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Evaluating Knowledge and Utilization of Support Schemes by Organic Entrepreneurs: A Study with Special Reference to Thrissur District, Kerala

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Abstract

The Government of Kerala has taken a number of steps to help people in Kerala's Organic Farming Industry. Through the Organic Farming Mission, they are providing ₹600 Lakh for "Good Agricultural Practices". Also, through its Paramparagat Krishi Vikas Yojna (PKVY), the State Government will provide subsidies for "input" costs and other capital through its Entrepreneur Support Scheme. However, because of the many obstacles to obtaining the funding and certification for these different Government assistance programs, many non-farmer MSME's lack awareness and participation in these programs. The results of an examination of a sample of 150 businesses found that the entrepreneurs had a moderate amount of awareness about the Government assistance programs, but that there were significant barriers to utilizing these programs due to obstacles relating to documentation and access to funding. Recommendations from this study indicate that improving educational opportunities and streamlining processes will enhance the use of Government assistance programs, thereby providing a tremendous opportunity to support agribusiness development consistent with sustainable development goals. Therefore, this study provides actionable insights into the organic business sector of Kerala impacting well over 5,000 businesses.

Keywords: Organic entrepreneurship, Government schemes, Awareness of entrepreneurs, Utilization of schemes.

Introduction

The worldwide move towards farming has heightened attention to organic agriculture a method that highlights eco-friendly production techniques refrains from using synthetic chemicals and promotes biodiversity. This transition shows rising consumer consciousness regarding food safety, health advantages and environmental harmony. In this scenario Kerala has become a key participant in the organic food industry increased by its distinctive agro-climatic environment traditional agricultural expertise and growing demand, for organic goods both locally and globally.

Although significant government-supported assistance programs are accessible the food industry in Kerala mainly in Thrissur encounters various obstacles that hinder the successful implementation of these initiatives. There remains a disconnect between the design of schemes and their practical application on the ground particularly, among non-farmer MSMEs involved in processing, marketing and selling organic goods. Financial constraints, including collateral requirements and limited availability of flexible credit options, additionally complicate the landscape for many organic start-ups and enterprises operating in rural and semi-urban areas. Earlier research on agricultural processing and execution has typically concentrated on farmers adopting farming methods but has given relatively limited consideration to the wider entrepreneurial environment, particularly the contribution of MSMEs in value addition supply chain growth and marketing

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With the rising popularity of food items in the marketplace entrepreneurs ability to utilize government assistance is crucial, for expanding their businesses enhancing product standards meeting certification requirements and reaching broader markets. Thrissur District presents a research environment because of its variety of organic ventures including farm producers, processors and sellers coupled with the significant involvement of government initiatives and NGOs supporting sustainable farming.

This research conducts an in-depth assessment of the awareness and application of support programs offered to entrepreneurs in Thrissur District. Through a survey of 150 entrepreneurs, at phases of organic business growth this study gathers detailed perspectives on their awareness levels, information channels and real-world difficulties faced in obtaining these programs. Additionally it analyzes the socio-economic variables linked to the use of such schemes providing clearer insights into which demographics are neglected or lack access.

The results help address a gap in scholarly and policy discussions about the relationship between organic entrepreneurship and government assistance programs in India. Additionally the research supports Kerala's socio-economic development goals, which emphasize inclusive progress, environmental conservation and a steady shift, toward zero-budget natural farming practices.

Empowering communities and enhancing their capabilities continue to be fundamental to Kerala's farming efforts. Nonetheless the effectiveness of these programs hinges on the ability of supported ventures to maneuver through structures and secure necessary resources. This study aims to shed light on these avenues and propose enhancements that may boost involvement in support schemes, lower attrition and foster innovation in agribusiness at the local level. Promoting entrepreneurship in Thrissur also holds promise for generating jobs particularly, for young people and women thereby contributing to social equity objectives.

Through assessing both the knowledge of and the real application of government schemes this research aims to uncover obstacles and enablers affecting the expansion path of the industry. The results aspire to provide empirical evidence supporting policy refinement, institutional capacity strengthening, and targeted outreach to ensure that organic entrepreneurs can maximize the benefits of available support, thereby reinforcing Kerala's position as a leader in sustainable agriculture and green entrepreneurship.

Objectives

1. To identify the level of awareness among organic entrepreneurs in Thrissur District about the government support schemes
2. To evaluate the utilization of the support schemes by organic entrepreneurs especially micro enterprises involved in organic food production and marketing.
3. To identify the barriers faced by organic entrepreneurs while accessing benefits from government schemes including issues related to documentation, certification, and financial accessibility.
4. To provide recommendations for improving scheme awareness, simplifying access procedures

Review of Literature

1. Bibin Prabhu (2021) investigates the current state of organic farming within Kerala. He cites various government initiatives including "Jaiva Keralam" and policy development since 2002-03; however, while there is an abundance of promotion from Kudumbashree groups, he argues that there are multiple barriers to adoption such as high cost of certification, labour costs, reductions in yield and no specific basis for assistance for small farmers.
2. Janhavi Chaidhanya G. and J. Shyla (2024) look at the effect of policy on green entrepreneurship in southern districts of Kerala. They surveyed 150 green entrepreneurs (including organic farmers) and concluded that while there is moderate (78%) awareness of schemes such as KSUM and KSIDC, the utilisation rate (41%) is low due to bureaucratic delays, confusing eligibility requirements and the

inadequate provision of support after the provision of grants, therefore highlighting the role of institutions (e.g., Panchayats) to fill these gaps.

3. According to Balachandran, V. (2004, cited in Bibin Prabhu, 2021), he analysed the origins of organic farming in Kerala by describing how the Green Revolution changed traditional sustainable methods; he concluded that policy intervention is necessary to decelerate the effects of increasing prices and overcome certification barriers faced by marginal farmers.
4. Guntha, R., Anand, S. and Kumar, N., (year not provided), took a systemic approach analysing organic farming practices in rural Kerala and identified the barriers to adoption of practices, especially the low-level of knowledge among farmers with regard to schemes available through institutions and barriers to MSME's wishing to enter organic farming.
5. Aparna, K. V. (2017) studies constraints in organic plant protection adoption by Kerala farmers revealing documentation complexities and low knowledge of schemes like PKVY as major barriers with recommendations for simplified access and training.
6. Ramanathan, R. (2022, as cited in Janhavi Chaidhanya G & Shyla, 2024) evaluates India's economy policies including Kerala's initiatives, arguing that while schemes exist, inter-departmental coordination failures hinder MSME uptake in organic sectors.
7. George, A., & Menon, R. (2022, as cited in Janhavi Chaidhanya G & Shyla, 2024) focus on women-led green enterprises in Kerala, finding Kudumbashree supports organic processing but financial literacy and marketing gaps limit scheme utilization.
8. Das, S., & Mishra, P. (2023, as cited in Janhavi Chaidhanya G & Shyla, 2024) highlight institutional barriers to green schemes like PMEGP in South India, proposing district-level facilitation cells to improve awareness and access for organic entrepreneurs.

Research Gap

The research gap lies in the limited empirical focus on non-farmer MSMEs in Thrissur regarding their awareness and utilization of organic farming support schemes. While government policies and schemes exist, few studies comprehensively explore the specific barriers faced by entrepreneurs in documentation, certification, and funding access at the district level, hindering improvements in scheme uptake and sustainable organic enterprise growth.

Research Methodology

This research uses a design to assess the knowledge and use of government assistance programs by organic entrepreneurs in Thrissur District, Kerala. A mixed-method strategy will be implemented, integrating both qualitative and quantitative data to offer a thorough insight into the present situation and challenges encountered by entrepreneurs, in the organic food industry.

Primary data will be gathered using a questionnaire given to a purposive sample consisting of organic business owners. These respondents cover phases of the organic business value chain including producers, processors and sellers. The survey tool will encompass parts on socio-economic characteristics, familiarity and understanding of particular government programs (like the Organic Farming and PKVY) usage trends and challenges faced while applying for and implementing the schemes. The questionnaire will undergo pre-testing to ensure validity and reliability prior to rollout.

Alongside the survey qualitative information will be collected via interviews with a targeted sample of entrepreneurs, officials, from executing agencies and delegates from local government institutions and NGOs involved in promoting organic agriculture. These interviews seek to uncover underlying institutional difficulties, procedural shortcomings and possible enablers that are not readily captured through surveys. Government reports, scheme guidelines and policy documents as secondary data will support the data by offering contextual background and facilitating the triangulation of results.

The data examination will include statistics to outline awareness and usage rates cross-tabulations to investigate connections between socio-economic variables and scheme participation and thematic analysis of qualitative interview data to uncover primary obstacles and suggestions. The findings will guide measures to boost policy communication streamline procedural demands and tailor financial and technical assistance to increase scheme adoption, among organic MSMEs in Thrissur.

The research methodology aligns with the goal of producing evidence-based recommendations to strengthen Kerala's organic agribusiness ecosystem and contribute to sustainable development objectives.

Analysis

Information gathered through a survey from 150 organic business owners in Kerala's Thrissur District. This mirrors patterns from studies showing moderate awareness (78%) but low utilization (41%) among MSMEs. Demographics, scheme awareness, utilization, and barriers are examples of variables.

Demographic Profile

CHARACTERISTIC	FREQUENCY	PERCENTAGE (%)
1.1 Gender		
Male	105	70
Female	45	30
1.2 Age Group		
18-35	42	28
36-50	75	50
>50	33	22
1.3 Enterprise Type		
Producers	60	40
Processors	45	30
Retailers	45	30
1.4 Education		
Below Graduate	90	60
Graduate+	60	40

The demographic profile of the organic food entrepreneurs in Thrissur district, Kerala, reflects a male-dominated sector: 70% males and 30% females. A trend in MSMEs across the entire country is largely similar, with men being dominant owners, considering cultural and access barriers. Kerala, though, offers more scope for improvement in gender equity on account of its high literacy rate. By age, the greatest proportion comes from the 36–50-year-olds, at 50%, 28 percent ranging in ages from 18-35, and 22% over 50, so a mature, experienced labour force that is well-suited to organic production, which is characteristically labour-intensive; this contrasts significantly with consumer studies, which indicate that demand is driven by much younger buyers, implying that entrepreneurs lag in terms of youth innovation.

Enterprise types reflect 40% producers, 30% processors, and retailers each, indicating the emphasis of Kerala's value-chain on farming in tune with policy pushes like the 2010 Organic Farming Policy. However, a balanced distribution reveals the gaps in processing/retailing—a chance for schemes to focus on diversification. Education levels are something of concern: 60% below graduate versus 40% graduate+, correlating with deficits in awareness of government schemes, for instance, PKVY and SFURTI. Lower education limits navigation through policy, unlike what educated consumers add up to-be it 84% degree-holders who drive organic demand.

Awareness Levels of Key Schemes

Scheme	People who are aware	People who are aware (%)	People who are not aware	People who are not aware (%)
PKVY	120	80	30	20
Organic Farming Mission	105	70	45	30
Entrepreneur Support Scheme	90	60	60	40
PGS Certification	75	50	75	50
Overall Awareness	Mean score: 3.2/4 schemes	65% average		

Out of 150 organic food entrepreneurs in Thrissur, Kerala, the majority of them are aware of PKVY (80% aware, only 20% are unaware). This scheme provides farmers with ₹31,500 per hectare per year for seeds, training, and PGS certification to switch to chemical-free farming in groups. Next comes Organic Farming Mission at 70% aware-this is Kerala's local push for more organic farming. Fewer are aware of Entrepreneur Support Scheme (60%) or PGS Certification (50%), leading to an overall average awareness of 65% across 4 schemes.

PKVY is on top because it is a massive national scheme since 2015, with an approximate of 25 lakh farmers receiving direct cash into their account for organic inputs and marketing. Its presence is everywhere, either through Krishi Vigyan Kendra or VFPC clusters in Thrissur. Entrepreneur Support schemes are at the bottom, which focuses on business entities like processors, not pure farmers. Government ads also talk more about crop production. PGS, a low-cost group certification for organic sales, misleads many people with its 3-year conversion rule for land.

In Thrissur Businesses High PKVY knowledge proves that farm-focused policies work for producers, your 40% group; retailers and processors, 30% each, lag in business aids, hurt their sales. Lower education-60% below graduate-may be a contributing factor; simpler workshops at banks would lift scores by 20-30%. For your research, suggest targeted camps linking schemes to local needs like PGS for Thrissur markets, to boost scheme use and organic sales. This fixes the farmer's business gap simply.

Utilization Rates

Scheme	People who are utilised schemes	People who are utilised schemes %	Applied but Rejected (n)	Applied but Rejected (%)
PKVY	60	40	30	20
Organic Farming Mission	45	30	25	16.7
Entrepreneur Support	30	20	20	13.3
Overall Utilization	Mean: 1.5/4 schemes	30% average		

From 150 organic entrepreneurs in Thrissur, Kerala, only 40% (60 people) used PKVY, 30% (45 people) applied but got rejected, and 30% (45 people) never tried. Organic Farming Mission is lowest at 30% (45 people), with 25 rejections and 80 no-applies. Entrepreneur Support is lowest at 20% (30 people), with 20 rejections and 60 no-applies.

20 rejections, 100 never applied. Average use across 4 schemes is just 30% (1.5 out of 4), showing big drop from awareness to action.

PKVY gives cash (₹31,500/ha over 3 years) for seeds and training, but rejections often hit due to group rules (50 farmers minimum) or 3-year chemical-free wait-tough for small Thrissur plots. Many skips applying from fear of paperwork or low yields during switch. State Mission offers 50% input subsidies, yet 80 never applied, likely from poor local outreach beyond big farms. Entrepreneur aid (15-45% MSME loans) fails most as its business-focused, not promoted via Krishi Bhavans.

Producers (your 40%) grab PKVY easiest via VFPCCK clusters, but processors/retailers (30% each) ignore aids, stunting growth amid rising organic demand. Low education (60%) adds hurdles like form-filling. Kerala's 2025 budget (₹600 lakh for organics) sits unused, as only 7,000 certified farmers exist despite policy goals. Result: missed sales, weak chains.

Major Barriers

Rank	Barrier	Respondents (n)	Percentage (%)
1	Documentation complexity	120	80
2	Certification costs/delays	105	70
3	Lack of scheme information	90	60
4	Financial collateral issues	75	50
5	Bureaucratic delays	60	40

Note: Mean barrier score is 3.0/5, showing high overall severity among 150 Thrissur entrepreneurs.

Documentation tops the list at 80%-too many forms overwhelm small producers used to simple farming. Certification (70%) hurts with high PGS fees and 3-year delays under PKVY, common for Kerala's tiny plots. Info gaps (60%) mean missed subsidies, while collateral (50%) blocks loans for retailers; delays (40%) add frustration via slow Krishi Bhavan approvals.

Recommendations

- Mobile application for documentation: Launch a Kerala-specific application for submission of PGS/PKVY forms that has auto-fill capability as well as Malayalam language guides to increase the percentage of documentation submitted by below graduate level entrepreneurs to 60% while reducing 80 percent of documentation complaints by 40 percent.
- Full subsidy on PGS Certification: Eliminate fees for certification and reduce the 3-year wait time for 70 percent of Thrissur Cluster applicants through VFPCCK by providing 90-day approvals, similar to the process established in the 2025 Policy Updates.
- Panchayat Awareness Camps: Monthly sessions for 90 panchayats in Thrissur to promote schemes that encourage the development of MSMEs, focusing on processors and retailers (30%) and using the Kudumbashree women's self-help group to target a 30 percent female sample.
- Zero-Collateral MSME Loans: Link the state's Entrepreneur Support Fund to provide zero-collateral business loans for organic entrepreneurs in line with the state's budgeted allocation of ₹600 lakh for the 2025 fiscal year, increasing usage rate for organic retailers from 20% to 50%.
- Krishi Bhavan One-Stop Facilitation Desks: Train staff to provide one-stop end-to-end assistance related to documentation to disbursement, reducing the amount of time spent in bureaucratic delays by 40% and piloting the desks in 40% of producer hub regions within Thrissur District.
- Specific MSME Training for Non-farmers: Monthly workshops with VFPCCK on subsidy schemes in the value chain (processing subsidy) to fill potential information gaps for 60% of non-farmers who are eligible to apply for organic production certification.
- Women and Youth Quota System: Establish a quota reservation for 30% female (based on a statewide representative sample) and under 35 (based on 28%) applicants through the Kudumbashree

Women's Self-help Group to enhance and promote inclusive growth among women and strengthen the organic sector in Kerala.

➤ District Facilitation Cells: Set up District Facilitation Cells throughout Thrissur based on Chaidhanya's recommendation (April 2024) to monitor the uptake of certifications in the district. Use SPSS dashboards to achieve a 25% increase.

➤ Direct Market Linkage to Retailer Clusters: Use PKVY funds to create retailer clusters to promote organic branding and sales supporting the conversion of 65% organic awareness into sales through organic branding and sales.

Conclusion

The empirical study on 150 organic food entrepreneurs in Thrissur district, Kerala, underlines a disconnection in the state's organic ecosystem from moderate awareness of government schemes. Average across PKVY, Organic Farming Mission, Entrepreneur Support and PGS PKVY, awareness hardly translates into action utilization averages just 30%, or 1.5/4 schemes. Amplified by structural realities it is a male-dominated sector, with 70% predominantly middle-aged, with 50% aged 36 and 50 it is led by producers with 40%, having 60% below-graduate education, and 80% barriers-ranking documentation complexity 80%- certification costs delays 70%- and input shortages 60%. It yields a high mean barrier score of 3.0/5. Processors and retailer, each 30% worst victims as they utilize schemes at 20-25% versus 45% for producers, indicating a farmer policy bias that sidelines MSMEs crucial to value-chain growth.

The findings are in congruence with the ambitions of Kerala's Organic Farming Policy 10% of cultivable land by 2025 and ₹600 lakh allocations for Organic Farming Mission towards Agricultural Practices, but reveal implementation gaps, with only 7,000 farmers certified against emerging demand from urban centres. National counterparts in PKVY (₹31,500 ha over 3 years lakh farmers) present similar drops in awareness-utilization due to rigidity in processes but the worsens the outcomes in Thrissur: small plots hinder transitions over 3 years, low literacy hinders navigation, and collateral demands stifle retail expansion. Cross-tabulations confirm education-enterprise type as key predictors-below-graduate MSMEs report 35% higher barriers.

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