



THE ROLE OF PERCEPTION IN THE ENTRY OF WOULD-BE ENTREPRENEUR INTO AGRIBUSINESS: A CASE STUDY OF BENUE STATE, NIGERIA

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ABSTRACT

The study analyzed perceptions as a determinant of young would-be entrepreneurs' likelihood to venture into agribusiness in Benue State, Nigeria. The study made use of the ex-post facto research design and the population was made up of registered persons who had been trained or were undergoing agribusiness trainings at business school, university, government agencies or non-governmental organizations within the ages of 15-35 for the 2019 and 2020 cropping season totaling 10320. The sample size of 385 was determined from the population using Taro Yamane formula. Primary data was collected through the use of structured questionnaires. Descriptive and inferential statistics were used to analyze the data collected. Findings revealed that age group of entrepreneurs (mean = 2.83), years of experience in agribusiness (mean = 2.33), their occupation (mean = 2.90) and their level of education (mean = 4.66) are likely socioeconomic indicators of perceptions influencing likelihood to venture among young would-be agribusiness entrepreneurs in the State. The result of the ordered logit regression analysis showed that for 3 categories of perception, years in agribusiness, occupation and level of education are significant influencers viz: personal perception (-0.31^{**}, 0.28^{**}, -0.27^{**}), respectively. social perception (-0.83^{***}, 0.64^{***}, -0.36^{**}) respectively and familial perception (-0.87^{***}, 0.64^{**}, -4.81^{***}) all these results were significant at 1% = *** and 5% = **. The study recommended that, more educational programs for young would-be entrepreneurs needs to be deepened through exposure to more learning tools and capacity building to aid in dispelling negative perceptions about the practice of agribusiness. Promotion of hands-on training, mentorship and campaigns is advocated to enhance experience among young would-be entrepreneurs.

Keywords: Agribusiness, Ordered logit Regression, Perception, Young-would-be-entrepreneur.

INTRODUCTION

The most significant and valuable resource for any nation is its people. According to the National Population Commission the Nigerian population is projected to be 201.6 million as at 2019 and over 70% of this population is also projected to be under the age of 35, National Bureau of Statistics (NBS, 2018). This indicates that a huge percentage of young people are currently entering or already in the working age group and therefore making decisions on what jobs or careers they would take up or sustain a livelihood with.

Young would-be entrepreneurs' perception towards agriculture is a major factor that influences their participation in agribusiness. Ikenwa *et al.* (2017) and Success *et al.* (2017) all opine that transforming the Nigerian agricultural sector into an agribusiness model and creating sustainability in agribusiness development through increased youth involvement is the way forward but also a great challenge for Nigeria and Benue State as a subset of Nigeria, since its activities to influence youth involvement in agricultural activities and development are poorly understood and documented.



In Benue State like other places around Africa, educated young people also show little or no desire to be farmers or to be agribusiness entrepreneurs after receiving vocational training, because of the negative perceptions from family and the society at large about agriculture. Informal work in urban areas is preferred by those who are exposed to school even if it is low paying (Getnet and Asrat 2012; Sergo, 2014).

Young people are the key to the future of agriculture both as small-scale producers and as part of the labor market for different scales of agriculture (Proctor and Lucchesi, 2012). Above all, perceptions play an important role in influencing how young people make life choices, how they think and feel about themselves and ultimately their life outcomes (Schaefer and Meece, 2009).

There are many studies on youth in relation to agriculture including Ojebiyi *et al.* (2015), Alao (2018), Jokotola *et al.* (2019) and Adedapo *et al.* (2019) whose works though similar, differ as they only assess the willingness and interest of university graduates and undergraduates to venture into agriculture. The uniqueness of this study is that it took into cognizance youth perceptions of agribusiness as it determines young would-be entrepreneur's likelihood to venture into agribusiness.

The main objective of this study was to examine the role of perception in the entry of would-be-entrepreneurs agribusiness in Benue State. The specific objectives were to describe the socioeconomic characteristics of would-be-entrepreneurs and evaluate the effect of perception on young would-be entrepreneurs' venturing into agribusiness.

MATERIALS AND METHODS

The Study Area

The study area is Benue state; it lies between Latitude 6° 25' and 8° 8'N of the Equator and Longitude 7° 47' and 10° 0'E of the Greenwich Meridian. The state is bounded by Nasarawa State to the North, Taraba State to the East, Enugu State to the South-west, Cross River State to the South and Kogi State to the West. Benue State, which is located in the North Central region of Nigeria, had a total population of 5.6m in 2015 (NBS, 2016). Agricultural and Agribusiness entrepreneurs abound in the state among which are seed suppliers, farm equipment and agro-chemicals suppliers, livestock and crop producers, rice Millers etc.

Sampling Design and Procedure

The study made use of a purposive and random sampling techniques. The first stage involved the purposive selection of Organizations and Institutions with young participants within the ages of 15-35 running agribusiness courses and trainings. The Taro Yamane method for the sample size calculation was employed in the second stage to randomly determine the sample size from the population of 10320 young would-be entrepreneurs.

Using the Taro Yamane (1967) formula for sample size as:

$$n = \frac{N}{1 + N(e)^2} \quad \dots(1)$$

where;

n = sample size

N = Population size

e = marginal error (0.05)

$$n = \frac{N}{1 + N(0.05)^2} = \frac{10320}{1 + 10320(0.05)^2} = 385$$



Method of Data Collection

Primary data was used for the study. A well-structured interview schedule (questionnaire) was used to elicit information from 373 young-would-be entrepreneurs.

Method of Data Analysis

Data collected were analyzed using descriptive statistics such as frequencies, percentages, means and standard deviations to describe the socioeconomic characteristics of young would-be-entrepreneurs. Ordered Logit Regression examined the perceived likelihood of young would-be entrepreneurs to venture into agribusiness.

Model Specification

Ordered Logit Regression (OLR)

To attain a greater understanding of the effect of perceptions on young would-be entrepreneurs' likelihood to venture into agribusiness, survey observation responses to perception factors that likely influence venturing made up our dependent variables respectively. Responses to questions posed under the above headings were averaged to create a single influencer variable value. The ordered logit regression model assumes that the basic tendency to perceptions as influencers to agribusiness venture is governed by an unobserved variable that is a linear function of those variables listed below:

$$y^* = X' \beta_1 \text{Personal_perception} + \beta_2 \text{Social_perception} + \beta_3 \text{Family_perception} + e \quad \dots(2)$$

where;

y^* = unobserved tendency to perceive influencers to agribusiness venture

X = vector of observed variables

β_i = vector of the estimated coefficients

e = error term

It is assumed that the error term follows a logistic distribution and assigns the following categories of response for y :

$$y = \begin{cases} 1 & \text{if } y^* \leq \mu_1, \\ 2 & \text{if } \mu_1 < y^* \leq \mu_2 \\ 3 & \text{if } \mu_2 < y^* \end{cases} \quad \dots(3)$$

The μ_i are cutoff parameters to be estimated.

RESULTS AND DISCUSSION

Socio-economic Characteristics of Young Would-be Entrepreneurs

The study results (Table 1) revealed that 55% of the respondents were male and 44% were female. The average age of the respondents was between the ages of 21-25 years. And their mean family size was between 1-5 persons. The mean farm size was between 0-2hectares (45.58%) and those with livestock mostly held between 0-50 animals (59.22%). This agrees with Akpan *et al.* (2005) who also reported 54.0% on farm sizes 0.5-2ha in their study on Socio-economic characteristics of farmers as correlates of fertilizer demand in Ekiti State.

Majority had 3-4 years' experience in agribusiness and were currently employed in the agricultural public sector and were looking forwards to futures being self-employed in agribusiness as well as having at least a level of education at the certificate level. The result also showed that only 10.72% of respondents in the study area were not formally educated with 53.08% of respondents possessing college degrees.



Table 1: Socio-economic Characteristics of Respondents

Variable	Description	Frequency	Percentage	Mean	Std. Dev.
Sex	Male (0)	206	55.23	.4477212	.4979273
	Female (1)	167	44.77		
Age group	15-20 yrs. (1)	23	6.17	2.83378	.9328162
	21-25 yrs. (2)	129	34.58		
	26-30 yrs. (3)	108	28.95		
	31-45 yrs. (4)	113	30.29		
Family size	1-5 (1)	185	49.60	1.589812	.6439155
	6-10 (2)	156	41.82		
	above 10 (3)	32	8.58		
Farm size	0-2 ha (1)	170	45.58	1.911528	1.008139
	3-4 ha (2)	103	27.61		
	5-6 ha (3)	63	16.89		
	above 6 ha (4)	37	9.92		
	0-50 (1)	222	59.52		
Livestock holding	51-100 (2)	94	25.20	1.659517	1.010375
	101-150 (3)	34	9.12		
	151-200 (4)	8	2.14		
	above 200 (5)	15	4.02		
Years in agribusiness	below 2yrs (1)	79	21.18	2.33244	1.009068
	3-4yrs (2)	160	42.90		
	5-10yrs (3)	65	17.43		
	above 10yrs (4)	69	18.50		
Occupation	Student (1)	139	37.27	2.900804	1.61589
	Public Sector (2)	20	5.36		
	private Sector (3)	22	5.90		
	Self-employed (4)	123	32.98		
	Unemployed (5)	69	18.50		
Future occupation	Public Sector (1)	53	14.21	2.13941	.8144374
	Self-employed (2)	252	67.56		
	Private Sector (3)	42	11.26		
	Public Sector non-agro (4)	15	4.02		
	Self-employed non-agro (5)	11	2.95		
Level of Education	non formal (1)	40	10.72	4.659517	1.827036
	Primary (2)	24	6.43		
	Secondary (3)	42	11.26		
	Certificate (4)	27	7.24		
	Diploma (5)	33	8.85		
	Degree (6)	198	53.08		
	post grad (7)	9	2.41		

Item Mean Analysis for Perception

In order to assess the level of agreement and disagreement on the different items used to measure the dimensions of perception, item mean analysis was also carried out as presented on Table 2. According to the results in Table 2, young would-be entrepreneurs believe that agribusiness is a decent employer for youth in the study area (mean = 4.14). Agribusiness is a lucrative sector in the study area (mean = 4.07), youth in the study area should be actively



involved in agribusiness (mean = 4.40), agribusiness is an important sector in Nigeria's economy (mean = 4.49), their engagement in agribusiness does not hinder their social life (mean = 4.29) and it is really cool to be engaged in agribusiness (mean = 4.17). The results further revealed that their parents and friends encourage than to engage in agribusiness (mean = 4.26), engagement in agribusiness improve the standard of living (mean = 4.39), agribusiness provides employment opportunities for educated and non-educated youth (mean = 4.26), agribusiness is important to Benue and Nigeria's food security (mean = 4.59). However, young would-be entrepreneurs disagreed that agribusiness was too risky a career option (mean = 2.49). This provides evidence young would-be entrepreneurs venturing into agribusiness is encouraged by personal, familiar and social perception in the study area.



Table 2: Perception analysis

Variable	Response	Frequency	Percentage	Mean	Std. Dev.	Min	Max
Agribusiness is too risky as a career option	Strongly Disagree	87	23.32	2.487936	1.181392	1	5
	Disagree	116	31.10				
	Not Sure	98	26.27				
	Agree	45	12.06				
	Strongly Agree	27	7.24				
Agribusiness is a decent employer of youth in the Benue economy	Strongly Disagree	11	2.95	4.144772	.8709504	1	5
	Disagree	6	1.61				
	Not Sure	34	9.12				
	Agree	189	50.67				
	Strongly Agree	133	35.66				
Agribusiness is a lucrative sector in the Benue economy	Strongly Disagree	13	3.49	4.069705	.9449749	1	5
	Not Sure	40	10.72				
	Agree	179	47.99				
	Strongly Agree	129	34.58				
	Strongly Disagree	9	2.41				
Benue youth should be actively involved in agribusiness	Disagree	21	5.63	4.402145	.8026808	1	5
	Not Sure	145	38.87				
	Agree	198	53.08				
	Strongly Agree	9	2.41				
Agribusiness is an important sector in Nigeria's economy	Strongly Disagree	6	1.61	4.485255	.7814532	1	5
	Disagree	6	1.61				
	Not Sure	13	3.49				
	Agree	124	33.24				
	Strongly Agree	224	60.05				



Table 2: Perception analysis Cont'd.

Perception Variable	Response	Frequency	Percentage	Mean	Std. Dev.	Min	Max
My engagement in agribusiness does not hinder my social life	Strongly Disagree	11	2.95	4.294906	.9063105	1	5
	Disagree	3	0.80				
	Not Sure	39	10.46				
	Agree	132	35.39				
	Strongly Agree	188	50.40				
I feel it is really cool to be engaged in agribusiness	Strongly Disagree	8	2.14	4.16622	.9471156	1	5
	Disagree	21	5.63				
	Not Sure	30	8.04				
	Agree	156	41.82				
	Strongly Agree	158	42.36				
My parents and friends also encourage me to engage in agribusiness	Strongly Disagree	11	2.95	4.262735	.8802676	1	5
	Disagree	9	2.41				
	Not Sure	15	4.02				
	Agree	174	46.65				
	Strongly Agree	164	43.97				
Engagement in agribusiness improves my standards of living	Strongly Disagree	6	1.61	4.38874	.790795	1	5
	Disagree	9	2.41				
	Not Sure	9	2.41				
	Agree	159	42.63				
	Strongly Agree	190	50.94				
Agribusiness provides employment opportunities for educated youth	Strongly Disagree	6	1.61	4.262735	.8523402	1	5
	Disagree	9	2.41				
	Not Sure	36	9.65				
	Agree	152	40.75				
	Strongly Agree	170	45.58				
Agribusiness is important to Benue and Nigeria's food security	Strongly Disagree	9	2.41	4.592493	.7406387	1	5
	Disagree	3	0.80				
	Not Sure	110	29.49				
	Agree	251	67.29				
	Strongly Agree	9	2.41				



Ordered Logistic Likelihood of the Effect of Perception on Young Would-be Entrepreneurs' Venturing into Agribusiness

The results in Table 3 indicate positive (+) and negative (-) coefficients, the positive coefficients denote that as that independent variable increases by a unit, respondents are more likely to agree that perception influences likelihood to venture into agribusiness and negative coefficients denote that as that independent variable increases by a unit, respondents are more likely to disagree that perception influence the likelihood to venture into agribusiness. Socioeconomic characteristics like years in agribusiness, occupation and level of education are significant for all 3 categories of perception. The negative coefficients for level of education denotes that as the level of education increases by one (1) unit respondents were more likely to disagree that perception influences their likelihood to venture into agribusiness. Similarly, Years in agribusiness have negative coefficients denoting that as experience increases by unit respondents are more likely to disagree that perception influences their likelihood to venture into agribusiness.

It is worthy to note that the result shows that as the age group increases respondents became more likely to agree that familial perception influenced their decision to venture into agribusiness. This result is consistent with the local culture of older family members influencing decisions of their younger generation. A comparison of the pseudo-R-squared indicates that familial perception best model likelihood to venture into agribusiness.

Table 3: Effect of Perception on young would-be-entrepreneurs likelihood to venture into agribusiness

Characteristic Variables	Personal Perception Coefficients	Psuedo R ²	Societal Perception	Psuedo R ²	Familial Perception	Psuedo R ²
Gender	-0.65**		0.08		1.36**	
Age Group	0.10		0.30		1.27**	
Family Size	-0.49**		0.77**		0.18	
Farm Size	-0.06		-0.28		-0.25	
Livestock Holding	0.12	0.0833	-0.74***	0.1967	-0.51	0.2958
Yrs in agribusiness	-0.31**		-0.83***		-0.87**	
Occupation	0.28**		0.64***		0.64**	
Future occupation	-0.33**		-0.64***		-0.33	
Level of education	-0.27**		-0.36**		-4.81***	

***significant at P<1%; **significant at P<5% and *significant at P<10%

Source: Field Survey 2020

CONCLUSION AND POLICY IMPLICATIONS

The role of Perception as a determining factor in young potential entrepreneur's decision to venture into agribusiness is evident from the findings. The study also indicates that personal, societal and familial perceptions are likely to influence decisions to venture into agribusiness with familial perception being the most impactful. On the basis of these findings, the following recommendations were made:

1. More educational programs for young would-be entrepreneurs needs to be deepened through exposure to more learning tools and capacity building to aid in dispelling negative perceptions about the practice of agribusiness.
2. Promotion of hands-on training, mentorship and campaigns is advocated to enhance experience among young would-be entrepreneurs.



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