

## Entrepreneurial Behaviour of Dairy farmers

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### ABSTRACT

*The study was conducted with 80 dairy farmers selected from all the dairy farmers of Panagar block of Jabalpur District of Madhya Pradesh who are practicing dairy and possessing minimum six dairy animals such as cow/buffalo/ both to find out the entrepreneurial behaviour of dairy farmers. The study revealed that majority of the dairy farmers found to have medium level of entrepreneurial behaviour followed by high and low level of entrepreneurial behaviour. The entrepreneurial behaviour was positively and significantly related with dairy experience, organizational participation, land holding, livestock possession, annual income, material possession, economic motivation, market orientation, scientific orientation and knowledge of improved dairy management practices at 0.01 level of probability, whereas education had positive and significant relationship with entrepreneurial behaviour at 0.05 level of probability.*

**Key words:** Entrepreneurship; Dairy farmer; Contributory influence;

The importance of dairying in our country hardly needs emphasizing. The vast resources (more than 50 percent of the world's buffalos and 20 per cent of its cattle) of livestock in the country play an important role in the national economy as well as in the socio-economic development of millions of rural households. Dairy enterprise could play a more constructive role in promoting rural welfare and reducing poverty by generating employment at farm level is increasingly being recognized. A sustainable and financially viable dairy farming, which will generate income and self employment through entrepreneurship, is the need of the day (Shah *et al.* 2003). In the present era, it is being realized that entrepreneurship contributes to development of a country in several ways, viz. assembling and harnessing the various inputs, bearing the risks, innovating and imitating the techniques of production to reduce the cost and increase its quality and quantity, expanding the horizons of the market, and coordinating and managing the manufacturing unit at various levels. In fact, the rapid economic development of a country crucially depends upon the number of abilities of entrepreneurs. In this context, entrepreneur is one of the most important inputs for development of dairy enterprise which may prove phenomenal for economic development of farming community.

Keeping the above facts in view, the present study was carried out with following objectives:

- i. To assess the level of entrepreneurship of dairy farmers
- ii. To identify the relationship between socio-economic & psychological characteristic of dairy farmers and their entrepreneurial behaviour.

### METHODOLOGY

The present study was conducted in Panagar block of Jabalpur district of M.P. A list of all the persons who are practicing dairy and possessing minimum six dairy animals was obtained and eighty dairy farmers were selected randomly. The data were collected through semi-structured pre-tested interview schedule during 2013.

The term entrepreneurial behaviour has been operationalized as a composite skill, the resultant of mix of many qualities and traits. The entrepreneurial behaviour of the respondents was studied using the scale developed by Chaudhari *et al.* (2007) comprising nine dimensions viz., innovativeness, achievement motivation, decision making ability, risk – orientation, co-ordination ability, planning ability, information seeking behaviour, cosmopolitaness, self-confidence. Based on entrepreneurial behaviour score, the respondents were classified into three groups viz., low, medium and high

on the basis of Mean  $\pm$  SD. The data were subjected to simple analysis like percentage, averages, multiple correlation and regression

## RESULTS AND DISCUSSION

**Entrepreneurial behaviour of dairy farmers:** The perusal of data in Table 1 shows the distribution of dairy farmers according to their entrepreneurial behaviour. It is apparent from the data that majority (72.5%) of dairy farmers were found to have medium level of followed by high (15%) and low (12.5%). These findings are in accordance with the findings of *Bhagyalaxmi et al. (2003)*, and *Suresh (2004)*. However, the dairy farmers should have high level of entrepreneurship. Hence, special consideration is required to develop the entrepreneurship in dairy farmers because dairy enterprise is one of the promising sectors of entrepreneurship development in India.

**Table 1. Entrepreneurial behaviour of dairy farmers (N=80)**

Category	No.	%	Mean	SD
Low (<40.27)	10	12.5	51.9	11.63
Medium (40.2-63.53)	58	72.5		
High (>63.53)	12	15.00		

**Components of Entrepreneurial behavior:** The entrepreneurial behaviour of dairy farmers comprised nine components, such as, innovativeness, achievement motivation, decision making ability, risk orientation, coordinating ability, planning ability, information seeking, cosmopoliteness and self confidence. Data have been furnished in Table 2. The profile of dairy farmers on entrepreneurial characteristics is given below:

**Innovativeness:** Table 2 revealed that majority (61.25%) of dairy farmers had medium level of innovativeness; whereas 23.75 per cent of them had high and 15 per cent had low level of innovativeness. These results are in accordance with the findings of *Bhagyalaxmi et al. (2003)* and *Suresh (2004)*.

**Achievement motivation:** The data on this parameter revealed that near about half (48.75%) of the dairy farmers had medium level of achievement motivation, whereas more than one fourth of (27.5%) the dairy farmers had low level of achievement motivation. Only 23.75 per cent had high achievement motivation. Similar results have been reported by *Vijaykumar (2001)* and *Suresh (2004)*.

**Table 2. Distribution of dairy farmers based on components of entrepreneurial behaviour of dairy farmers (N=80)**

Component	No.	%	Mean	SD
<i>Innovativeness</i>				
Low (<8.74 score)	12	15.00	14.81	6.07
Medium (8.74-20.8 score)	49	61.25		
High (>20.88 score)	19	23.75		
<i>Achievement motivation</i>				
Low (<1.24 score)	22	27.5	2.51	1.26
Medium (1.24-3.7)	39	48.75		
High (>3.77 score)	19	23.75		
<i>Decision making ability</i>				
Low (<3.02 score)	21	26.25	7.1	4.08
Medium (3.02-11.18 score)	44	55.00		
High (>11.18 score)	15	18.75		
<i>Risk Orientation</i>				
Low (<3.02 score)	20	25.00	6.01	2.99
Medium (3.02-9.0 score)	43	53.75		
High (>9.0 score)	12	15.00		
<i>Co-ordinating ability</i>				
Low (<2.59 score)	12	15.00	5.00	2.41
Medium (2.59-7.41 score)	55	68.75		
High (>7.41 score)	13	16.25		
<i>Planning ability</i>				
Low (<1.30 score)	21	26.25	2.61	1.30
Medium (1.3-3.9 score)	38	47.5		
High (>3.91 score)	21	26.25		
<i>Info. seeking behaviour</i>				
Low (<11.5 score)	11	13.75	15.5	3.9
Medium (11.5-19.4 score)	59	73.75		
High (>19.4 score)	10	12.5		
<i>Cosmopoliteness</i>				
Low (<3.1 score)	20	25.00	5.75	2.63
Medium (3.11-8.3 score)	48	60.00		
High (>8.3 score)	12	15.00		
<i>Self confidence</i>				
Low (<2.2 score)	18	22.5	3.48	1.20
Medium (2.2-4.6 score)	44	55.00		
High (>4.6 score)	18	22.5		

**Decision making ability:** Decision Making is the act of choosing between two or more courses of action. The data on this parameter depicted in Table 2 revealed that more than half (55.00%) of the dairy farmers were found to have medium level of decision making ability, followed by low (26.25%) and high (18.75%). Similar trend have been reported by *Vijaykumar (2001)* and *Suresh (2004)*.

**Risk orientation:** Table 2 revealed that more than half (53.75%) of the dairy farmers were found to have

medium level of risk orientation followed by low (25%) and high (15%) level of risk orientation. These findings are accordance with the findings of *Bhagyalaxmi et al. (2003)* and *Suresh (2004)*.

*Coordinating ability:* Table 2 revealed that medium level of this attribute was possessed by majority (68.75%) of the dairy farmers. However, 16.25 per cent had high and only 15 per cent had low level of coordinating ability.

*Planning ability:* Table 2 indicated that maximum number (47.5%) of dairy farmers had medium level of planning ability whereas equal number of them had low (26.25%) and high (26.25%) level of this trait.

*Information seeking behaviour:* Majority of the dairy farmers i.e. 73.75 per cent had medium information seeking behaviour followed by low (13.75%) and high information seeking behaviour (12.5%).

*Cosmopoliteness:* Medium level of cosmopoliteness was possessed by 60.00 per cent of dairy farmers. While one fourth (25.00%) of them possessed low and 15 per cent possessed high level of cosmopoliteness.

*Self confidence:* Possession of this trait explains the degree to which an individual conveys confidence in his own capability to complete a task or meet a challenge. The majority (55.0%) of dairy farmers had medium level of self confidence whereas equal number of dairy farmers had low (22.5%) and high level of self confidence (22.5%). The findings are in conformity with empirical evidence reported by *Murali et al. (2003)*.

**Table 3. Relationship between characteristics of dairy farmers with their entrepreneurial behaviour**

Characteristics	"r" value	"t" value
<i>Socio - personal characteristics</i>		
Age	0.15	1.76NS
Education	0.20	2.43*
Dairy experience	0.30	4.06**
Family size	-0.12	-1.38NS
Organization participation	0.33	4.58**
<i>Socio - economic characteristics</i>		
Land holding	0.39	5.73**
Livestock possession	0.58	10.60**
Annual income	0.54	9.34**
Material possession	0.35	4.95**
<i>Psychological characteristics</i>		
Economic motivation	0.34	4.75**
Market orientation	0.35	4.94**
Scientific orientation	0.32	4.43**
Knowledge of improved dairy management practices	0.44	6.84**

*Correlates of entrepreneurial behaviour:* With the assumption that entrepreneurial behaviour is inclined by socio-personal, economic and psychological traits, the relationship of these traits were analyzed. To assess the relationship between entrepreneurial behaviour and selected variables the coefficient of correlation was worked out and illustrated in Table 3. The data revealed that the correlation coefficient of ten variables viz., dairy experience, organization participation, land holding, livestock possession, annual income, material possession, economic motivation, market orientation, scientific orientation and knowledge of improved dairy management practices were found to have positive and significant relationship with entrepreneurial behaviour at 0.01 level of probability. However, education had positive and significant relationship with entrepreneurial behaviour at 0.05 level of probability.

*Contributory influence of characteristics of dairy farmers on their entrepreneurial behaviour:* In order

**Table 4. Multiple regression analysis of predictor variables with their entrepreneurial behaviour**

Characteristics	Regression coefficient "b"
Age	0.13
Education	-0.03
Dairy experience	0.03
Family size	-0.003
Land holding	0.43
Livestock possession	0.018
Annual income	0.05
Material possession	-0.13
Economic motivation	0.34
Organization participation	0.52
Market orientation	1.85
Scientific orientation	0.03
Knowledge of improved dairy management practices	0.55

**Table 5. Optimum model of multiple regression analysis of characteristics of dairy farmers and their entrepreneurial behaviour**

Characteristics	Regression coefficient "b"
Livestock possession	0.01
Annual income	0.08
Economic motivation	0.34
Market orientation	1.83
Knowledge of improved dairy management practices	0.51

to assess the contribution of independent variables towards the entrepreneurial behaviour, multiple regression analysis was carried out and results are presented in Tables 4 and 5. In the first stage of multiple regression analysis, entire set of independent variables (13 variables) viz., age, education, dairy experience, family size, land holding, livestock possession, annual income, material possession, economic motivation, organization participation, market orientation, scientific orientation and knowledge of improved dairy management practices was considered. The  $R^2$  value was 0.43 which indicates that all the independent variables taken together could explain a variation of 43 per cent in the entrepreneurial behaviour of dairy farmers (Table 4).

Furthermore to identify set of independent variables contributing maximum towards entrepreneurial behaviour, the stepwise multiple regression with backward elimination procedure was carried out. As a result, out of thirteen variables, five variables were identified as most contributing factors towards entrepreneurial behaviour (Table 5). The data revealed that livestock possession, annual income, economic motivation, market orientation and knowledge of improved dairy management practices together were able to predict 42 per cent variability in the entrepreneurial behaviour of dairy farmers. It was quite interesting to note that elimination of six variables from regression model resulted into minor decreases in  $R^2$  value and that decrease was 0.01, this

particular result highlight the major contribution of all of five variables viz., livestock possession, annual income, economic motivation, market orientation and knowledge of improved dairy management practices. The quantification of these contributory five variables may serve as baseline for manipulating these variables for promoting entrepreneurial ability of dairy farmers.

## CONCLUSION

The studies revealed that majority of dairy farmers were found to have medium level of entrepreneurial behaviour followed by high and low level of entrepreneurial behaviour. Hence, special consideration is required to develop the entrepreneurship in dairy farmers. The entrepreneurial behaviour was positively and significantly related with dairy experience, organization participation, land holding, livestock possession, annual income, material possession, economic motivation, market orientation, scientific orientation and knowledge of improved dairy management practices found to have positive and significant relationship with entrepreneurial behaviour at 0.01 level of probability. Whereas education had positive and significant relationship with entrepreneurial behaviour at 0.05 level of probability while, age and family size had no relationship with entrepreneurial behaviour.

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