

Impact of Agricultural Training on Youth Agripreneurship Performance in Nigeria

A Policy brief by
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April, 2019.

The policy brief discusses the significant impact of agricultural training programs on youth agripreneurship performance, using the case of Fadama GUYS program. Also, it documents the percentage of youth engaged in agribusiness and some of the challenges that hinders youth engagement in agribusiness. Finally, it recommends relevant interventions which can help to practically tackle and overcome these obstacles.

Youth Unemployment and Agripreneurship Training in Nigeria

There have been lots of controversial debates as to whether youth bulge is a time-ticking bomb waiting to explode or a blessing in disguise to the Africa continent due to the consistent high rate of youth unemployment recorded annually. Youth unemployment has become a global challenge. This is particularly a serious issue for countries with very high population. As such, countries like Nigeria, with close to 200million people cannot create enough job opportunities for young people in the non-agricultural sector. This has invariably led to high incidence of crime and international migration in the country. According to the *International Labor Organization* (2018), between 1997 and 2017, the youth population grew by 139 million people, while the number of youths in the global labor force declined by 34.9 million people reflecting a decline from 21.7 per cent to 15.5 per cent.

As a strategy to reduce youth unemployment, agripreneurship is being increasingly adopted as a valuable means to create jobs and improve the economic independence of young people. Studies have shown that the agricultural sector has the capacity to employ more than 70% of the entire

population which implies that there are lots of unexplored opportunities in the sector.

In recent times, Government as well as Non-governmental organizations have come to support this strategy by organizing youth-specific training programs particularly, in the field of Agriculture. In as much as there is a remarkable number of existing agricultural training programs designed for youths across the country, there is little or no empirical evidence on the impact such programs have on youth agripreneurship performance. Thus, the study that impelled this brief empirically investigated the impact of agricultural training programs on youth agripreneurship performance in Nigeria taking the case of Fadama GUYS program.

The *Fadama GUYS program* is one of the existing support programs specifically designed for unemployed youths. The program targets young people between the ages of 18-35years. It was introduced in 2017 with the major objective of “*helping young people to help themselves*”. This is done through an intensive training program which covers a wide range of agribusiness scope, ranging from Crop and Animal production, marketing, processing, financial management as well as risk management. It was funded under a tri-partite agreement between the World Bank, federal government and the state government. A total of 23 states was selected for the program which cuts across all the regions in Nigeria and about 300 unemployed youths were trained in each state.



This *policy brief* documents the empirical impact of the case study on youth agripreneurship performance, while reporting the percentage of trained youth engaged in agribusiness across the states covered by the study. It also documents the challenges impeding young people from engaging in agribusiness. Lastly, it recommends relevant interventions that could help to change the existing unfavorable declining rate of youth engagement in Agribusiness and ensure that training translates into favorable economic outcomes.

Impact of Agricultural Training Programs on Youth Agripreneurship performance

The research that led to this policy brief was conducted in three states out of the 23 states covered by the program. These states (Abia, Ekiti and Kebbi states) were purposively selected based on high number of trained respondents to represent the South-western, Southern-eastern and North-western regions. The choice of these states was based on the high number of participants recorded as compared to other states. The study used both primary and secondary data which were analysed using descriptive statistics and Propensity score matching method. A total of 977 respondents comprising of 455 participants and 522 non-participants were sampled across the three regions. The study adopted the entrepreneurship performance model (a multiplicative function of entrepreneurship skills, business skills and motivation). Firstly, an index was constructed for each indicator. The indicators were based on a set of seven questions each to which responses were rated on a 5-point likert-scale. Then, the product of all the indexes was used to generate a single index called agripreneurship performance index which became the outcome variable. The performance index generated was continuous in nature and was standardized to between 0 and 100. This is because of the preference for a continuous index against a binary one.

The result of the PSM analysis is presented in table 1. After controlling for selection bias, the result shows that agricultural training program has a significant and positive impact on youth agripreneurship performance. Specifically, the agripreneurship performance of participants

improved by up 11 points which amounts to about 27% improvement.

Variable	sample	Treated	Control	Diff	T
AGRIP_PERF	ATT	55.90	43.95	11.95	5.05

Table1: Impact estimate of Training

However, despite the remarkable improvement in performance brought about by the program, our analysis showed that as at the time of the survey, youth engagement in agribusiness was still low across the regions.

Figure 1 shows the percentage of trained youths engaged in Agribusiness across the study areas. Even though the analysis showed that training had a remarkable impact on their agripreneurship performance, only a small percentage (25%) of the trained youths were engaged in agribusiness. This becomes even lower when accounting for the percentage of non-participants engaged in agribusiness. The question that arises from this is that “If these youths have the capabilities and skills, why are they not still engaging in agribusiness?”. To answer this question, the study went further to investigate youth perception and willingness to engage in agribusiness.

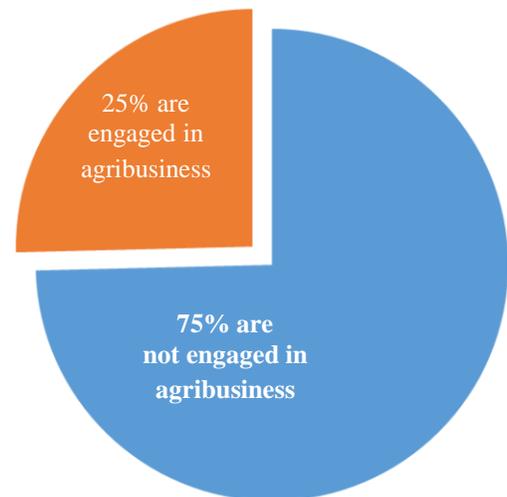


Figure 1: Percentage of trained youths engaged in Agribusiness

As shown in figure 2, a good percentage of the youths (56%) indicated their preference for agribusiness as compared to other forms of employment. This then led to another debate of concern. Youths’ willingness to engage in

agribusiness clearly shows that the problem has shifted from the common perception that young people do not find agriculture attractive. Thus, awareness programs to change young people's orientation may not necessary be a worthy recommendation. In this view, the study went further to investigate some of the major impediments that hinders young people from engaging in agribusiness despite having the skills required to performance excellently and the willingness to engage.

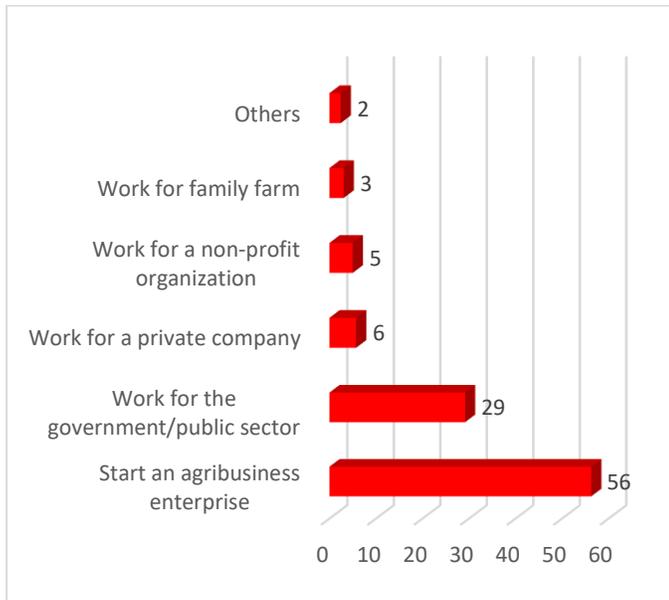


Figure 2: Youth work preference

Figure 3 summarizes the three major barriers identified by young people in the study areas. Majority of the youths (79%) identified “lack of access to finance” as a major barrier. This is in fact not surprising, one of the commonly stated barriers to business start-up is lack of capital and difficulties in getting funds from relevant agencies. Agribusiness require notable start-up capital which is usually far above what an unemployed youth with no source of consistent income can afford. Apparently, in most cases, such investments goes beyond personal saving. High interest rate and “ridiculous” collateral demanded by financial institution compounds this challenge. To overcome this barrier, there is need to facilitate youths’ access to commercial credit through borrowers group formation among those willing to engage in agribusiness

The second barrier cited was lack of mentorship and follow-up after the training program. About 11% of the youths explained that they will engage in

agribusiness if there are professionals to mentor them. This is a very important factor which should not be discarded so easily. While it is true that training may provide youth with skills, lack of experience both as an agriprenuer and an actor in the labour market may frustrate their efforts and consequently cause them to relent. However, relevant mentorship may help to fill this gap. This can be done by incorporating post-training mentorship programs into the training program designs.

Finally, 10% of the respondents ranked lack of information as a challenge. Access to information is key to any successful business venture. This may actually give innovative insights to youths regarding agribusiness development.

Thus, relevant information can be disseminated either monthly or bi-monthly through the internet. While the use of social media has been abused, it can still serve as a useful means of getting information to a large number of intended audience. Information can also be disseminated through relevant government service centre and youth social network.

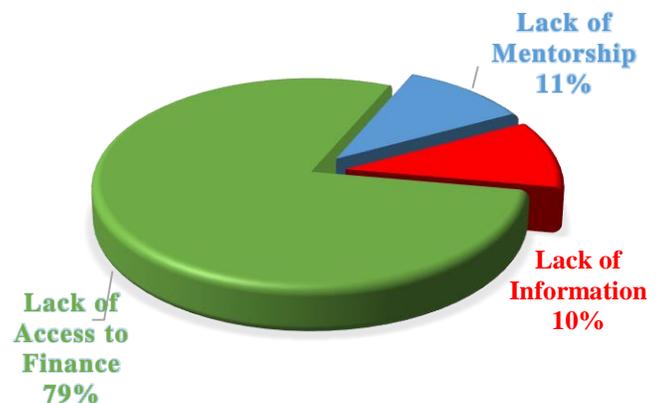


Figure 3: Youth Agribusiness barriers

Actual Case

Following the Fadama GUYS training, one of the participants, a young man of 27years was excited to start a poultry farm due to the insights he got from the program. He described his experience as awesome and highly educational. With excitement in his tone, he narrated his experience during the training program. It can be inferred from all he said that indeed the program was specific to his needs. Immediately after the training, he constructed a small

pen house, filled it with sawdust and acquired about 200 day-old-chick. At exactly two months after spending a lot on feeding and vaccination, he lost more than 80% of the birds. He had to slaughter the remaining less than 20% for household consumption. This really discouraged him. According to him, he felt down-hearted, not only because he lost his money but, felt it was a waste of time. Because of this, he concluded that poultry business is not as profitable as they taught during the training. As a result, he stopped the business and vowed never to invest in it again.

From a novice point of view, I would have acted the same way. However, this is a one of the several cases where mentorship could have helped.

Finance, Mentorship and Information

In summary, in order to raise the level of youth engagement in agribusiness, there is a need to tackle these impediments.

Customarily, one would expect provision of small grants to be a relevant solution to the problem of finance. However, due to a number of limiting factors associated with this, it may not be an efficient and sustainable one. On this note, the brief recommends creation of youth borrowers group to facilitate access to finance. This approach has been applied in the U.S and it worked efficiently, it is

believed that if properly designed and implemented, it can also provide a lasting solution to the problem of finance in Nigeria.

Secondly, timely and relevant information on agribusiness opportunities, products and services should be made available on youth accessible platforms. The use of several social media platforms could be an effective way to do this.

Lastly, organisations offering training programs should incorporate post-training mentorship into their program design. New youth agripreneurs require all the help they can get in starting an agribusiness venture to avoid discouragement. Mentorship should involve coaching, timely field/farm visitation and giving relevant guidance which can lead to positive economic outcomes.

