

AGRIBUSINESS AND SUSTAINABLE RURAL DEVELOPMENT IN NIGERIA: A STUDY OF SELECTED LOCAL GOVERNMENT AREAS OF KOGI STATE

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ABSTRACT: *This study assessed agribusiness and sustainable rural development in Nigeria, a study of selected LGA in Kogi East. Hypotheses were formulated in line with it and stated in their null forms for the purpose of testing. Relevant literature was reviewed, with entrepreneurship theory to support the study. The study employed field survey design, for data collection, where primary data were sourced with the aid of structured questionnaire. Data collected was analyzed using descriptive statistics (frequency counts, tables and simple percentages). The hypothesis was tested using t-test statistics at 0.05 level of significance, while SPSS version 21 was used to run the analysis. A total of 108 respondents, were selected using simple random sampling method. The self administered questionnaire was validated by selected lecturers in agribusiness. The findings of the study revealed that Agribusiness has significant effect on rural development. (T-test 11.34, df=3 p=0.003), there are challenges faced by agribusiness participant in Kogi East. Government has no contribution to rural development in Kogi East. The study finally recommended among others that; Government should ensure that capacity building programs are put in place to support agribusiness in Kogi East.*

Keywords: Agribusiness, Sustainability, Rural Development, Entrepreneurship.

INTRODUCTION

Background to the Study

Agriculture was the mainstay of Nigerian economy before the development of oil industry. During this period, there was food security in Nigeria, and the surplus was exported for foreign earnings. For instance, in Hausa traditional society, grains, root crops and a variety of vegetables were produced while part of the processed cotton and peanuts were exported.

Among the traditional Igbo people, subsistence farming characterizes agriculture. The main agricultural products include yams, cassava, and taro while palm products are the main cash crops which were also principal exports. In the same token, the traditional Yoruba people grew cocoa and yams as cash crops (Okafor, 2012).

Nigeria, according to Obiadi (1984), produces a variety of agricultural products from arable, pastoral, poultry and fish farming. During the colonial period, government, as posited by Ukwu, 1983, in Ihimodu (2012) was interested mainly in the development of export crops for the British economy, which allowed indigenous agriculture to develop only under the stimulus of market forces.

In order to promote European interests, they provided access routes by water, rail and road, and a modest provision of research and extension services for export production. This development was not Nigerian interest-friendly, as food production was relegated to the background.

Agriculture was neglected with the discovery or the development of oil with its far-reaching consequences for the economy. Agribusiness is the business of agricultural production. If these products are meant for commercial purpose, the idea of agribusiness comes into play. The term was coined in 1957 by Goldberg and Davis. It includes agrichemicals, breeding, crop production (farming and contract farming), distribution, farm machinery, processing, and seed supply, as well as marketing and retail sales. All agents of the food and fiber value chain and those institutions that influence it are part of the agribusiness system (Desmond in Wikipedia 2016).

The nexus between agribusiness and sustainable rural development is established in integrated rural development, which according to Ake (1981), was elaborated in a United Nations publication, It was also elaborated in great detail at the African Regional Conference on the Integrated Approach to Rural Development held at Moshi in Tanzania in October 1969. The focus on rural life is justified by the fact that about 75% of Africa's population live in the rural areas, and also by the fact that agriculture is the mainstay of Africa's economy.

Rural development is the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas. Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry (Desmond in Wikipedia, 2016).

The need to transform rural society in Nigeria through agriculture was conceived and practicalised with the initiative of the World Bank, the Agricultural Development Programme (ADP) Strategy, which is jointly financed by the Federal Government, the State Government and the World Bank. In 1970, as observed by Alanana (2006:73): "The World Bank gave support by financing three pilot projects in Funtua, Gombe and Gusau.

Government's initial contribution to these pilot projects was N40 million in the second national development plan. Government also extended the programmes to Lafia and Anyigba, and established others in Kwara, Oyo etc. government also planned to make the programme nationwide. By January 1982, the World Bank had committed N277 million into eleven (11) ADP projects in Nigeria."

The aim of ADP is to improve the standard of the low income earner resident in the rural areas, by providing them farm inputs such as fertilizer, pesticide, fungicide, high yield variety seeds, land clearing services, extension services, feeder roads etc.

The need to raise the living standard of a significant proportion of the country's labour force, about 70%, who reside in rural areas and engage in agriculture and allied industries has necessitated this present study.

Statement of the Problem

As an agrarian society, Nigeria can hardly attain economic development without agricultural development. In the past, when agriculture was emphasized, Nigeria hardly had the kind of economic crises we face today. The sector is all-embracing as it plays the roles of food provider, income generator, employment generator, raw material generator and business driver.

For the nation, it is foreign exchange earnings generator; for individuals, it is a source of livelihood. Lack of interest for agriculture has made our economy a pauper, which can neither ensure food security nor provide raw materials for our local industries. The resultant effect is evidenced in the importation of food for the populace and raw materials for our industries.

The lack of concentration on agricultural activities as a result of too much emphasis on oil has caused different economic-related problems such as lack of rural development, rural-urban migration, unemployment, inflation, and crime, among others. The inability of our agricultural sector to perform its traditional functions as mentioned earlier due to the mono-cultural nature of economy with bias in oil, account for our economic backwardness or woes.

Despite government efforts at initiating different development policies and programmes at different points, which include the Agricultural Development programme (ADP) Strategy, the Green Revolution Strategy (GRA), the River Basin and Rural Development Strategy, Import Substitution Industrialisation Strategy for Agriculture (ISI), Nigeria's agricultural sector is yet to meet the food, raw material, income, employment and foreign exchange earnings requirements of the country.

Many studies have been conducted in rural development policies and programmes, perspectives on agriculture and rural development in Nigeria, integrated rural development, agricultural resources in Nigeria, rural women performance in agriculture, rural agriculture and sustainable employment generation in Nigeria (Ihimodu, 2012; Alanana, 2006; Obiadi, 1984; and Ake, 1981, among others). Little or no attention was given to agribusiness and sustainable rural development in the study area, as such, the need for this study.

Objectives of the Study

The general aim of this study is to examine the effect of agribusiness on sustainable rural development in Nigeria. The following are the specific objectives of the study.

1. To examine the effect of agribusiness on rural development in Kogi East.
2. To assess the challenges faced by agribusiness participants in Kogi East
3. To ascertain government contribution to rural development in Kogi East

Research Hypothesis

HO₁: Agribusiness has no significant effect on rural development in Kogi East

The results of this study will help to sensitize and enlighten agribusiness participants, government and non- governmental organization about the significant of agribusiness to rural development.

This will in turn help the government in policies formulations with respect to agribusiness in Nigeria. The result of this study will also add to the body of knowledge on agribusiness, it would also serve as existing literature for scholarly research. The scope of the

study includes among other relevant issues, the examination of the relationship between agribusiness and rural development, the kind of agribusiness the people engage in.

The Study is restricted to Omala and Bassa Local Government Areas of Kogi State because of the prevalence of agribusiness activities in the areas (cassava and rice). The study element would be registered agribusiness operators that engaged mostly in processing and marketing of food crop activities.

REVIEW OF RELATED LITERATURE

Theoretical Framework

This study is based on entrepreneurial theory as formulated by Geoffrey and Daniel in 1991. According to the theory, it has been realized that it was unsatisfactory to treat entrepreneurship simply as arbitrageurs of capital, moving equity from areas where returns were low to those areas where it was higher, so the search began for the determinants of multinational growth.

An underlying assumption of most theories of entrepreneurship was that a firm needed an (ownership advantage) over local firms in order to overcome a "liability of foreignness" as local firms were assumed to possess superior knowledge about the markets, resources, legal and political system, language and culture. In developing the theory on entrepreneurship, discussing locational factors such as tariffs or market size was necessary to explaining firm's location.

Schurt (1997) employed transaction cost theory to explain why firms preferred to expand their boundaries over borders rather than use markets to avoid search and negotiating cost as well as cost of moral hazard and adverse selection and to protect their reputations. Central to this issue is the question of what role, if any, entrepreneurship plays in shaping how firms pursue new business opportunities across borders.

The Concept of Agribusiness

Agribusiness is an aspect of agriculture comprising of production, manufacture and distribution of farm input, equipment and supplies at one hand and the processing, storage and distribution of farm commodities on the other hand.

This implies that the entire agricultural production, processing, distribution and consumption spectrum from farm input supplies inclusive of wood producers, furniture manufacturers, food processors, food packers, food transporters and food marketing companies to restaurants and shopping mall. It covers input industries for agricultural production, post-farm gate industries including the commodity-processing, food manufacturing and distribution industries and third party firms that facilitates agribusiness operations including banker, brokers, advertising agencies and marketing information firms, Yumkella cited in Igbokwuwe, Esseini and Agunna (2015).

In other words, agribusiness is the sum total of all the operations involved in the manufacture and distribution of farm supplies, production operation on the farm, storage-processing, distribution of farm commodities and other items made from them. It is used as a combination of agriculture and business referring to the range of activities in modern food operations, Igbokwuwe, et al (2015).

Agribusiness is viewed as dividing the structural components of production process into substructures which are capable of being administered jointly. Three substructures of this sector are the input, farm productions and the marketing section for processed products. This concept implies the process by which corporate firms supply agricultural inputs or purchase farm outputs and process and process them for onward distribution in an integrated pattern. Agribusiness is grouped into tri-aggregates- farm supply, farm production and processing distribution, Davis & Golberg, (1956).

From the foregoing, it can be juxtaposed that there is a synergy in the agribusiness-rural development, nexus through inputs supplies processing and distribution that characterize its development. On the other hand, agribusiness provides the much employment and food for the abundant rural labour force, expands the market, increases the incomes of those involved in the supply components, processing and distribution of agro-industrial products. The intrinsic value of agribusiness is that it constitutes a synergy of agro-industrial linkage and in the nut shell involved in the production and distribution of food and fiber needs of the economy.

It therefore generates backward integration and forward linkages thereby facilitating the release of workers from the farm to other sections of the tri-aggregates. This synergy is an interesting option for industrialization. Such a process is expected to transform agriculture and at the same time creates new industrial jobs and incomes.

Contributions of Agribusiness in Nigeria

Agribusiness is a concept that became popular in the early sixties. It arose along with the recognition of the agro-processing sector as a new emerging sector. Agribusiness is the sum total of all the operations involved in the manufacture and distribution of farm supplies, production operation on the farm and the strong processing-distribution of commodities and items.

Machet cited in Tersoo (2013) says agribusiness concern in Nigeria constitutes 70% of business operating in the country. NISER (1999) observed that 41% of agro-industries are sole proprietorship while another 41% are private limited liability companies. About 4% are government owned, and 5% are partnership nature while 8% are public liability companies. In Nigeria, agribusiness can be divided into four components; farming inputs supply companies, producing farm firms, processing agribusiness firms and food marketing and distribution.

Farm Input Supply Business

This encompasses agricultural chemical inputs suppliers of fuels, fertilizers, pesticides and herbicides seed and feed concentrate suppliers; agricultural machinery and equipment suppliers; automobile, tube, tires, and foam manufacturers; credit and veterinary services suppliers. This supply component extends to supplies of containers, sacks, crates needed in the packaging activities. Quite important as well are utilities like water, power, telephone, hospital insurance etc.

The Producing Farm Firms

These are crop producers and livestock producers who are farmers scattered all over the country. The growth of this component depends on available large land, improved productive forces and complementarily with industry that absorbs excess agricultural labour.

Food Processing Agribusiness

This includes food and fruit juice canners; manufacturers of beer, soft drinks, cocoa drinks, coffee, and tea; producers of confectionary sugar sweets, chocolate, cakes, biscuits; tobacco processors and/or manufacturers; meat processors; wood processors and furniture makers and distributors, paper millers and tissue paper manufacturers; leather and footwear manufacturers; food packaging and cartons manufacturers; cotton processing, spinning, weaving and textile companies; food processors of cornflakes, jam, bread, butter, milk, margarine, and tomato puree; oils, soap, and toothpaste manufacturers, fishing companies, fish processors, packers and distributors.

The Food Marketing and Distribution Agribusiness

Companies in the country include private food stores; wholesalers and retailers of frozen foods including super markets etc. These agribusiness firms are scattered all over the country but are concentrated in three main industrial clusters in Nigeria; Kano, Kaduna, Jos in the North; Lagos, Ota Ibadan in the South West and Port Harcourt, Aba , Nnewi, Onitsha in the South East. A survey of a few include: Taraku Oil Mills Ltd, Abakiliki Rice Processors, Sorghum Outgrower Scheme with Guinness Plc, Fuman Agric. Agricultural Products Fruit Juice Manufacturers and Cocoa Exporter Ed and F man Nigeria etc.

Rural Development

According to Conference on Regional Planning and Economic Development in Africa (1972), rural development is “the outcome of series of quantitative changes occurring among a given rural population and whose conveying effects indicate, in time, a rise in the standard of living and favourable changes in the way of life of the people concerned”.

Lele and Alakare (2000) view rural development as the improvement in the living standard of the rural dwellers by engaging them in productivity activities such as establishment of rural industries that will increase their income. This is the only means of raising sustainable level of the rural poor by giving them the opportunity to develop their full potentials.

Mabogunje (2001) adds that meaningful rural development must be on “self-sustaining basis, through transforming the socio-spatial structures of the productive activities...” (see Olayiwolu and Adeleye (2005).

As a means on the other hand, the World Bank (1977, in Ukwu 2005) defines it as “a strategy designed to improve the economic and social life of a specific group – the rural poor”.

The United Nations (1978) cited in Ukwu, (2005:) defines it as: “A strategy designed to transform rural life by extending to the masses of the rural population the benefits of economic and social progress, it stresses fundamental principle: process through equitable access to resources, imputes and services and participation in the design and implementation programmes.” In his view, Diejemach, (cited in Ijere, 2002) argues that, rural development is a process of not only increasing the level of per capital income in the rural areas but also the standard of living of the rural people, depending on such factors as food, (nutrition) level, health, education, housing, recreation and security.

Similarly, this socio-economic development approach is simplified by Jir (2004) where he explained rural development to mean; “the improvement of living conditions in rural areas through increased productivity of agriculture and related enterprises which constitute the main economic activities of the population”. Towards achieving this, he emphasizes the centrality of inter-sectoral linkages where he argues that:

The rural economy of the country has also been largely hampered by the absence of an effective methodology for integrating agriculture, which is the main economic activity with the other sectors (industry and services) and also with many other factors affecting rural life. The simultaneous planning of the three sectors – agriculture, industry and services – at the level where development activities take place is one sure way to attain complementarity. This is a multi-dimensional and comprehensive approach, the strength of which lies in the achievement of inter-sectoral linkages.

Empirical Review

Agribusiness has been a subject of many studies over the years. Studies have been conducted to analyse the impact of agribusiness and sustainable growth. Iloani (2015) conducted a survey research on the impact of agribusiness on rural development in Ibadan, using a cross-sectional design with a sample of 105.

The data collected were analysed using descriptive statistics and simple percentages, while the hypothesis was tested using Chi-square statistics. The result of the findings revealed that agribusiness has a significant effect on rural development. Orji (2013), in his study on agribusiness and economy growth, found that poverty, ignorance, illiteracy, the use of manual farm tools/methods, lack of infrastructure, lack of food storage or processing facilities, lack of modern farm machinery/ techniques, lack of scientific and technological know-how, disorganization and unaccountability and lack of leadership and neo-colonialism as factors affecting the growth of agribusinesses in Nigeria.

A study conducted by Igbukwue (2015), on government support programmes to agribusiness and economy development, which found that agribusiness plays a crucial role in jump-economic transformation through development and growth of agro-based industries, successful agribusiness investment stimulates agricultural growth by providing new markets and developing a vibrant input supply system to all sectors.

The survey further revealed that government contributions to agribusiness is limited, because agribusiness is an aspect of agriculture which serves as raw material providers to industries, food provider to citizens as well as employment generators to individuals.

Itoandon (2011) conducted a study on agribusiness and self reliance in Enugu state. The study revealed that agribusiness facilitates commercial opportunities, improves efficiency of market operation, formation of marketing cooperative, training and capacity building.

Olorunni (2016) carried out a research on the myths of agribusiness in Nigeria. The study found the following as the myths associated with agribusiness in Nigeria which has impacted negatively on the prospects of agribusiness in the country. These include seeing farming as our forefathers saw it, most agribusiness participants see themselves as mere farmers, lack of investment in market research, producing without having buyers and get-rich quick syndrome. Other factors include seeing agribusiness as a poor man activity, seeing farming as a dirty man

job and seeing agribusiness as a feature of rural dwellers and an exercise for the illiterates and ignorant.

The aforementioned have a slowed down the growth of agribusiness in Nigeria, which has equally contributed to food insecurity in the country.

Carpio and Isengildina-Massa (2008) evaluated South Carolina's agribusiness and consumer preferences on the demand for South Carolina agricultural products. A survey of 500 South Carolina consumers was conducted in order to measure the attitudes and perceptions of the consumers concerning South Carolina grown agricultural products. The study's findings state that South Carolina consumers have a strong demand for local grown products.

The survey results found that South Carolina consumers are willing to pay on average a premium around 27 percent for South Carolina State grown produce and around 23 percent for South Carolina local animal products. Despite the low awareness of the branding campaign in its early stages (as of September 2007 only 29.5 percent of respondents were aware of the campaign), the mean willingness to pay was approximately 3.4 percent higher for South Carolina grown produce when compared to surveys prior to the campaign. Under the assumption of total awareness of the campaign by all consumers, that number increased to 7.1 percent for produce and 4.4 percent for animal products. The 7.1 percent increase in the premium consumers were willing to pay has a long run effect of a \$2.9 million increase in producer surplus, meaning that for every dollar of the initial \$500,000 grant, there would be a return of \$5.8 (South Carolina Grown, 2009).

Other states have also performed similar research concerning the demand for local grown products and how much consumers are willing to pay for these local grown products. Colorado found that there is the Economic Impact of Agribusiness and the Return on the Certified South Carolina Grown Campaign evidence of consumers willing to pay a higher premium for local products, specifically potatoes in this study.

Loureiro and Hine (2002) in the state of Indiana research found that consumers did have a high demand for locally grown products; approximately 60 percent of consumers were willing to pay a premium for local products Jekonowiski, Williams, and Schiek, (2000). studied the demand for agribusiness products using strawberries in the Midwest, the results indicated that the Midwestern consumer valued locally grown strawberries more than strawberries grown anywhere else in the U.S.

In relation to local grown campaigns New Jersey and Arizona have performed studies on the effectiveness of each of their local campaigns. The New Jersey campaign is called "Jersey Fresh" and the Arizona is called "Arizona Grown". The results from both of these studies were found to be inconclusive.

RESEARCH METHODOLOGY

Research Design

Research design is a plan or a blue print which specifies how data relating to a given problem should be collected and analyzed. It provides procedural outline for the conduct of any given investigation Emaikwu, (2006). Therefore, the researcher adopts a Correlational and

cross-sectional survey research design which allows the study to be carried out at a particular period.

Population of the Study

The population of study consists of all registered farmers in the processing and marketing of agricultural produce, which include cassava, rice and maize. This is based on the fact that most farmers in the study areas practiced intercropping system and deals with the processing and marketing of different types of farm produce.

As such, our population size is 108 of registered processors in the two selected local government areas of Kogi state. (Annual Report: Association of Agribusiness Owners, Kogi State 2016). Due to the small size of the population, the researcher adopted census population techniques and study the 108 subjects to whom our questionnaire shall be administered. The study made use of questionnaire to collect data. The questionnaire contained

Validity/Reliability of the instrument

The questionnaire was given to selected resource persons in agribusiness for validation to ensure its content validity before being put to use. They made useful suggestions and modifications that made the questionnaire valid for the purpose it is meant for.

To further ascertain the reliability and internal consistency of the instrument, it was pilot-tested with a sample of 30 farmers was randomly selected from Okene local government area of the state, Cronbach Alpha was used to test the reliability and internal consistency of the instrument using the Statistical Package for Social Sciences (SPSS). The data were analyzed in tabular form using frequency tables and simple percentage. The hypothesis was tested using t-test statistic at 0.5 level of significant.

Results and Discussion

Introduction

This chapter deals basically with the presentation, analysis, and interpretation of the data collected, as well as discussion of the findings.

Socio-Demographic Characteristics

Table 1: Bio Data of Respondents

Variables	Frequency	Percentage (%)
Sex		
Male	80	74.1
Female	28	25.9
Total	108	100
Marital Status		
Single	10	9.3
Married	90	83.3
Others	8	7.4
Total	108	100
Qualification		
Phd	-	0.0
Msc /MBA	5	4.6
Bsc/HND	70	64.8

NCE/OND	30	27.8
School Cert.	3	2.8
Total	108	100
Age Distribution		
20-30yrs	38	35.2
30-40yrs	70	64.8
Total	108	100
Age of Business		
1-5yrs	10	16.6
6-10 yrs	50	46.3
11-15yrs	40	13.3
16-20 yrs	3	37.0
20 and above	5	4.6
Total	108	100

Source: field data (as of 2017).

Table 1 above captures the bio data of all the respondents. The table clearly shows that 74.1% of the respondents were males, while 25.9% were females. On the marital status of the respondents, the table shows that 9.3 % of the respondents were single, while 83.3% and 7.4% of the respondents were married and in other marital status group respectively.

Also on the educational qualification of the respondents, the majority 64.8% of the study participants were B.sc/HND holders, 4.6% were Msc/MBA holders, 27.8% were NCE/OND holders, while 2.8% were school cert holders, and none of the respondent is a PhD holders.

Furthermore, the table shows the age distribution of the respondents as 35.2% for those between 20-30 years, and 64.8% for those between 30-40 years. The age of business of the respondents stands at 16.6 % for those whose business is between 1-5 years, 46.3% for 6-10 years, 13.3% for 11-15 years, 37.0% for 16-20 years and 4.6% for those whose business are above 20years.

Effect of Agribusiness on Rural Development in Kogi East

Table 2: Percentage Scores on the effect of agribusiness on rural development in Kogi East

Items.	1	2	3	4	5
Agribusiness makes the people of Kogi East self-reliance	90 (83.33%)	10 (9.25%)	4 (3.70)	4 (3.70)	-
Through agribusiness the citizens of Kogi East are empowered	75 (69.44%)	25 (23.15%)	3 (2.78%)	2 (1.85%)	3 (2.78%)
Agribusiness reduces the level of unemployment	50 (46.30%)	40 (37.03%)	10 (9.25%)	8 (7.41%)	-
agribusiness enhance community	40 (37.03%)	45 (41.67%)	10 (9.25%)	5 (4.63%)	8 (7.41%)

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Source: Field Data (as of 2017)

Table 2 above revealed 90 respondents, representing (83.33%) strongly agreed that agribusiness makes youth self-reliance, while 10 respondents representing (9.25%) of the respondents agreed, 4 respondents representing (3.70%) of the respondents disagreed, while 4 respondents representing (3.70%) of the respondents strongly disagreed.

Also 75 (69.44%) of the respondents strongly agreed that through agribusiness the citizens of Kogi East are empowered, 25 (23.15%) agreed, and 3 of the respondents representing (2.78%) disagreed, 2 (1.85%) strongly disagreed while 3 respondents representing (2.78%) were undecided.

While 50 respondents representing (46.30%) of the respondents strongly agreed that agribusiness reduces the level of unemployment, 40 (37.03%) respondents agreed, while 10 (9.25) of the respondents disagreed, and 8 respondents representing (7.41%) strongly disagreed.

Furthermore 40 respondents representing (37.03%) of the respondents strongly agreed that enhance community development, 45 (41.67%) of the respondents agreed, 10 (9.25%) disagreed, while 5 (4.63%) of the respondents strongly disagreed and 8 respondents representing (7.41%) of the respondents were undecided.

Challenges faced by Agribusiness Participant in Kogi East

Table 3: Percentage Scores on the challenges faced by agribusiness participants in Kogi East

Items.	1	2	3	4	5
I There are sufficient empowerment program to aid agribusiness in Kogi East	10 (9.25%)	8 (7.41%)	50 (46.30)	40 (37.03)	- -
li Agribusiness participant has difficulty in accessing loan from banks	55 (50.92%)	25 (23.15%)	10 (9.25%)	15 (13.89%)	3 (2.78%)
lii The government does not supply inputs and equipment to agribusiness participant in Kogi East	60 (55.56%)	30 (27.78%)	10 (9.25%)	7 (6.48%)	1 (0.93)
lv Prices of inputs and other equipments are high	70 (64.81%)	20 (18.52%)	10 (9.25%)	4 (3.70)	4 (3.70)

Source: Field Data (as of 2017)

Table 3 above revealed 10 respondents, representing (9.25%) strongly agreed that there are sufficient empowerment programs to aid agribusiness in Kogi East, while 8 respondents representing (7.41%) of the respondents agreed, 50 respondents representing (46.30%) of the respondents disagreed, while 40 respondents representing (37.03%) of the respondents strongly disagreed.

Also 55 (50.92%) of the respondents strongly agreed that agribusiness participant has difficulties in accessing loans from the bank, 25 (23.15%) agreed, and 10 of the respondents

representing (9.25%) disagreed, 15 (13.89%) strongly disagreed while 3 respondents representing (2.78%) were undecided.

While 60 respondents representing (55.56%) of the respondents strongly agreed that government does not supply inputs and equipment to agribusiness participant in Kogi East 30 (27.78%) respondents agreed, while 10 (9.25) of the respondents disagreed, and 7 respondents representing (6.48%) strongly disagreed, and 1 of the respondent representing (0.93%) of the respondents was undecided. Furthermore 70 respondents representing (64.81%) of the respondents strongly agreed that prices of inputs and other equipments are high , 20 (18.52%) of the respondents agreed, 10 (9.25%) disagreed, while 4 (3.70%) of the respondents strongly disagreed and 4 respondents representing (3.70%) of the respondents were undecided.

Government Contribution to Rural Development in Kogi East

Table 4: Percentage Scores on the contribution of government to agribusiness in Kogi

Items.	1	2	3	4	5
Government capacity building programmes are established to support rural dwellers in Kogi East	3 (2.78%)	2 (1.85%)	5 (4.63%)	100 (92.60)	- -
Government supported programmes to rural development in Kogi East are not effective	60 (55.56%)	45 (41.67%)	3 (2.78%)	- -	- -
Government capacity programmes are promoted in Kogi East	45 (41.67%)	45 (41.67%)	10 (9.25%)	8 (7.41%)	- -
Citizens of Kogi East have not benefited from government support programs on rural development	50 (46.30)	30 (27.78%)	20 (18.52%)	5 (4.63%)	2 (1.85%)

Source: Field Data (as of 2017)

Table 4 above revealed 3 respondents, representing (2.78%) strongly agreed that government capacity building programs are established to support rural dwellers in Kogi East, while 2 respondents representing (1.85%) of the respondents agreed, 5 respondents representing (4.63%) of the respondents disagreed, while 100 respondents representing (92.60%) strongly disagreed .

Also 60 (55.56%) of the respondents strongly agreed that government support programs to rural development in Kogi East are not effective, 45 (41.67%) agreed, and 3 of the respondents representing (2.78%) disagreed, none of the respondents strongly disagreed. While 45 respondents representing (41.67%) of the respondents strongly agreed that government capacity programs are promoted in Kogi East, 45 (41.67%) respondents agreed,

while 10 (9.25) of the respondents disagreed, and 8 respondents representing (7.41%) strongly disagreed.

Furthermore 50 respondents representing (46.30%) of the respondents strongly agreed that citizens from Kogi East had are not benefited from the government support programs, 30 (27.78%) of the respondents agreed, 20 (18.52%) disagreed, while 5 (4.63%) of the respondents strongly disagreed and 2 respondents representing (1.85%) of the respondents were undecided.

Rural Development

Table 5: Percentage Scores on Rural Development in Kogi East

Items.		1	2	3	4	5
I	Government provide basic amenities in rural areas in Kogi East	10 (9.25%)	8 (7.41%)	50 (46.30)	40 (37.03)	- -
li	The rural dwellers are predominantly low income earners.	55 (50.92%)	25 (23.15%)	10 (9.25%)	15 (13.89%)	3 (2.78%)
lii	The government does not provide aid agribusiness owners in rural areas	60 (55.56%)	30 (27.78%)	10 (9.25%)	7 (6.48%)	1 (0.93)
lv	Rural areas in Kogi East are under development	70 (64.81%)	20 (18.52%)	10 (9.25%)	4 (3.70)	4 (3.70)

Source: Field Data (as of 2017)

Table 3 above revealed 10 respondents, representing (9.25%) strongly agreed government provide basic amenities in rural areas in Kogi East, while 8 respondents representing (7.41%) of the respondents agreed, 50 respondents representing (46.30%) of the respondents disagreed, while 40 respondents representing (37.03%) of the respondents strongly disagreed.

Also 55 (50.92%) of the respondents strongly agreed that the rural dwellers are predominantly low income earners. 25 (23.15%) agreed, and 10 of the respondents representing (9.25%) disagreed, 15 (13.89%) strongly disagreed while 3 respondents representing (2.78%) were undecided. While 60 respondents representing (55.56%) of the respondents strongly agreed that the government does not provide aid agribusiness owners in rural areas 30 (27.78%) respondents agreed, while 10 (9.25) of the respondents disagreed, and 7 respondents representing (6.48%) strongly disagreed, and 1 of the respondent representing (0.93%) of the respondents was undecided.

Furthermore 70 respondents representing (64.81%) of the respondents strongly agreed that Rural areas in Kogi East are under development, 20 (18.52%) of the respondents agreed, 10 (9.25%) disagreed, while 4 (3.70%) of the respondents strongly disagreed and 4 respondents representing (3.70%) of the respondents were undecided.

Test of Hypothesis

Hypothesis 1

H₀₁: Agribusiness has on significant effect on rural development in Kogi East.

Table 6: Test Statistic of the Mean Rating Response on the Effect of Agribusiness on Rural Development in Kogi East (N=108)

Respondents	Response	\bar{X}	SD	T-test	DF	P-value
Registered farmers	SA	220.15	14.64	11.34	3	0.003
	A	154.00	12.97			
	SD	53.60	18.33			
	DA	30.25	18.33			
	N	3.25	05.33			

Source: Researcher's Computation using SPSS Version 21

From the above table, the following results were obtained (t- test=11.34, df=3, p=0.003). Since the significant p-value is less than 0.05 which is the acceptance level of significance. The null hypothesis which states that agribusiness has no significant effect on rural development is rejected and the alternative accepted. It is therefore concluded that agribusiness has significant effect on rural development.

Discussion of Findings

Research question one and hypothesis one revealed that agribusiness has significant effect on rural development. This study is in line with the study of Iloani (2015), who conducted a survey research on the impact of agribusiness on rural development in Ibadan, using a cross-sectional design with a sample 105. The data collected were analyses descriptive statistics and simple percentages, while the hypothesis was tested using Chi-square statistics the result of the findings revealed that agribusiness has a significant effect on rural development.

Also Orji (2013), in his study on agribusiness and economy growth, found that poverty, ignorance, illiteracy, the use of manual farm tools/methods, lack of infrastructure, lack of food storage or processing facilities, lack of modern farms machine/ techniques, lack of scientific and technological know-how, disorganization and unaccountability and lack of leadership and neo-colonialism as factors affecting the growth of agribusinesses in Nigeria.

Researches question two revealed that agribusiness participants in Kogi East are face with challenges. This is in line with the views of Oloruni (2016) who carried out a research on the myths of agribusiness in Nigeria .study found the following as the myths associated with agribusiness in Nigeria which has impacted negatively on the prospects of agribusiness in the country.

These include seeing farming as our forefathers saw it, most agribusiness participants see themselves as mere farmers, lack of investment in market research, producing without having buyers and get-rich quick syndrome. Other factors include seeing agribusiness as a poor man activities, seeing farming as a dirty man job and seeing agribusiness as a feature of rural dwellers and an exercise for the illiterates and ignorant.

The aforementioned have a slowed down the growth of agribusiness in Nigeria, which has equally contributed to food insecurity in the country.

Research question three revealed that government has no contribution to rural development in Kogi East. This result is in line with the study of Igbukwue (2015), on government support programmes to agribusiness and economy development, which found that agribusiness, plays a crucial role in jump-economic transformation through development and growth of agro-based industries, successful agribusiness investment stimulates agricultural growth by providing new markets and developing a vibrant input supply system to all sectors. The survey further revealed that government contributions to agribusiness is limited, because

agribusiness is an aspect of agriculture serves which as raw material providers to industries, food provider to citizens as well as employment generators to individuals.

CONCLUSION AND RECOMMENDATIONS

Summary of the findings

The main aim for which this study was carried out was to examine the effect of agribusiness and sustainable rural development in Nigeria. Which focus on agribusiness participants in Kogi East. It has been observed that agribusiness is a yardstick to rural development, which enhances national growth and development, and the contribution of agribusiness in our society has been observed recently.

In order to achieve the above stated objectives, three research questions were drawn with and one hypotheses formulated it null form as: Agribusiness has no significant effect on rural development in Kogi East. The scope of this study is to covers registered agribusiness participants in Omala and Bassa Local Government Areas of Kogi East.

A review of related literature was undertaken in three major faces covering conceptual clarifications, entrepreneurial theory and empirical works. The concepts clarified in the study includes:, Concept of agribusiness, contribution of agribusiness in Nigeria , the constraints of agribusiness in Nigeria , agribusiness practiced by the people of Kogi East ,rural development, the factors bedeviling rural development in Kogi East, agricultural programmes in Nigeria, and a summary of the review done.

The components of the research methodology implored in this study consisted of research design, area of study, study population, sampling plan, data source, data collection method, method of data analysis etc. Survey design was adopted for the study and the study population was manipulated through direct questionnaires. The population of the study 108 registered agribusiness participants in the study area. Data were collected through the primary and secondary sources of data using questionnaires.

While, textbooks, journals, internets etc for secondary data. Furthermore, the data collected was analyzed, presented and discussed. The method of data analysis implored was descriptive statistical tools, frequency counts, tables and simple percentages. The hypothesis was tested using t-test statistics.

CONCLUSION

Based on the findings of this study, it pertinent to state here that agribusiness is a pivotal tool for rural development. Hence the economy at large and the government in particular are looking for measures to ensure that her citizens are self-reliance. The surest way to improve agribusiness is to ensure that programs are established by government to support agribusiness participant.

There is no doubt that agribusiness and rural development in the study area have not improved over the recent time, and their impact to the state development has been felt.

RECOMMENDATIONS

In view of the findings of this study, the following recommendations are made:

- 1.** Government should ensure that capacity building programs are put in place to support agribusiness in Kogi East
- 2.** Government should encourage micro finance banks to provide loans to agribusiness participants at low interest rate.

3. Private organization should aid the government in providing funds to agribusiness participant, as part of their cooperate social responsibility.

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