opportunity and challenges of the agri business as perceived by the agripreneurs. For this study, three districts namely, Namakkal, Madurai and Salem districts has been selected based on highest number of agri entrepreneurs. A Sample of 102 male and 102 female agripreneurs were selected by using Proportionate Random Sampling technique. The study inferred that among male agripreneurs, suitable geographical conditions (80.39%) and profit possibilities (72.55%) are the strength followed by dependence on monsoon (75.49%) and seasonality of price (67.65%) were the major weakness in agribusiness as considered by the agripreneurs. Among male and female agripreneurs expressed that fruit and vegetable sector (68.63%), value addition (68.63%) are the opportunities in agri enterprise. Shortage of fund (82.35%), high taxation policies (74.51%) are the challenges faced by the agripreneurs in agribusiness.

Keywords: SWOC analysis, agribusiness, agro based industries, agripreneurs, entrepreneurs

Introduction

Agripreneurship have the potential to contribute to a range of social and economic development such as employment generation, income generation, poverty reduction and improvements in nutrition, health and overall food security in the national economy in rural areas by harnessing technologies for environmentally sustainable and socially equitable development, which can provide a decent livelihood.

Agripreneurship is a concept specific to agriculture and drawn from wider entrepreneurship. The concept is used to describe dynamic process of creating incremental wealth from agricultural sector (Shailesh *et. al.* 2013) [3].

Bairwa *et al.*, (2012) [1] stated that agripreneurship plays important roles in the growth and development of national economy through entrepreneurship development, which increases the income level and employment opportunities in rural as well as urban areas.

Mahajan (2019) [2] concluded that Indian agro-based industry has great strengths and more opportunities in the competitive business environment. Indian agro-based industry has faced weakness and the threats, which are necessary to eliminate with careful solutions at macro level and micro level. India has to be increased the agriculture production as per demands of the agro based industry at the large extent with the quality. It requires making the research on different aspects of the agro based industry. There is a need to reorient the government schemes in the light of emerging business environment at national and international level. With innovations, management skills and technology agro-based industry can come up as major player in economy as well as a tool for rural development.

Previous research studies focused only on the SWOC of the entrepreneurs in their business. This study would find out the SWOC of agri enterprise as perceived by the respondents, which will be helpful for policy makers to propose suitable strategic policies in agri enterprise. Hence, the objective of the study is to identify the strength, weakness, opportunity and challenges in the agri business as perceived by the agripreneurs.

Material and Methods

For this study Namakkal, Salem and Madurai districts of Tamil Nadu was selected based on highest number of agripreneurs in the districts as per Agri Clinic and Agri Business Centre scheme (AC&ABC). A sample of 204 (102 Male, 102 Female) respondents was selected by using Proportionate Random Sampling Technique. Ex-post facto research design was adopted. Each agripreneurs personally interviewed to collect the information.

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SWOC Analysis is a tool used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a venture. The SWOC analysis is an extremely useful tool for understanding and decision making for all sorts of situations in business and organizations. It is the first stage of planning and helps marketers to focus on key issues. SWOC analysis groups key pieces of information into two main categories:

- Internal factors: The strengths and weaknesses are internal factors to the organization.
- External factors: The opportunities and challenges are mentioned by the respondents as external factors.

A schedule was prepared to analyse the SWOC of agro enterprises. The perceived responses of the agripreneurs under each parameter were listed. The data obtained from the SWOC analysis was worked out by using Percentage analysis.

Findings and Discussions

1. Strength of agro based enterprises

Strength is the basic asset of the organization that would provide competitive advantage for its growth and development. The responses according to strengths of agro based enterprises are presented in Table 1

Table 1: Distribution of agripreneurs according to Strengths in SWOC analysis

S. No	Strengths	Male (n=102)			Female (n=102)		
		No	%	Rank	No	%	Rank
1	Huge natural resources	73	71.57	III	87	85.29	I
2	Suitable geographical conditions for agricultural production	82	80.39	I	83	81.37	II
3	Availability of raw material	64	62.75	VII	74	72.55	IV
4	Ability to exports	61	59.80	X	65	63.73	XII
5	Strong traditional knowledge	55	53.92	XIV	62	60.78	XII
6	Additional employment generations	59	57.84	XII	65	63.73	XI
7	Improvement in product quality	63	61.76	VIII	61	59.80	XIII
8	Good labor supply	52	50.98	XV	55	53.92	XV
9	Large domestic demand	58	56.86	XIII	60	58.82	XIV
10	Availability of skilled labour	65	63.73	V	73	71.57	V
11	Existence of good market network	65	63.73	V	76	74.51	III
12	Profit possibility of the enterprise	74	72.55	II	73	71.57	V
13	Priority sector status for agro-processing given by the central Government	60	58.82	XI	70	68.63	VIII
14	Vast network of manufacturing facilities at global level	69	67.65	IV	65	63.73	IX
15	Availability of process technologies	62	60.78	IX	72	70.59	VII

n=204*

*- Multiple responses obtained

From the above Table 1 it is said that majority (80.39%) of the male agripreneurs considered suitable geographical conditions for agricultural production as strength followed by less than three-fourths (72.55%) of them considered profit possibility of the enterprise and 71.57 per cent of them considered huge natural resources as their strength. More than two-thirds (67.65%) of the male agripreneurs said vast network of manufacturing facilities at global level as their strength followed by an equal 63.73 per cent of them said that availability of skilled labour and existence of good market network as their strength in agri business.

Regarding mushroom production, honeybee production, nurseries are oriented with field environment. Therefore, majority (85.29%) of the female agripreneurs considered

natural resources as strengths in agribusiness followed by suitable geographical condition for production (81.37%). Existence of good market (74.51%) considered as strengths of female agripreneurs. Availability of skilled labour and profitability of the enterprise are considered as strength by an equal per cent of the female agripreneurs (71.57%). About 72.55 per cent of the female agripreneurs considered availability of raw material as strength for agribusiness.

2. Weaknesses of agro based enterprises

Weakness is the liability of an organization that can create a state of time and situation specific disadvantage for its growth and development. The responses according to weaknesses of agro based enterprises are presented in Table 2

Table 2: Distribution of agripreneurs according to weaknesses in SWOC analysis

S. No	Weaknesses	Male (n=102)			Female (n=102)		
		No	%	Rank	No	%	Rank
1	Lack of infrastructure facility	57	55.88	VIII	59	57.84	IX
2	Complicated procedure for export	67	65.69	IV	66	64.71	IV
3	Political interferences	26	25.49	XV	38	37.25	XV
4	Lack of credit facilities from bank	43	42.16	XIII	62	60.78	VII
5	Lack of professional management	56	54.90	IX	58	56.86	X
6	Traditional approach	45	44.12	XII	53	51.96	XI
7	Small and fragmented land holdings	73	71.57	II	64	62.75	VI
8	Lack of government support	50	49.02	XI	53	51.96	XI
9	Lack of awareness about related schemes	53	51.96	X	50	49.02	XIII
10	Lack of technical and managerial expertise	59	57.84	VII	61	59.80	VIII
11	Fluctuated seasonal prices	62	60.78	VI	69	67.65	III
12	Seasonality of raw material	69	67.65	III	66	64.71	IV
13	High R&D expenditure	36	35.29	XIV	46	45.10	XIV

n=204*

14	Dependence on monsoons	77	75.49	I	73	71.57	I
15	Difficulties in registration procedures	67	65.69	IV	72	70.59	I

*- Multiple responses obtained

From the above Table 2 it is said that among male agripreneurs, about three-fourths (75.49%) of the male respondent considered dependence on monsoon as weakness followed by small and fragmented land holdings (71.57%) and seasonality of raw material (67.65%) as weakness in business. An equal two-thirds (65.69%) of the male agripreneurs reported that difficulties in registration norms and complex export procedure considered as weakness in business. Obtaining seasonal prices (60.78%) and lack of technical & trained managerial expertise (57.84%) were those weak points, as considered by male agripreneurs. With regard to agripreneurs, less than three-fourths (71.57%) of the female agripreneurs said that raw materials and

marketing depends on monsoon are weakness in business followed by difficulties in registration norms (70.59%) and obtaining seasonal price (67.65%) considered as weakness in agri business. Seasonality of raw material (64.71%) and complex export procedure (64.71%) were considered as weakness of agri business.

3. Opportunities of agro based enterprises

Opportunity is the ability of the organization to grow and achieve its specific objective in a given situation. The responses according to opportunities of agro based enterprises are presented in Table 3

Table 3: Distribution of agripreneurs according to opportunities in SWOC analysis

S. No	Opportunities	Male (n=102)			Female (n=102)		
		No	%	Rank	No	%	Rank
1	Improvement in market planning	39	38.24	XII	55	53.92	IX
2	Export related business	46	45.10	IX	63	61.76	V
3	Value addition	45	44.12	X	70	68.63	I
4	Entrepreneurship development in rural areas	61	59.80	II	65	63.73	IV
5	More employment generation	48	47.06	VII	50	49.02	X
6	Proper utilization of natural resources	55	53.92	VI	57	55.88	VIII
7	Fruits and vegetables sector	70	68.63	I	60	58.82	VI
8	Floriculture sector	60	58.82	IV	60	58.82	VI
9	Processing sector	54	52.94	V	70	68.63	I
10	Agricultural machinery and equipments	61	59.80	II	67	65.69	III
11	Consumer demand	47	46.08	VIII	47	46.08	XI
12	Opening of global markets	45	44.12	X	45	44.12	XII

*- Multiple responses obtained

From Table 3 it is inferred that among male agripreneurs, fruit and vegetable sector (68.63%), agricultural machinery and equipment (59.80%), entrepreneurship development in rural areas (59.80%) were opportunities considered by the male agripreneurs. With regard to female agripreneurs, value addition (68.63%), processing sector (68.63%), entrepreneurship development in rural areas (63.73%), export related business (61.76%) were considered as opportunities in agribusiness. Fruit and vegetables sector (58.82%) and

floriculture sector (58.82%) are the opportunity in agribusiness as said by female respondents.

4. Challenges of agro based enterprises

Challenges are a situation that blocks the abilities of the organization to grow and develop for meeting its ultimate goal. The responses according to challenges of agro based enterprises are presented in Table 4

Table 4: Distribution of agripreneurs according to challenges in SWOC analysis

S. No	Challenges	Male (n=102)			Female (n=102)		
		No	%	Rank	No	%	Rank
1	Global competition	41	40.20	XV	54	52.94	XI
2	Unorganized market	53	51.96	VIII	51	50.00	XIII
3	Improper trade practices	36	35.29	XVI	44	43.14	XVI
4	Price fluctuations	55	53.92	VII	61	59.80	VII
5	Changing of political policies	24	23.53	XVII	24	23.53	XVII
6	Huge cost of modern technologies	56	54.90	VI	67	65.69	III
7	Increased competition	49	48.04	XI	64	62.75	VI
8	Threat to unorganized retail players	60	58.82	V	53	51.96	XII
9	Maintenance of health & safety standards	50	49.02	X	56	54.90	X
10	Outdated technologies and equipment	44	43.14	XIV	48	47.06	XV
11	Problems in marketing of agricultural produce	65	63.73	III	50	49.02	XIV
12	Inadequate institutional measure and government policies	49	48.04	XI	56	54.90	IX
13	Involvement of middle man	53	51.96	VIII	66	64.71	IV
14	Lack of advanced technologies	49	48.04	XI	61	59.80	VII
15	High cost of modern machinery	62	60.78	IV	66	64.71	IV
16	Shortage of fund	84	82.35	I	76	74.51	I

17	High taxation policies	76	74.51	II	69	67.65	II
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*- Multiple responses obtained

From Table 4 it is said that Shortage of fund (82.35%), high taxation policies (74.51%), problems in marketing of produce (63.73%), huge cost of modern machinery (60.78) and threats to unorganized retail players (58.82%) were to be considered as challenges in agri business by the male agripreneurs. Regarding female agripreneurs, shortage of fund (74.51%), high taxation policies (67.65%), huge cost of modern technology (65.69%), mediators (64.71%) and huge cost of modern machinery (64.71%) considered as challenges in agri business.

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Conclusion

Majority of the male agripreneurs had expressed suitable geographical conditions for agricultural production, profit possibility in agri enterprise, manufacturing facilities, availability of the skilled labour as strengths of the agro based industries. Dependence on monsoon, seasonality of raw material, complex export procedure and obtaining seasonal prices were the major weaknesses in agri enterprise as said by the male agripreneurs. Fruits and vegetables sector, agricultural machinery, development of enterprise in rural areas were considered as opportunity in agri business. Shortage of fund, high taxation policies, problems in marketing of produce, cost of modern machinery were considered as challenges in agri business.

Majority of the female agripreneurs had inferred that natural resources, suitable geographical condition for production, existence of good market were the strengths of the agribusiness. Marketing depends on monsoon, difficulty in registration norms, obtaining seasonal price were the major weakness found by the female agripreneurs. Regarding female agripreneurs, value addition, processing sector were the opportunities in agri business. Shortage of fund, high taxation policies, huge cost of modern technology and mediators were the challenges in agri business. The government could provide financial assistance to agri entrepreneurs through specific schemes and improve the sanction of loan to entrepreneurs. The government could develop proper website for registration of agri ventures. The training and research institution could develop proper strategy to meet out the challenges and weaknesses in business.

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