

Entrepreneurship in Agriculture: A Review of the Needs and Challenges for Development in Nigeria

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Abstract: Agriculture is a primary production venture as such entrepreneur is key factor in the system. Agriculture especially in the sub-Saharan Africa (SSA), is regarded as the engine of economic growth and employment generation. Entrepreneurship in most developing countries of the world is considered key to economic growth and development because of its linkages to other sectors of the economy and provides employment to greater percentage of the populace. This paper highlights the concept of Entrepreneurship and need for entrepreneurship in Agriculture vis-à-vis the various subsectors of agriculture: Crop production, fishing, livestock and forestry, where the crop production contributed the largest segment and it accounting for about 87.6% of the sector's total output. This followed by livestock, fishing and forestry at 8.1%, 3.2% and 1.1% respectively. The low percentage contribution of livestock, fishing and forestry to Nigeria economy was stressed and called for full attention by the government to facilitate entrepreneurship. The basic areas that needed entrepreneurship development were enumerated in the study. Furthermore, challenges for Development of entrepreneurship, suggestions to overcome the problems and expected Outcome upon adherence to the recommendations were outlined. These will certainly cushion challenges faced by Nigeria for several years especially amongst the rural populace who make the bulk of the nation's population.

Keyword: Entrepreneurship, Agriculture, employment

Introduction

Agriculture in most developing countries of the world is considered key to economic growth and development because of its linkages to other sectors of the economy and provides employment to greater percentage of the populace Oluwatoyese *et al.* (2015). In sub-Saharan Africa (SSA), agriculture is regarded as the engine of economic growth and a foremost way out from poverty; it provides employment to 65% of the region's population and 75% of its domestic trade (FAO, 2016).

Nigeria is the largest country in SSA in terms of size and rate of population growth. Its agricultural sector is the largest employer of labour and income-generating activity, World Bank (2020). With an estimated population of 212 million people, Agriculture accounts for 26.21% of the country's GDP and employs over 36% of the country's population, NBS (2020). According to FAO (2015), Nigeria is endowed with over 82 million square kilometres of land which are cultivable, of these, less than 10% are under permanent cultivation. There is enormous potential for the country to diversify its agricultural production activities and be self-sufficient in major staple crops, but the country fails to

judiciously utilize its agricultural sector to meet the demand of its growing population, enhance exportation and aid growth (Ajekwe and Ibiamke, 2020).

A study on poverty by IFPRI in 2014 as reported by Olomola *et al.* (2014) indicated that there is elevated level of poverty amongst households whose source of income and livelihood is agriculture. Most of these households live in the rural areas, yet the fact still remains that young people both in rural and urban areas do not show much interest in farming Babu *et al.* (2020). Hence, Nigeria's agricultural activities are often done by the elderly (50+) with limited or no formal education, Ajekwe and Ibiamke (2020). This, therefore, raises the need for the country to develop its agricultural sector by promoting Entrepreneurship in Agriculture for the development of the rural area, reduce poverty, increase income and bridge the lag between food production and population growth. Entrepreneurship in Agriculture have a huge scope and very rich potential for achieving rural economic development, however, according to Verma *et al.* (2018), problems like lack of awareness among the people, lack of entrepreneurial culture, poor infrastructural development, lack of adequate institutional support and government policy makes it not an easy path to walk. Despite these constraints, Verma *et al.* (2018), further added that there are so many avenues open for entrepreneurship development in agriculture. The major opportunities are in agricultural inputs, farming processes and technology, agriculture output processing and other agriculture allied sectors like dairy development, poultry, horticulture, and so on. Sustainable value addition is happening through activities like diversification, value addition, organic farming, high-tech agriculture, precision farming, marketing, etc. Agriculture Entrepreneurship's huge potential is not only in increasing living standards of the rural people, reduce poverty, increase income and bridge the lag between food production and population growth, but also in strengthening the national economy by making it globally competitive.

Entrepreneurship in Agriculture

Entrepreneurship is a key factor for the survival and development of small-scale farming in Nigerian. Small-scale farmers usually operate in a complex and dynamic environment which include suppliers, traders, transporters, processors and many others. Each of these, according to Kahan (2012), has a role to play in producing products and moving them through to the market – through the value chain. Entrepreneurship in Agriculture is the entrepreneurial process taken up in agriculture or the allied sectors. It includes the process of adopting, new methods, processes, techniques in agriculture for better output and economic earnings. By adopting new innovative ideas in agriculture, FAO (2012) stated that an agricultural entrepreneur becomes an innovator who drives the changes in rural economy; by taking risks and creating new ways of doing things and taps new markets opportunities. Dollinger (2003) defines entrepreneurship in agriculture as “the creation of innovative economic organization for the purpose of growth or gain under conditions of risk and uncertainty in agriculture”. Verma *et al.* (2018) defined entrepreneurship in agriculture as a “generally sustainable, community oriented, directly marketed agriculture. Sustainable agriculture denotes a holistic, systems oriented approach to farming that focuses on the interrelationships of social, economic and environmental process”. In this regard therefore, Kahan (2012) suggested that “successful farmer-entrepreneurs are those that are technically competent, innovative and plan ahead so they can steer their farm business through the stages of enterprise development – from establishment and survival to rapid growth and maturity”.

Entrepreneurship in Agriculture: Why Needed:

Agriculture remains the largest sector in Nigeria contributing an average of 24% to the nation's GDP over the last 8 years (2013 - 2020), PwC (2021). In addition, the sector employs more than 36% of the country's labour force, a feat which ranks the sector as the largest employer of labour in the country NBS (2021). Although in terms of contribution to GDP Nigeria's agriculture is broadly divided into four sectors – Crop production, fishing, livestock and forestry, Crop production remains the largest segment and it accounts for about 87.6% of the sector's total output. This followed by livestock, fishing and forestry at 8.1%, 3.2% and 1.1% respectively, (FAO 2021). The low percentage contribution of livestock, fishing and forestry to Nigeria economy is an indication that these sectors have not yet been given full attention by the government.

Agriculture play an important role in the Nigerian economic is confirmed by the certainties that it contributed 26.21% of the country's GDP in 2021. For instance, according to NBS (2021), the annual growth rate for the agricultural sector stood at 16.73% in 2020, which is slightly higher than in 2019. The sector in the fourth quarter of 2020 grew by 3.42% (year – on - year) in real terms, an increase by 1.11% points from the corresponding period of 2019, and an increase of 2.03% points from the preceding quarter which recorded a growth rate of 1.39%. It grew on a quarter on quarter basis at – 3.93%. Real annual growth rate in 2020 was 2.17%. This performance is very meagre if we consider the size of the employment in this sector. In 2020 – 2021, the GDP contribution of the agricultural sector has been improved to 26.21%. However, with two-third of Nigeria's rural populations depend on agriculture for their livelihood and income generation contributing only 26.21% to GDP; indicates the needs and potential for development of this area. By the analysis above and with reference to the 82 million square kilometres of land which are cultivable, favourable climatic conditions; well distributed rainfall and abundant natural resources such as fertile land, water resources (rivers), forests etc. it can be stated that the current performance of Nigeria's agricultural sector is not up to the mark. Hence there is clear need for the development of entrepreneurship in agriculture. Entrepreneurship in Agriculture is needed to develop because:

1. Agricultural and Horticultural products are locally available
2. Entrepreneurship in Agriculture development has huge potential of creating new employment opportunities for rural youth.
3. Entrepreneurship in Agriculture helps in checking migration of rural youth from villages to urban centres and helps in improving living condition of farmers by providing alternative source of income.

Challenges for Development of Entrepreneurship in Agriculture

Despite the huge potential for the development of entrepreneurship in agriculture in Nigeria, there are some important challenges which needs to be taken care of very seriously and timely. They are as follows:

Inadequate infrastructural facilities: Infrastructure is a pre-requisite for any kind of development. In Nigeria, the infrastructural facilities are very poor particularly with respect to facilities such as transportation, communication, power and marketing networks.

Lack of entrepreneurial culture among people: Often a culture of entrepreneurship is needed for farmers to achieve their entrepreneurial vision. In Nigeria, in many areas very poor entrepreneurial culture has been identified. Lack of education and awareness is causing a gap in the development of entrepreneurial culture among rural people.

Migration of skilled and talented workforce from rural to urban areas: People from rural area are migrating to urban area because of very poor infrastructure and facilities in rural areas. This migration is creating a gap in the rural talent. The lack of employment, skills, specialization and platforms for people to use their talent causes the migration. Even skilled, educated and trained in specific areas are seeking jobs with different areas (i.e.) NGOs in urban areas.

Poor technologies and equipment: lack of Information technology and knowledge on farm equipment and farm enterprise will have an adverse impact on the development of entrepreneurship in agriculture. This happens due to poor technological facilities and equipment creating challenge for information support for its development which is very critical for the smooth growth of the sector.

Problems in marketing of agricultural products: production has no value chain unless it is sold and consumed. Lack of proper transportation, warehousing facilities, lack of facility to promote the agricultural products, lack of market information, destabilized prices for agricultural products, uneven demand, influence of local mediators and many more are creating a lot of trouble for farmers in the process of marketing their products.

Inadequate institutional measure and Government Policies; Although there are a number of government policies, the implementation is felt not appropriate because of problems like corruption and bureaucracy. Because of illiteracy and ignorance, the rural people are unable to get the information of the policies of the government and get the benefit. The support from the government in agricultural sector is not much felt by farmers in the rural area.

Suggestions for Promoting Entrepreneurship in Agriculture in Nigeria

There is an urgent need for promoting entrepreneurial culture among the people in rural areas and to create a vibrant environment for the rural development.

1. Identifying promising agricultural and allied areas of business to promote entrepreneurial activity.
2. Providing area specific technical training programmes to develop the required technical competency among the potential entrepreneurs
3. Promoting the establishment of forum and platforms where organization concerned with entrepreneurial development in agriculture.
4. Extending support in terms of providing financial and marketing support.
5. Entrepreneurial education and training to the potential rural youth.
6. Improving infrastructural setup in rural areas.
7. Identification of important and specific areas of development across the stages of agriculture value chain of the agricultural process and designing appropriate strategies for the promotion.

Expected Outcome

The outcomes expected from the development of entrepreneurship in agriculture will include the following:

Social and Economic benefits: The standard of living of Agripreneurs will be increased with socio-economic empowerment. They can afford quality and quantity of nutritious food, better education, and medical facilities to their families. They are recognised with social status and prestige. It is a promising sector to build resources and mobilize local resources for community development.

Net Income: The process of value chain and agro processing manifolds the net income into many times than the conventional method of marketing produce.

Sustainability: Agripreneurs continue to learn and embrace sustainable farming methods, business opportunities through the cycle of agribusiness and overcome risks associated with agribusiness. They would always seek for more sustainable development of their enterprises.

Employment Generation: The most pressing advantage of entrepreneurship development in agriculture is huge employment opportunities for rural youth and farmers. Therefore, it helps in enhancing rural income and improving living standard of the rural people.

Reduce rate of migration of rural people to urban centres: Entrepreneurship development in agriculture creates lots of employments in rural areas, thus provide people with quality standard of living. This reduces the rate of migration of rural people particularly rural youth from villages to urban centres consequently reduce the population pressure on urban infrastructure.

Providing urban amenities in rural areas: The agripreneurial ventures will not grow alone but the supporting resources infrastructure will grow which will create urban like setup and facilities in the rural areas. It also helps in reducing unemployment and underemployment thus helps in alleviating poverty.

Conclusion

For many years now, Nigeria has been constantly struggling with the problem of unemployment, especially amongst the rural populace. Unfortunately, the country has failed to address this problem effectively. Considering the fact that two-third of Nigeria's rural populations depend on agriculture for their livelihood and income generation; providing viable and sustainable business opportunities in country's agricultural sector is imperative for generating employment in the country. The opportunities of value addition in farm produce has the potential to not only address the issues of unemployment but also carry forward the development agenda of the country in a more sustainable manner by balancing the growth requirement with the inherent strengths of the country. It will also help the economy to achieve self-sustainability in food production thereby achieving balanced economic growth.

Entrepreneurship development in agriculture is going to give an excellent result in rural development where agribusiness ventures can promote a job-led economic growth in rural areas. Agriculture can therefore be better positioned as a more profitable economic activity by integrating the same with processing, packaging and storage activities. There is therefore the need for government to make suitable policies and frameworks with action plans for

achieving the target of entrepreneurship development by establishment of several support systems to nurture the rural farmers become Agripreneurs.

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