
ASSESSMENT OF AGRIBUSINESS ENTREPRENEURIAL INTEREST AMONG UNDERGRADUATES IN SELECTED UNIVERSITIES IN OSUN STATE, NIGERIA

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Abstract

The study assessed entrepreneurship interest of undergraduates in agribusiness in selected Universities in Osun State, Nigeria. It specifically described the personal and socio-economic characteristics of the students; identified their agribusiness of interests; determined their level of interest and identified the constraints limiting their entrepreneurial interest in agribusiness. A two-stage sampling procedure was used to select 120 respondents for the study. A pre-tested structured interview scheduled was used to collect the data. The data were analyzed with frequency counts, percentages, means and standard deviation while Chi-square analysis was used to draw inferences. The results revealed that the mean age of respondents was 23.8 years, most of the respondents (56.8%) were male, and 56.7% had no previous experience in entrepreneurial activities. Above half (56.8%) showed entrepreneurial interest in agribusiness activities and such activities of interest include livestock production (25%), marketing/value addition (19.1%) and arable crop production (15%). The major constraints exhibited by the students towards agribusiness ventures include inconsistent government policies towards agribusiness (mean=4.8), inadequate infrastructural and processing/storage facilities (mean=4.6) and inadequate funds (mean=4.6). Also, sex ($\chi^2=34.5$), entrepreneurial experience ($\chi^2=34.5$) and parents' entrepreneurial background ($\chi^2=34.5$), had a significant association with students' entrepreneurial interest in agribusiness. The study concludes that the undergraduates had interest in agribusiness. To sustain their interest, entrepreneurial education should be included in the university curriculum while policies capable of promoting enabling environment should be enacted.

Key Words: Entrepreneurial interest, Undergraduate students, Constraints, Agribusiness.

Introduction

The alarming statistics of youth unemployment in Africa reflects the magnitude of the problem across the continent. It is the most challenging socio-economic problem confronting Nigeria as ascertained by Kakwagh and Ikwuba (2010). The high rate of unemployment amongst graduates has become a national concern as the increase in enrolment at the public and private higher educational institutions produce more graduates into the labour market each year without corresponding increase in job creation. Indications from existing data reveal that the rate of youth unemployment is relatively higher than that of adult particularly in developing countries (Education Development Centre, 2002). It is evident that the overwhelming youth population cannot be absorbed into the formal employment sector in urban areas (Abimbola, 2008; Bakare, 2011 and Jerry, 2010). Since persistent unemployment issues among graduates would pose a threat to the social structure and safety of the nation, serious concern has been raised by policymakers and academia, thus a refocus on agriculture is considered an important panacea (Africa Development Indicators, 2009; Naamwintome and Bagson, 2013; Meijerink and Roza, 2007; Vaarst, 2010; Barbu and Capusneanu, 2012).

Agribusiness was defined by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) (2001) as all business-oriented entities involved in the production, input supply, agro-processing, marketing and distribution of agricultural commodities. It refers to the backward and forward business linkages associated with agricultural production, provision of finance, machinery, fertilizer, seeds and so on, at the input end and the processing and marketing of produce/products at the output end. Olayide and Heady (2006) described agribusiness as a modern form of agricultural business ventures operated strictly for profit and constitute a vital engine for the growth and development of the Nigerian economy. It has been reported that agribusiness accounted for 12.1 percent of the Gross Domestic Product (GDP) between the year 2003-2004 and for almost 25 percent of national merchandise exports (126.1 billion in 2003-2004) and as at the year 2010 the biggest manufacturing sector and accounted for almost 46 percent of total retail spending (Anon, 2010).

Entrepreneurship is a key tool that drives the economy of any country (Gree and Thurnik, 2003). Ekore and Okekeocha (2012) alluded that careers in entrepreneurship will provide young graduates with the opportunity to become financially independent

while at the same time contributing to job creation, innovation, and economic growth. A nation's ability to generate and maintain a steady stream of employment opportunities is a product of its people taking to entrepreneurial activities in various fields of endeavours (Teru, 2015). According to Blanchflower (2007), entrepreneurship is a process involving the ability of an individual to identify viable opportunities in a business environment, obtaining and managing the needed resources to exploit such opportunities. Amongst other potentials that exist in the agricultural sector is the wide range of entrepreneurial opportunities it offers, particularly, because of its multifaceted and multifunctional nature.

Henley (2007) observed that entrepreneurship is an elicitor of information on the socio-economic characteristics of the students, entrepreneurial interest and constraints limiting their entrepreneurial interest. Primary data collected were analyzed using descriptive statistical techniques like frequency counts, percentages, means and standard deviation while chi-square was used to draw inferences.

The dependent variable for the study is students' interest in agribusiness entrepreneurial activities. The respondents indicated their interest in response to ten declarative statements which were rated on a five-point Likert scale and were scored 5-points for Strongly Agree (SA), 4 points for Agree (A), 3-point for Neutral (N), 2-point for Disagree (D) and 1-point for Strongly Disagree (SD) as used by Ayanda, et al, (2012), Yeboah, Kumi, and Awuah, (2013) and Sultan (2017) and which was modified to suit the research purpose. The total entrepreneurial interest score per respondents was further classified into low and high levels using the mean score. The study was carried out in Osun State between January and August 2017. The study was intentional, suggesting that there is a link between entrepreneurship and interest. Thus, the underlying aim of this study is to assess the entrepreneurial interest of undergraduates in agribusiness activities in selected Universities in Osun State, Nigeria. It described the socio-economic characteristics of the students; identify their areas of entrepreneurial interest in agribusiness activities; determine respondents' level of entrepreneurial interest in agribusiness activities; and the constraints to students' entrepreneurial interest in agribusiness activities in the study area.

Methodology

The study was conducted in Osun State, in the Southwest geopolitical zone of Nigeria. The study area lies within longitude 2.750 and 6.750 Greenwich meridian and latitude 7.0 and 9.0. It

covers a total land area of approximately 14,875 square kilometres. It is bounded in the East by Ondo and the Ekiti States, in the West by Oyo state while Kwara and Ogun states are its boundaries in the North and South, respectively (Osun State Government Diary, 2005). A total of eight Universities are situated in Osun State (one Federal, one State and six Privates Universities). A two-stage sampling procedure was used to select the sample size. At the first stage, three Universities (1 private, 1 state, 1 Federal) namely: Bowen University, Iwo; Osun State University, Oye, Ejigbo and Obafemi Awolowo University, Ile-Ife, respectively that offered agricultural science were purposively selected. At the second stage, a proportionate sample of 16 percent of total population of the final year agricultural undergraduates of each university were selected, making a total of 120 respondents. A validated and pre-tested questionnaire was used to elicit information on the socio-economic characteristics of the students, entrepreneurial interest and constraints limiting their entrepreneurial interest. Primary data collected were analyzed using descriptive statistical techniques like frequency counts, percentages, means and standard deviation while chi-square was used to draw inferences.

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Table 1: Distribution of respondents by selected personal characteristics (n=120)

Personal characteristics	Frequency	Percentage	Mean	S. D
Age				
≤ 20yrs	30	25	23	2.2
21- 30yrs	89	74.2		
≥ 31yrs	1	0.8		
Sex				
Male	67	56.8		
Female	53	44.2		
Course of study				
Agric. Economics & Ext./Agric. Ext & Rural Development	70	58.3		
Agronomy/crop production & protection	14	11.6		
Animal sciences	22	18.3		
Forestry and environmental management.	2	1.7		
Fisheries& Aquaculture	2	1.7		
Family, consumer& Nutrition	7	5.8		
Soil Science & land Resource Management	3	2.5		
Reasons for choice of course studied				
Parental influence	29	24.2		
Personal interest in agriculture	60	50.0		
Peer group influence	2	1.7		
Influence of mentors	8	6.7		
Others	21	17.5		
Previous entrepreneurial experience				
No experience	68	56.7		
Had previous experience	52	43.3		
Parents' entrepreneurial background				
Self-employed in entrepreneurial activities	56	46.7		
Salary work	64	53.3		
Employment plan after graduation				
Private sector employment	10	8.3		
Public service employment	23	19.2		
Self-employment in agribusiness	47	37.2		
Work before getting self-employed	40	33.3		

Source: Field survey, 2017

Agribusiness activities of interest

The results in Table 2 revealed that one quarter (25%) of the respondents indicated interest in livestock production (poultry and piggery), followed by marketing and value addition to agricultural products (19.1%), arable crop production (16.7%), agro-processing (15%), agroforestry and tree crop production (12.5%), fish production (6.7%) and apiary and mushroom, snailery (5%). This implies that livestock production, marketing and value addition to agricultural products, arable crop production and

agro-processing were the respondents' most preferred agribusiness activities. The findings is similar to Zakaria et al., (2014) who reported that many of the undergraduate students preferred livestock production, agro-processing and marketing as agribusiness activities of interest. It also confirmed the submission of Nwaogwugwu and Obele (2017) that crop farming, agricultural marketing, livestock farming and processing were the agricultural-based livelihood activities among youth in Nigeria.

Table 2: Distribution of respondents by agribusiness activities of interest (120)

Agribusiness activities of interest	Frequency	Percentage
Arable crop production	20	16.7
Agroforestry & tree crop production	15	12.5
Agro-processing	18	15.0
Fishery	8	6.7
Livestock (poultry and piggery)	30	25.0
Marketing and value addition	23	19.1
Apiary, snailery and others	7	5.0

Source: Field survey, 2017

Entrepreneurial interest in agribusiness

Table 3 shows that the ranked mean scores of agribusiness entrepreneurial interest statements higher than the grand mean score of 3.42 include the statements that I am prepared to do anything to become an agribusiness entrepreneur (mean=4.21), I will put the necessary effort to establish my own agribusiness (mean = 4.02), I have a strong desire to start an agribusiness someday (mean=3.96), my professional goal is to become an agribusiness entrepreneur (mean=3.82), I prefer being an agribusiness entrepreneur than to be an employee of a company (mean=3.74) and I have the requisite technical knowledge to be a successful agricultural entrepreneur (mean=3.45). The implication of this finding is that respondents possessed a strong interest in becoming entrepreneurs in agribusiness as their means of livelihood after graduation. This is consistent with findings of Ooi and Ahmad (2012)

and Sultan (2017), who established that in their study areas, University students possessed high intention to become entrepreneurs.

Results in Table 4 further show that when the mean score of 69.3 was employed to categorise entrepreneurial interest of respondents into high and low levels, it revealed that more than half (56.8%) of them had a high level of interest in becoming agribusiness entrepreneurs while 43.2 percent had a low level. The fact that the larger percentage of the respondents exhibited high interest towards taking up agribusiness after graduation is an indication that there are potentials for entrepreneurial development along agribusiness value chain if the government could provide an adequate enabling environment to sustain this interest. This is in line with the results of Brownhilder (2014) who submitted that majority of university students in Cameroun possess a high intention to become entrepreneurs due to the reality of unemployment in the country.

Table 3: Distribution of the students according to their entrepreneurial interest in agribusiness (n =120)

Entrepreneurial interest statements	Mean	Rank
It becomes necessary to set up my agribusiness after graduation	3.13	8 th
I will put the necessary effort to establish own agribusiness	4.02	2 nd
I have a strong desire to start an agribusiness someday	3.96	3 rd
It is certain for me to establish my own agribusiness	3.20	7 th
There is enabling environment to pursue an entrepreneurial career in agribusiness	2.17	10 th
I have the requisite technical knowledge to be a successful agricultural entrepreneur	3.45	6 th
Enough experience and skill I have got will count when I start my agribusiness	2.45	9 th
My professional goal is to become an entrepreneur in agribusiness	3.82	4 th
I prefer being an agribusiness entrepreneur than to be an employee of a company	3.74	5 th
I am prepared to do anything to be an agribusiness entrepreneur	4.21	1 st
Source: Field survey, 2017 Grand mean=3.42		

Table 4: Distribution of respondents based on the level of entrepreneurial interest in agribusiness (n=120)

Level	Entrepreneurial intentional score	Frequency	%	Mean
Low	Below 69.30	53	44.2	
High	69.30 and above	67	56.8	69.30

Source: Field survey, 2017

Constraints to students' entrepreneurial interest in agribusiness activities in the study area.

Table 5 shows that inconsistency of government policies toward agribusiness with a mean score of 4.84 was a major challenge limiting youth interest in becoming agribusiness entrepreneurs in Nigeria, It is in line with Sultan (2017) who submitted that negative government policies such as difficulty in obtaining legal license and insufficient subsidies are discouraging to pursue entrepreneurial career. Inadequate infrastructural and processing/storage facilities (mean=4.64) ranked 2nd, indicating that available infrastructures, processing and storage

facilities were not satisfactory enough to pursue an entrepreneurial career in agribusiness. This corroborates the findings of Tim et al. (1999) who noted that infrastructural development was one factor that influences the startup intention of business. Inadequate funds or start-up capital for agribusiness (mean=4.60) was also identified as ranked 3rd. This suggests that obtaining startup capital from financial institutions to start a business could be somewhat difficult for the youth because of collateral requirements. This is line with the submission of Fatoki (2010) and Zahariah et al. (2010) that lack of finance affects willingness to act

Table 5 : Distribution of respondents by constraints limiting their interest in agribusiness (n=120)

Constraints	Mean	Std Dev.	Rank
Inconsistent government policies towards agribusiness	4.84	1.88	1 st
Inadequate infrastructural and processing/storage facilities	4.62	1.80	2 nd
Inadequate funds or start-up capital for agribusiness	4.60	1.77	3 rd
Inadequate entrepreneurial skills	4.52	0.92	4 th
The low rate of profit maximization in agribusiness	3.54	1.33	6 th
Low demand for agribusiness products	3.23	1.07	7 th
Fear or risk of failure	2.45	0.89	8 th

Source: Field survey, 2017

The relationship between entrepreneurial interest and socio-economic characteristics of the respondents

The result of Chi-square analysis shows that sex ($\chi^2=34.535$; $p \leq 0.01$), entrepreneurial experience ($\chi^2=34.535$; $p \leq 0.01$) and parents' entrepreneurial background ($\chi^2=34.535$; $p \leq 0.05$), had a significant association with an entrepreneurial interest in agribusiness. This implies that sex of the students; their entrepreneurial experience and parents' entrepreneurial background are determinants of students' interest in venturing into

agribusiness. This is line with the findings of Sultan (2017) who reported that parents' entrepreneurial background had a significant relationship with an entrepreneurial interest in agribusiness. This may be as a result of conscious and unconscious learning from their parent agribusinesses which may initiate their interest and continuous practice may gear their venturing into the business to earn personal money. High income generating agribusiness will attract youth more than low income generating one. Youth will venture into agribusiness that will sustain their livelihood.

Table 7: Chi-square analysis of the relationship between socio-economic characteristics of the respondents and their entrepreneurial interest in agribusiness (n=120)

Personal and socio-economic variables	χ^2	D.f	P
Sex	34.543**	1	0.001
Course of study	43.689	6	0.006
Entrepreneurial experience	23.345**	1	0.001
Parental entrepreneurial background	41.453*	1	0.080

Source: Field survey, 2017

** = $p \leq 0.01$

* = $p \leq 0.05$

Conclusions and Recommendations

Based on the findings of the study, it could be concluded that undergraduate students in Osun State are interested in becoming entrepreneurs in agribusiness after graduating. The preferred enterprises of interest are mainly livestock and poultry rearing with the marketing of agricultural inputs, farm produce and products, and value addition. The major identified constraints to entrepreneurship in agribusiness were unstable government policies; inadequate infrastructure and processing facilities, inadequate funds and skill. It is therefore recommended that policies capable of providing enabling environment for youth entrepreneurs in agribusiness should be formulated without further delay. Such should include the provision of credit outlets and necessary infrastructure capable of encouraging undergraduates in taking up agribusiness as a means of livelihood and consequently, minimize the rate of graduate unemployment in Nigeria. Finally, practical oriented entrepreneurship education should be included in all tertiary

education curricula as a way of stimulating the interest of students in entrepreneurship.

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