

Scope and Potential for Agribusiness in the Northeast Region of India

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Introduction

In the North east region of India, there are eight sister states, namely Assam, Meghalaya, Tripura, Nagaland, Sikkim, Arunachal Pradesh, Mizoram, and Manipur. The region's agrarian economy is rich in agricultural resources and requires strategic exploration to promote inclusive growth. It can be achieved by realizing the enormous potential and scope for agribusiness in this region. Although 70 percent of the population in north east India depends on agriculture for livelihood, only 3 percent of the country's total production is derived from food grains. The region is net importer of food grains, even for its own consumption, because marginal and small farmers have 78.92 percent of land.

Agribusiness is an emerging branch of management sciences concerned with the science and practice of agricultural commercialization. In India, the Agribusiness sector consists of four distinct subsectors: agricultural inputs; agricultural production; agro-processing; and marketing and trade. Consequently, it encompasses activities from production, processing, marketing, and trade. Agricultural businesses contribute to employment and income generation and reduce farm product losses in agricultural-dependent countries, as well as providing inputs and services for these activities.

Opportunities of Agri-business sector in the North east region of India

The NER shares international boundaries with South Asian countries (Bangladesh, Bhutan) and Southeast Asian countries (China, Myanmar). This provides huge potential for trade and export across borders. India's establishment of various Agricultural Export Zones will help the region tap into its export potential. Since the NER is a gateway to Southeast Asia, border trade is likely to flourish in the region. Due to the presence of exportable resources and the region's strategic location, the NER has enormous potential to become a successful international hub for agro-based products. The Rich flora and fauna present in



north-eastern region offer a variety exotic fruits, high value spices, diversified flowers and numerous species of medicinal and aromatic plants and exotic fishes which could be adequately tapped for commercialization through investment in commercialization and export initiative. Some of the popular and potential crops indigenous to the region include Lakadong turmeric, Naga Jolokia chillies, Khasi Mandarin, Meghalaya Pineapple, and Arunachal Apples, which have proven popular on both the national and international markets. As a result of high consumption patterns and rising incomes, the NER has seen a growth of the agribusiness sector. For example, the demand for meat and convenient meat products in NE determine has increased scope for large-scale poultry and piggy farms. Expansion in organic farming of high value crops and investment in organic certifications, branding and identifications of potential markets for commercialization can be remunerative venture with growing demand for organic products worldwide. The abundance of diverse flowering plants in the region favours huge potential for organic honey production and processing. Agripreneurs can tapped the natural potential of honey production and expand honey processing industry in the region , The company specializes in the production and distribution of honey and honey-based products such as royal jelly and beeswax. Naturally grown edible mushrooms are highly coveted in north eastern regions. Some of the types of mushroom in high demand include oyster, button and shiitake (*lentinula eddoes*). Shiitake, which is produced only in northeast region of the country, may be adequately exploited for commercialization. Due to its popularity for plantation crops such as areca nut, coconut, bamboo, black pepper, bay leaf, large cardamom, pineapple, etc., there is a growing demand for disease-free quality planting materials. An agribusiness venture that invests in scientific methods of producing and managing quality planting materials and seeds could help increase productivity and crop yields in the region. NER is home to over 3,039 hectares of floral diversity due to its diverse geo-climatic conditions. Northeast India has 870 of the 1300 orchid species reported in India. There is an enormous scope for commercial floriculture in NE to emerge as one of the potential competitors both in the domestic and international markets since India imports about 80.67 percent of total orchid cut flower from Southeast Asian countries like Thailand.

One of the richest repositories of medicinal and aromatic plants (MAPs) in the world is Northeast India. Arunachal Pradesh and Assam have the most diverse medicinal plants,



followed by Sikkim. As examples of these species that are highly commercially significant in the region, there are *Acorus calamus*, *Adhatoda zeylanica*, *Aquillaria malaccensis*, *Andrographispaniculata*, *Centella asiatica*, *Gynocardi odorata*, *Nardostachys Picrorhiz Kurrooa*, and *Podophyllum hexandrum*. Although commercial cultivation of MAP is still in its infancy in the region, it is becoming more popular. Exploration, conservation, production, and value addition of medicinal and aromatic plants through scientific approaches could open up potential markets worldwide. Due to high precipitation and floodplain rivers, northeastern states like Assam, Arunachal Pradesh, Meghalaya and Mizoram are rich habitats for aquatic animals. It has one of the world's richest ichthyofaunal resources due to its extensive freshwater habitats, diverse microhabitat, and numerous biotic and abiotic components. The ornamental fish species from NE with commercialization potential are *Trichogaster* spp., *Nandus nandus*, *Botia* spp., *Channa* spp., *leptocephalichthys* spp. *Amblyharyngodon* mol, *Badis* pp and *Puntius* spp. Venture in ornamental fish culture through scientific breeding approaches can capitalize the demand from potential market world wide.

Processing ventures

North eastern agro-climate favours ample production of rich and exotic fruits; some of which have been identified and GI tagged for worldwide commercialization like queen pineapple of Tripura, Kachai lemon of Manipur, Tezpur litchi of Assam, Khasi mandarin of Meghalaya and Malbough banana. However, lack of infrastructures and poor marketing system account for 5- 40 per cent loss of marketable surplus depending on crop, variety and weather condition. Post – harvest loss of pineapple, Khasi mandarin and banana in NER is estimated to be 12 -17 per cent, 21-25 per cent and 15-20 per cent, respectively. Technical, institutional and governmental interventions in horticultural value chain could substantially increase the scale of processing, maximize returns of producers and minimize post – harvest losses. Popular spices from Northeast include lakadong turmeric and Megha Turmeric from Jaintia Hills of Meghalaya, ginger from Assam and Meghalaya, large cardamom from Sikkim and Arunachal Pradesh, black pepper from Assam and Garo Hills in Meghalaya and chillies (king chilli and Bird's eye chilli) from Nagaland and Assam. Government assistance in spices processing through market promotion scheme for NER is 50 per cent as compared to only 25 per cent for rest of India. There is a need for strategic investment for export of value – added forms such as spices powders, curry powders, spices oils and oleoreins to



maximize returns in the spice sector. In the NER, the expenditures meat is relatively higher (16.5%) than that of mainland India (7%) Meat production in the NER has also increased by around 38 per cent in the last two decades. The per capita consumption of pork (9.54 kg per annum in rural population and 7.18 kg per annum in urban population) are highest in Nagaland of all Northeastern states. Meat processing has immense scope for expansion as the demand for meat products in the NER is continuously rising every year. Fish products , particularly fermented fish and dried fish are very popular in northeast. Shidal, a fermented fish product popularly known as Ngari in Manipur, Hidal in Assam and Tripura and Sepaa in Arunachal Pradesh and Nagaland is confined mainly in northeast and has potential scope for export to rest of India in niche market.

Agro –ecotourism encompasses attractions based on farm and natural ecosystems. The NER, with its rich biodiversity, natural ecosystem and attractions along with uncountable agricultural farms can be capitalized, to invigorate income generating opportunities for indigenous and local communities. Entrepreneurs can tap the endowed gift of regional breath taking landscape toward tourism enterprises and biodiversity preservation. Investment in provision of agro-eco tourism services can be a potential area for agribusiness. It is generally felt that tourism in the region has every opportunity to excel because it has a rich mixture of natural beauty, wildlife sanctuaries, eco-tourism spots, hill stations, lakes and places of religious and historical interest. However, simply having these things without development of those opportunities is not enough for any state

Infrastructure services

Capital investment in specialized transport services such as refrigerated trucks, packaging infrastructure and cold storage can be made and entrepreneurs can earn a remunerative income through custom hiring model of the infrastructure. Graduates in agriculture and management field can consider entrepreneurship in consultancy services in the area of research, marketing, logistics, financing, insurance and others.

These service providers can offer services in linking producers and potential buyers, in finding niche market for agro-products and get commission for it. Northeast region is characterized by undulating agricultural land, where farmers with small landholdings predominantly use traditional implement and tools (spade, khurpi, sickle, dibber and grass

slasher).The power consumption for farm mechanization even in the most economically stable state (Assam) of NER (0.75 kw/ha) is far below national average (1.5 Kw/ha).

Constraints in the promotion of Agribusiness in the NER

Agribusiness is challenged by inadequate infrastructure in transportation, communication, and marketing. It is estimated that food processing accounts for only a small percentage of the region's total agricultural output. As a result of poverty and non-development of the region, most north-eastern states have lower per capita incomes. One of the major challenges facing budding entrepreneurs in the region is access to funding for agribusiness ventures. Land holding systems are small and outdated in the region, which may hamper the agribusiness initiative due to inadequate collateral security fund during seeking loans from banks for first generation entrepreneurs. A study in Assam found that microfinance is the only viable option for providing entrepreneurship opportunities to the poor who cannot obtain larger loans. There is an insufficient supply of extension services for best farming practices suitable for commercial production in the Northeast Region, as well as technical, financial, marketing, and legal aspects of agricultural value addition. The lack of informational access limits participation in commercial farming activities, resulting in limited agribusiness participation and underutilization of resources. Research findings in academia are often buried in documents that need to be transmitted to entrepreneurs and industry in order to strengthen the commercial agribusiness sector. In agribusiness, there is a gap between research and adoption, resulting in mediocre advancements. In agribusiness ventures, the gap between research and adoption results in mediocre progress. The lack of links among stakeholders such as producers, processing enterprises, and research & development institutions also inhibits the sharing of knowledge and business connections.

Conclusion -

Agribusiness development in northeast is extremely profitable because of the abundant natural resources such as agriculture, horticulture, animal husbandry, and fishery, as well as excellent demographic characteristics like high literacy rates. In order to increase employment in the region, effective agribusiness entrepreneurship development initiatives must be implemented to accelerate economic growth and development of the region, which lags far behind mainland India.