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An intervention and assessment of entrepreneurial development initiatives (EDIs) by rural women in the Davanagere district of Karnataka

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Abstract

The value addition to agricultural commodities can be a better entrepreneurial opportunity for the rural women to support their livelihood and enhance their economic capabilities. The step towards economic development through setting up rural agro-based and non-agro based processing small scale entrepreneurial activities. In this way, the present research study trying to focus in identifying opportunities in the field of entrepreneurship to the rural women in the Davanagere district. And introducing those technical entrepreneurial aspects through interventions of extension outreach activities i.e awareness-cum-training programmes. Therefore the main objective of the study was to intervene and assess the Entrepreneurial Development Initiatives (EDIs) by rural women in the selected villages in the Davanagere district of Karnataka state. The villages were selected for the study area viz., Nittur of Harihar taluk and Kulambi of Honnali taluk during the year 2020-21. The data was collected from 120 rural women using a semi-structured interview schedule. The collected data were analyzed using appropriate statistical tools. The results of the study revealed that, the total production of finger millet (Ragi) malt for two years was 11,145 kg, followed by hurihittu 2,895 kg and malt chocolate 136 kg. A net profit of Rs. 8871.4 from the three products. The majority of the SHG members marketed the value-added products through retail shops, medical shops, Krishimela, field days, exhibitions, and by direct sales. Before the intervention, the majority of the rural SHG women were in the medium-income group (60.00%) followed by 32.00 percent in the low-income group and only 08.00 percent were in the high income group. Noticeable improvements was observed after the intervention program i.e., 70.00 percent of them were in medium income group, 20.00 percent in high-income group and only 10 percent were in the low income group (Rs. <2,500). Transfer of these technologies through training programme play an important role in rural areas to help women develop socially, economically and could serve as a tool to bring the rural women to the main stream through timely guidance, updated information and supervision.

Keywords: Entrepreneurial development, value addition, finger millet malt and intervention program

Introduction

The Processing of agricultural commodities is a very essential entrepreneurial activity for the rural women to enhance their economic capabilities. The step towards economic development of the rural women is through bringing value addition to rural agro-based and non-agro based products. All these entrepreneurship activities play a eminent role in employment opportunities for rural communities. The majority of rural women are still depending on traditional method of processing which is time consuming, labor-intensive, resulting in inferior quality output. These manual physical methods like cleaning, sorting, separating, sieving and milling, etc. involve drudgery to women besides their other farming and family activities. SHG women are lacking in value addition, improved processing technology and machinery usage within easy reach, even for basic cleaning and milling facilities and transport to far places. Rural women are very poor in value addition activities even today most of the food grains are sold to local market without scientific cleaning for soil, mud and stones, choppy grains and gums and getting poor prices. The uneven size grading and milling lead to poor milling recovery and inferior output. Graded foods grains and their end products fetch a better price in the market. In this scenario, the farmer and farm women need to be educated in value addition before processing, marketing or consuming. Entrepreneurs play a pivotal role in economic development.

However, women entrepreneurs are considered to be the most important economic agents for the economic augmentation of any country. It is a well-known fact that women have played and continued to play a key role in the conservation of basic life support systems.

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Hence, entrepreneurship development is a possible approach to empowering women. A woman as an entrepreneur is economically more powerful than as a mere worker, because ownership not only confers control over assets but also gives her the freedom to take decisions. This would also uplift her social status in society. Empowering women needs a holistic approach to encourage their participation in decision making in the household, community and local domestic sectors and prepare women to take up leadership positions in agricultural activities. Against this backdrop, the present study was undertaken to know the Entrepreneurship development among rural women in Bangalore rural district of Karnataka in value addition and processing of agricultural products for sustainable income and development.

Methodology

The present study on Entrepreneurial Development Initiatives by rural women in the Davanagere district of Karnataka was conducted in selected villages of Davanagere district in Karnataka state. The selected villages were Nittur of Harihar taluk and Kulambi of Honnali taluk during the year 2020-21. The sixty women from Nittur village and sixty rural women from Kulambi village were selected randomly for the study, thus making a total sample of 120 respondents. A pilot study was conducted to determine the feasibility of the study and the validity of the questionnaire. The pilot study was conducted on 10 percent of the sample size. The study used both qualitative and quantitative assessment measures. The data was collected from the respondent rural women using a semi-structured interview schedule developed for the study. The collected data were tabulated and analyzed using appropriate statistical tools like frequency, percentage, mean, standard deviation, correlation, etc., to draw valid conclusions.

Results and Discussion

Cost of production of finger millet products (per kg)

Starting a small scale agro-processing unit in a village requires a lot of inputs in terms of machinery, raw materials, technical support, human resources, packaging, and labeling as well as marketing channels are very important. In the present study training program on finger millet processing and value addition was imparted to make rural women self-employed with small scale production, for this purpose essential equipments like a milling unit, weighing balance, sealing machine, gas stove and utensils were provided by the project and duration of the economic life of the essential equipment was eight years (Table 1).

The cost incurred for different ingredients in making value added finger millet products (Table 2.) The ingredients used were green gram, wheat, soya, skim milk powder, butter, cocoa powder, vanilla and labour and flour mill charges. The cost incurred for finger millet malt was Rs. 42.60 /kg, followed by hurihittu Rs, 105/kg and maximum cost of production was recorded Rs. 322/kg for the production of one kg of malt chocolate. The differences worked out in terms of cost incurred for one kg of finger millet malt, hurihittu. The malt chocolate was difference in cost of per kg is attributed to difference in the raw material, production cost and their required inputs including packaging and labelling which was very high in malt chocolate. Similar observations were reported by Rekha Rani (2002) ^[2] for iron enriched food products.

Overall cost of production, returns and profit of finger millet products

The data in the Table 3 expressed that the total cost incurred to produce a value added product was Rs. 4,74,777, Rs. 3,03,975 and Rs 46,368 for finger millet malt, hurihittu and malt chocolate respectively and the total selling cost was Rs. 10,58,775 for finger millet malt, Rs. 5,06,625 for hurihittu and Rs.74,160 for malt chocolate with a yield of 11,145 kg, 2,895 kg and 144 kg respectively. Concerning profit there was Rs. 5, 83,998, Rs. 2, 02,650 and Rs. 27,792 for finger millet malt, hurihittu and malt chocolate respectively. The profit per member was Rs. 9,733.33 for finger millet malt, Rs. 3377.50 for hurihittu and malt chocolate was Rs. 4632. Finger millet is a major staple food crop in the area and is consumed in form of finger millet ball (dumpling) and roti, for which finger millet flour is main raw material. There was a surplus production in the area which could be marketed by processing and value addition to get higher profit. Value addition technology was better and easy for women belonging to higher income and they used their own available facilities.

Marketing strategies used for value added products

Marketing of value added products is a big challenge being faced by small scale production units. In the present study products like finger millet malt, hurihittu and malt chocolate were marketed using different channels (Table 4). There were multiple responses for marketing these products. The malt was marketed through agents (16.00%) and it was also sold on Krishimela, field days and exhibitions (20.00%) and direct sale (10.00%). The malt was also sold on request to the extent of 10%. The similar trend was observed for sale of hurihittu and malt chocolate.

To enhance the income of rural women by selling value added products different channels were used such as advertisement, branding and enhancement of consumer preferences through awareness programs. The findings reported by other researcher are in line with the present findings.

Ravichandran and Narayanarajan (2004) ^[1] found that advertisements played a vital role in influencing the purchase decision of a particular brand. Socio-economic factors such as sex, age, education, occupation and income influence brand preference motivated the buyer to choose a particular brand. The quality of product also largely determines the buyer market.

The most important and difficult thing in a business is to satisfy a customer. Therefore, selling the first production batches was not easy. The customers will subject the products to all sorts of tests. This is because their trend to develop preferences for particular brands and need a lot of persuasions to change. Deciding on the pricing of the product is another challenge. Price plays an important role in determining how the product performs. If it is too low, customers may perceive the quality as inferior. If it is too high, it may cause hurdles in terms of inadequate buying power and also skepticism to back the product and its cost (Sabikhi, 2005) ^[3].

The economic status of the rural women before and after the training program is presented in Table 3. It was evident that before the training program 60 percent of the entrepreneurs belonged to the middle- income group (Rs. 2,500-3,500) followed by 32.00 percent in the low income group (<Rs. 25000) and about 08.00 percent of rural women had income above more than Rs.4,500. However there was a drastic change in their annual income through the processing and

value addition of finger millet products. After the training program the majority of (70.00%) women were raised to the middle income group followed by 10 percent in the high income group and low income group got reduced from 32 percent to 10 percent. The difference in the income level was due to the introduction of processing and value addition activities. Similar observations were made by Vinay kumar (2008) [6] on the production and regular consumption of finger millet malt in households instead of coffee and tea, he also reported that SHG members started production of finger millet malt on large scale and developed a marketing network to generate more income among the members. A project report on the rural bioresource complex funded by the DBT Government of India reveals that appropriate strategies are necessary for different categories of people to improve the

standard of living and livelihood opportunities. Vijaylakshmi *et al.* (2008) [5] reported that the impact of training in improving the livelihood security for rural women such as value addition helped in exposure, enhanced skill, and knowledge level and encouraged women to come forward and take up value addition to generate income which directly impacted by creating opportunities for SHG families to consume finger millet based products and to enhance their livelihood by improving health, income and employment opportunities besides market linkages using different channels.

Thus, the entrepreneurial activities contributed towards the reduction of poverty and unemployment of rural SHG women.

Table 1: Cost estimation for establishment of small scale agro-processing unit

| Essential equipments | Price(Rs) | Economic life (Years) | Depreciation/ Year | Depreciation/ Month | Depreciation/ Day |
|----------------------|-----------|-----------------------|--------------------|---------------------|-------------------|
| Milling unit | 12,000 | 8 | 1500 | 125 | 4.16 |
| Electronic balance | 5,000 | 8 | 625 | 52 | 1.73 |
| Vessels | 3,000 | 8 | 375 | 31.25 | 1.04 |
| Sealing machine | 2,500 | 8 | 312 | 26 | 0.86 |
| Gas stove | 3,000 | 8 | 375 | 31.25 | 1.04 |
| Total | 25,500 | | 3187 | 265.5 | 8.83 |

Depreciation/Year = Price of essential equipment x 0.02

Depreciation/Month = (value of Depreciation/year) /12

Depreciation/Day = (value of Depreciation/month) /30

Interest on investment @ 10.5% = 25,500 x 0.105

= 2,677.5/Year

= 223.12/Month

= 7.35/Day

Total investment / day = Depreciation/day + Interest on Investment = 8.83 + 7.35

Total investment = 16.18/day.

Table 2: Cost of production of finger millet products (per kg)

| Sl. No. | Finger millet malt | | Hurihittu | | Malt chocolate | |
|---------|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|
| | Ingredients | Cost (Rs) | Ingredients | Cost (Rs) | Ingredients | Cost (Rs) |
| 1 | Finger Millet | 4.1 | Finger millet | 18 | Finger millet malt | 50.00 |
| 2 | Green gram | 6.5 | Butter milk | 25 | Skimmed milk powder | 53 |
| 3 | Wheat | 2.5 | Coconut powder | 10 | Cocoa powder | 9 |
| 4 | Defatted soya flour | 2.5 | Defatted soya flour | 5 | Vanilla | 27 |
| 5 | Skimmed milk powder | 2.5 | Sugar | 17 | Sugar | 14 |
| 6 | Cardamom | 1.5 | Cardamom | 2.5 | Butter | 52 |
| 7 | Gas | 2 | Gas | 2.5 | Gas | 65 |
| 8 | Labour charges | 17 | Labour charges | 15 | Labour charges | 19 |
| 9 | Flour mill charges | 1.5 | Flour mill charges | 5 | Ghee / Vanaspathi | 27 |
| 10 | Packaging & Labelling | 2.5 | Packaging & Labelling | 5 | Packaging & Labelling | 9 |
| | Total(Rs) | 42.6 | | 105 | | 322 |

Table 3: Overall cost of production, returns and profit of finger millet products

| Sl. No. | Parameters | Finger millet malt(kg) | Hurihittu (kg) | Malt chocolate (kg) |
|---------|---------------------------|-------------------------|------------------------|----------------------|
| 1 | Total production | 11,145 | 2,895 | 144 |
| 2 | Total production cost | 4,74,777/- (Rs.42.6/kg) | 3,03,975/- (Rs.105/kg) | 46,368/- (Rs.322/kg) |
| 3 | Total selling cost (Rs.) | 10,58,775/- (Rs.95/kg) | 5,06,625/- (Rs.175/kg) | 74,160/- (Rs.515/kg) |
| 4 | | Profit in Rs. | | |
| a. | Net profit (3-2) | 5,83,998/- | 2,02,650/- | 27,792/- |
| b. | Per member (for 2 years) | 9733.33/- | 3377.50/- | 4632/- |
| c. | Per member (for one year) | 4,866.65/- | 1688.75/- | 2316/- |

Table 4: Economic status of SHG rural women before and after training programme

| Classification | Economic status | | | |
|-----------------------|-----------------|---------|--------|---------|
| | Before | | After | |
| Income group | Number | Percent | Number | Percent |
| Low (Rs.<2500) | 16 | 32 | 5 | 10 |
| Medium (Rs.2500-3500) | 30 | 60 | 35 | 70 |
| High (Rs.>4500) | 4 | 8 | 10 | 20 |
| Total | 50 | 100 | 50 | 100 |

Table 5: Mode of marketing of products through different channels (n=50)

| Value added products | Request by individual (n) | Percent | Agents (n) | Percent | Direct sale by the women (n) | Percent | Others (retail shops and medical shops) (n) | Percent | UAHS Krishimela, field days and exhibitions (n) | Percent |
|----------------------|---------------------------|---------|------------|---------|------------------------------|---------|---|---------|---|---------|
| Finger millet malt | 5 | 10 | 8 | 16 | 5 | 10 | 12 | 24 | 20 | 40 |
| Hurihittu | 4 | 8 | 7 | 14 | 6 | 12 | 18 | 36 | 15 | 30 |
| Malt chocolate | 5 | 10 | 2 | 4 | 3 | 6 | 8 | 16 | 32 | 64 |

Conclusion

The value added finger millet products in the present study being nutrient dense with good acceptability and storage stability could serve as a good substitute to fulfill the nutrient needs of a vast population. The cost of the developed products would also ensure their affordability to all classes of people. Transfer of these technologies through training program plays an important role in rural areas to help women develop socially, and economically and could serve as a tool to bring rural women to the mainstream through timely guidance, updated information and supervision. Along this line, there has to be a support system comprising of family, finance, market linkages and updated research development to achieve the dreams of good health through finger millet- based empowerment. Therefore from the present study, it could be concluded that rural women were able to generate substantial income, which was used towards family welfare. There is a need for continued follow up action for sustainability. There is an imminent need to establish long term market linkages with supermarkets for successful popularization of the products on commercial scale.

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