

CSR as a Catalyst for Professional Growth in Agriculture

Binish Paul¹ & Bobby Varghese²

Abstract

Agriculture sector in Kerala needs professional contribution to attain the optimum development. A balanced growth in this sector will enhance its economy as well. The activities through Corporate Social Responsibility (CSR) can help to gain professionalism and reach this its objective thus sustainable development. This study attempts to point out numerous needs of professional agriculture development in Kerala by analysing potential professional involvement of numerous CSR initiatives in rest India and how CSR can help to resolve those issues with the help of corporate world. Financial helps, technical supports, storage capacities and marketing aids are the major requirements from the farmers. Companies are able to analysis the problems locally and resolve them with the help of their professional knowledge and skills.

Keywords: Agriculture Sector, ESG, Sustainable Development, Corporate Social Responsibility.

1. Introduction

The geography of Kerala is known for a land suitable for cultivation. From ancient time, Kerala has shown great concentration and interest in agriculture. Kerala was once the largest producer of paddy in India. At that time the state exported a lot of grains and vegetables to other countries. But today, Kerala became the largest importer of agricultural products. Kerala is far removed from agriculture map.

It's time to begin making progress as a professional in agriculture. Our agriculture industry frequently lags behind economic growth because of the absence of professionalism. The restructuring of the agricultural sector is essential. CSR is

¹ Assistant Professor, School of Management, De Paul Institute of Science and Technology Angamaly. Email: binishpaul@depaul.edu.in

² Assistant Professor, School of Management, De Paul Institute of Science and Technology Angamaly. Email: boby@depaul.edu.in

extending tremendous initiatives in community development in many area of the Globe, CSR advancements have the facility to bring professional changes in rural societies and implement in the agricultural fields for the purpose of sustainable development.

Emerging professional CSR models around the world that incorporate agricultural are practicing proficient way instead of relying solely on traditional methods of making and livelihood, social welfare, and improvement of individuals in the field. CSR is helping to further shape this model.

2. Problem identification

It's identified that majority of farmers in Kerala are highly depending in traditional practices of doing farming. Agricultural sector is lacking its professionalism and continuously fail to perform better in the economic growth. Since contribution from agriculture is necessary in economic growth and sustainability it is advisable to improve the professionalism in order to boost the agricultural sector.

3. Objectives

The current study aims to relate various agricultural practices of companies through corporate social responsibility and the professional requirement of rural agriculture in Kerala.

4. Corporate social responsibility an overview

Corporate Social Responsibility is a bridge that joins companies and its stake holders. It is addressing various social and environmental issues to maintain good relationships with companies and the people around them. Through CSR, corporates can strengthen their association with the surrounding nature and people.

Well-executed CSR schemes give companies a huge advantage, which is reflected in the capital market, turnover,

profitability, improved productivity, efficient human resource base, improved brand image, enhanced customer loyalty, quality and cost of operations. The need to deliver reliable and supportive development for gaining a better knowing of the role of public policy regarding to Corporate Social Responsibility.

4.1 Theoretical framework

Initiatives in agriculture through Corporate Social Responsibility enhance professional development by integrating corporate expertise with farmers' goals, nurturing comprehensive value addition, shared responsibilities, and agricultural development in sustainable manner through stakeholder collaboration (Stakeholder Theory Framework, Freeman, 1984).

Training driven by CSR experts, technical helps, and knowledge sharing improve farmers' technical skills and competencies, strengthening professionalism in agriculture sectors and enhance productivity, idea generation, and long-term financial stabilities (Human Capital Theory Framework, Becker, 1964).

Corporate CSR funds leverages individual company resources capital, latest technologies, and expertise to improve agricultural competencies, introducing sustained professional advantages and rural development results (Resource-Based View Framework, Barney, 1991).

Corporate Social Responsibility acts as a corporate system moulding professional way, practices, and governance in agriculture, encouraging lawful existence, compliance, and modernization within Kerala (Institutional Theory Framework, DiMaggio & Powell, 1983).

CSR helps to promote professional agriculture by integrating market feasibility and economic viability, social upgradation of

farmers, and environmental concerns, ensuring sustainable growth (Triple Bottom Line Framework, Elkington, 1997).

Corporate Social Responsibility aligns corporate involvement with agricultural promotions and professionalism by addressing economical, skills, and market challenges, supporting inclusive development and long term sustainability goals (Sustainable Development Framework, United Nations, 2015).

5. Key CSR Issues

Environmental Issues, Ecological Efficiency, stakeholder involvement, human resource standards, labor and community relations, social justice, gender equality, human rights, good corporate governance, and corruption measures.

6. CSR in India

India is the first country in the world took initiative to make CSR a legal obligation in April 2014 under an amendment to the Companies Act 2013. The law envisages that our entrepreneurs have the opportunity and obligation to invest a portion of their profits directly into society. Through this, social reform progress such as education, poverty alleviation, gender equality and local development projects are possible.

In the case of COVID-19, the Ministry of Corporate Affairs has announced that the amount used as expenditure to combat the pandemic will be treated as CSR activities.

Since the CSR became mandatory in 2014, the investment of Indian companies through CSR has been steadily increasing. In 2018, companies spent 47 percent more than in 2014-15. That amount was invested in the country through approximately US \$ 1 billion CSR. Indian companies have spent INR 100 billion (US \$ 1.4 billion) in India on education projects, skills, social programs, healthcare and the environment. The CSR

contribution to the Prime Minister's Relief Fund alone was 139 per cent higher last year.

7. CSR activities in Indian agriculture sector

Leading companies in India are using their CSR funds to provide commendable facilities in the area of agriculture. Below are the details of some of the important events. The information is collected from the CSR Box website.

7.1 HDFC Bank

Project Title: Assistance to the Farmer

Major Assistance: Soil and water conservation, water management, construction, renovation and maintenance of water harvesting

Amount spent: INR 92.78 Cr

Location: Across India

Estimated Impact:

Soil and water conservation work has been spreader over 550 acres of land.

Other initiative helped over 140 farmer families. 65 acres land carried under irrigation for the first time and 45 acres brought under assured irrigation schemes.

Soil quality upgraded in 317hc.of land and reduced soil and water erosion.

7.2 Bank of Maharashtra

Project Title: Soil and Water Testing

Major Assistance: Established Soil testing lab (STL), training to farmers on various subjects in Agriculture

Amount spent: INR 19.36 Cr

Location: Maharashtra

Estimated Impact:

The Soil Testing Laboratory has analysed 7418 Soil and Water samples in the year 2015-16 and accordingly counselling is done. This has helped the farmers in the surrounding area of four districts to know health of their soil & water and to overcome the deficiencies /improve the health of soil. Various activities have benefited 2,363 farmers from April 2015 to March, 2016.

7.3 Mahindra & Mahindra Ltd.

Project Title: KrishiMitra

Major Assistance: Training farmers in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, thereby increasing crop productivity

Amount spent: INR 5.47 Cr

Location: Raigad - Maharashtra, Sagar, Tikamgarh - Madhya Pradesh, Ajmer, And Alwar – Rajasthan, Others: Mankepada

Estimated Impact:

KirshiMitr benefited 49,635 farmers.

7.4 Cairn India Limited

Project Title: Agricultural Skilling

Major Assistance: Productivity enhancement of agriculture and livestock

Amount spent: INR 4.72 Cr

Location: Rajasthan, Gujarat

Estimated Impact:

A total of 476 rain channels (or wadis) have been established, 200 farmers supported through drip irrigation. The project has established more than 240 individual khadins, benefiting some 270 farmers over 600 hectares of land spread across 28 villages. Construction of two community khadins converted

140 hectare of hitherto barren and fallow land into a cultivable land for 74 farm families.

7.5 The Rural Electrification Corporation Limited

Project Title: Farmer Centric Watershed Management.

Major Assistance: Farmer Centric Watershed Management

Amount spent: INR 2.07 Cr

Location: Mahboobnagar and Anantapur district of Andhra Pradesh and Telangana

Estimated Impact:

The project duration is 5 years, 2nd year operation is completed 3rd year operation is under implementation.

7.6 Adani Ports and Special Economic Zone Ltd.

Project Title: Farmer support programme

Major Assistance: Agricultural and animal husbandry sectors

Amount spent: INR 1.6029 Cr (Some part of it)

Location: Gujarat

Estimated Impact:

Farmer support programme benefited 1,050 acres farmland and thousands of farmer.

7.7 Container Corporation of India Limited

Project Title: Assistance to Apple Growing Farmers

Major Assistance: Provided rain water harvesting tanks including various equipment like anti hail nets, power sprayers, pruners

Amount spent: INR 1.4 Cr

Location: Kullu, Kinnaur and Shimla, Himachal Pradesh

Estimated Impact:

Nearly 4,500 apple farmers have been benefited from such activities.

7.8 Mahindra & Mahindra Ltd.

Project Title: Seed The rise

Major Assistance: Digital crowd funding campaign aimed at supporting Indian farmers who are seeing terrible times due to bad weather and difficult circumstances

Amount spent: INR 1.05 Cr

Location: Vidarbha, Raigad - Maharashtra

Estimated Impact:

Project helped many farmers in their tough time and supported them in making agricultural advancements.

8. Agricultural Sector in Kerala in the context of Covid-19 and related information

If the discussions and debates that preceded Covid-19 were mainly centered on the giant commercial and industrial development areas, it is seen that the agricultural sector is also coming to the centre of serious discussions as the lock-down weeks to deal with the virus epidemic pass. Facing food shortages and ensuring food security have become the focus of discussions. More than half of India's population is engaged in agriculture. Although the agricultural sector was excluded from the lockdown, the closure did not affect the sector in the slightest. It was reported that acres of agricultural land were lying fallow without any labour or facilities for harvesting and sowing. Experts in the field are of the view that Kerala will not be able to move forward in the new conditions for long as it is a consumer state without achieving self-sufficiency in agriculture to some extent. Since it is not possible to say how long the Covid-19 period will last, it is necessary to be able to produce agricultural products in a way that will lead to self-sufficiency in agriculture. Organic vegetable farming has had a huge impact on our country. The situation is such that the

availability of food grains is ensured in the respective areas. Based on this, agriculture needs to be expanded.

In the case of Covid-19, people are going through a lot of crisis. Many have lost their jobs, sales to retailers have fallen, and the service sector as a whole has stagnated. In this context, it is imperative that there be a revival of the agricultural sector in Kerala. The problems in the agricultural sector are numerous. It is time to try practical ways. Raising the agricultural sector, which has been in poor condition for years, is a daunting task. The subject of CSR is very relevant here.

The agricultural sector in Kerala is facing many challenges in terms of growth. According to the Department of Economic Statistics, the annual growth rate of allied sectors is declining significantly. Although the growth rate improved slightly in 2017-2018, it declined again to -0.52 per cent in 2018-2019. The share of the agricultural allied sector in the total GDP of the State has been steadily declining.

Unpredictable monsoon, climate change and two unpredictable floods have exacerbated the crisis in the agricultural sector. However, after the floods of 2018, Kerala had a smaller growth rate than the previous year. But meteorologists say none of these problems can be ruled out. Apart from this, there are huge changes in the land use of Kerala. Examples of this are the increase in land use for non-agricultural purposes and the shift from food crops to non-food crops. According to the land use figures for the year 2018-2019, 66 per cent of the total area is under cultivation. Of this, the area under real agricultural land is 53 per cent. About 12 per cent of the land is used for non-agricultural purposes and 28 per cent is forest land. Waste land and fallow land suitable for agriculture are two to three per cent- (Kerala Planning Board, 2019). These are the major figures on agricultural land use. Another issue is that farmers are moving away from agriculture as the agricultural sector is

not profitable. Although many benefits are being introduced to farmers at the government level, there have been criticisms that the delays and bureaucratic frustration that this has resulted in are making farmers more helpless.

9. Paddy Cultivation and Kerala

According to the Government of Kerala, paddy, the staple food of Kerala accounts for 7.7 per cent of the cultivable area of the State. An examination of the last decade shows that the highest paddy cultivation and production in the state was in the year 2009-2010.

During this period, 2.9 lakh hectares were cultivated and 5.98 lakh tons of rice was produced. Statistics indicate that production was even lower in later years. By 2018-2019, the total production of paddy has declined by 3.5 per cent and the area under agricultural land by 15 per cent. This is also an indication that paddy farmers are moving away from the region en masse. The fact that agriculture is not profitable is another problem that has been repeatedly raised by paddy farmers in Kerala. Palakkad (39 per cent), Alappuzha (19.5 per cent), Thrissur (11.1 per cent) and Kottayam (11.2 per cent) districts account for 80 per cent of the area under paddy cultivation in the state. It is estimated that 82 per cent of the production in the state comes from these districts. In the same production Palakkad and Alappuzha districts are in the first and second position in terms of area of agricultural land.

It is clear that there is no extensive paddy cultivation in other districts. In such a scenario, a very strong move is possible to achieve self-sufficiency in paddy cultivation in Kerala. The solution is not to increase production with fertilizers.

The main reason why paddy cultivation is not profitable is that 80 per cent of paddy cultivation is labor intensive. Government systems have failed miserably on the issue of agriculture. This

is due to the inadequacy of simple systems. There are many institutions and officials in Kerala related to agriculture. But in terms of agriculture, growth is down sharply.

The government should not approach paddy cultivation as tax revenue. The government may not get much revenue from paddy cultivation. But paddy cultivation has an ecological value. Paddy cultivation is one of the most environmentally friendly farming practices, including climate control and flood control. The country indirectly gets the value of lakhs of rupees from one hectare of land. This is the approach to paddy cultivation

10. Kerala can become self-sufficient in vegetables

As the government moves towards new policy formulation in the agricultural sector, it should also focus on local food self-sufficiency and set up local mechanisms for procurement and distribution of food products. Dairy farmers currently have the facility to collect and sell milk locally. This can be done with vegetables.

It is possible for Kerala to become self-sufficient in vegetable production. Kerala has adequate irrigation facilities and lighting. Modern farming methods are also available. People are also interested in fish farming and vegetable farming. In urban areas like Thiruvananthapuram and Thrissur, production and distribution are done through online communities. There is a limit to vegetable cultivation only during the monsoon season. Tuber varieties can be given prominence during this period. Apart from this crops like tomato, eggplant can also be grown.

11. Other important agricultural issues

When talk about agriculture, it should also think about the land and it is need to stop unnecessarily holding agricultural land and lying fallow and making that land cultivable. People who

cultivate must be considered if they are to cultivate the land. A permanent market for cash crops may not be available.

Agricultural development is possible in Kerala only with considering the people who traditionally cultivate. There is also a need to encourage the younger generation to engage in agriculture. Wayanad can be completely transformed into an organic hub. Kerala has gone through a process of fragmentation of agricultural land through land reform. At present, smallholder farmers face problems with rising production costs and the inability to sell their produce.

Falling crop prices are another major problem facing farmers. Therefore, when small farmers are urged to cultivate, they also need to ensure that these products are sold in a way that does not cause them loss. Crop sales are unlikely to occur naturally in Kerala in the current weak economic climate. It needs other external help. Farmers need help to store and sell their crops.

It is impossible to move forward as a state with small scale farming and what should be done here is to have large scale farming systems. At the same time, in view of the special situation of Kerala, small scale farming should also be encouraged here. Unlike in India, only 27% of the people in Kerala have opted for agriculture as their livelihood and the rest are working in the service sector. Further popularization of the agricultural sector will lead to increased production. If the decision to adopt a comprehensive policy change in the agricultural sector is implemented with the farmers in mind, it may go down in history as another great lesson of the resistance that Kerala learned during the Covid-19 period.

12. Research methodology

The research paper is an attempt of exploratory research, based on the secondary data sourced. This study evaluated how different situations can be combined and the potential of the

agricultural sector in Kerala, analyse its complexities, address issues and consider practical changes. Observations were made using the data collected at the government level on issues in the agricultural sector. Careful analysis revealed that corporate social responsibility accountability is responsible for corporate interventions in the agricultural sector. To understand that, analysed how CSR initiatives in the country are felt in the agricultural sector able to understand that such projects are going on in a very good way. It was examined whether there are such initiatives in Kerala. It is understood that little operations are also taking place in Kerala and assessed the need for more such initiatives in Kerala. Analysed how corporate social responsibility can be used to address issues in the agricultural sector in Kerala. Based on this analysis and detailed study, some suggestions on Extension of Professionalism in Agriculture through Corporate Social Responsibility have been put forward.

13. Suggestions

The reality is that farming is not just a hobby but a job for real farmers. Agriculture can only survive if it becomes a lucrative sector. Naturally, the farmer will have to withdraw from the area if he is in debt due to cultivation. Therefore, there should be schemes where the farmer gets a decent income. There is a need to incorporate CSR activities into such programs. Currently, several projects are being implemented as part of CSR. There is also a social responsibility in such programs to ensure income to the farmer.

There should be a system of procuring crops using primary agricultural co-operative societies and delivering them to the consumers at reasonable prices. This can be brought to full effect if companies form manufacturing co-operatives in such situations and market them as a state-wide network. This is something that can be easily tested for companies. This can be

done more efficiently as companies have ample practical experience in sales and marketing.

Farmers need to be able to produce more value added products and thereby make a profit from farming itself. If such a facility is available within the state, Kerala will be able to attract a large number of youth to agriculture.

Important suggestions are given below:

13.1 Financial aids

In the current scenario, financial assistance to farmers is essential. All the help is needed for sowing seeds, buying fertilizers and paying wages. But it should be financially supported by new financial ideas rather than just lending. Seeds and fertilizers can be subsidized; labour-related wages are a major responsibility of the farmer so labour groups can be formed to unify wages, provide training in specific occupations and adopt mechanized farming methods.

13.2 Technical supports

A lot of innovative technologies are being used in the field of agriculture today. Almost all agricultural activities today are backed by machinery. It is on the back of such technology that agricultural advancement is possible in many parts of the world today. Many states in India today are at the forefront of this. Such technical support is also essential for the uplift of agriculture in Kerala. As the country moves forward today in machine technology and scientific methods like biotechnology, Kerala too can seek the help of technology in agriculture. It is difficult for a small farmer to implement such measures and at this stage we can overcome this obstacle through CSR.

13.3 Storage Issues

It has seen farmers who could not sell their milk after the lockdown protest by pouring milk. The main demand they raised at the time was for a facility to make milk powder. This

underscores the need for having agricultural processing units in Kerala. If there is a development in Post Harvesting Technology, it will help Kerala in a big way.

13.4 Marketing aids

One of the major problems plaguing farmers is the inability to find a market for their produce. In fact, it can be very easy to simplify for a corporate entity. All companies use strategies to find the market. It is known that Kerala is the most important consumer state in the country. So we can sell our products in this big market.

In addition, our products are at the forefront of quality so branding can have a huge impact on international markets. Cash crops such as rubber can also be sold as value added products. Our spices currently have a large commercial base. All these can be procured and procured from farmers at affordable prices.

14. Conclusion

These are the major requirements from the farmers. Companies (CSR activities) can analysis the issues locally and solve them with the help of their professional qualified personnel. It is possible for such socially responsible companies in Kerala to fulfil such a responsibility. It should be possible to bring the agricultural sector up from the grassroots on a strong foundation with clear vision.

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