

Financing Agripreneur in Vocational Agriculture for Mitigating Poverty among Graduates of Agricultural Education in North Central Nigeria

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Abstract

The study investigates financing agripreneur in vocational agriculture for mitigating poverty among graduates of agricultural education in North Central Nigeria. The Study was carried out in Benue, Nasarawa, plateau and Taraba States of North Central Nigeria. The study adopted descriptive survey research design. Five research questions guided the study. The population of the study was 210 made up of 104 graduates, 99 extension agents and 7 bank supervisors and were all used as respondents for data collection, hence, there was no sampling. A 36 items questionnaire on financing agripreneur in vocational agriculture questionnaire (FAVAQ) was developed from literature and used for data collection. Cronbach Alpha reliability method was used to determine internal consistency of the instruments and a reliability coefficient of 0.81 was obtained. Finding from the study revealed that respondents agreed on all the 6 items on agripreneur skills that enhance success in vocational agriculture, on 5 out of the 9 items on areas and opportunities in vocational agriculture, all the 5 items on motivational drives that enhances a potential agripreneur, on 5 out of the 8 items on source of financial empowerment for vocational agriculture enterprise, and all the 8 items on challenges encountered by an agripreneur in obtaining finance for vocational agriculture enterprise. It was recommended amongst others that extension agent and successful agripreneur should organize workshop to reinforce all skills identified for successful agripreneur enterprise and government should remove all the complex procedure laid down for accessing loans from banks.

Keywords: *Financing Agripreneur; Vocational agriculture; Poverty and Agricultural Education*

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Introduction

Agriculture encompasses a broad range of activities from small scale farming to infrastructure, projects to research and development. After decades of neglect, agriculture is again receiving attention from Nigerian Government investors and other partners (FAO, 2003). Agribusiness managed by an agripreneur can play a critical role in jump-starting economic transformation and reduces poverty through agro-based industries that brings job and income. In the view of Shoji, Kerobim, Meania and Pravin, (2014), agripreneur is someone who undertakes a variety of activities in agriculture sector in order to be an entrepreneur. The term agripreneurship is synonymous with entrepreneurship in agriculture and refers to agribusiness establishment in agriculture and allied sector. Agripreneur is a dynamic business manager performing various agro-based activities using different resources in order to accomplish a goal. Waribugo (2016) reported

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that agripreneurs are highly innovative agriculturally directed change agents who share entrepreneurial characteristics. Corroborating this view, Mittal (2015) submitted that agripreneurs are special category of entrepreneur who have a love for agriculture and apply their acquired skills and competencies to leverage potentials of all the agricultural sector of the economy. Thus, adopting vocational agriculture through agripreneurship can contribute to social and economic development, reduction in poverty index and ensures good nutrition.

Vocational agriculture as explained by Ekele (2018) refers to occupation in various areas of agriculture such as snail farming, bee-keeping, fishery, crop production, rearing of small ruminants and others. These various occupation areas in agriculture are chosen by interested graduates of agricultural education as an occupation. In the process, they use different resources such as physical resources, financial resources, human resources and information to achieve a target of poverty reduction and also provide self-employment opportunities to those technically trained under them. Agricultural education graduates in the context of this study are those who had completed a 3 years or 4 years course of study from college of education or university leading to the award of National certificate of education (NCE) or Bachelor of Agricultural education (B. Agric. ED). Ekele (2018) asserts that these graduates that enter into a specific vocational agriculture occupation exhibits common traits such as single-mindedness, drive, ambition, creative, problem solving, practical and goal-oriented. They recognize an agripreneur opportunity or unmet need and are determined to pursue it.

Agripreneurship opportunity is the key to the dwindling potential and fortunes of Northern Nigeria's agriculture. Uche and Familusi (2018) observed that there is urgent need on the development of a system that can support the agricultural sector that is already well constrained by inadequate technologies and institutional weakness. An agripreneur according to Carr and Rollin (2016) must identify opportunities and be innovative and equally consider the full range of agribusiness opportunities within the food system such as processing and packaging, logistics and services. These opportunities as identified by Ekele (2015) include food production, fisheries, commodity processing and storage, commodity marketing and manufacturing. Graduates of agricultural education in the study area could be motivated to pick from these varied occupations. For most of these graduates, the principal motivational drive for being an agripreneur are the desire to be the boss, increase earning of income, be job creators and freedom to manage one's enterprise. In spite of these motivational drives for graduates to venture into agripreneurship Olunkunle (2013) reported that obstacles to agripreneur include marketing bottleneck, storage and processing, infrastructural decay and technological backwardness. Waribugo (2016) further averred that difficulty in obtaining loan and absence of good business models are obstacles that confront potential agripreneur. However, an agripreneur being an entrepreneur must possess some skills to conquer these challenges and make success. Tripathi and Agawam (2015) reiterated that these skills, knowledge and organizational abilities can be learnt by training which provides the requisite information and experience that will aid better decision making. Also, the skills could be acquired through formal institutions or informal avenues (field work, workshops and seminars). In all of these, access to finance is critical to the growth of agripreneur.

In the submission of Reute (2015), finance for agricultural value chains can be more indirect and it focuses on the business between two or more participants of the chain rather than direct financing of the farmer or agripreneur. These transactions are financed to reduce costs, risk and increase efficiency. International Fund for Agricultural Development. IFAD (2012) maintained that co-operatives and credit unions play an important role in agriculture as self-help member institutions. Unlike banks, they have a lower profit status. Smaller cooperatives are well positioned to offer its members better access to financial institutions. Aside from private sources of finance, government is also important sources of finance for agripreneur enterprise. It is important to note that the risk factor inherent in agriculture often inhibits financial institutions from lending. These include production risks linked to natural hazards (such as droughts, floods and pests), agripreneur weak-ability to provide collateral and the volatility of prices. To cushion all of these for a potential agripreneur, financial institutions also offers more complex and innovative financial instruments to entrepreneurs and farmers such as leasing and factoring. The World Bank (2013) explained leasing as that which is used to finance machinery, automobiles and equipment in agriculture while factoring is when a company sells its invoice to a third party (the factor) at a discount in order to improve cash flow that may be plunged into productivity.

In the explanation of Ekele (2017), productivity of almost all agricultural sub-sectors has performed poorly in Nigeria relative to regions with similar agro-ecological potential. Crop and livestock yields are poor due to very low use of modern inputs. Nigeria's agricultural growth could hinge upon agripreneur for creating many small and medium enterprises (SMEs) and opening new land for agriculture and agribusiness with negative consequences for biodiversity, forests and soils. The World Bank (2010) reported constraints to the development of agribusiness in Nigeria and summarized these constraints as erratic policies in agricultural output and input markets, limited access to land, poor infrastructure and difficulties for small holders and small firms to access technologies, information, skills and finances. Lack of finances leads to poverty and therefore some actions must be taken to implement poverty reduction. On one hand, poverty reduction is seen as a short hand for promoting economic growth that will permanently lift as many people as possible over a poverty line. Poverty reduction will be achieved if there is a global system of social justice that provides long term, re-distributional transfers of resources to the world's poor. Centre for Global Development, 2009). However, there is no universally applicable way to sum up how the reduction of poverty affects different people in different circumstances and in different places over time. On the other hand, poverty reduction is condensed to mean a one dimensional measure which is increase in GDP per capita, or a reduction in the poverty head count. Some development agencies over the years had spelt out objectives that tend to tackle poverty reduction. These includes, promote long term and permanent changes in countries through resources investment and dissemination of knowledge, changes the policies of rich countries and invest in global public goods which would raise the living standards of the world's poor thereby ensuring social justice (Owen, 2009)

The researcher observed that in spite of the several agripreneur opportunities that exist, graduates of agricultural education from tertiary institutions in the study area are seeking for employment in government ministries, agencies and parastatals. This trend raises the credibility of the competencies acquired during their training. Furthermore, it was also observed during preliminary interview with graduates that poverty appeared to limit their decision to embrace agripreneur in vocational agriculture. Consequently, the researcher delves into financing agripreneur in vocational agriculture for mitigating poverty among graduates of agricultural education in North Central Nigeria. Specifically, the study sought to identify;

1. Agripreneur skills that enhances success of agricultural education graduates in vocational agriculture.
2. Various vocational agriculture opportunities available for graduates of agricultural education.
3. Motivational drive that pushes agricultural education graduates to agripreneur enterprises.
4. The sources of financial empowerment for graduates of agricultural education.
5. Challenges encountered by graduates in financing vocational agriculture enterprises.

Research Questions

1. What are the agripreneur skills that enhance success of agricultural education graduates in vocational agriculture?
2. What are the vocational agriculture opportunities available for graduates of agricultural education?
3. What are the motivational drive that pushes agricultural education graduates to agripreneur enterprises?
4. What are the sources of financial empowerment for graduates of agricultural education?
5. What are the challenges faced by graduates in financing vocational agriculture enterprises?

Methods

Five research questions guided the study. Survey research design was adopted for the study. The design was suitable for the study because a set of questionnaire was used to collect data from graduates of agricultural education and agricultural extension agents. The study was carried out in North-Central States of Benue, Nasarawa, Plateau and Taraba. The population for the study was 203 respondents made up of 104 graduates of agricultural education and 99 agricultural extension agents. All the 104 graduates and 99 extension agents were involved in the study due to their manageable size. The instrument for the study was a 36 items questionnaire developed from literature reviewed titled "Financing agripreneur in vocational agriculture questionnaire (FAVAQ) and used for data collection. The questionnaire had four points response option of strongly agreed, agreed, disagreed and strongly disagreed with corresponding

nominal value of 4, 3, 2 and 1 respectively. Three experts validated the instruments, two from the Department of Agricultural Education and one from Department of Agribusiness in the University of Agriculture, Makurdi-Benue State. Cronbach Alpha method was used to determine the internal consistency of the questionnaire items. A reliability coefficient of 0.81 was obtained. The researcher employed three research assistants in the administration of “FAVAQ” on the respondents. A total of 203 copies of the questionnaire were distributed to the respondents. Two hundred and one (201) copies of the questionnaire were retrieved and analyzed using weighted mean(x), rank order analysis and percentage were used to answer research questions. Any mean score of 2.50 and above is regarded as agreed while mean score of 0.5 to 2.49 is considered disagreed. The item on the questionnaire that had the highest weighted mean was ranked first and regarded as the item with the highest agreement by the respondents. The ranking conformed to the mean in a descending order of magnitude

Results

| S/N | Items | Mean | SD | Remark |
|-----|--|------|------|--------|
| 1 | Technical skills in plant and animal production | 2.73 | 1.08 | Agreed |
| 2 | Skills in utilization and management of finance | 3.60 | 1.27 | Agreed |
| 3 | Human resources management skills | 2.58 | 1.14 | Agreed |
| 4 | Public relations and planning skills | 2.85 | 1.22 | Agreed |
| 5 | Skills in identifying agribusiness opportunities | 3.35 | 1.13 | Agreed |
| 6 | Monitoring and evaluation skills | 3.70 | 0.75 | Agreed |

Keys: N = Number of respondents, SD = Standard deviation.

Table 1: Mean rating and standard deviation of graduates and extension agents on Agripreneur skills that enhance success in vocational agriculture (N = 201).

Data presented in Table 1 revealed that respondents rated all the skills in agripreneur that enhances success in vocational agriculture agreed. The mean of these skills ranges from 2.58 to 3.70. The standard deviation also ranged from 0.75 to 1.27 indicating that the respondents are too far from each other in their opinion.

| S/N | Items (opportunities in Voc. Agric.) | Mean | SD | Rank | Remark |
|-----|--|------|------|-----------------|-----------|
| 1 | Snail rearing | X | X | X | Disagreed |
| 2 | Bee keeping | 3.05 | .97 | 4 th | Agreed |
| 3 | Processing of agro produce units | X | X | X | Disagreed |
| 4 | Fish farming | 3.16 | .85 | 2 nd | Agreed |
| 5 | Piggery rearing | 2.85 | 1.14 | 6 th | Agreed |
| 6 | Poultry keeping | 3.01 | 1.03 | 5 th | Agreed |
| 7 | Agro-inputs (production units e.g., fertilizer, food or Agric (implements) | X | X | X | Disagreed |
| 8 | Rearing small ruminants | 3.23 | 1.02 | 1 st | Agreed |
| 9 | Manufacturing of agro-produce such as bakery | 3.06 | .88 | 3 rd | Disagreed |

Keys: N = Number of respondents, SD = Standard deviation

Table 2: Mean rating and Rank order analysis of the response of graduates on areas and opportunities in vocational agriculture (N = 201).

The Data presented in Table 2 revealed that the mean value of respondents on their agreement on opportunities in vocational agriculture ranged from 2.85 to 3.23. This revealed that each area of vocational agriculture is an opportunity to be exploited and tapped. The areas with most opportunities in vocational agriculture are rearing small ruminants (1st), fish farming (2nd), manufacturing of agro-produce (3rd), Bee keeping (4th), Poultry keeping (5th) and piggery rearing (6th). The areas of opportunities in vocational agriculture with 'X' as mean and rank showed that both graduates and extension agents had no response agreement on specific vocational agriculture opportunities and thus were rated disagreed by respondents. This could mean that the respondents have not experienced agripreneur opportunities in vocational agriculture.

| S/N | Items | Mean | SD | Remark |
|-----|--|------|------|--------|
| 1 | Raise personal income level | 3.48 | .90 | Agreed |
| 2 | Deriving job satisfaction | 2.89 | 1.08 | Agreed |
| 3 | Desire to be in 'charge of' (Director of the enterprise) | 3.20 | .96 | Agreed |
| 4 | Growing the enterprise to world class | 3.08 | .93 | Agreed |
| 5 | Create employment for jobless youths | 2.74 | 1.04 | Agreed |

Keys: N = Number of respondents, SD = Standard deviation.

Table 3: Mean rating and standard deviation of graduates on motivational drives that enhances a potential agripreneur (N=201).

Data presented in Table 3 revealed that the mean of respondents ranged from 2.74 to 3.48 which are agreed as rated by respondents. The standard deviation ranged from .90 to 1.08 which indicates that the respondents are close in their opinion. This further revealed that all the items are motivational drives that enhance a potential agripreneur.

| Items | Percentage | Remarks | Rank |
|---|------------|-----------|-----------------|
| 1. Personal /group savings | X | Disagreed | X |
| 2. Micro-finance (credits savings or insurance) | 60(58%) | Agreed | 1 st |
| 3. Traditional finance (loans, leasing or equity) | 20(19%) | Agreed | 2 nd |
| 4. Non-governmental organizations | X | Disagreed | X |
| 5. Commercial banks | 5(4.8%) | Agreed | 4 th |
| 6. Agricultural Development bank | 5(4.8%) | Agreed | 4 th |
| 7. Weather-based insurance | X | Disagreed | X |
| 8. Credit guarantee scheme | 8(7.6%) | Agreed | 3 rd |

Table 4: Percentage and rank order rating of the responses of graduates on the sources of financial empowerment for vocational agriculture enterprise (N=104).

Data presented in Table 4 showed that 58% of the respondents agreed that microfinance (credit savings or insurance are sources of financial empowerment for vocational agriculture enterprise. 19% agreed on traditional finance (leasing or equity finance), 7.6% agreed on credit guarantee schemes, and 4.8% agreed on commercial banks and agricultural development banks as sources of financial empowerment. Items marked 'X' in percentage and rank showed that graduates had no response on the items.

| S/N | Items | Mean | SD | Remarks |
|-----|--|------|------|---------|
| 1 | Anaemic economy | 3.17 | .81 | Agreed |
| 2 | High interest rate from banks | 2.93 | .94 | Agreed |
| 3 | Demand for high collateral security | 3.34 | .83 | Agreed |
| 4 | Volatility of inputs and output prices | 3.20 | 1.02 | Agreed |
| 5 | Policy implementation gap | 2.92 | .99 | Agreed |
| 6 | Complex procedure laid down for accessing loan | 2.75 | 1.03 | Agreed |
| 7 | Very poor infrastructural network | 3.07 | 1.14 | Agreed |
| 8 | Inability to access technologies and information | 3.00 | .78 | Agreed |

Table 5: Mean rating and standard deviation of responses of Bank supervisors and graduates on challenges encountered by an Agripreneur in obtaining finance for vocational agriculture N = (171).

Data in Table 5 revealed that the mean scores of respondents ranges from 2.75 to 3.20 which were above 2.50. This indicates that the respondents agreed on all items regarding the challenges encountered by a potential agripreneur. The standard deviation ranges from .78 to 1.14 which are not too far from each other.

Discussion of Finding

The findings Table 1 that all the skills in agripreneur enhances success in vocational agriculture was in consonance with the findings of Uche and Familusi (2018), Carr and Rollin (2016). They assert that technical skills in human resources management, public relations and planning are essential for the success of an agripreneur. The findings from Table 1 were also in agreement with the findings of Uche and Familusi (2018) as they maintained that monitoring and evaluation skills are integral part of a successful agripreneur. The findings from Table 2 that the areas with most opportunities in vocational agriculture are rearing small ruminants, fish farming, manufacturing of agro-produce, poultry keeping, piggery farm and Bee keeping are in conformity with study by Ekele (2018) and Shoji., *et al* (2014). The authors noted that areas of opportunities in vocational agriculture mostly available to be exploited by youths are poultry keeping, piggery farm and small ruminants. Findings from Table 3 that all the 5 items are motivational drive that enhances the readiness of a potential agripreneur was in line with findings of Waribugo(2016) who affirmed that increase in income level, being one’s own boss and job satisfaction are motivational factors that make an agripreneur to venture into agribusiness. Findings from Table 4 which revealed that 58% of respondents agreed that micro-finance (credits savings or insurance) is the major sources of financial empowerment for vocational agriculture enterprise was in good agreement with the report of Owen (2009) who confirmed that micro-finance credits, traditional finance loans and credit guarantee schemes are equally sources of financial empowerment for youths venturing into agripreneur. Findings from Table 5 that respondents agreed on all the items on challenges encountered by an agripreneur in obtaining finance for vocational agriculture was in conformity with the findings of Olukunle (2013), Mittal (2015), Waribugo (2016). The authors agreed in stating that high collateral security, poor policy implementation gap and high interest rate all combine to block the chances of an agripreneur from obtaining finance for possible agribusiness venture.

Conclusion

Graduates of agricultural education from tertiary institution need to put into practice relevant skills and knowledge acquired in the course of training. For graduates to embrace agripreneur in vocational agriculture, Nigeria as a country must offer an overall stable and efficient institutional environment that increases the confidence of financial institutions in giving loan to agripreneur. Weak land tenure systems and poor enforcement of laws and regulations affects agricultural finance. Since financing is primarily profit driven, all possible regulation and program to attract agripreneur financing ought to be given priority.

Recommendation

1. Successful agripreneur and extension agents should organize workshop for reinforcing and creating awareness on all skills identified, for successful agripreneur enterprise in vocational agriculture in the study area.
2. Regular training should be organized by stakeholders for graduates of agricultural education on areas of vocational agriculture identified with most opportunities.
3. Non-government organizations and motivational speakers should intensify their efforts in encouraging graduates of agricultural education in self- esteem and self- reliance as they choose to embrace agripreneur enterprise.
4. Government should make conditions for borrowing from banks for agripreneur finance more attractive. In other words, Government should remove all the obstacles or challenges faced by a potential agripreneur especially the complex procedure laid down for accessing loans from microfinance and credit guarantee schemes.

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