

Unlocking the Potential Agribusiness Opportunities in NE India

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Abstract

India's agricultural sector, which employs 44.2% of its workforce and contributes 17.4% to GDP, offers numerous opportunities for productivity, efficiency, and output. Despite a halving agriculture share in the past 30 years, it still employs half of the workforce. India's food processing industry accounts for 32% of the total food market and ranks fifth in terms of production, consumption, export, and expected growth. An estimated 30% of India's GDP comes from agribusinesses, with the agriculture industry employing the majority of the workforce. However, the sector faces numerous issues that hinder its full potential. Disruptive technologies and enablers are needed to steer the sector which has been emphasised in this article along with an overview of the key trends and future outlook of the sector.

Introduction

India's North-eastern Region (NER) has a rich agricultural economy, but underutilization and underinvestment have led to less revenue than the national average. The region suffers from a lack of knowledge and initiative in processing and value addition, as well as poor storage facilities, unstable prices, and ineffective marketing strategies. Policymakers are promoting entrepreneurial development in the NER to shift production from production to profit through value addition through agri-business models. The NER has a significant youth population of 4% aged 15-35, with a higher proportion of youth unemployment compared to the rest of India. The region is also experiencing a growing outmigration of youth to other parts of the country. Agribusiness offers diverse opportunities for young rural youths across various sub-sectors, including agro processing, crop production, agri inputs, and livestock. Proper knowledge and guidance can create opportunities to cater to emerging market needs. Market intermediaries are already taking advantage of new business opportunities in the NER, such as input aggregation, output processing, seed production systems, nursery development, advisory services, niche export markets, high-intensity vegetable production in glass houses, small-scale mushroom

production, and online organic vegetable marketing. The spirit of entrepreneurship is key to the growth and success of a state and vital for attaining economic independence.

Potential Areas for Agribusiness in North Eastern Region (NER)

The NER presents opportunities for entrepreneurs due to its diverse traditions, culture, natural products, handicrafts, and cultural heritage. Its location with neighboring countries provides direct entry points to international trade, presenting opportunities in trade, tourism, and logistics. Traditional artisans face challenges due to inefficient supply chains and lack of capital. More efforts are needed to promote entrepreneurship in the region, which is driven by passion, innovation, and pro-activity. Rural tourism can stimulate economic growth and promote growth in agriculture, industry, and service sectors. Few of the potential areas are discussed below:

- **Spice Production and Processing:** The region's diverse genetic resources and production systems ensure sustainable production of various spices, aiming to maintain the top spot in the international market. Ginger cultivation has grown by 3,356 ha, followed by large cardamom, black pepper, and turmeric. The region has potential for commercial cultivation of vanilla, cumin, and saffron. Ginger is the main cash crop, grown in Meghalaya, Mizoram, Arunachal Pradesh, and Sikkim. Large cardamom farming in hilly areas of Sikkim is a unique traditional production system, generating employment for 80-100 days per ha. Meghalaya is a leading state in ginger production, followed by Arunachal Pradesh and Mizoram. Black pepper shows promise, and organic production is possible to a limited extent. Large-scale planting material production techniques should be popularized in the region.
- **Commercial Vegetable Production:** About 5.1% of India's national horticultural basket's fruits and 4.5% of its vegetables are cultivated as horticultural crops in the Northeast area. Fruits

like as pineapples, citrus, bananas, kiwis, passion fruit, mangoes, guavas, litchi, papayas, lemons, oranges, jackfruit, etc. are major commercial crops farmed in the Northeast area. Among the many vegetables cultivated in the area are beans, cauliflower, broccoli, tomatoes, potatoes, and brinjal. The region's fruits and vegetables provide enormous potential for expanding agricultural acreage under cultivation, raising production yield, and adding value through the development of food processing enterprises centred around these products.

- **Tea Plantation and Processing:** One of the main regions in India for the production of tea is the northeastern region. With a 16% global share, Northeast India is the world's largest tea-growing region. It also accounts for 55% of India's total tea production and exports. The two states in the Northeast that have historically grown tea are Assam and Tripura. There are 3.2 lakh hectares of tea growing in Assam alone, and 511 million kg are produced there. About 25% of the state's total production is derived from the small-scale tea farmers industry. At the moment, small-scale tea growing is quite important. Tripura is the second-largest producer, with just 8,962 hectares planted to tea.
- **Vermicompost-Organic Fertilizer Production:** India's Northeast area has enormous possibilities for producing organic food. Additionally, the region is home to the greatest concentration of small-scale organic farmers who practise traditional low-input agriculture—which is organic by necessity or default—on their tiny holdings. This creates a huge potential for production of organic fertilizers. With a relatively small initial investment, the production of vermicompost organic fertiliser has emerged as a significant component of agro-business models across the nation. An entrepreneur with the necessary production process know-how can launch this business.
- **Fruits and Vegetables Export:** The wide range of fresh fruit and vegetable kinds in the region creates a huge opportunity for export. In 2023-24, the National Horticulture Board issued the National Horticulture Database (1st Advance Estimates) shows that India produced 209.39 million metric tonnes of vegetables and 11.21 million metric tonnes of fruits. There were 7.15 million hectares of fruit cultivation and 11.24 million hectares of vegetable farming.

- **Poultry Production:** From being a backyard hobby for thirty years, poultry farming in India has developed into a techno-commercial business. The area of agricultural and farming industry that is expanding the quickest is poultry farming. In the chicken business, the yearly growth rate is 12-15%, while in the egg sector it is 8-10%.
- **Mushroom Cultivation:** A mushroom growing enterprise has the potential to yield substantial profits in a matter of weeks, with a comparatively minimal initial capital outlay. A person with some knowledge of the science and technology involved in mushroom cultivation and access to a facility suitable for producing mushrooms would be the ideal candidate to launch a successful mushroom company.
- **Snail Production:** A successful business venture in snail farming requires focus and specialised understanding of contemporary technologies. Raising land snails exclusively for human consumption is known as snail farming. It is high in protein, low in fat, high in iron, and contains almost all of the amino acids required by the human body.
- **Bee Keeping:** The potential to run a beekeeping company requires constant observation and attentive management of the hives. The demand for honey is rising worldwide as people become more conscious of their health. Starting a lucrative beekeeping business with a smaller initial investment to sell honey and other goods like wax is a good idea.
- **Basket and Broom Production:** Products like baskets and brooms are frequently seen in rural agricultural settings. An entrepreneur might begin this company by purchasing these goods from small-town producers, and once adorned, they can be marketed as decorative or functional items both in retail stores and online. With a little initial investment and a variety of raw materials, an entrepreneur may launch a customised basket-weaving business from their house. The technological process of producing brooms is straightforward, and with careful preparation and a little initial cost, the enterprise may be started. For generations, people have used brooms to remove dust and debris from the inside and outside of houses and businesses.
- **Cashew-nut Processing:** Currently, cashew is grown on over 20,000 hectares in the Northeast, producing 15,000 tonnes of fruit annually. The finest states for cashew agriculture are

Meghalaya, Assam, and Tripura, followed by Manipur, with the exception of Jiribam district. The Northeastern states offer plenty of opportunities in the cashew processing with prioritise scientific farming practices.

- **Fish Hatchery:** A fish hatchery is a facility where fishes are artificially bred, hatched, and raised through their early life stages. Fish raised in hatcheries are mostly used in the aquaculture sector, where they are then introduced into systems for continuous growth. Over the course of the previous nine years, from 2014–15 to 2022–23, the average annual growth rate for the inland fish output in the North Eastern States was 5.38%. From 4.03 lakh tonnes in 2014–15 to a peak of 6.04 lakh tonnes in FY 2022–2023 was produced by the North Eastern States creating a huge business opportunity in the region.
- **Medicinal Herbs Farming:** Approximately 50% of India's biodiversity is found in North East (NE) India, one of the world's "biodiversity hotspots." The Northeastern states contain a wide variety of therapeutic plants found in the sparse to deep woods, found in alpine to tropical climates. The demand for plant materials has increased globally for medicinal, cosmetics as well as in nutraceutical sectors creating a huge scope to initiate business in medicinal herbs.
- **Dairy Production and Processing:** Milk consumption in North East India is increasing, with hill tribes consuming more milk than in the past. Dairy farming is becoming more important in the region, providing investment opportunities. Guwahati, the gateway to N E India, requires 6 lakh liters of milk daily, compared to a local supply of 1,25,000 liters. However, local production is far below demand, and the region faces a shortage of quality milk. The future of processed milk and other products-based industries in the region is bright, with the Act East Policy, Free Trade Agreements, and Pan Asian Highway providing opportunities for commercial interaction.

Strategies to Encourage Youth Participation in Agribusiness

India is implementing various ICT applications to encourage young people to establish agribusiness. These include Warana, Dristee, E-Chaupal, E-Seva, Lokmitra, EPost, Gramdoot, Dyandoot, Tarahaat, Dhan, Akshaya, Honeybee, Praja, e-Extension for e-Soil Health card Programme, AGRISNET, AGMARKNET, AC&ABC, e-KRISHI

VIPANAN, Query Redress Services, Kisan Call Centres, e-Choupal, e-Sagu, web portals, and mobile agro advisories. The government should also ensure farm equipment is offered at subsidized prices to encourage youth agripreneurs to participate in agriculture. To promote entrepreneurship development, the government should raise awareness through social networking platforms and engage them through agricultural programs and projects. Timely communication with agripreneurs is crucial for entrepreneurship development and employment generation. Investment in training and education, including financial assistance, professional guidance, subsidized agricultural tools, and easy access to government grants and resources, is also essential. Innovations in promoting entrepreneurship include program and project monitoring, linking social media to agriculture, improving agriculture's image, strengthening higher education in agriculture, and using ICT to educate and train those unable to attend higher education institutions.

Conclusion and way forward

India's development policy emphasizes agriculture development, with future growth relying on alliances and innovation in the industry. Innovation opens new markets and supports Agri Start-ups. Adopting cutting-edge technology throughout the agriculture value chain is crucial for India's agricultural progress and international trade. Agristart-ups represent potential human capital in the Indian agricultural industry. Disruptive technologies are essential for guiding the sector. India's reputation in the startup community is strong, and it's time to establish itself as a leader in the agritech industry and support agribusiness startups.

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