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## Research Article

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### Assessment of government agricultural transformation agenda on the development of Micro Small and Medium Scale Enterprise (MSMEs) in Nigeria.

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#### Abstract

#### Keywords

*Agriculture,  
Transformation,  
problems,  
Entrepreneurship and  
Development.*

This study assessed government Agricultural transformation agenda on the development of Micro small and medium scale enterprise MSMEs in Nigeria. Beyond the broad objective, the study sought specifically to: ascertain the effects of inadequate access to market information on MSMEs; evaluate the effects of poor adoption of technology on MSMEs development and ascertain the degree to which poor access to credit facilities influence the development of MSMEs. The study adopted survey research design, a well structured questionnaire of close ended type and interview was used to elicit information from entrepreneurs in the Agricultural sector at two locations namely Anambra and Ebonyi State. A sample size of 241 was drawn from a population of 606 using Taro Yamane formula at 5% error tolerance. The analysis was based on 202 copies of questionnaire returned out of 241 distributed. Chi-Square was used to test the three hypotheses using SPSS. Findings indicated that Limited access to market information has a significant impact on the development of MSMEs in Nigeria ( $r=0.919$ ;  $T= 33.045$ ;  $P<0.05$ ). Limited access to technology has a significant impact on the development of MSMEs in Nigeria ( $r= 0.517$ ;  $T= 8.532$ ;  $P<0.05$ ) and Inadequate access to fund has a significant impact on the development of MSMEs in Nigeria ( $r=0.560$ ;  $T=9.556$ ;  $P<0.05$ ). The study however recommends that, there is a need for Government to encourage farmers to acclimatize the use of Information and Communication Technology (ICT) that will enhance faster, cheaper and sustainable communication among farmers as well as provision of Production Enhancing Inputs such as Improved Seeds, Fertilizers and Credit facilities.

#### Introduction

There is a consensus among scholars that the Micro Small and Medium Enterprises (MSMEs) have contributed towards the development of Nigerian Agricultural sector which has the largest potential to diversify the Nigerian economy, create jobs, ensure food security, lower inflations and boost the nation's foreign exchange. (Akinwumi, 2013 and Omoh, 2013). Despite Nigeria's rich agricultural resource endowment, however, the MSMEs in agricultural sector has been growing at a very slow rate (Manyong, 2005). The Agro entrepreneurs that constitutes the MSMEs are constrained by many challenges including those that are specific to this study such as poor access to modern technological inputs, poor access to credit facilities, limited access to markets information and how Agricultural Transformation Agenda

(ATA) can be engaged towards development of MSMEs in Nigeria.

It is pertinent however, to state that the challenges of MSMEs in Nigeria has been assuming wider dimensions. In response to the dwindling performance of MSMEs in agriculture sector, government has over the decades initiated numerous policies and programs aimed at restoring the contributions of MSMEs towards agricultural sector to its pride of place in the economy. Yet the success recorded are minimal due to the several persistent challenges inhibiting the performance of the sector (Omoh, 2013).

From the perspective of sustainable Micro Small and Medium Enterprises (MSMEs) growth and development in Nigeria, Akinwumi, (2013) however, noted that the federal government is using the platform of Agricultural Transformational Agenda (ATA) to enable capacity building of agro-entrepreneurs. Which can transform the sector as a business that works for Micro Small and Medium Enterprises (MSMEs), in such a manner that it will unlock the wealth and allow Nigeria to meet its food needs while becoming a major player in the global food market to help diversify income in the nation.

Thus, despite loadable transformation policies orchestrated by government, including Agricultural Transformational Agenda (ATA) floated with the mandate of mitigating notable constraints inhabiting the development of the sector, it is imperative to note that poor access to market information has limited some Micro Small and Medium Enterprises (MSMEs) to identify the extent their products are needed locally and internationally, leaving it in the hands of middle men to supply the information at the expense of these entrepreneurs who are most times exploited. MSMEs are confronted with situation where decisions are made haphazardly as a result of limited access to accurate business information (Okello, 2008). In Nigeria, market information on business opportunities, raw materials, customers trend, are oftentimes not communicated effectively to MSMEs which inhibit their performance. Although it is true that science and technology have drastically changed the agriculture industry and will continue to make a significant impact on the Micro Small and Medium Enterprises in bridging their communication gap. Conversely, Bethany,(2012) notes that advancements as a result of technology will be for naught if entrepreneurs do not overcome the current issue of poor adoption of Technology.

However, despite the efforts of Government and private entities in increasing the participation of the small-scale business entrepreneurs in the economy, their efforts have not yielded much fruits, because most of the entrepreneurs do not make use of the technology or technical assistance provided by government as a result of the cost, lack of knowledge, lack of awareness and the technical composition of their enterprises (Aribaba, 2012). Furthermore, untimely access to credit facilities, lack of technology responsiveness, pervasive distortion in accessing market information, inadequate processing and storage facilities as well as inefficiencies in input supply and distribution continues to mar the effort towards redeeming the sector. Thus, this research work seeks to assess the effects of government agricultural transformation agenda on the development of Micro Small and Medium Scale Enterprise (MSMEs) in Nigeria. Specifically, the study sought to:

- Ascertain the effect of inadequate access to market information on MSMEs.
- Evaluate the effect of poor adoption of Technology on MSMEs development.
- Ascertain the degree to which poor access to credit facilities influence the development of MSMEs.

## Literature Review

The two variables that are central focus of this study are Transformational agenda and Micro small and medium enterprise development. The concept of Agricultural Transformation agenda (ATA) and innovative theory of entrepreneurship will be used to drive home the understanding of these two variables.

There is a convergence among scholars that the concept is not new, What is new is the magnitude of the Transformational processes and its impact on Micro small and medium enterprises (MSMEs) sustainability, understanding the constraints experienced by MSMEs that associate market information, adoption of technology, access to fund and sustaining MSMEs development through agricultural transformational agenda (ATA).

Generally, transformational agenda is a broad term that elicits different meaning depending on the perspective or area of interest. This submission is relevant in agro-business, because it shows that at this point in time, the federal government do not want to perceive agriculture as a primary sector, nevertheless seen as a means of business and economic viability (Akinwumi, 2013).

According to Omoh, (2013), the vision of the agricultural transformation agenda, is set to achieve a hunger-free Nigeria through an agricultural sector that will drive income growth, accelerate achievement of food security, generate employment furthermore transform the country into a leading player in global food markets to grow wealth for millions of farmers in Nigeria.

The agricultural transformation agenda (ATA) is designed to make the agricultural sector a business project as against development project, in the direction of promoting private investment in agriculture, to execute integrated projects via value chain processes, generate employment moreover transform Nigeria into a net exporter of agricultural commodities.

As part of the Federal Government of Nigeria's effort to revamp the agriculture sector, ensure food security, diversify the economy and enhance foreign exchange earnings. The Federal Ministry of Agriculture and Rural development embarked on a transformation agenda (ATA) with a focus on the development of agricultural value chains. The transformation action plan is focused on key aspects of value chains. They include the provision and availability of improved inputs (seed and fertilizer), increased productivity and production, as well as the establishment of staple crop processing zones.

It is expected to address reduction in post-harvest losses, improve relation of agro-entrepreneurs with industries, as well as access to financial services and markets. The transformation agenda targets rural communities particularly women, youth and farmers' associations, who are the backbone of MSMEs. The transformation agenda sets out to create over 3.5 million

jobs from the rice, cassava, sorghum, cocoa and cotton value chains, with many more jobs to come from other value chains under implementation. The programme aims to provide over N300 billion of additional income for farmers. Over N60 billion is to be injected into the economy from the substitution of 20 per cent of bread, wheat flour with cassava flour. The initiative will facilitate efforts to improve food security by means of increasing production of key food staples by 20 million tons – (Rice 2MT, Cassava 17MT and Sorghum 1MT respectively).

On the other hand, the innovative theory is one of the famous theories of entrepreneurship advanced by Schumpeter in 1991. Schumpeter believes that creativity or innovation is the key factor in any entrepreneurs’s field of specislization. He note that knowledge can only go a long way in helping an entrepreneur. He believed that it would be imperative if an entrepreneur was to accumulate a profits in a Stiff competitive business enviroment.

**RESEARCH METHODOLOGY**

**Area of the Study**

The study was conducted in Anambra State and Ebonyi State. Anambra State Located in South-East Nigeria, Anambra State is bounded by Delta State to the west, Imo State to the south, Enugu State to the east and Kogi State to the north. It has one of the highest population densities in Africa. The current governor is Willie Obiano, With the slogan “the light of the nation”. There are 21 Local Government Areas in the Anambra State. Anambrarians are a very educationally advanced people. Literacy rate in the state is comparatively high, and there is an abundance of well educated and skilled personnel in virtually all fields of endeavour. There are a number of institutions of higher learning including Nnamdi Azikiwe University in Awka; Anambra State University, Federal Polytechnic in Oko; Nwafor Orizu College of Education in Nsugbe etc.

While Ebonyi State is an inland south-eastern state of Nigeria, populated primarily by Igbos. Its capital and largest The degree of freedom (df) is given by the formula : (df)= (R - 1) (C - 1).

**RESULTS AND DISCUSSION**

**Research question one:**

To what extent does poor market information effect the development of MSMEs?

S/N	ITEMS	SA	A	UD	D	SD	Total
1	Less detailed understanding of customers needs.	69	94	14	15	10	202
2	Poor bargaining power with customers?	88	69	9	25	11	202
3	Inaccurate forecast of future trends and production.	107	52	6	25	12	202
Total		264	215	29	65	33	606

city is Abakaliki. Ebonyi was created from the of old Abakaliki division of Enugu State and old Afikpo division of Abia State. The state which is situated in the South-eastern part of the country shares boundaries with Benue to the north, Enugu to the northwest, Abia to the south-east and Cross River to the east. Ebonyi State was created out of former Abia and Enugu states on October 1st 1997 by the Federal Military Government. Ebonyi is divided into 13 local governments. They go with the slogan, “the salt of the nation”

**Sources of Data**

The method of data collection is classified according to their sources. The data collected for this study will be obtained from mainly primary and secondary sources. The primary data was collected directly by the researcher with the aid of well structured, close ended questionnaire administered to one hundred (100) respondents in the consultancy firms. The

secondary data was obtained from related literature reviews via internet, books and journals.

**Method of Data Analysis**

The adopted descriptive statistics such as percentage, frequency distribution and mean. while Chi-Square was used to test the three hypotheses using SPSS.

**Specification of Model**

$$(X^2) = \frac{\sum(O - e)^2}{e}$$

Where O = Observed frequency  
 e = expected frequency  
 Σ = summation sign

The table above shows that 264(43.56%) of the respondents Strongly Agreed that poor market information effect the development of MSMEs, while 215(35.47%) of the respondents merely Agreed. The remaining 29(4.78%) were

undecided, 65(10.72%) only Disagreed, while 33(5.44%) of the respondents Strongly Disagreed. This implies that poor access to market information affect price placement, decrease profit and influence production.

**SPSS result of the effect of market information on development**

Particulars	R	R <sup>2</sup>	Adj.R <sup>2</sup>	DW	Standard Coefficients		F	Sig.
					Beta	T- Value		
Firms	0.919 <sup>(a)</sup>	0.845	-0.844	.196	0.919	33.045	1091.988	0.000

**Source: SPSS**

Note:

- R = Correlation Coefficient or Beta
  - R<sup>2</sup> = Coefficient of Determination
  - Adj. R<sup>2</sup> = Adjusted Coefficient of Determination
  - DW = Durbin Watson (d) test statistic
  - T-value = Student t- test Statistic
  - F = F- test statistic
- Model Equation IF = 0.370 + 0.777 D

The result indicate that Market information has a significant effect on the development of MSMEs as t = 33.045 and which is above the rule of thumb positivity of 2 and the coefficient of market information is (0.370). The variations from the model are explained by the model as indicated from the coefficient of the determination (r<sup>2</sup>) value of 84.5%.

Also the result indicates that there is a positive relationship between market information and development MSME as indicated by r value of 0.919 which is positive as shown by beta value of 0.919.

**Research question two:**

To what extent does poor access to credit facilities effect advancement of MSMEs?

S/N	ITEMS	SA	A	UD	D	SD	Total
4	Slow down production.	67	109	9	7	10	202
5	Delay decision making and planning?	58	108	18	13	5	202
6	Poor access to modern farm inputs.	97	59	2	26	18	202
Total		222	276	29	46	33	606

The table above shows that 222(36.63%) of the respondents strongly agreed that poor access to credit facilities affect advancement of MSMEs, while 276(45.54%) of the respondents merely Agreed. The remaining 29(4.78%) were undecided, 46(7.59%) only Disagreed, while 33(5.44%) of the respondents Strongly Disagreed. This implies that

limited access to the required fund slow down production activities, impede decision making along with planning. And delay in granting credit facilities on the part of banks, are the extent poor access to credit facilities effect advancement of MSMEs.

**SPSS result of the effect of Inadequate access to fund on development of MSMSE.**

Particulars	R	R <sup>2</sup>	Adj.R <sup>2</sup>	DW	Standard Coefficients		F	Sig.
					Beta	T- Value		
Firms	0.517 <sup>(a)</sup>	0.267	0.263	.171	0.517	8.532	72.800	0.000

**Source: SPSS**

Note:

- R = Correlation Coefficient or Beta
  - R<sup>2</sup> = Coefficient of Determination
  - Adj. R<sup>2</sup> = Adjusted Coefficient of Determination
  - DW = Durbin Watson (d) test statistic
  - T-value = Student t- test Statistic
  - F = F- test statistic
- Model Equation IAF = 0.86 + 237.961D

The result indicate that Inadequate access to fund has a significant impact to the development of MSMSEs. as  $t = 8.532$  and which is above the rule of thumb positivity of 2 and the coefficient of Inadequate access to fund is (0.86). The variations from the model are explained by the model as indicated from the coefficient of the determination ( $r^2$ ) value of 26.7%.

Also the result indicates that there is a positive relationship between Inadequate access to fund has a significant impact to the development of MSMSEs as indicated by  $r$  value of 0.517 which is positive as shown by beta value of 0.517.

**Research question three:**

To what extent does poor access to Technology effect the productivity of MSMEs?

S/N	ITEMS	SA	A	UD	D	SD	Total
7	Inadequate access to Better cultivating techniques.	97	73	6	16	10	202
8	Low innovation and Post harvest loses.	105	66	14	9	8	202
9	Lack of Improved seed and farm inputs.	51	86	12	40	13	202
	Total	253	225	32	65	31	606

The table above shows that 253(41.74%) of the respondents Strongly Agreed that poor access to technology decrease the productivity of MSMEs. while 225(37.12%) of the respondents merely Agreed. The remaining 32(5.28%) were undecided, 65(10.72%) only Disagreed, while 31(5.11%) of

the respondents Strongly Disagreed. This implies that Inadequate adoption of technology decrease the added value on the quality of products, decrease profit and influence production.

**SPSS result of the effect of technology on product quality**

Particulars	R	R <sup>2</sup>	Adj.R <sup>2</sup>	DW	Standard Coefficients		F	Sig.
					Beta	T- Value		
Firms	0.560 <sup>(a)</sup>	0.313	-0.310	.192	0.560	9.556	91.311	0.000

Source: SPSS

Note:

- R = Correlation Coefficient or Beta
- R<sup>2</sup> = Coefficient of Determination
- Adj. R<sup>2</sup> = Adjusted Coefficient of Determination
- DW = Durbin Watson (d) test statistic
- T-value = Student t- test Statistic
- F = F- test statistic

Model Equation  $T = 0.104 + 0.229.326PQ$

The result indicate that Technology has a significant impact on the product quality of MSMEs). as  $t = 9.556$  and which is above the rule of thumb positivity of 2 and the coefficient of technology is (0.104). The variations from the model are explained by the model as indicated from the coefficient of the determination ( $r^2$ ) value of 31.3%. Also the result indicates that there is a positive relationship between technology and product quality of MSME as indicated by  $r$  value of 0.560 which is positive as shown by beta value of 0.560.

**Conclusion**

Based on the findings of this study,the result indicates that the constraints of implementing the technology in

entrepreneurship development in the Agriculture are primarily due to lack of accessibility to technology relevant to Agro-entrepreneurs. This has a negative effect on the performance of MSMEs in Agricultural sector such as Inadequate access to better cultivating techniques, little innovation , Post harvest loses.This is followed by limited access to credit facilities which slow down production activities, Poor access to modern farm inputs as well as delay in decision making and planning.On the other hand, access to market information is necessary but it was observed in this study that it is limit successful entrepreneurial development. If one has goods and does not have the required market knowledge to access the potential buyers the goods would attract lower value.



## Recommendations

Based on these findings, to effectively drive the Agricultural Transformation Agenda (ATA) there is a need to implement the following recommendations;

i) review the agricultural extension policies within the subsisting agricultural policies.

ii) there is a need to encourage farmers to acclimatize the use of Information and Communication Technologies (ICTS). One area that is potentially viable but still hazy in Agricultural production is the use of modern Information and Communication Technologies (ICT). If well planned and implemented, the use of ICT in agriculture like in all spheres of life, will lead to higher operational efficiencies because it will enhance faster, cheaper and sustainable communication among farmers.

iii) Technology Demonstrations: One of the ways to fast-track improved technology/innovation adaptation, adoption and utilization is through participatory “Method and Results” demonstrations.

iv) Production Enhancing Inputs (Improved Seeds, Fertilizers and Credit): Under this transformation agenda there are three critical production enhancing inputs that must be adequately captured and provided for under the ATA program: such as Improved seeds and fertilizers distribution channel, in the right quantities at all the locations at the right time. Regardless of the effectiveness and efficiency of the extension services to farmers, the agenda will not succeed without the timely provision of these production-enhancing inputs.

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