

# **Agro Business as a Remedy for Youth Unemployment towards the Achievement of Sustainable Development in Nigeria: Comparative Perspectives from the Kwara State Agro Business Economy.**

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## **ABSTRACT**

An efficient agricultural sector would in no doubt enable a country to generate employment opportunities. The dynamism of the agricultural sector is undoubtedly a springboard for youth empowerment towards a sustainable socio – economic development of any nation.

This paper asserts that the agricultural sector is the key driver of sustainability in most developed nations of the world. Specifically, this paper focuses on the pivotal role of agriculture in the initialisation of sustainable development through agro business in Kwara state of Nigeria. Thus the underlying motive of this work is to alert policy makers in Nigeria on the need to focus on exploiting the enormous opportunities provided by agro business, in an attempt to eradicate youth unemployment towards the achievement of sustainable development.

## **INTRODUCTION**

Youth unemployment is a socio – economic problem challenging the Sub – Saharan Africa (Rufai, Bin Kamin, & Balash 2013; Salami 2013; Emeh 2012). It is worthy to note that a larger percentage of the total numbers of the unemployed in Africa are primarily youths (Rufai, Bin Kamin & Balash 2013; Salami 2013; Emeh 2013). One of the panaceas of sustainable development is youth empowerment, particularly because youths are seen as the greatest human resources of any society (Armstrong 2009; African Youth Decade 2011; Akintayo and Adiat 2013). This alarming statistics of youth unemployment in Africa reflects the magnitude of the problem. Thus a refocus on agriculture is considered a pertinent remedy (Africa Development Indicators 2009; Sumberg and Okali 2013; Naamwintome and Bagson 2013).

Nigeria is a nation of about one hundred and sixty million people, predominantly youths. This overwhelming population has caused supply to out strip demand especially in the formal employment sector. (Kakwagh and Ikwuba 2010; Bakare 2011 ; Abimbola 2008 ).

Unemployment is undoubtedly the most challenging socio – economic problem confronting the country. Unemployment as described by Kakwagh and Ikwuba (2010) has affected the youths of Nigeria from a broad spectrum of socio – economic groups.

A focus on agriculture is generally believed to be a panacea for sustainable development of any nation (Meijerink and Roza 2007; Vaarst 2010; Barbu and Capusneanu 2012). The agricultural sector amongst other potentials, offer a wide range of employment opportunities particularly because of the multifaceted and multi functional nature of the sector. Thus, the underlying hypothesis of this paper is an assertion that the agricultural revolution characterised by commercial agriculture or agro business, is the bedrock for the notable degree of success achieved in the eradication of youth unemployment in Kwara state of Nigeria.

The success achieved in Kwara state of Nigeria is an indication that beyond the primary function of agriculture, which is conventionally regarded as the provision of food and fibre, the agricultural sector, presents enormous employment opportunities with particular focus on youth empowerment. Undoubtedly therefore is the fact that agro business has been the power drive of Kwara towards the eradication of youth unemployment (Chatman 2011).

Agriculture was regarded as the main stay of the Nigerian economy from the inception of the first decade after independence in 1960 ( Lawal and Atteh 2006; Loto 2011; Oyesola and Obabire 2011). Agriculture contributed the largest quota to the gross domestic product of the country (Ogen 2007; Lawal and Atteh 2006; Loto 2011). Nigeria during this period was one of the world's leading producers and exporters of cash crops such as cocoa, palm kernel, cotton, groundnut, rubber, and hides and skin (Alkali cited in Ogen pg. 185; Agbolagba et al 2010; Afolayan and Ajibade 2012 ).

The oil boom in the 1970s however submerged the agricultural sector ( Ross 2003; Ogen 2007; Olajide, Akinlabi and Tijani 2012; ). Oil became the focus and main stay of the Nigerian economy. It is important to note that this economic shift to oil as the main stay of the economy marked the inception of the socio – economic challenges faced in Nigeria till date (Ogen 2007; Ucha 2010; Adesina 2013 ). The agricultural sector that accounted for 70% of the Nations GDP now accounts for 5% of Nigeria’s GDP (Olagbaju and Falola 1996 ;). The saga of increased youth unemployment is particularly traceable to the neglect of agriculture and the mono – cultural dependence on oil (Ogen 2007; Ucha 2010 Adesina 2013).

This paper from this standpoint attempts to draw comparative lessons from the Kwara state example for potential holistic replication in the Nigerian economy.

## **CONCEPTUAL FRAMEWORK AND DEFINITIONS**

### ***SUSTAINABLE DEVELOPMENT***

Nurse (2006) stated that the concept of sustainable development emanated in the early seventies. However the 1972 UN Stockholm Conference on Human environment arguably was the first platform for the international recognition of the concept (Nurse 2006). It is important to note that it is generally accepted in the literature that the World Commission on Environment and Development (WCED 1987), was the key driver of the conceptual linkage between environmental issues and development implications (Langhelle cited in Nurse pg. 33). The United Nations Conference on Environment and Development (1992) in Rio de Janeiro, Brazil (Earth summit), the United Nations Conference on Sustainable Development (1993), and the World summit for Sustainable Development (2002) in Johannesburg, all set the stage for an international conceptualisation and globalisation of sustainable development (Nurse 2006). Thus the formulation of the Brundtland Report (WCED 1987) was achieved.

The concept of sustainable development can be said to be multi – facet and interdisciplinary in nature. However the most generally acceptable definition is the one provided by Brundtland Report (WCED 1987). The report defines Sustainable development as ‘development, which meets the needs of the present without compromising the ability of future generations to meet their own needs,’ (cited by Harris 2003). Extensive discussions and constant usage of the concept of sustainable development has since developed a multiplicity in definitions and interpretations of the concept (Harris 2003).

Social sustainability relates to the satisfaction of basic human needs within the society such as food, clothing and shelter. Fairness and equity in distribution of resources is also very pivot to the concept of social sustainability (Nurse 2006).

The economic dimension, defines sustainable development as a system able to produce goods and services on a continuous basis, in order to maintain manageable levels of government and external debt, and to avoid extreme sector imbalances, which damage agricultural or industrial production (Harris 2003).

Thus for the purpose of this paper, I adopt the definition of sustainable development provided by Harris (2003). As an extensive interpretation of sustainable development, the definition emphasises on the interlocking relationship between agriculture, the production of goods and services, and a balanced economy/ sustainable development. Thus, it becomes evident that agriculture plays a pivot role in the context of a sustainable economy.

### **YOUTH AND YOUTH UNEMPLOYMENT**

A sociological conceptualisation and definition of the youth will mean the period of transition from childhood to adulthood. Evidently, various countries have different view perspectives about the definition of the youth based on differing cultural, institutional, and political opinions and perspectives (Higgins 1997). Therefore there is no consensus regarding the age bracket of a youth.

However according to the United Nations definition, as cited in Higgins (1997) the ‘Youth’ refers to individuals ranging between the ages 15-24. Therefore for a standard platform of analysis, the UN definition of the youth will be used in this study.

Unemployment generally refers to a condition of being without a job or vocation. As cited in Okafor (2011), the International Labour Organisation (ILO) defines the unemployed as a statistics of the economically active population, who are willing and available to work, but without a job.

Youth unemployment therefore, is a description of the aggregate youth population with various backgrounds, willing and able to work but without jobs (Okafor 2011).

### **SUSTAINABLE DEVELOPMENT AND YOUTH UNEMPLOYMENT**

In an attempt to establish the relationship between the socio-economic problem of youth unemployment and sustainable development, there is a need to briefly analyse youth unemployment from a global perspective.

Youth unemployment cuts across all frontiers of both developing and developed nations (Bennel 2007, CGCSD 2011; Msigwa and Kipsha 2013). Eighty-five percent of the total population of youths between the ages of 15-24 in the world today, live in developing countries where there are only few employment opportunities (Sarkar 2007; UNICEF 2005; Braimoh and King 2006). Statistics given by the International Labour Organisation indicates that the rate of youth unemployment (ages 15-24) for OECD (*Organisation for Economic Co-operation and Development*) nations as at 1997, was 19.3 percent compared to the figure of adult unemployment given at 5.9 percent (Education Development Centre 2002). Existing data indicates that the rate of youth unemployment is comparatively higher than that of adult unemployment particularly in developing countries (Education Development Centre 2002). It is obvious therefore that this enormous youth population cannot be absorbed into the formal employment sector in urban areas (Bakare 2011; Abimbola 2008; Jerry 2010). Consequently, urgent attention is required consistent with a remedy for youth unemployment. This is particularly of great priority, given that persistence in global youth unemployment may pose a threat to the social structure and safety of nations, as a consequent action of disenfranchised youths (Bennell 2007; Melinda 2004; Adesina 2013).

Social unrest, conflicts, poverty and urban migration are usually causal factors of political and economic instability (Okafor 2011; Adesina 2013; Ifeoma 2013). These factors are predominantly by-products of high levels of youth unemployment. Sustainable development therefore can only be achieved if youths are gainfully and meaningfully employed. Youths gainfully employed are a driving force for industrialisation and development of nations (Divyakiti 2010; Adesina 2013; Ifeoma 2013).). The energy and creativity of youths is pivotal to nation building. Consequently except youths are empowered particularly economically, the goals of political and economic stability and ultimately sustainable development will be unachievable.

The International Labour Organization's World Employment Report (1998/99) argues that the far-reaching consequences of youth unemployment on the labour market and society at large cannot be overemphasised. It describes the problem of youth unemployment as a contributing factor to economic exclusion, poverty, and aggregate unemployment level. An immeasurable contribution to economic activity by the most productive ratio of the population of any society is lost. Youth unemployment poses a hindrance to smooth transition of adolescence to adulthood; which is regarded as one of the major cause of increased crime rate and drug abuse (Chigunta 2002; Adesina 2013; Ifeoma 2013).). Persistent youth unemployment is often seen as an indication of a failed political process and governance, as such social cohesion maybe undermined (Okafor 2011; Ifeoma 2013; Adesina 2013)

Youths have the most at stake in an attempt to safe guard the environment for their own good and the interest of future generations (Divyakiti 2010; Okafor 2011; Adesina 2013). Therefore, the over all aim of this study is to conceptualise that youths gainfully and meaningfully employed are major determinants of sustainable development. That Youth unemployment requires urgent attention cannot be overemphasised. Given its impact on the political and economic stability, as well as urban and rural poverty in global context, the problem of youth unemployment is of utmost concern (Okafor 2011 Ifeoma 2013; Adesina 2013;). It is the assertion of this paper, that an emphasis on resource based livelihoods and agricultural productive employment opportunities is a positive remedy for the problem of youth unemployment (Divyakirti 2010; Akpan 2010; Bagson and Naamwintome 2013). Generating jobs and livelihoods in the field of agriculture is therefore a panacea to sustainable development. There is therefore an interlocking relationship between agriculture, youth employment and sustainable development (Divyakirti 2010; Akpan 2010; Bagson and Naamwintome 2013).

Thus the specific goal of this study is geared towards the development of agro business as a positive developmental strategy, in an attempt to combat the problem of youth unemployment in Nigeria.

## **AGRO- BUSINESS**

Despite the simplicity of the agro- business sector, its broad nature makes it difficult to define (Baruah 2000). David and Goldberg (cited in Baruah pg 2) describe agro business as a three-part system made up of the agricultural input sector, the production sector, and the processing / manufacturing sector. According to this definition, agro – business is a combination of these three sectors. Consequently an attempt to conceptualise agro – business will only be meaningful from the perspective of an integration of these component sectors.

Obst, Graham, and Christie (2007) describe agro – business as activities involving production, processing and distribution of agricultural goods and services and all related activities. It is important to conceptualise agro – business from this broad perspective, in an attempt to explore the enormous opportunities presented by agro – business, in consistence with the goal of this study. Therefore for the purpose of this study, the definition of agro – business as described by Obst, Graham, and Christie, will be adopted.

The recent focus on agriculture by the Nigerian government as a cultural sector that has the capacity to boost the economy, and also create a wide range of employment opportunities shows an indication of the recognition of agro – business as a reliable platform for sustainable development (El-rufai 2011). The fact that agriculture still accounts for a major part of the total employment in Africa suggests a strong linkage between agro - business, and sustainable development (Adesina 2008).

### **DEVELOPMENT OF KWARA STATE AGRO BUSINESS SECTOR**

Kwara state of Nigeria is bounded in the north by Niger state, in the south by Oyo, Osun and Ekiti states, in the east by Kogi state, and in the west by Benin Republic. Kwara state is located in the northwestern part of Nigeria occupying 36,825 square kilometres with a total population of 2,371 089. The capital of the state is called Ilorin. The youths represent 70% of the total population of the state, making Kwara one of the states with the highest youth population in Nigeria. Arguably the fertile land in Kwara and its population are pivot in its successful agricultural revolution.

Between the years 2003 to 2011, agriculture became the main stay of the Kwara state economy. Particularly, agro - business or commercial agriculture targeted at youth empowerment and poverty eradication became the focus of the economy. From the standpoint of the fact that 75% of kwara land was cultivatable and only 11% was being cultivated, thus the ‘Shonga’ farms were established (Dearn 2011).

Key crops produced include rice, Soya beans, maize, banana, ginger, pineapple, and cassava. Two factories have also been established namely: the cassava and the cashew processing factories. Mixed farming is also evidently reflected in the farms. These farms consist of investments in large-scale poultry and dairy farming. As a result of large-scale production, there’s an economies of scale advantage geared towards specialisation and exchange, which is the primary focus of the farm enterprise (Chatman House 2011).

The Shonga farms produces an average of 25 to 50 metric tonnes of cassava per hectare of land, as compared to a national yield of 12 to 15 metric tonnes of cassava per hectare of land (Chatman House 2011). While the traditional Nigerian Fulani cattle produce an average of 5 litres of dairy milk per day, the jersey cattle of the Shonga farms produces 15 litres of dairy milk per day. The farm has the capacity to also produce 12-million broiler chicken per annum, 2, 500 processed chicken per day, and 50,000 litres of milk per day (Chatman House 2011).

It is important to note that the farm enterprise already supplies chicken to the new outlet of Kentucky Fried Chicken (KFC) established in Lagos, Nigeria. The farm enterprise also supplies banana to shop rite, a retail shop in Lagos, and an average of 2500 litres of fresh milk per day to the leading producer of pasteurised milk in Nigeria (WAMCO) (Chatman House 2011).

Through the establishment of a Cassava Resource and Technology Transfer Centre, large and micro cassava processing plants have been set up in various areas in the state. These plants have large capacities to produce high quality cassava flour and chips. In the same vein, through partnership with a private company, OLAM cashew processing factories with a capacity to process 13,000 metric tonnes of cashew nuts annually have also been established (Chatman House 2011).

The State also adopted best practices on irrigation techniques, as a guarantee for all-year round farming. A left-out irrigation scheme in Duku-lade was rehabilitated and expanded, which is now primarily used all through the dry seasons for rice farming. This irrigation technology guarantees double cropping. as farming is carried out all year round without particular dependence on the rains (Chatman House 2011).

An integrated youth farm centre was also established. The objective of this centre is to train graduates of agriculture in modern commercial farming techniques and to empower them with incentives to be self employed commercial farmers (Chatman House 2011).

Beginning from 2003, kwara state pursued an aggressive agro - business development policy consistent with sustainability of the economy of the state, and the resultant effects have been enormous.

### **KWARA STATE AGRO BUSINESS POLICY CONTEXT**

The pursuit of large-scale agro - business by the kwara state government, is based on the motivation that the use of its large expanse of land and favourable climatic conditions for commercial agriculture is the pathway to youth employment, and achievable sustainable development (Ariyo and Mortimore 2011). At the inception of the tenure of the former governor of Kwara state; Dr Bukola Saraki, Kwara state was characterised by incessant unrest usually stirred up by the youths (Ariyo and Mortimore 2011). It was obvious therefore that the energy, and passion, of these disenfranchised youths had to be constructively channelled, in order to guarantee a stable economy. Consequently a back -to-land programme was initiated with the aim of gainfully, and meaningfully engaging the youths in agro - business or commercial agriculture (Ariyo and Mortimore 2011).

Even though the programme was favourably funded and facilitated, it did not yield the desired result. This was particularly consequent upon the fact that the youths who were the targets of the programme, did not turn up to participate. It therefore became apparent that the youths were not attracted to conventional agricultural practices, hence the birth of agro - business in Kwara (Ariyo and Mortimore 2011).

Thus in 2004, under the leadership of the then Governor, Dr Bukola Saraki, with the political and diplomatic support of the Federal Government Of Nigeria, and the British Government respectively, a five-man delegation drawn from the commercial farmers union of South Africa and Zimbabwe came on a fact-finding visit to Kwara state (Ariyo and Mortimore 2011). The visit, bankrolled by the Kwara state government led to a contractual agreement between the state and the Zimbabwean farmers. The contractual agreement was also backed up by a memorandum of understanding (MOU) (Ariyo and Mortimore 2011).

The key obligations of the Kwara state government, as stated in the memorandum of understanding, include:

- a) Provision of an arable and suitable land close to the river Niger, to facilitate long-term farming through irrigation practices (Ariyo and Mortimore 2011).
- b) Provision of infra-structural facilities such as accessible roads, and electric power (Ariyo and Mortimore 2011).
- c) Provision of adequate funds.
- d) Liasing with federal authorities to secure exemptions from import duties on agricultural equipment, and from payment of taxes on turn over (Ariyo and Mortimore 2011).

The key obligations of the commercial farmers, as enshrined in the memorandum of understanding include:

- a) Establishment of farm enterprise with a total share capital of US\$80,000 (Ariyo and Mortimore 2011).
- b) Contribution of 1% of the total share of gross turnover to the community trust fund (Ariyo and Mortimore 2011).
- c) Training and instruction for students at the farming institutes at shonga and malete, at least once a month (Ariyo and Mortimore 2011).

### **LAND POLICY**

Commercial farming involves an abundant land consistent with large-scale production and mechanised farming. Thus the Kwara state government adopted a secured land tenure policy for its commercial farmers.

Under the land use act of 1978, the state government is vested with the power of absolute control over land within the borders of the state. The governor can therefore through the use of state power, appropriate any part of

land for public good and development. Compensation is also payable for any land upon which development such as buildings, infrastructures or farming is invested.

Invoking this land use act, the Kwara state government acquired 13,000 hectares of land from local farmers in Shonga district, allocating 1000 hectares to each of the commercial farmers from Zimbabwe. The contract was based on a lease of 25 years at initialisation, after which it is renewable with no underlying cost attached (Ariyo and Mortimore 2011).

#### *INFRA-STRUCTURAL POLICY*

Agro - business requires adequate and regular electric power supply required for different purposes. Also an efficient transportation link and accessible road network, is required to facilitate connections with well-developed product markets. Thus the Kwara state infra-structural support is channelled in two dimensions; firstly is the provision of accessible roads and electric power to the farm. Secondly is the provision of electric power, erection of structures for a local school, and road resurfacing in the Shonga Township and the road leading to the state capital. This was done as part of a compensatory obligation of the government to the community whose land was appropriated.

Commercial agriculture is capital intensive, thus the Kwara state government invested funds in farm infrastructure and machinery, and also made available working capital for constant supply of inputs such as fertilisers, agrochemicals, and seeds. This policy was motivated by the goal to facilitate continuous and uninterrupted production (Ariyo and Mortimore 2011).

#### *FINANCE POLICY*

The enormous financial support of the Kwara state government cannot be over emphasised. The state government advanced the farmers interest free loans, as well as facilitating access to state guaranteed bank loans at very low interest rates. A consortium of five commercial banks were engaged through state influence, to invest US\$6.6 million as equity in the farming enterprise and also grant the farmers additional credit advance of US\$6.6 million. The five banks had 45% of the equity, the 13 commercial farmers had 40%, while the state government's initial expenses on infrastructure, was transformed into 15% equity in the holdings.

Consequently Shonga farm holdings have been established to manage the finances of the commercial banks. The Holdings have representatives from the banks, the farmers, and the state government. Private businesses now access credit through the holdings and the five commercial banks in participation (Ariyo and Mortimore 2011).

#### *POLITICAL POLICY*

The Kwara state government through the influence of the governor ensured that all needed state resources were at the disposal of the farmers, particularly at the initialisation period of the enterprise. The farmers had the privilege of direct access to the governor, facilitating accordance of utmost priority to their peculiar challenges as regards the farm enterprise.

There was provision of security in an attempt to curb local opposition consistent with the state acquisition of large tract of land for commercial farming. The governor at that time, who incidentally was the chairman of the governors Forum in Nigeria, used his good office to secure preferential treatment on issues regarding the farm enterprise within federal government jurisdiction. Consequently a stable policy environment, which encourages medium and long-term investments, was created (Ariyo and Mortimore 2011).

#### **AGRO - BUSINESS AND YOUTH EMPLOYMENT IN KWARA STATE**

The youths are associated with creativity, passion and energy. Thus representing a dynamic driving force and stimulant of economic growth and development. Consequently the kwara state government adopted a youth focused employment policy in consistence with its goal of eradication of youth unemployment (Chatman 2011). It is very important to note that this policy of youth employment implemented by the state facilitated the employment of 4,000 individuals, at harvest period by the farm enterprise at the initial stage of establishment (Chatman House 2011). It therefore implies that the growth in size and capacity of the farm enterprise connotes increased employment opportunities for the youths.

The Kwara state shift, to an agro - business development economic growth strategy, is the main stay of its success in the reduction of youth unemployment in the state (Chatman House 2011). The state's agro - business sector is adequately capitalised with high levels of mechanisation and value addition (Chatman House 2011).

Consequently there is an increased ability, and capacity to produce and process agro-industrial commodities. Thus enhancing the scope of the state for industrialisation, which in turn facilitate value addition, and also create employment opportunities. For example the cashew-processing factory has the capacity to employ 1,500 individuals (Chatman House 2011).

The agro - business policy of Kwara state is not just a production led strategy, as it applies to Nigerian agricultural sector traditionally, but a demand linked to value- chain development strategy, which provides the driving force for investment. Agro - business is primarily labour intensive, thus through value adding agro-processing activities, varieties of job opportunities consistent with commercial agriculture have been created in Kwara state (Chatman House 2011).

The state's agro business-led development strategy, reflects a very strong productivity growth through out the entire agro - business value chain. In consistence with a modern integrated economy, the agro - business sector of the state is primarily based on specialisation and exchange, resulting from economies of scale. Thus creating an enormous platform for the expansion of employment opportunities, through down stream agro-industrial processing value chains (Chatman House 2011).

The off farm elements of kwara state agro business and food retailing system and other related services, has witnessed enormous expansions in consistence with the level of production of the farm enterprise. This in turn has created enormous opportunities for youths who do not particularly have a flair for direct on-farm agro business practices (Chatman House 2011).

Entrepreneurship is in no doubt a remedy for youth unemployment. Consequently the Kwara state government established the Maleta youth farm-training centre. This centre is targeted at raising young commercial farmers, by empowering youths with modern agro business techniques and self-employment capabilities (Chatman House 2011). About two hundred graduates were the first set of youths turned out from the training centre. These set of graduates were also equipped with training skills and technical know-how to raise other young commercial farmers. The multiplier effect will be multiple creations of employment opportunities as a consequence of the establishment of agro - business based small-scale enterprises (Chatman House 2011).

The economy of Kwara state was characterised by political and economic instability, as well as social unrest usually powered up by restless youths (Ariyo and Mortimore 2011). Therefore, the impact of the kwara state agro -business sector in providing meaningful and gainful employment for the youths of the state cannot be over emphasised. This sector has provided enormous job and self-employment opportunities for the youths. This has immeasurably contributed to the sustainability of the economy of the state (Chatman House 2011).

## **THE CURRENT STATE OF THE NIGERIAN AGRICULTURAL SECTOR**

As stated earlier, the shift from the agricultural sector, and the dependence of Nigeria on solely crude oil, has been detrimental to the development of Nigeria as a nation (Ogen 200; Ucha 2010; Adesina 2013 ). ). In 1975, the Nigerian government in an attempt to save the economy from obvious economic instability became directly involved in the commercial agriculture. The government embarked on large-scale production of food crops and several agricultural projects. There was specialization in the production of grains, livestock, dairies and animal feeds which led to the establishment of some few factories (Fasipe as cited in Ogen pg 189). Sugar factories were also established at Numan, Lafiagi, and Sunti (Lawal cited in Ogen pg.189).

As part of the government's efforts towards diversification of the economy into agriculture, The Nigerian Agricultural and Co-operative Bank (NACB) was established in 1973 (Ogen 2007). The establishment of this bank was aimed at injecting revenue from the oil sector into the agricultural sector, through the provision of credit facilities to agriculture and agro allied businesses (Olagunju as cited in Ogen pg 190).

It is disheartening to note therefore that regardless of all these efforts and endeavors, as at the mid 70s, Nigeria became a major net importer of a variety of agricultural products (Ogen 2007). In the year 1982, Nigeria imported 153, 000 meter tons of palm oil, US\$92 million and 55,000 meter tons of cotton also valued at US\$92 million (Alkali as cited in Ogen pg 190). A total of 7.07 million tons of wheat, 1.62 million tons of rice and 431, million tons of maize was imported between the periods of 1973 to 1980 (Ogen 2011). Consequently, the annual average cost of food imports in Nigeria, rose from N47.8 million in the 60s, to N88.2million in 1970 and N1, 0270 million in 1988 (Alkali cited in Ogen pg 190). Until the recent ban of rice importation in Nigeria, an average of US\$60million has been spent annually since the 90s on rice importation (Ogen 2011).

A reformation of lending policies was embarked upon between 1995 and 1998. These policies were targeted at facilitating easy access of agricultural credit schemes from the Agricultural Credit Guarantee scheme (ACGS) (Ogen 2011). The Export Processing Zone in Calabar (EPZ) was also established. Other Export zones were also initiated in Enugu, Kaduna, Jos and Lagos. These export Zones were geared towards specialisation in specific food and export crops (Ogen 2011).

The year 2000 was a very decisive year in the Nigerian agricultural sector. The National Rolling Plan for 1996-1998 had in projection that Nigeria as a nation will be able to feed its population, develop the capacity to process agricultural raw materials for both domestic and export purposes. These goals were targeted at increasing the contribution of the agricultural sector to the Gross Domestic Product, and also expand the employment opportunities in the country (Lawal as cited in Ogen pg 189).

It is again sad to note that these goals have become far-fetched till this present day (Ogen 2007). This is partly consequent upon lack of commitment in the implementation of government policies on agriculture, and particularly because agriculture has been considered a minority sector by successive governments of the country (Ogen 2007). Consequently less attention has been paid to the enormous opportunities for development presented by agriculture.

Therefore the Kwara state agro business development policy, is a platform upon which comparative lessons can be drawn, as a positive and workable strategy, worthy of holistic replication in Nigeria. With the goals of youth employment and sustainable development in focus, the impact of a diversification of the economy to commercial agriculture or agro - business cannot be overemphasized.

## **RECOMMENDATIONS**

There is a recent focus by the government to develop agricultural policies targeted towards a sustainable economy. (El-Rufai 2011; Adesina 2008). Most developed nations of the world adopt agricultural policies consistent with the goals of food production and sufficiency, employment opportunities, poverty reduction, and economic growth (Adesina 2008). The specific goal of this paper is that development and effective implementation of agro - business policies, is a panacea to the eradication of youth unemployment in Nigeria. Based on positive lessons drawn from the Kwara agro - business policy environment, the following are recommendations for consideration in the development of a national policy framework for the agricultural sector.

## **INVESTMENT IN AGRICULTURAL RESEARCH**

There are several universities and research centres in Nigeria. Yet contemporary agricultural research has considerably declined, owing to poor funding of these institutions. However to develop a globally competitive agricultural sector, it is pertinent that agricultural research be adequately funded. It is also important that various existing colleges and universities of agriculture be utilised to develop modern agricultural technologies, consistent with the development of the very much-needed human capital, required to build a competitive commercial agriculture or agro - business sector (Izuchukwu 2011; Adesina 2008).

## **INVESTMENT IN INFRASTRUCTURE**

Technological change is an on-going trend even in the agricultural sector. There is therefore a need to increase investment in infrastructure in order to reap the gains acquired from mechanised commercial farming activities. The enormous investment in road construction in the northern guinea savannah of Nigeria facilitated the cultivation of improved maize varieties, and effective distribution of fertilizers. This has transformed the region to what is regarded as the 'breadbasket' of Nigeria. Similar investments can therefore be made in rural infrastructure to facilitate connections to markets, sales and marketing of products, and ultimately develop an efficient commercial agriculture or agro - business activity (Olomola 2007; Adesina 2008).

## **FARM INPUT SUBSIDY**

An encouragement to potential farmers is a guarantee of farm input affordability. The inflationary trends of farm inputs like fertilisers can significantly reduce its usage. This in turn will considerably affect production of food



and also impede the development of agro - business. There is therefore a need for government to adopt a general policy of price subsidy on farm inputs, and ensure effective distribution to encourage smallholder commercial farmers, in a bid to facilitate the development of agro business (Izuchukwu 2011; Adesina 2008).

#### INNOVATIVE FINANCING

One of the greatest undoings of developing countries like Nigeria is the continuous reliance on international support for funding. Yet it is obvious that there is excess liquidity in private banks owing to the accelerated growth of the domestic financial market. One of the main challenges in Nigeria is the relatively high lending rate propelled by risk, compared with the level of returns on agricultural production. Consequently the agricultural sector has been hitherto starved of credit and loan facilities. The way forward then becomes the development of an innovative approach geared towards channelling these excess funds in local financial markets into agriculture. Again the solution may not lie in the creation of agricultural banks, as experience has shown in the Nigerian context, that their performance is mostly very low. They usually fold up owing to fraudulent practices and poor risk management (Adesina 2008).

Therefore rather than focusing on specialised agricultural banks, government can through the central bank provide state guaranteed loans to existing commercial banks, to extensively cover rural distribution in lending to the agricultural sector. This will significantly motivate local financial markets to channel excess funds into the agricultural sector. Thus competitive lending operations will be achieved in the sector, consequently lowering interest and lending rates in the long run (Izuchukwu 2011; Adesina 2008).

#### INNOVATIVE DEVELOPMENT IN IRRIGATION

One of the major challenges facing Nigerian agriculture is the predominant reliance on rainfall for agricultural production. The irrigation capacity of Nigeria is significantly below par. The total arable land of Nigeria is estimated at 74.9 million hectares out of which only 120,000 hectares is presently under irrigation (Adesina 2008). Therefore an accelerated expansion of the areas under irrigation has to be done in consistence with reducing the adverse effects of climatic changes on food/ crop production. Modern technologies on irrigation technology, water harvesting, and effective usage of underground water should be adopted. Reconstruction and efficient decentralised management of existing irrigation systems should be put in place (Adesina 2008).

#### ESTABLISHMENT OF STAPLE CROP PROCESSING ZONES

Staple crops particularly roots and tubers, are bulky and highly perishable. As such they are usually expensive to transport to the markets, as considerable quantities of total productions are usually lost before they get to the markets. There is therefore a need to invest in an integrated system of production, processing, and marketing of these crops. The government can consider investments in staple crop processing zones. These zones could be facilitated by infra structural supports particularly good roads, water and electric power supply. Private sector participation should be encouraged through implementation of favourable fiscal policies such as duty free importation of processing machineries and equipment (Adesina 2008).

#### CONCLUSION

This paper underscores the development of the agro - business sector in the economy of Kwara state. The study further asserts the pivotal role of agriculture in the pursuit of a sustainable economy by any nation. The paper argues that the persistent socio - economic challenge of youth unemployment in Nigeria underlines the need to redirect the economy towards commercial agriculture or agro business in an attempt to achieve sustainable development. The prominence of agriculture is reflected in its capacity to boost economic growth and development. A strong agro - business sector will therefore not only feed the growing population, but also facilitate industrialisation and generate employment opportunities particularly for the youths.

Agro business is multifaceted in nature; its enormous capacity to create employment cannot be overemphasised. The dynamism of agro business fosters various modes of specialisation, which in turn increases its capacity to create jobs.

The current Nigerian agricultural sector is very conservative in nature. With low profitability of agriculture and rapid rural-urban migration, it is evident that the present national strategy as regards the sector is not consistent with the goal of youth employment as a platform for a sustainable development. There is a clear indication that if the sector remains subsistent driven; the younger generations will not be encouraged to participate in agriculture (Adesina 2008). Even though there is an increased pressure to embark on farming for needs of the ever-increasing population, the dynamism, specialisation and increased demands for standardisation of products in the global markets cannot be overemphasised (Adesina 2008). There is therefore a need to shift towards agriculture as a business and not just for food production

This study has shown that Kwara state aggressively pursued the development of an agro - business oriented economy, and was able to achieve a high degree of eradication of youth unemployment. This has served as a platform for the sustainability of its economy. It is on this basis that this study seeks to draw comparative lessons from Kwara for holistic replication in Nigeria. The Nigerian economy is blessed with the natural and human resources required to exploit the enormous opportunities, accruable to a well-developed agro - business sector. Thus urgency is required for diversification to facilitate the achievement of sustainability.

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