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Effect of Agriculture Promotion Policy on the Performance of Agripreneurship in Ogun State, Nigeria

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Abstract

The study examined the effect of agriculture promotion policy on the performance of agripreneurship in Ogun State. Specifically, the study seeks to verify the effect of agriculture promotion policy on food security and agricultural value chain in Ogun State. The methodology used in the study was a descriptive survey designed with the aid of administration of questionnaire to collect data from key respondents. Two hundred and eighty-three (283) samples were derived using Taro Yamane statistical formula. The study also used regression analysis to determine the effect of agriculture promotion policy on agripreneurship and analysed research hypotheses using SPSS version 20. The findings of the study reveal that agriculture promotion policy has a positive significant effect on food security and agriculture promotion policy has a positive significant effect on agricultural value chain. The study recommended, among others, for food security to be continuously improved on, farmers/agripreneurs should be encouraged to establish safe storage facility as it is very important for food security, it will help to stabilise food price.

Keywords: Agriculture Promotion Policy, Food Security, Agricultural Value Chain, Agripreneurship

Introduction

The agriculture sector has been the engine room for development of advancing and advanced countries in the contemporary world. In the 1970s to 80s, Brazil, like all other oil export countries Nigeria inclusive experienced a downturn in oil prices. Brazil took advantage of the opportunity to diversify its economy into agricultural activities focusing on her comparative advantage. They discovered, during the period, a by-product of sugarcane called ethanol which when mixed with petroleum derivatives produces a brand of renewable fuel known as gasohol or green petrol for motor vehicles (Ogen, 2011)^[15]; (Igudia, 2017)^[11]. Today, Brazil owns and operates the largest gasohol production plant in the world (Ogen, 2007)^[15].

In Africa, Malawi's maize production doubled in 2006 and tripled in 2007 (NBS, 2014)^[13] via national input support programme which targeted clusters of smallholdings farmers using the Japanese model.

Nigeria is arguably the largest economy in Africa. The agricultural sector employs approximately two-thirds of the country's total labour force and the share of agriculture value added to total Gross Domestic Product (GDP) was 50% in 2002 (World Bank, 2015)^[22]. The implication is that agriculture hitherto was the catalyst of growth of Nigeria economy contributing over 60% of the GDP. It was the leading sector in terms of occupational distribution and contribution to the GDP (Ogen, 2007)^[15] in the 1960s and early 1970s. However, with the commercial production of crude oil in the mid- 1960s, agriculture production declined steadily as investment in agriculture was intentionally ignored by successive administrations and productivity lagged behind even some of the poorest countries in Africa (Igudia, 2017)^[11]. As such, new strategies are required in order to ensure sustainable agriculture production so that the challenge of feeding an increasing population is addressed, thus the introduction of the agriculture promotion policy.

The policy known as the Agriculture Promotion Policy (APP) expects to open the agricultural sector potentials, reduce dependence on crude oil export and expand the Nigerian economy (Odunze, 2019)^[14].

The APP sees agriculture as a business that should be private sector driven in partnership with the government, thus the APP promotes agripreneurship. Agripreneurship, therefore, is related to industry, commerce and trade, and involves on-farm activities and off-farm activities. On-farm activities (e.g., crop and animal production, food processing, agri-input manufacturing) are activities carried out directly on the farmland or its premises. While off-farm activities (e.g., agro-service ventures and agro-tourism entrepreneurship) are farm-related undertakings carried outside the farmlands, which involve the usage, direct and indirect consumption of agricultural produce (Eze & Eze, 2016) ^[9].

Ogun State arguably has the largest concentration of agro-allied industries, especially food processing mainly depending on agriculture produce as raw materials. The State Agricultural Agenda focuses on key strategic pillars; food security and support to smallholder farmers, job creation through agricultural value chain opportunities. Others are nutrition and food safety through the promotion of cultivation, consumption, and venture in nutritious and bio-fortified foods, agribusiness investment, strategic partnership and private sector engagement to key into the agricultural promotion policy of the Federal Government of Nigeria (Federal Ministry of Agriculture and Rural Development, 2016) ^[10]. Inspite these agenda, there are no literature relating statistically agricultural promotion policy to performance of agripreneurship in Ogun State. Thus, this study sought to contribute by analysing statistically how agriculture promotion policy affects the performance of agripreneurship generally in Nigeria and specifically in Ogun State.

The main objective of the study is to examine the effect of agriculture promotion policy on the performance of agripreneurship in Ogun State and the specific objectives are to: Assess the effect of agriculture promotion policy on improved food security and ascertain the effect of agriculture promotion policy in promoting agricultural value chain.

Literature Review

Concept of Agricultural Promotion Policy

Agriculture Promotion Policy (APP) is an action plan of Government that focuses on solving the issues of limited food production and delivery of quality standards, for the overall benefits of the citizens and the country. The citizens benefit through improved standard of living, the country benefits through improved foreign exchange earnings.

This policy document tends to be one of the most pragmatic policies in recent times, not because of its implementation, but mainly due to the intensive consultative process involved in formulating the policy. Diverse stakeholders: farmers group, investors, processors, lenders, civil servants, the academics provided input and support put at the disposal of Federal Ministry of Agriculture and Rural Development (FMARD) ^[10]. The outcome of this forum birthed the Agriculture Promotion Policy (APP).

According to FMARD (2016) ^[10], the biggest challenge Nigeria faces is food insecurity as it cannot meet her domestic food requirements and cannot export quality product for the international market. This amongst many others agriculture promotion policy is set to resolve. Previous agricultural policy known as Agriculture Transformation Agenda (ATA) recorded considerable success. Agriculture Promotion Policy was initiated to build on the successes of ATA. The focal point in these policies is to make agriculture sustainable driven by the private sector.

The Agriculture Promotion Policy statement is anchored on three main pillars, in line with the constitutional provision for the role of Federal Government in agricultural development; promotion of agricultural investment; financing agricultural development programmes and research for agricultural innovation and productivity (FMARD, 2016) ^[10].

Ojong and Anam (2018) ^[16] agreed that the agriculture promotion policy is concerned with assessing the challenges and prospects of the policy framework and implementation strategies. Therefore, agricultural policies are to solve problems. If the challenges are not carefully resolved, it will affect the implementation of the policy. The policy has not passed the stage of legitimation.

Concept of Agripreneurship

Agripreneurship is identifying and seizing an opportunity in the agribusiness space and organising resources to convert the opportunity into innovative solutions while embracing the associated risk and potential benefits thereof. This may occur within an existing agribusiness enterprise or lead to establishment of new agribusiness enterprise (Addo, 2018) ^[2]. Taking opportunities in agriculture requires specialisation. Chikaire *et al.* (2017) ^[5] enthused aspects of agriculture that are open for entrepreneurship include both the on-farm activities and off-farm ventures. The on-farm activities may involve production, processing, farm input manufacturing and agro service ventures. Off-farm agripreneurship ventures may include activity such as agro-tourism entrepreneurship. For Eze and Eze (2016) ^[9], agripreneurship is defined as the integration of entrepreneurial and innovative business ideas and skills into agriculture to produce better results. Agripreneurship involves innovative ways of cultivating, planting, harvesting, managing post-harvest losses, processing of harvested farm produce and converting such into finished products, and conveying them to the point of sales with the use of unique promotional efforts. It implies that agripreneurship is a process creating value for final consumption.

Concept of Performance

Performance in this context relates to agripreneurship, performance is an indicator of higher outcome or result as result of improved input. In agripreneurship, performance indicate either a higher or lower outcome because of an improve input. There are literatures dealing with agripreneurship and performance, examples, of which are Addo (2018) ^[2], Adeyanju (2019) ^[3] and Okello (2021) ^[17]. However, these literatures were not able to define specifically the concept of performance.

Various indicators measure performance in agripreneurship. According to Adeyanju (2019) ^[3], better agripreneurship performance is agribusiness development and expansion, higher income, increased productivity, profitability, and better livelihood, etc. For Addo (2018) ^[2], agripreneurship performance is based on outcomes; for examples, growth in micro-enterprises, expanding value chain system, increase in national revenue, others are job creation and providing nutritious food. Okello (2021) ^[17] in his thesis identified productivity and income as a measurement for performance in agripreneurship.

It is in view of this, having identified the problem, improved food security and promoting agricultural value chain are selected indicators for measuring agripreneurship performance in this study. This is line with Comprehensive

Africa Agriculture Development Program (CAADP) and Malabo Declaration (2014), Adeyanju (2019) ^[3] and Addo (2018) ^[2].

Concept of Food Security

Danladi and Ojo (2018) ^[7] reported that the concept of household food security is multidimensional. It integrates stability, access, and availability of food that is nutritionally adequate for consumption. Aside household food security, adequate raw materials supply to food processing enterprise is an aspect of food security.

Amaechi (2018) ^[4] defines food security as the ability to provide enough food to the entire population of a particular state or country at all times. Food is necessary for every human being to sustain life. Agripreneurship must ensure food security.

Abiodun *et al.* (2019) ^[1] refer to food security as a notion encompassing peoples' safety from hunger, disease, and repression, which include people having access to sufficient, safe and nutritious food at all time. The emphasis is on food availability, accessibility and affordability.

Concept of Agriculture Value Chain

Igwemeka and Ikwunife (2019) ^[6] emphasise that value chain is best suitable for agriculture; agricultural value chain includes the full range of activities and actors involved in moving agricultural products from input suppliers to farmers' fields, and ultimately to the final consumers. They opine that actors in the chain are interlinked and interrelated to one another. This makes the chain viable. In line with this concept, value chain should be market – oriented.

An agricultural value chain is usually defined by a particular finished product or closely related products and includes all activities of firms engaged in input supply, production, transport, processing and marketing (or distribution) of the product or products (Chikezie *et al.*, 2019) ^[6]. They are series of diversified activities that ends with value addition on an agri-product or agri-products.

Nexus of Agriculture Promotion Policy and Agripreneurship

According to the Agriculture Promotion Policy document 2016, Nigeria faces two gaps in agriculture in recent times and they are inability to meet domestic food requirements, and inability to export at quality levels required for market success. The document buttressed further that inability to meet domestic food requirements is due to productivity challenge driven by an inefficient input system. The later was caused by poor knowledge of target markets, poor regulatory system and poor coordination between relevant governmental agencies. This makes policy implementation flawed (FMARD, 2016) ^[10]. Ojiong and Anam (2018) ^[16] concluded that policy implementation is a perennial problem and poses a big challenge to developing the agricultural sector. They opine that the agriculture promotion policy did not specify in clear terms how the vulnerable rural poor will be able to access farming support programmes without collaterals, considering the fact that they constitute the largest group of primary producers in the value chain. Igudia (2017) ^[11] also

posit that agricultural policies, since independence, have not yielded much positively progressive result on agripreneurship due to improper linkages to other sectors of the economy and low impartation on preservation, technology and value addition. In linking agricultural policies to agripreneurship, Owolabi *et al.* (2016) ^[20] posits that inappropriate agricultural policies progressively make agricultural work unattractive, which in the long-run worsens food production and other agricultural production.

The effect of agricultural policies on the performance of agripreneurship is to create an enabling environment to encourage entrepreneurs venture into the diverse areas of agriculture based on entrepreneurs' skills, competences and specialisation. The results are improved food security and value chain collaborations.

Methodology

Population, Sample and Sampling Techniques

Five hundred and seventy-eight (578) registered agribusinesses with Ogun State Ministry of Agriculture serve as population of the study. The study focused on only the agripreneurs who own or manage the agricultural firms and this could be the agripreneur who may be the founder or in senior management. The sample size of two hundred and thirty-six (236) was drawn from the population using Taro Yamane's statistical formula. In order to ensure that minimum samples are met the sample size is increased by 20% to cover for non-response rate. Hence the sample size is $(236 + 236 * 0.20)$ that is, $236 + 47 = 283$. The main sample size adopted for this study is two hundred and eighty-three (283). A simple random technique was applied in reaching out to respondents.

Primary data for this study was gathered from respondents through the administration of a questionnaire. Questionnaires were measured using five-point Likert scale with range of values in descending order (5 to 1) indicating, 5-strongly agreed, 4-agreed, 3-neutral, 2-disagreed and 1-strongly disagreed where questionnaires were administered to agripreneurs in Ogun State. Secondary sources of data were recent scholarly works done within the subject matter, periodicals, governmental agencies report example, CBN and FMARD ^[10].

For the reliability test, a pilot survey involving twenty-nine (29) respondents were administered the structured questionnaire to ascertain the clarity of the instrument. Cronbach Alpha was used to ascertain the internal consistency. According to Serbetar & Sedlar (2016) ^[21], Cronbach Alpha value that is greater than 0.70 is considered to be good to conduct a study. Thus, all the variables employed in this study have Cronbach Alpha values that are greater than 0.70.

Table 1: Alpha Test

Variable	α =Alpha	Comment
Food security	0.8714	Reliable
Agricultural value food chain	0.7556	Reliable
Agricultural promotion policy	0.8460	Reliable

Source: Researcher's Computation 2021

Results and Discussions

H₀₁: Agriculture promotion policy has no significant effect on food security.

Model	Unstandardized Coefficients		Beta	t	Sig.
	B	Std. Error			
1	(Constant)	1.401	.191	7.351	.000
	AP	.525	.053		
a. Dependent Variable: FS					

Source: SPSS OUTPUT 2021

The results from table shows that agriculture promotion policy (APP) has a statistically positive significant effect on the food security for the period of this study, as evidenced from the coefficient of .525 which is significant at 5% level of significance (p value of .000). Based on this p-value, which

is less than 0.05 significant levels, there is no sufficient evidence to accept the null hypothesis two (H₀₂) which states that Agriculture promotion policy has no significant effect on food security.

H₀₂: Agriculture promotion policy has no significant effect on agricultural value chain

Model	Coefficients ^a			t	Sig.
	B	Unstandardized Coefficients	Standardized Coefficients		
1	(Constant)	.439	.181	2.427	.016
	AP	.717	.051		
a. Dependent Variable: AVC					

Source: SPSS OUTPUT

The results from table shows that agriculture promotion policy (AP) has a statistically positive significant effect on the agricultural value chain for the period of this study, as evidenced from the coefficient of .717 that is significant at 5% level of significance (p value of .000). Based on the p-value of 0.000 which is less than 0.05 level of significance, it means that there is no sufficient evidence to accept the null hypothesis three (H₀₃) which states that Agriculture promotion policy has no significant effect on agriculture commodity value chain in Ogun State.

Agricultural Promotion Policy and Food Security

The study also investigated the contribution of agricultural policy to food security. The hypothesis formulated was that agricultural policy has no significant effect on food security. The result of data analysed signifies that agricultural policy has a positive significant effect on food security in Ogun state during the period of the study. It is therefore, derived from the finding that the effectiveness of agricultural policy would guarantee food security in Ogun State during the period of the study. This finding is consistent with those of Edeoghon and Idowu (2017)^[8] and Owolabi *et al.* (2016)^[20].

Agricultural Promotion Policy and Agricultural Value Chain

Finally, this study investigated the effect of agricultural policy on agricultural value chain. The hypothesis developed and tested for the study stated that agricultural policy has no significant effect on agricultural value chain. The data elicited from the respondents was tested and the results revealed a positive significant effect of agricultural policy on agricultural value chain in Ogun State. This is evidence that a large proportion of the respondents strongly agreed that agricultural policy could improve agricultural value chain. This finding corroborates with those of Ogunsumi (2015)^[18] and Oruonye, Ahmed & Joseph (2021)^[19].

Conclusions and Recommendations

Based on the test conducted on the statement of hypotheses from data collected and the results of analysis done, this study concluded that agricultural promotion policy has a statistically significant effect on the performance indicators of agripreneurship which are (improved food security and promoting agricultural value chain) in Ogun state during the period under review.

In particular, the study found that Agricultural Promotion Policy (APP) has positive significant effect on food security. Moreover, it has a positive significant effect on agricultural value chain in Ogun State.

In line with the findings and conclusions from this study, the study makes the following recommendations:

1. For food security to be continuously improved on, farmers/agripreneurs should be encouraged to establish safe storage facility as it is very important for food security, it will help to stabilise food price. There is also need to increase agricultural production, preservation of unused produce or unsold items, which are as important as cutting a waste. Government can encourage private investment in storage facilities by creating the enabling business environment.
2. In line with the findings in promoting agriculture value chain, this is possible by creating an enabling environment through infrastructure renewal and localisation of agri-industry through revitalisation of Staple Crops Processing Zones, Agribusiness incubation centres and Agro-industrial parks, deepening private sector involvement, ensuring free collaborations between the public, private sector and non-governmental agencies. Then conclusively, evolving mechanisms towards implementation and monitoring of government incentives on agri businesses to boost productivity, improve food security and further promoting agricultural value chain.

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