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## **Socio-economic Determinants of Agripreneurship Choice among Youths in Ebonyi State, Nigeria**

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### **Abstract**

*The study determined effects of socio-economic characteristics of the youths on agripreneurship choice. The study adopted a multistage sampling technique in eliciting data from one hundred and eighty youth agripreneurs using structured questionnaires. The study also employed percentage, mean and probit regression analysis statistics to realize the objectives. The result showed that about 60% of the youth agripreneurs in Ebonyi State, Nigeria*

*were male who are within the mean active age of 27 years and earn a mean annual income of N77, 333 and average household size of five 5 persons. The agripreneurial choices made by most youths were; farm production (crop and livestock production), farm input supply, agro-processing, and marketing/distribution. Age, marital status, household size, education, annual income, source of capital and family agripreneurial history have strong significant effect on the agripreneurial choice among the youth. Agripreneurship education and training should be introduced at tri-aggregates levels of agribusiness to ensure capacity building among the youth for diverse agro-enterprises.*

**Keywords:** Farm production, agripreneurship choice,

## **Introduction**

Agripreneurship which defines entrepreneurship in agriculture related business is one of the major catalysts for economic growth and development in every emerging economy. It defines the wealth creation activities among economies of both developing and developed countries; and it is also the best solution for reducing unemployment in developing countries. This wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some product or services, the product or service itself may or may not be new or unique but value must somehow be infused by the agripreneur by securing and allocating the necessary skill and resources. Mbhele, (2012) described entrepreneurship as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organising, markets, processes and raw materials through organising efforts that previously had not existed. According to Brian and Derrick, (2017), entrepreneurship is the act of doing something new and of value by converting an idea or invention into profitable innovation. Therefore, entrepreneurship entails the creation of product, new market, industry, innovation and continuous improvement in quality, wealth creation, employment generation, poverty reduction as well as enhancing multiple effects in both the supply and demand side of the economy.

In Nigeria, the relevance of agripreneurship sector in the nation's economy is being recognised. The sector provides enormous and unlimited opportunities for young people especially in this era of growing unemployment. Identifying the factors that pull individuals to become agripreneurs is important as it will guide in strategizing the enhancement of the sector. Accordingly, Osondu, Obike, and Ogbonna (2015) identified sex, age of the youth, annual income, location, and ethnicity as the factors that influence the individuals to become an entrepreneur. Despite the acknowledged

importance of the agriprenurship sector in economic growth, unfavourable government policies, multiple taxation, poor access to finance, lack of education and training, environmental issues, and corruption have remained major constraints to start-ups by young people in Nigeria.

In Ebonyi State Nigeria, youth agriprenurship have started to receive significant attention because of its potentials to reduce unemployment and create economic opportunities for the youths. In order to develop young people's interest in agriprenurship sector, Nigerian government has provided different activities and programmes to advance their skills and replace aging farmers in the sector. Moreover, the current glut in the oil sector globally has necessitated quest for alternative means of wealth creation through the encouragement and effective engagement of youth in agriprenurial activities in the midst of high unemployment rate among youths. Such issues and incentives that influence agriprenurial choice and preferences among the youths need to be investigated for proper articulation of satisfactory and sustainable self-employment opportunity for the young people of Ebonyi State.

To address the problem, determined the agriprenurship activities engaged by the youths in the study area; and determined effects of socio-economic characteristics of the youths on agriprenurship choice.

### **Methodology**

The study was conducted in Ebonyi State, Nigeria in 2018. The State lies approximately on latitude 7°3' N and longitudes 5°4' E and 6°45' E and in the eastern part of Nigeria. The study employed multistage sampling procedure in the selection of the youth agriprenurs. From the three agricultural zones in the State, two local government areas (LGA) were randomly selected from each zone making a total of six LGAs. Secondly, two autonomous town communities were randomly sampled from each of the selected LGAs to give a total of twelve autonomous communities.

Thirdly, from the twelve autonomous communities selected, using the list of farm input suppliers, farm producers and distributor-marketers obtained from the community head, fifteen (15) youth agriprenurs (five from each components of agribusiness, to effectively cover the three components of agribusiness) were randomly selected to give a total of one hundred and eighty (180) respondents who constituted the sample size. Meanwhile, for the purpose of this, youth agriprenurs are those youths that own and operate small to medium scale agribusiness venture(s) in Ebonyi State, Nigeria. Primary data were obtained through the use of

questionnaire. Percentages, mean, and probit regression analysis were used for data analysis.

## **Results and Discussion**

### **Agripreneurship Activities of Youth**

There are three major components of agribusiness which are generally referred to the tri-aggregates of agribusiness. The components include the farm input supply, farm production, and farm processing and distribution. But for the purpose of this study as shown in Table 2, the components are broken down into four - the farm input supply, farm production, agro-processing, and marketing and distribution.

Specific analysis of the components shows that youth agripreneurs in crop production sub-sector are mostly on rice production (26.8%), cassava production (22.9%), and yam production (20.9%). The finding implied that youth agripreneurs were more involved in crop production sub-sector of farm production such as rice production, cassava production, and yam production. This concurs with the finding of Girei, Saingbe, Ohen, and Gimba (2016), who inferred that young people in agricultural production are more involved in crop production of annual status for quick income generation. Nwibo and Okorie (2013) revealed that most of entrepreneurs in South-East, Nigeria are into arable crop production. This disagreed with the finding of Johnson (2016) who deduced that agro-enterprises in Latin America and U.S were marketers of apples, grapes, pears and other fruits as well as vegetables. Amegnanglo *et al.*, (2015) reported that 47% of youth agripreneurs are into crop farming as their career choice in Benin.

However, the result further reveals that the youth agripreneurs were also actively engaged in livestock production. This was justified by the 29.4% of the agripreneurs that engaged in poultry production, 15.3% engaged in piggery, 14.7% in fish production, as 11.9% were in goat production. This finding is in consonance with the earlier findings of Elisa, Mário, Vanda, Maria, and Pedro, (2015), who inferred that youth involvement in production of livestock can be attributed to the protein need of the agripreneurs in Abia State, Nigeria.

The involvement of youths in the supply of farm inputs has been established. From the study, it was observed that the most highly supplied farm inputs are: livestock feed (20.8%), farm equipment (18%), agro-chemicals (15.6%), fertilizer (16.4%), and seedlings (14.4%). This does not support the finding of Amegnanglo *et al.*, (2015) who observed that the majority of youths are not interested in supply of farm inputs due to the unavailability of market and low profit level.

Processing in agriculture is the transformation of produce into finished product. The result of this indicated that the youths of Ebonyi State were actively involved in the agro processing of cassava, rice, maize, legumes and nuts, livestock, and yam. This is in conformity with findings of Frank, and John (2015), who deduced that large African companies are more dominant in West Africa with agro-processing as their major area of choice.

The marketing component of agripreneurship activities in Ebonyi State, Nigeria reveals that youths are mainly in marketing and distribution of cereals, legumes and nuts, livestock feed, palm products, cassava products and flour respectively. This justified the report of Mbam and Nwibo (2013) that the principal agricultural products marketed and distributed are cassava products, flour, confectionaries, palm products, rice, and yam. Meanwhile, they also involved in non-farm activities such as artisans, trading and agro-tourism.

**Table 1: Agripreneurship activities operated by youths**

Agripreneurial Activities	Areas of Preference	Percentage	Mean Agro-preference	
Agricultural production	Cassava	19.4		
	Yam	17.8		
	Rice	22.8		
	Cocoyam	3.9		
	Vegetable	11.1		
	Cucumber	1.7		
	Watermelon	1.1		
	Banana	7.2		
	Cattle	7.8		
	Piggery	15		
	Poultry	28.9		
	Fish	14.4		
	Goat	11.7		
	Sheep	6.1		
	Bee keeping	5.0		
	Snail	9.4		
		Breeding stock	6.1	
		Cassava Products	14.4	
		Livestock feed	28.9	16
		Farm equipments	25	
	Seedlings	20		
	Agro-chemicals	25		
	Fertilizers	22.8		
	Cassava Products	25	12	
	Yam products	16.1		
	Fish	6.7		
	Palm oil/kernel	18.9		
	Livestock products	17.8		
	Livestock feed	13.3		
	Cereals (e.g rice, maize etc)	23.9		
	Legumes &nuts	20		
	Timber product	11.1		
Marketing/ Distribution	Livestock feed	15		
	Flour	12.8		
	Cereals (e.g rice, maize etc)	21.7	15	
	Legumes & nuts	16.7		
	Palm products (oil, broom etc)	13.9		
	Yam products	9.4		
	Cassava products	14.4		
	Timber products	7.2		

Source: survey data, 2018

### Effect of Socio-Economic Characteristics on Youth Agripreneurs Choice

Table 2 shows that the coefficient of age was positive and statistically significant at 1% level of probability. This is in line with *a priori* expectation. It implied that as youth agripreneurs increases in age, the higher the tendency to make a decision for agripreneurship choice. This is in line with the finding of Emerole, Dorcas and Kelechi (2014) who inferred that older farmer is considered economically and emotionally matured to be involved in agripreneurship business ventures. The result

further shows that the coefficient of gender was positively signed and statistically significant at 1% level of probability. This indicates that males make more agripreneurial choice than female on agripreneurial choice of youth. This finding is not *in tandem* with that of Emerole *et al.*, (2014) that women generally make highest responsibilities for agricultural productivity and increase economic supports to family needs as the male discard farming work and other associated non-agricultural activities in agribusiness to seek for white collar jobs in the cities.

The coefficient of marital status of the youth agripreneurs was positive and statistically significant at 1% level of probability. This implies that married people make more choice to invest in agripreneurship sector than the single. This is in agreement with the finding of Olatomide and Omowumi (2015) that marital status would lead to an increased entrepreneurship and their career choice. It further reveals that married couples help in active participation in agripreneurship development, thus making a better decision on venturing in agribusiness. Similarly, the coefficient of household size was positive and statistically significant at 1% probability level. The *a priori* expectation was met as increase in household size of an agripreneur, increases his/her desire to invest in agripreneurship sector so as to generate enhanced resources sufficient to feed the entire household. The findings corroborate the assertion of Onoja and Emodi (2014) that household size of investors to be positively correlated with the choice to invest in agricultural business in Rivers State, Nigeria.

Education has been identified as one of the key elements in increasing agricultural production, income level, and agripreneurship preference. The coefficient of educational qualification of the youth agripreneurs was positive and significant. The finding concurs with the *a priori* expectation as educated agripreneur has good potential to make informed choice of investment. This is in line with the findings of Daudu, Oladipo, Olatinwo, Kareem, Dolapo, (2019) that level of education was positive and significant for both male and female smallholder farmers at 1% and 5% respectively. Similarly, analysis on the annual income of the youth agripreneurs shows a positive and significant effect at 1% level of probability. This however, implied that annual income had significant influence on youth agripreneur's choice of area of investment.

The result of the primary occupation bore negative sign and is statistically insignificant. It implied that primary occupation has an inverse relationship with youth choice of agripreneurship business. The result is a deviation with the *a priori* expectation of the study as it was expected that if youths will have a well-defined occupation, such will help in boosting his/her quest to invest in agripreneurial activity.

This is justified as income from the primary occupation will form a strong start-up capital for youth agripreneur.

There are mainly two major sources of capital – formal and informal. These sources of capital have effect on shaping the investment choice of youth agripreneurs. From the result, it was observed that source of capital has a positive relationship with agripreneurial choice of the youths. By implication, youth agripreneurs with varying source of capital will have greater quest to think agripreneurship and take investment decision.

The coefficient of family agripreneurial history was positive and significant at 5% level of probability. This implied that an individual whose parents are entrepreneurs tend to make a better decision on agripreneurial choice. Thus, the *a priori expectation* was met. This finding corroborates the finding of Nwibo and Alimba (2013) that an entrepreneur who is from the entrepreneurial family would be influenced by family members that are entrepreneurs and hence make decision to invest resources in family business.

However, the overall fit of probit model was explained by the Pearson Goodness-of-fit which was 1148.799. The probit model estimate is shown as:

$$Y = 0.217 + 0.325 \times AG + 0.013 \times GEN + 0.013 \times MS + 0.811 \times HHS + 0.180 \times ED + 0.001 \times AI - 0.519 \times PO + 0.315 \times SI + 0.004 \times FAH.$$

**Table 2: Effect of socio-economic characteristics of youths on agripreneurship choice.**

Variable Name	Coefficients	Std Error	Z-value
Constant	0.217	0.598	2.632*
Age (AG)	0.003	0.001	2.753*
Gender (GEN)	0.313	0.045	8.238
Marital status(MS)	0.811	0.005	4.718*
Household size(HHS)	0.180	0.007	8.025*
Educational status(ED)	0.001	0.268	2.672*
Annual income(AI)	0.001	0.000	2.548*
Primary occupation(PO)	-0.519	-1.269	-1.269
Source of investment capital (SI)	0.315	0.388	2.812*
Family agro-entre history(FAH)	0.004	0.293	1.913*
Pearson Goodness-of-fit = 1148.799			
Pseudo R <sup>2</sup> = 0.058			

\*P0.05.. Source: Survey Field, 2018

## Conclusion and Recommendations

Socio-economic characteristics of youth have significant effects on their agripreneurial choice in the tri-aggregates of agribusiness. There is need for the fostering of agripreneurship education and training at all levels to ensure capacity

building among the youths for diverse agro-enterprises; and encouraging the financial institution like the Bank of Agriculture, and Bank of Industry, to lend greater percentage of their portfolio to youth agripreneurs as their access to loan facility will ensure increase in the size of their business as bigger business size will increase involvement in agripreneurship development.

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