Solutions to youth agripreneurship challenges

Lessons learned from youth agripreneur champions in Uganda
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by Yasuko Ose
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### Acronyms

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<thead>
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<th>Description</th>
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<tbody>
<tr>
<td>CIMMYT</td>
<td>International Maize and Wheat Improvement Center</td>
</tr>
<tr>
<td>CNFA</td>
<td>Cultivating New Frontiers in Agriculture</td>
</tr>
<tr>
<td>CURAD</td>
<td>Consortium for Enhancing Universities Responsiveness to Agribusiness Development</td>
</tr>
<tr>
<td>ESA</td>
<td>FAO Agrifood Economics Division</td>
</tr>
<tr>
<td>ESF</td>
<td>FAO Food Systems and Food Safety Division</td>
</tr>
<tr>
<td>ESP</td>
<td>FAO Inclusive Rural Transformation and Gender Equity Division</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>GIC</td>
<td>Green Innovation Centres for the Agriculture and Food Sector</td>
</tr>
<tr>
<td>HACCP</td>
<td>Hazard Analysis and Critical Control Point</td>
</tr>
<tr>
<td>ICA</td>
<td>Integrated Country Approach</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>MAAIF</td>
<td>Ministry of Agriculture, Animal Industry and Fisheries</td>
</tr>
<tr>
<td>MGLSD</td>
<td>Ministry of Gender, Labour, and Social Development</td>
</tr>
<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>NFA</td>
<td>National Forestry Authority</td>
</tr>
<tr>
<td>NEMA</td>
<td>National Environment Management Authority (NEMA)</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NSYEA</td>
<td>National Strategy for Youth Employment in Agriculture</td>
</tr>
<tr>
<td>SACCO</td>
<td>Savings and Credit Cooperative</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
<tr>
<td>SIYB</td>
<td>Start and Improve Your Business</td>
</tr>
<tr>
<td>SMART</td>
<td>FAO Sustainable Markets, Agribusinesses and Rural Transformation Team</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SKY</td>
<td>Skilling Youth for Employment in Agribusiness</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
</tr>
<tr>
<td>TWG</td>
<td>Technical Working Group</td>
</tr>
<tr>
<td>UBOS</td>
<td>Uganda Bureau of Statistics</td>
</tr>
<tr>
<td>UCDA</td>
<td>Uganda Coffee Development Authority</td>
</tr>
<tr>
<td>UIRI</td>
<td>Uganda Industrial Research Institute</td>
</tr>
<tr>
<td>UNHS</td>
<td>Uganda National Household Survey</td>
</tr>
<tr>
<td>USADF</td>
<td>United States African Development Foundation</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar (currency)</td>
</tr>
<tr>
<td>VSLA</td>
<td>Village Savings and Loan Association</td>
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<tr>
<td>YC</td>
<td>Youth Champion</td>
</tr>
<tr>
<td>YIYIA</td>
<td>Youth Inspiring Youth in Agriculture (Initiative)</td>
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<td>YLP</td>
<td>Youth Livelihood Programme</td>
</tr>
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</table>
Acknowledgements

This case study, “Solutions to youth agripreneurship challenges”, is an output deriving from the assessment of the Youth Inspiring Youth in Agriculture (YIYA) Initiative in Uganda. In 2017, the Food and Agriculture Organization (FAO) and the Government of Uganda, through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) as a lead counterpart agency, implemented the YIYA Initiative with the objective of selecting youth lead agripreneurs and fostering them as “mentors” for other youth. The agribusiness models presented in this case study are the results of the interviews with selected youth agripreneurs appointed as “Youth Champions”.

The case study was developed by FAO under the Integrated Country Approach for boosting decent jobs for youth in the agri-food system (ICA) project, a global programme funded by the Swedish International Development Cooperation Agency (SIDA). The study was led by Yasuko Ose, Value Chain Consultant in the Sustainable Markets, Agribusinesses and Rural Transformation (SMART) Team of FAO’s Agrifood Economics Division (ESA), in collaboration with the Decent Rural Employment Team of FAO’s Inclusive Rural Transformation and Gender Equity (ESP) Division. Technical guidance was provided by Ileana Grandelis, ICA Global Coordinator (ESP) and Heiko Bammann, Agricultural Economist (ESA), while practical inputs were provided by Edward Tanyima, FAO-Uganda National Coordinator (ICA), Christopher Sebatta, researcher at Makerere University and Anja Lienert, Value Chain Consultant in FAO’s Food Systems and Food Safety Division (ESF).

A special thank you goes to all YIYA-related stakeholders, especially YIYA’s Technical Working Group members and the FAO Representation in Uganda, headed by Antonio Querido. Above all, we would like to express our deepest gratitude to the Youth Champions who spent a tremendous amount of time cooperating with our interviews.

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1. Introduction

Uganda has a comparatively young population, with over 75 percent of its population below the age of 30. Youth unemployment and underemployment are among the most serious development challenges that the country is facing. In 2017, the unemployment rate stood at 13.3 percent among youth aged 18–30, which is higher compared with the national average unemployment rate of 9.2 percent. The agricultural sector continues to provide livelihoods to many Ugandans, with 41 percent of the population employed in the sector and an additional 33 percent in subsistence agriculture. Most of the youth (69 percent) live in rural areas, and 55 percent of the rural youth are employed in the sector (UBOS, 2018).

Agripreneurship is therefore regarded as an approach to addressing the issues of unemployment and underemployment. However, youth seeking to launch agribusinesses still face a number of challenges. The major challenges affecting youth include limited access to land and premises; limited access to financial services; limited knowledge, skills and work experience; and limited access to markets (both input and output markets). Although these challenges may also apply to adults, youth are more likely to face and be susceptible to them. But are those challenges really insurmountable for youth?

Furthermore, it is often said that youth prefer not to engage in agriculture due to perceptions of drudgery and unrewarding income, and instead prefer to work in the non-agricultural sector, or in off-farm jobs, rather than in on-farm agricultural production. Is it really true that youth are no longer interested in crop production or agriculture?

In Uganda, in order to overcome these bottlenecks, the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and the Food and Agriculture Organization of the United Nations (FAO) developed and launched the National Strategy for Youth Employment in Agriculture (NSYEA), whose mission is to enhance youth employment in the agricultural sector. In line with the implementation of the NSYEA, FAO and MAAIF launched the Youth Inspiring Youth in Agriculture (YIYA) Initiative in 2017 as part of the FAO project: Integrated Country Approach (ICA) for decent rural youth employment (2015-2018). The YIYA is a nationwide youth agribusiness competition programme which seeks to promote youth agripreneurship development by singling out young agripreneurs who are running their agribusinesses with passion and innovation, and are willing to share their experiences with other youth to inspire them into agribusiness. In other words, the YIYA competition targets youth “change makers” who can bring about ripple effects on other youth. In the YIYA-2017 competition, 25 youth agripreneurs (18 men and 7 women) were selected as “Youth Champions” (YC).

From August to November 2019, two years after they were awarded YC status, an assessment of the YIYA was conducted, with 19 YCs (17 men and 2 women) interviewed about their experiences of agripreneurship. Drawing on the results of the assessment, this case study reveals how the YCs have overcome major youth challenges for agripreneurship development, and details how they are running their agribusinesses, before providing an introduction to six youth-friendly agribusiness models. YC approaches to overcoming challenges and running agribusinesses will provide thought-provoking lessons for other youth who would like to launch agribusinesses, as well as for public and private stakeholders currently seeking effective support approaches to youth agripreneurship development.

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1 The data derive from the Uganda National Household Survey (UNHS) 2016/2017 issued by the Uganda Bureau of Statistics (UBOS).
2 The project operated in Uganda from 2015 until 2018, funded by the Swedish International Development Cooperation Agency (SIDA), through the FAO Flexible Multi-Partner Mechanism. In 2019, with constant financial support from SIDA, the project entered a second phase (2019-2020).
3 As of August 2019, only 19 were available for the interviews. Of the 25 YCs, one YC passed away because of a traffic accident; another had a traffic accident and stopped her agricultural production; another went to graduate school in the U.S; and three were not available during the assessment period.
4 Out of the 19 YCs, only two were women, as the other female YCs were not available for interviews during the assessment period. Due to gender imbalance in data availability, gender analysis was not conducted in this assessment. Gender-related implications are mentioned only as recommendations for future youth agripreneurship development programmes.
2. Solutions: how to overcome youth challenges

Based on the findings of interviews with 19 YCs conducted in the YIYA assessment, this section discusses how YCs in Uganda have overcome the major youth challenges in starting up agribusinesses.

2.1 Limited access to land and premises

In developing countries, youth do not have secure access to land because land ownership is heavily concentrated among adults. Generally, the principal mechanism by which youth obtain land is through inheritance, which often happens at a later stage of adult life. Furthermore, it is often the case that women do not have equal inheritance rights to land and property. Consequently, for young men and women who plan to launch an agribusiness, the acquisition of a plot of land or premises is more likely to be an obstacle to the start-up than for their adult counterparts.

Simply put, the best solution to the challenge of limited access to land and premises is to choose an agribusiness that does not require a large plot of land or premises. Nine out of the 19 YCs are engaged in on-farm activities, having managed to secure a small plot of land through their personal networks. Those YCs all started with a tiny plot of land which was obtained by asking persons in their close circle (e.g. family members, relatives, neighbors or friends) to allocate land to them. One of the YCs was given gratuitous use of a small plot of land belonging to the winner of another agribusiness competition programme, who was willing to help other youth. As his agribusiness, the YC selected vegetable cultivation because, unlike tuber and grain crops like cassava and rice, vegetables do not require a large plot of land, and can be harvested in a short cycle, leading to more frequent income. Other YCs opted to work at another node of the value chain. Some started seedling production, which can also be commenced with a small plot of land, while others chose off-farm businesses, such as aggregation and processing, which could also be commenced with small premises.

2.2 Limited access to financial services

As with access to land and premises, youth access to financial services is also limited in developing countries, especially in rural areas, where fewer financial institutions exist than in urban areas. In rural areas, even if financial services are physically available, their services are not necessarily youth-friendly. Generally, loan requirements (e.g. physical assets like land and premises, steady employment and personal guarantors) at formal financial institutions are difficult for youth to satisfy. In addition, loan conditions (e.g. high interest rates, minimum loan amounts and no or short grace periods) are not youth-friendly, either. Some youth therefore rely on informal banking systems like a Village Savings and Loan Association (VSLA) or personal networks.

As Table 1 shows, few YCs received loans from financial institutions before starting up their agribusinesses. Most YCs had saved money through working in another job before launching their agribusinesses, or borrowed some money from their personal networks (e.g. family members, relatives or friends). Table 2 shows that nine of the 19 YCs were engaged in formal employment, through which they saved money. The following table shows that all YCs are “older youth (age 25–35),” and that no “younger youth (age 15–24)” were included, though the age eligibility for the application of the YIYA agribusiness

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*Others include projects by the government and development organizations*
competition programme was 15–35. From this data, it can be assumed that all YCs had a preparation period of several years, saving money earned from other economic opportunities, in order to launch their agribusinesses. In the establishment of group businesses, personal savings and members’ contributions can constitute start-up capital. YCs’ experiences prove that youth can secure start-up capital by themselves without necessarily receiving loans from financial institutions, and also indicate that youth can “start small” with the resources available to them.

<table>
<thead>
<tr>
<th>Table 1: How to Secure the Start-up Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only from my own savings</td>
</tr>
<tr>
<td>Number of YCs</td>
</tr>
</tbody>
</table>

Table 2: YC Employment Status before Launching their Agribusinesses

<table>
<thead>
<tr>
<th>Formal employment</th>
<th>Casual labour</th>
<th>Helping family farming</th>
<th>Student</th>
<th>Unemployed</th>
<th>Others*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of YCs</td>
<td>9</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 3: YC Age Distribution (at the application stage in 2017)

<table>
<thead>
<tr>
<th>15-24</th>
<th>25-29</th>
<th>30-35</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>Number of YCs</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>

Although most YCs launched their agribusinesses without receiving loans from financial institutions, many have begun to seek financial support services in order to upgrade their agribusinesses through the purchase of machinery and equipment, renovation of facilities and expansion of marketing channels. Most YCs referred to record keeping as one of the most successful factors in the development of their agribusiness, and appreciated the business management training that they had received through the YIYA. Overall, 17 out of the 19 YCs interviewed maintained proper records. In order to receive financial support for further business expansion, proper record keeping will be a pre-requisite.

For the expansion of their agribusinesses, youth can make efforts to save a certain percentage of sales on a regular basis or invest in assets, such as livestock, as “safety nets” that can generate larger capital bases. Besides these endeavours, some YCs, prior to YC status being conferred, had applied for international organizations’ financial support programmes, and received grants, which they used for launching and/or expanding their agribusinesses. Meanwhile, one YC successfully applied for an international organization grant programme after being awarded YC status (Box 1).

*Others include all economic and non-economic activities (e.g. volunteer activities), other than the five listed categories.
2.3 Limited knowledge, skills, and work experience

It is often said that limited knowledge, skills and work experience make it difficult for youth to find employment. Employers tend to recruit those who already have a certain level of knowledge, skills and work experience required for the job, and lack of these will be disadvantageous for youth jobseekers. However, this may not apply to entrepreneurship development. Those who want to start their agribusinesses can do so by drawing upon the knowledge, skills and experience which they are already equipped with.

In fact, the concepts behind most YCs’ agribusinesses originate from their previous work experience or family work. Those YCs who started agribusinesses that were not directly related to their previous work or their family work opted for products or services in high demand in the community, and sought advice from people running the same kind of agribusiness in that community. Besides such social networks, in order to launch and improve their agribusinesses, most YCs effectively utilize the Internet and social media (e.g. WhatsApp, Facebook and Instagram), through which they obtain technical information (e.g. about crop cultivation or food-processing), and look for training opportunities and potential buyers.

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**Box 1: A giant leap as a Youth Champion (YC) - impact of proposal-writing training**

Mr. Tamale Jonathan, who grew up in a coffee-growing family, began a coffee nursery management business in 2013. His parents were coffee farmers. When he was a child, he saw his parents work tremendously hard to grow coffee. As nursery preparation does not require a large plot of land, he asked his father to give him a small plot of land, upon which he began to grow coffee seedlings. Mr. Jonathan managed to secure a contract with the Uganda Coffee Development Authority (UCDA) to supply coffee seedlings to coffee farmers. He also managed to purchase certified coffee seeds from UCDA-certified coffee seed gardens. By selling coffee seedlings to the UCDA’s contract farmers, he derived some earnings and saved approximately 25 million shillings over course of a few years.

Since his selection as a YC in October 2017, Mr. Jonathan has been more dedicated to his coffee business. His YC status has raised his visibility and expanded his personal and organizational networks. More often than before, he communicates with the district office in order to receive information and advice related to coffee production and marketing. As a YC, he provides technical training for cooperative members and other youth in the community.

The proposal writing training that he received in the YIYA enabled him to apply for a grant programme operated by the U.S. African Development Foundation (USADF). He subsequently won a USD 250 000 grant in July 2019. With this grant, he plans to expand his coffee business (e.g. investment in hulling machines), and has the twin aims of reaching out to the international market and involving more youth in his coffee business, especially in the seedlings production work.
YCIs have established their agribusinesses through a process of trial and error, taking full advantage of their knowledge, skills, experience and networks. The fundamental factors making it possible for them to repeat the trial and error process and explore better possibilities are their passion for agribusiness and their educational attainment through formal education. As Table 4 shows, most of the YCs completed advanced education, and all of them studied relevant subjects such as agriculture, livestock, land use, rural community development, project management and public administration. As for the two YCs who had not received advanced education, one launched a tree-fruit seedling business, and the other – who previously assisted her family with farming work – started a vegetable cultivation business. The data indicate that the majority of YCs received advanced education, and were thus in a better position to become a successful youth agripreneur. Other factors are also important for successful agripreneurship, including personal attributes such as passion for agribusiness, leadership, interpersonal communication skills, and practical skills and knowledge. By making the best of their knowledge, skills, experience and networks, youth can not only start up agribusinesses but also become YCs—“role models” for other youth.

<table>
<thead>
<tr>
<th>Table 4: Educational Attainment of YCs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Number of YCs</td>
</tr>
<tr>
<td>M</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

In relation to the issue of limited knowledge, skills and work experience, the lack of adequate mentors and support networks is often cited as a key challenge for youth. Before the YCs applied for the YIYA agribusiness competition, they were active in extending their networks and sought various support from public organizations such as government agencies, nongovernmental organizations (NGOs) and international development organizations. In fact, before they were awarded YC status, some of them had already received technical support and/or various training from such organizations. They found these support programmes by themselves through the Internet, social media and their own personal networks. Since becoming YCs, all of them have become “voluntary mentors” for other youth, providing support in the form of training and experience sharing.

2.4 Limited access to markets

Limited access to markets, both input and output markets, is also a prominent challenge for youth. When youth start an agribusiness, they generally use locally available inputs, buying them from local suppliers. They then sell their products at the local market, or to traders or middlemen coming to the village. In rural areas, due to the unavailability of price information and price fluctuation of agricultural products, local farmers commonly sell their products at the prices offered by traders and middlemen, likely leading to price depression. Consequently, local farmers have to settle for lower income than expected.

In order to address such marketing challenges, YCs have made efforts to find reliable and rewarding buyers. YCs who began marketing locally have explored new options for business partnership by visiting potential buyers found on the Internet or social media, or introduced by their friends, neighbors and others running the same kind of agribusiness.

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7 Organizations and projects/programmes from which YCs received support are the Consortium for Enhancing Universities Responsiveness to Agribusiness Development (CURAD), the Uganda Industrial Research Institute (UIRI), the Youth Livelihood Programme (YLP) by the Ministry of Gender, Labour, and Social Development, the Start and Improve Youth Business (SIYB) programme by the International Labour Organization (ILO), the Skilling Youth for Employment in Agribusiness (SKY) Project by AVSI Foundation, etc.
After finding new buyers, in order to make dealings sustainable, YCs have made various efforts to establish win-win relationships. For instance, YCs can ask for details of the buyer’s required level of quality in advance, in order to ensure that all products are purchased. In the case of fresh agricultural products, YCs have adopted a pre-agreement system, whereby they negotiate with buyers and agree on the quantity and price of the product. Based on the agreement, YCs make a sub-contract with farmers, informing the farmers how much they will receive after harvest even before planting. As pre-agreement contract farming is immune to price fluctuation, it secures a stable income for the contract farmers.

After being selected as YCs in October 2017, these young agripreneurs began to share their business experiences and collaborate with each other. Notably, three YCs have joined together to establish a business partnership and commenced a joint-marketing initiative. One particular YC sells his own products alongside those of two other YCs at nearby shops. YCs are thus helping each other in market expansion. Exhibitions organized by the YIYA Initiative were also good opportunities and supplement YCs’ own efforts in exploring markets. Interviews with 19 YCs reveal that nine found new business partners through these exhibitions.

**Box 2: My philosophy of marketing – limited market access is correlated to product quality.**

After graduating from university, where she studied rural community development, Ms. Namutosi Fatuma worked for a local TV station for two years. While she was working for the station, she was in charge of a farm programme, which led her to decide to start an agribusiness. Influenced by her mother, who raised her with healthy and nutritious diet, she chose fortified food processing for her business, and launched an agro-processing enterprise, BYFFE, in 2015.

As of August 2019, BYFFE works with approximately 6,000 organized contract farmers and 112 agents. All contract farmers and agents are youth, 90 percent of whom are women. The 6,000 contract farmers are organized into 165 groups. Agents work as intermediaries between the contract farmers and BYFFE. The BYFFE staff, hiring a truck, come to each collection point, where agent(s) receive pumpkins from contract farmers living in the community. Pumpkins are processed into porridge and soup, and mixed with some other nutritious ingredients, such as silver fish, soya and beans. Some of the processed products are weaning food; others are fortified food for general consumption. In addition to supermarkets and grocery stores, BYFFE sells the products to hospitals and primary schools in the district in order to promote healthy and nutritious food.

To explore potential markets, Ms. Fatuma visited various supermarkets and grocery stores. Looking back upon her marketing experiences, she defines her philosophy of marketing as follows. “Limited access to markets is correlated to product quality. Buyers always want to buy quality products. I was rejected by buyers many times, but from each rejection, I have learned how I need to improve the products. Improved products have opened up a new door for us.”
3. Youth agribusiness models

The previous section discussed how YCs had overcome youth challenges in the start-up and expansion of their agribusinesses. This section, referring to YCs’ agribusiness experiences, presents six kinds of youth agribusiness models (Table 5) and discusses how each model works, why it is recommended for youth and model-specific issues to be considered. Those six models are prototypes of “youth-friendly” agribusiness, simplified with a view to being replicated and tailored by youth agripreneurs in their own contexts.

### Table 5: Distribution of YC agribusiness type

<table>
<thead>
<tr>
<th>Category</th>
<th>Agricultural primary production</th>
<th>Aggregation/Processing</th>
<th>Inputa</th>
<th>Input + Aggregation/Processing</th>
<th>Agricultural services</th>
<th>Multiple business (on-farm + off-farm)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of YCs</td>
<td>M F</td>
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</tr>
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<td>3.1 Agricultural primary production business model</td>
<td>5 1 3 1 2 0 3 0 0 0 4 0</td>
<td>17 2</td>
<td></td>
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<td></td>
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</tbody>
</table>

### 3.1 Agricultural primary production business model

Despite the physically demanding nature of farming, the process of starting a business in agricultural primary production appears to have been relatively easy for rural youth. In the YIYA-2017 cohort, 10 out of 19 YCs are engaged in agricultural primary production, six of whom engage exclusively in agricultural production, as mentioned in Table 5.

(1) How the model works

The agricultural primary production business model is a small-scale agricultural production model which youth can easily adopt using the knowledge and skills naturally acquired when growing up in a farming environment. One of the major challenges is non-entitlement to land among youth. However, those YCs who opted for farming as a business all started out with a small plot of land allocated by a family member or generously offered gratuitously by an acquaintance or community elders in cases where land is managed communally and governed by elders. In fact, one YC and his friends even commenced horticultural activities on a one-acre plot of land lent by a mentor living in the same community for purposes of group farming. Even such a small piece of land may allow youth to grow crops that can be sold locally using inputs bought from local agro-dealers.

Having started agricultural production on a small scale, YCs have gradually expanded their plots of land in accordance with the growth of their agribusinesses. They have explored new markets and reliable business partners through social media, as well as through personal networks with those already engaged in agribusinesses.

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a The categorization of agribusiness type corresponds to that of the following section, 3. Youth Agribusiness Models.
a The input category includes the production and marketing of seeds, seedlings, animal feeds, tools and materials necessary for production.
(2) Why the model is recommended for youth

Primary production is the most familiar agribusiness activity for youth who grew up in a farming community. Whether individually or in a group, youth can start growing agricultural produce on a small scale using the knowledge, skills, experience and tools that they already possess. As most of the youth in rural areas have grown up in a farming environment, primary production will be a good entry point for “farming as a business” activities. This model has significant potential for the integration of more youth in crop cultivation, as the start-up cost is lower than that of the other business models introduced in the following sections. Once influenced by market-oriented youth agripreneurs, more youth may join the youth group or commence farming as a business as agripreneurs themselves. In fact, after being inspired by YCs’ farming as a business, neighbors and friends have often approached YCs to ask for advice about launching their own agribusinesses.

(3) Model-specific issues to be considered

The prerequisite for the adoption of the agricultural primary production model is the acquisition of a plot of land. While youth may often ask their family members or neighbors to allocate a small plot of land, public organizations (e.g. government organizations or NGOs) can also create a land-lease system for them. Access to appropriate agricultural techniques is also an important issue. As agricultural production is closely related to the natural environment, proper knowledge and skills about simple irrigation and pest and disease control will be essential. While such knowledge and skills may be gleaned from the Internet and through social media, there are high expectations among youth surrounding the provision of hands-on practical support through outreach services (e.g. government extension services and training programmes by NGO or international projects).

3.2 Aggregation/processing business model

As mentioned in the primary production business model, it is possible for youth to start crop cultivation on a small plot of land and expand in due course. On the other hand, there are numerous young people who seek other opportunities in other nodes of the value chain. Aggregation and processing are popular for youth because they are less physically demanding than crop production, do not require a plot of land and can be started only with small premises. Seven out of the 19 YCs are currently engaged in aggregation and/or processing, three of whom are running an agribusiness combined with input production.
(1) How the business model works

While some youth choose solely to run an aggregation centre, others choose to manage an agro-processing enterprise in tandem. In the latter case, the agro-processing enterprise serves two functions, as both a collection point and a processing facility. Processing in the agro-processing enterprise may entail only secondary processing, if post-harvest treatment and primary processing have already been performed at the farm gate. Meanwhile, processing at the aggregation centre often entails post-harvest treatment and primary processing. The mechanism of the aggregation/processing business model is simple. A youth agripreneur buys agricultural products as raw materials from local farmers, processes them into value-added products, and sells them to local and/or external markets. Collectors working for the youth agripreneur or local farmers then bring agricultural products to the youth agribusiness site, which functions both as a collection and processing site.

In this business model, the establishment of linkages with reliable buyers is key to a sustainable agribusiness. One of the YCs, who runs a coffee aggregation business, has a business agreement with off-takers through pre-seasonal negotiations regarding quantity, quality and prices. This pre-seasonal agreement guarantees the income of coffee farmers through the taking of precautionary measures against risks, such as pest and disease outbreak, natural disasters and price fluctuations. To ensure successful and fair contract farming arrangements, an official agreement in addition to trustworthy personal relationships is key.10

Figure 2: Aggregation/Processing Model

(2) Why the model is recommended for youth

Unlike agricultural primary production, aggregation and processing is not as physically demanding as crop production and does not require a plot of land. It may require small premises, but can in fact even be started at home. Although processing requires machinery and equipment, post-harvest treatment and primary processing can be started with only simple tools and equipment. As the agribusiness grows, it could later be expanded to secondary or final processing with modernized machinery and equipment. The aggregation and processing business model can employ youth wage workers both on the business premises and as collectors or agents.

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(3) Model-specific issues to be considered

As the functions of the model are demand-driven, the signing of an official agreement with buyers should precede a contract with farmers. Contract farming is possible only when a reliable market exists. As seen in the example of the YC coffee aggregator mentioned above in subsection (1), taking precautionary measures against risks is important. A pre-seasonal agreement on quantity, quality (size and grade) and prices can protect contract farmers. Meanwhile, on the supply side, as preparation for unexpected challenges, such as pest and disease outbreaks and natural disaster, the introduction of an agricultural insurance system is worth considering.

In the case that an agribusiness revolves around not only the simple aggregation of raw materials but also the aggregation/food processing, the agripreneur is required to meet the hygiene standards of the processing facility as well as the product safety standards of processed food, including those pertaining to packaging and labeling. Agripreneurs failing to satisfy these standards will find it difficult to expand their markets. In fact, as YCs running food processing businesses have not fully met the required food safety and hygiene standards, support for training and capacity development in this particular area is needed.

3.3 Input business model

There are various kinds of agricultural inputs, such as seedling production, animal feed production and beehive production. Five out of the 19 YCs are operating input businesses. Two of them run an exclusively input-focused business, while three are running an input and aggregation/processing business (See the following section 3.4, “Input and Aggregation/Processing Business Model”).

(1) How the model works

One of the examples to which the input business model applies is a seedling business. As nursery management does not require land of the size and scale required for farming, it could be easier for youth to initiate. Having purchased seeds from local agro-dealers or seed producing organizations, youth agripreneurs grow seedlings in a nursery and sell them directly to local farmers, at the local market, or even back to the seed-producing organization(s). One YC growing different kinds of seedlings purchases seeds from government organizations and sells the seedlings back to those organizations. He deals in coffee seeds and seedlings with the Uganda Coffee Development Authority (UCDA), and in tree seeds and seedlings with the National Forestry Authority (NFA) and the National Environment Management Authority (NEMA). Youth agripreneurs’ business partners are not only limited to agro-dealers and private input suppliers, but may also include public organizations. In a nursery management business, finding reliable seed suppliers will be key to its success. While the local government office could help link youth nursery agripreneurs with seed producing organizations/groups, it could also be possible to find seed suppliers through social media and/or personal networks.
Another example to which the input business model applies is an animal feed processing business. In rural areas, farmers need feed for the livestock they raise. They might be able to produce it by themselves instead of buying from others. However, if the feed is value-added, they would prefer to buy rather than to produce it. The production of nutritious animal feed could therefore be an innovative business. If a small work-site is available, youth can launch a fortified animal feed production business, through the purchase of raw materials (e.g. soy bean, millet, maize or sweet potato) from local farmers. After processing those agricultural products into animal feed, they can sell directly to the local farmers and/or in the local market. Therefore, even without any modern machinery, youth could begin manual animal feed production on a small scale, and start saving part of the profits, which can be used for investment in subsequent expansion of the business. To start up this business, the youth group/enterprise needs to obtain proper information about fortified animal-feed processing from livestock specialists.

(2) Why the model is recommended for youth

The input business model is youth-friendly in two aspects. The first is that input production, such as seedling production and animal feed processing, does not require a large plot of land, rendering an agro-input business easier for youth to start. The second is market availability and sustainability. The agro-input market exists within the community, and agro-inputs like seedlings and animal feed are in constant demand among local farmers, ensuring constant sales of inputs.

The input business model cannot employ many youth workers within the agribusiness group/enterprise. However, the input business model can contribute to increasing agricultural production on the part of local farmers through the supply of quality inputs. Moreover, in the example of animal feed production, the youth business entity works as a market for local farmers, who sell raw materials for the inputs required by the youth agribusiness. Thus, the
Solutions to youth agripreneurship challenges
Lessons learned from youth agripreneur champions in Uganda

Youth agro-input business works both as a quality input supplier and a sustainable market for local farmers, which consequently leads to increased income. The input business model allows economic benefits to circulate within the community, creating win-win relationships between local farmers and the youth agripreneur.

(3) Model-specific issues to be considered

As explained above, low start-up capital requirements and widespread market availability make the input business model attractive for youth. In input production, for both seedlings and animal feed, various innovative techniques, which are more attractive for youth, exist, and it is therefore important to obtain the latest information about input demand and new techniques of input production. For instance, in the case of seedling production, various new techniques exist for germinating seeds, propagating species and seedling growing, such as the use of cocopeat in small trays without the need for land. In addition, keeping up with the latest information about in-demand varieties, such as newly certified improved varieties and drought-resistant varieties is also important. In the case of animal feed production, fortified animal feed can be a value-added product, and acquiring proper knowledge and skills for nutrient-rich animal feed production will help expand the agribusiness.

Government organizations, research and training institutes, NGOs and various development partners can provide the latest information about highly in-demand inputs, as well as appropriate and innovative production techniques. Furthermore, as seen in the YC example mentioned in sub-section (1), those organizations may become business partners, as input suppliers and/or buyers, for youth agripreneurs. Youth agripreneurs are therefore encouraged to stay closely in touch with those organizations, while also undertaking their own research to find information on the Internet or through social media.

3.4 Input + aggregation/processing business model

The input and aggregation/processing business model literally refers to an agribusiness which combines input production and aggregation/processing. Three out of the 19 YCs are categorized as operating this business model.

(1) How the model works

In the input and aggregation/processing business model, the input business creates forward and backward linkages within the community, while the aggregation/processing business is, in many cases, linked to an external market. This type of youth agribusiness produces inputs, sells them to local farmers, buys agricultural products, processes them into value-added products, and sells them to local and/or external markets. In this business model, a youth agripreneur runs two kinds of businesses: input production and aggregation/processing. As the former depends on the demand for the aggregated/processed product, it is important to find reliable buyers of aggregated/processed products in order to make the entire business sustainable. As mentioned in section 2.4, “Limited Access to Markets”, formalizing the dealings with buyers by signing an agreement on product quality, quantity and price is one way to protect the youth agripreneur.

An example of this business model is an apiculture business consisting of beehive production and honey aggregation. A youth group/enterprise can make and sell beehives (as inputs) to beekeepers, who can then produce honey with the beehives and sell it back to the youth. Cocopeat is a multi-purpose growing medium made out of coconut husk. Recently, it has been used in small trays for seedling-growing. In Kenya, a young woman launched a seedling business named Kimplanter Seedlings and Nurseries in 2014, using various innovative techniques. https://kimplanterseedlings.co.ke/
group/enterprise. The honey, after post-harvest treatment and/or primary processing, is sold to the local market and/or large-scale enterprises, where final processing (refining) takes place.

Another example is a dairy business consisting of fodder production and dairy processing. A youth group/enterprise grows nutrient-rich fodder, and sells it to the dairy farmers, who then bring milk back to the youth group/enterprise. The aggregated milk is marketed to off-takers (e.g. large dairy-processing enterprises). Some of the milk could also be sold at the local market or processed into products such as yogurt and ice cream, provided the group has the relevant facilities.

Figure 5: Input + Aggregation/Processing Model

(2) Why the model is recommended for youth

As mentioned in the previous sections (3.2 and 3.3), neither input businesses nor aggregation/processing businesses require a large plot of land or premises. In that sense, the input and aggregation/processing business is also youth-friendly. While the input business is influenced by the demand for the agricultural or processed product, the quality of inputs determines the quality of the agricultural or processed product. Higher input quality leads to higher quality of agricultural or processed products, heightened demand for the agricultural/processed products and consequently, greater demand for the inputs. This is a sustainable cycle of business, in which the improvement efforts of one business are directly reflected in the other. The correlation between input quality and product quality can motivate youth agripreneurs to work harder.

(3) Model-specific issues to be considered

As this model is a combined agribusiness of the input and aggregation/processing business models, the issues explained in the corresponding sub-sections, 3.2 (3) and 3.3 (3) (“Model-specific issues to be considered”), also apply to this business model. In short, remaining aware of up-to-date information about the input, including demand and production techniques, and signing pre-agreements with buyers (e.g. regarding quantity, quality and prices) are essential to ensuring the sustainability of the input and aggregation/processing business model.

3.5 Agricultural service business model

Youth-led agribusinesses do not necessarily deal with agricultural products. At each node of the value chain, various agricultural services are needed, meaning there are a variety of service-related business opportunities. Youth can start an agricultural service business by providing farmers with technical services (e.g. tractor ploughing, threshing, machine
maintenance, pesticide application, vaccination, extension services or “knowledge-selling” through training). Such service provision can be a youth-friendly business as it is likely to involve new and innovative elements that make the work less physically demanding.

(1) How the business model works

The agricultural service business model is a kind of “social business” model, which often contributes to solving problems that local people are facing. For instance, a tractor ploughing service can reduce the arduous, time-consuming work of small-scale farmers; a pesticide application service, with proper application methods, can contribute to increasing farmer yield and productivity as well as protecting the health of local people and the natural environment. In exchange for agricultural services, youth agripreneurs generate earnings.

In order to start an agricultural service business, a youth agripreneur must be equipped with sufficient technical skills to appropriately provide services for their clients. This business model, therefore, is more suitable for those who have already received technical training at a training/educational institute (e.g. through technical and vocational education and training (TVET), university or an NGO).

The agricultural service business model will be able to contribute to increasing or enhancing economic opportunities by providing local people with agricultural services. For instance, one YC who purchased a cassava processing machine provides a cassava processing service utilized by a local women’s group. The women’s group, which processes cassava powder into beer, can enhance the efficiency of beer processing without needing to own a processing machine. The example shows how the agricultural service business model contributes to economic empowerment in the community in a broad sense.

The three black arrows in Figure 6 show an example of technical service provision using machinery and equipment. However, even without purchasing machinery and equipment, youth receiving adequate technical training can start service-provision businesses by selling their knowledge and skills through outreach activity businesses, such as agricultural extension services or bookkeeping services.

Figure 6: Agricultural Service Business Model

(2) Why the model is recommended for youth

Agricultural service-related businesses, which are not labour-intensive, could be more attractive for youth, especially those youth who have studied agriculture or received technical training at educational institutes. Utilization of modernized equipment/machinery and the knowledge and skills obtained through training and education will
inspire youth to work towards agricultural development. Furthermore, the problem-solving nature of this business model further enhances youth potential. In rural areas, there are a great number of passionate young people who are willing to contribute to society by solving problems faced by their communities. This model will be able to attract such “change makers.”

(3) Model-specific issues to be considered

Modernized machinery and equipment necessary for service provision would be too expensive for most youth to purchase. Saving money before start-up, applying for a grant programme and/or receiving “youth-friendly” loans from a financial institution could be an option for securing the initial capital. Meanwhile, developing a machine/tractor owner registration system and working with those owners is another option for youth seeking to start an agricultural service business without needing to actually purchase any machines or tractors. In service-related businesses involving machine operation, proper maintenance and safe operation are essential.

Besides capital-intensive services, it should be noted that there are other types of service provision businesses which do not require physical assets, for instance, various outreach activities (e.g. technical advisory as “crop doctors”, training and coaching on agribusiness development and financial support services). In addition, information provision businesses through ICT also have huge potential, for example in the fields of on-time market-price information provision, online marketing of agricultural products or weather forecasting.

Whether capital-intensive or knowledge-intensive, the price for a service must be affordable for potential clients. However, affordable prices for clients do not necessarily mean sustainable prices for the business. As machine purchases or ICT software development can be costly, a detailed business plan including cost recovery will be essential for success. For cost recovery to be achieved, selection of high demand services will be a prerequisite.

3.6 Multiple business model

The multiple business model is a combination of several agribusinesses presented in the previous sections (3.1–3.5), including both on-farm and off-farm activities. Four out of the 19 YCs are working in this business model. The model is introduced in a two-fold classification: a multiple product dealing model which does not include service businesses; and a one-stop service centre model, the main component of which is service provision.

(1) How the model works

(A) Multiple product dealings

This business model consists of more than one type of agribusiness, combining both on-farm and off-farm activities, and dealing with more than one agricultural product. Figure 7 shows three business flows: 1) agricultural production; 2) livestock farming; and 3) processing. One of the YCs is engaged in 1) vegetable and fruit cultivation; 2) aquaculture; and 3) banana beer processing. Multiple-product dealing combined with on-farm and off-farm activities can diversify the income sources of the youth agripreneur, and also reduce the various risks deriving from external factors, such as pest and disease outbreak, natural disasters and price fluctuation.
(B) One-Stop Service Centre

The one-stop service centre model comprises multiple businesses, including service provision. A multi-purpose cooperative is an example of this model, for instance, one composed of input provision, agricultural product aggregation and various services, such as advisory (extension) services, financial services and/or transport services. Youth agripreneurs can pick out several elements of the agribusiness models introduced in the previous sections and combine them as desired. For example, a youth group may start a dairy cooperative as a one-stop service centre consisting of fodder production, animal feed processing, milk collection, milk-quality testing, dairy processing, and vaccination and veterinary services.\(^{12}\)

The advantage of running several businesses under one agribusiness entity is that complementary effects can be achieved. For example, one YC who previously worked for a commercial bank for several years launched a Savings and Credit Cooperative (SACCO), where the members make mandatory savings that could be used as capital to provide loans for members. When the capital is not sufficient to disburse loans, profits from other businesses can be utilized. Meanwhile, with more people joining the SACCO, as the capital increases, the YC will be able to make a larger investment in other businesses (e.g. purchasing more inputs or machines, or hiring more employees).

Even without including financial services, a multiple business model can be possible. Along with running input provision and agricultural product aggregation businesses, youth agripreneurs would be able to provide local people with various services such as technical/extension and transport services. Furthermore, well-motivated youth may come up with other innovative services through ICT (e.g. e-commerce or mobile banking). The one-stop service centre model consisting of several business activities has considerable potential for employment creation in the community. As the model has both “hard” (i.e. production and aggregation) and “soft” (i.e. service provision) components, it generates diversified opportunities into which youth from a range of backgrounds can be incorporated.

\(^{12}\) In Zambia, a dairy cooperative, which is supported through the Green Innovation Centres for the Agriculture and Food Sector Project (GIC) by GIZ, is working on the multi-business model. The cooperative has its own land, where local people including youth are employed for fodder production. Cooperative members bring milk to the collection point, where milk testing is conducted. While most of the fresh milk in bulk is marketed to a large-scale processing enterprise, the cooperative has started processing milk into yoghurt and ice cream in its small workshop. The cooperative plans to expand the processing section, where employment opportunities will be created.
(2) Why the model is recommended for youth

The multiple business model creates various economic opportunities, both in terms of wage employment and self-employment. A youth agribusiness group/enterprise may employ local people, while aggregators, processors, input producers and service providers may work as agripreneurs or business partners for the youth agribusiness group/enterprise. Furthermore, the multiple business model contributes to the transformation of agriculture from subsistence to market-oriented, as a youth agribusiness group/enterprise functions as a market for local farmers. Considering the fact that youth-led enterprises are more likely to employ youth and establish business partnerships with youth than adult-led counterparts, the multiple business model is an ideal youth agribusiness model in terms of youth employment creation and youth integration into agriculture.

(3) Model-specific issues to be considered

As the multiple business model is a combination of several agribusinesses presented in the previous sections (3.1–3.5), the issues mentioned in sub-section (3) (“Model-specific issues”) of sections 3.1–3.5 should also be considered for this model. As indicated above, a multiple business model can diversify the income sources of the youth agripreneur and therefore reduce risks. However, the model requires a wide range of knowledge, skills, experience and networks in addition to physical assets (e.g. facilities, machinery, tools, equipment). As such, it might be difficult for youth to embark upon from scratch. For start-ups, simpler business models introduced in the previous sections (3.1–3.5) can be more easily established. Along with the growth of the initial agribusiness, youth agripreneurs could gradually diversify their income sources by adding a new business.
4. Lessons learned

In Uganda, the YCs have become more active in running their agribusinesses since they were awarded YC status. They have launched and expanded their agribusinesses, having overcome youth challenges, and their experiences provide plenty of useful implications for youth agripreneurship development. This section summarizes the lessons learned from YC experiences.

(1) How to overcome youth challenges

- YCs who opted for crop cultivation reveal that youth who do not own land can start growing crops by asking their close persons to allocate a small plot of land, either gratuitously or at affordable prices. For economic reasons, vegetables and tree crops were particularly popular. Vegetables can be harvested in a short cycle, and thus ensure a more frequent income than grain and tuber crops, while tree crops such as fruit and coffee are export-oriented products.

- YCs’ experiences reveal that youth can launch an agribusiness without receiving loans. As YC data shows, most YCs had saved money earned from other jobs prior to launching their start-ups, thus revealing a strong determination to establish agribusinesses. To supplement their savings, most YCs received assistance from those close to them such as family, friends and neighbours, rather than receiving loans.

- Some YCs looked for financial support programmes, applied for schemes offered by the government or through international organizations, and received grants.

- Besides personal networks in the community, the Internet and social media (e.g. WhatsApp, Facebook and Instagram) are effective tools for youth to obtain the information necessary for agripreneurship development. YCs utilize social media not only to obtain technical information but also to find new business partners, training opportunities and support programmes. After selection as YCs, they have shared various business-related information with each other.

- Organizing exhibitions and trade fairs is an effective support approach to finding new business partners. Additionally, organizing an experience-sharing event for youth agripreneurs and lead agripreneurs like YCs, with potential business partners invited, will also be an effective support approach to market expansion.

(2) Youth Agribusiness Models

- Contrary to the perception that youth are more interested in the non-agricultural sector or off-farm jobs, about half of the YCs are engaged in agricultural primary production. For rural youth who grew up in a farming environment, agricultural primary production remains the most familiar economic activity, and they are already equipped with the necessary knowledge and skills for agricultural production. Agricultural primary production will be an entry point to agripreneurship for a significant number of youth.

- As large start-up capital is not required, it seems that input production has high potential for youth agripreneurship. Whether it is nursery management or animal feed production, demand always exists in the community. This makes input businesses sustainable, establishing win-win relationship between youth agripreneurs and local farmers.
• While half of the YCs are engaged in agricultural primary production, the other half are running aggregation/processing businesses. As a youth aggregation/processing site functions as a collection point and a market for local farmers, the site can contribute to increasing the income of local farmers.

• In aggregation/processing businesses, in order to ensure win-win relationships between the youth agripreneurs and raw material suppliers (i.e. local farmers), and the buyers of the products, formalizing deals with the introduction of contract farming and/or signing business agreements is a good risk management tool.

• Among off-farm activities, service provision also has significant potential for youth agripreneurship. Some youth prefer to work in off-farm activities due to the physically demanding nature of on-farm activities. In fact, several YCs have incorporated service provision into their multiple business models, such as financial services like SACCOs and the provision of technical advice. In the agricultural sector, various support services are needed. As service provision entails “innovative elements” and is of a “problem-solving” nature, service-related businesses will appeal to youth who are well-motivated and seek to work as “change makers” in the community.

• Running a multiple business model with both on-farm and off-farm activities can help reduce damage from various risks (e.g. pest and diseases, natural disasters, climate change or price fluctuations). As income sources are diversified, they can therefore complement each other. However, due to the complexity of the business management involved, a multiple business model will be recommended only for those with sufficient knowledge, skills and experience.

(3) Overall Lessons

• “Starting small” with the available resources is key to the success of youth agripreneurship development. In tandem with business growth, youth can gradually expand their agribusinesses accordingly. Sound business management with proper record keeping will be the key to business expansion.

• “Investing” in youth lead agripreneurs like YCs is an effective approach to promoting youth agripreneurship development. As all YCs have shared their experiences with other youth, ripple effects can be achieved by leveraging young “change makers.”
5. Recommendations

Based on the lessons learned from the YCs’ experiences, the following actions are recommended for the promotion of youth agripreneurship development.

1) Recommendations for specific issues

a) Limited Access to Land and Premises

• Establish systems that can enable youth to access land, such as a land-leasing system at youth-affordable prices, and a share cropping system between landowners and youth in the community. The local government can develop a registration system for landowners seeking to rent out land or premises, and youth agripreneurs seeking to rent them.

• Facilitate work-site arrangements or introduce a small work-site rental system (at youth-affordable prices), coordinating between landowners and youth in the community. For agro-processing businesses, local organizations (e.g. the local government or NGOs) can also provide a business incubation workshop by renting out part of the compound to youth agripreneurs.

b) Limited Access to Financial Services

• Provide youth with financial management training, through which they can learn the significance of saving and record keeping.

• Provide staff of financial institutions with capacity development training or sensitization activities so that they may learn the needs of youth agripreneurs.

• Develop youth-friendly financial support services so that youth can obtain the necessary capital for start-ups and/or expansion. The assessment team did not delve into the reasons why YCs did not use loans. However, the identification of the reasons will provide hints to develop youth-friendly financial support services. Youth agripreneurs may be helped not only through soft loan facilities (e.g. low interest rates, no physical collateral, installments and grace periods) from financial institutions but also other forms of financial support facilities, such as in-put/asset-financing by private enterprises (e.g. input suppliers, off-takers and food-processing enterprises), village-level informal group lending like a revolving fund by local NGOs, SACCOs, matching grant programmes and online investment platforms by international development partners.

• Develop a database of financial institutions providing youth-friendly financial support services, and development projects/programmes focusing on youth agripreneurship, to be made available for youth on the Internet, social media or via local government offices.

c) Limited Knowledge, Skills, and Work Experience

• Ensure that government agricultural extension services are available for youth as well as adults. In addition, the government may link youth agripreneurs with development partners (e.g. NGOs or international organizations) which implement youth empowerment projects in the agricultural sector.

• Make sure that government extension services – of both a business and technical nature – are available for youth as well as adults (e.g. on production-related skills, business management, regulations on contract farming and food safety standards). Organize
peer learning events for youth agripreneurs so that they can learn from each other. In addition, the government, in collaboration with development partners, will also be able to establish an online platform for youth agripreneurs to share their experiences.

- Facilitate linkages between technical institutes and rural youth. Formal training opportunities are less accessible for youth living in remote areas. In order to make training available for those youth, the government should establish a support system in the form of scholarships, accommodations and online mentoring.

d) Limited Access to Markets

- Coordinate between youth agripreneurs and potential business partners by organizing matching events like trade fairs, exhibitions and agribusiness competitions. Both private enterprises and government agencies can be good business partners for youth agripreneurs. The Ministry of Agriculture (MOA) or relevant organizations (e.g. business associations and youth organizations) can facilitate joint purchase of inputs and joint marketing for youth agripreneurs.

- Develop a database of agricultural value chain stakeholders, such as input suppliers, off-takers, processors and distributors, to help youth agripreneurs find reliable business partners. The MOA can take the initiative in such database development.

- Develop an online marketing platform with a view to product promotion. More exposure of products and services on social media will help youth agripreneurs explore new marketing channels.

(2) Overall recommendations for youth agripreneurship development

- Leverage “change makers” like YCs, who can empower other youth. As all YCs have shared their experiences with other youth, fostering young lead agripreneurs will open up possibilities for other youth to start up agribusinesses. In the identification of “change makers,” gender equality must be considered.

- Sensitize young women and men who desire to launch agribusinesses with various possibilities of agripreneurship. There are a wide variety of agribusinesses that youth can launch without the need for large start-up capital, such as input production, service provision, horticulture, etc. into which various creative and innovative elements are likely to be incorporated. It is important to disseminate success stories of “started small” with creativity and innovation. For the purpose of such sensitization, MOA can take the initiative in publishing a case study of best practices of youth agripreneurship, and in organizing experience-sharing workshops.

- Facilitate the process of business formalization (registration), and sensitizing business-related regulations and standards (e.g. contract farming rules, food safety standards, HACCP, ISO, etc.).

- Establish a certification system of agriculture-related technical skills (e.g. permissible doses of pesticide/herbicide application, machine operation safety, etc.). Certification can render those service-related businesses formal and socially accepted as well as ensure environmental and occupational safety. In Ethiopia, GIZ (German International Cooperation Agency) has introduced a form of pesticide applicator training in the Green Innovation Centres for Agriculture and Food Sector (GIC) Project in collaboration with CNFA (Cultivating New Frontiers in Agriculture). As the training is certified by the Ministry of Agriculture of Ethiopia, youth who have completed the training can work as certified pesticide applicators.
• Organize a multi-stakeholder platform consisting of both public and private sectors so that key stakeholders can discuss youth-related issues on a regular basis. Such a platform will be able to contribute to creating a youth-friendly business enabling environment.

• Consider applying the solutions for youth challenges and six agribusiness models to women. Whether adult or young women, many similarities are observed in the challenges that youth and women are facing in the realm of agripreneurship development.\(^{14}\)

\(^{14}\) For details of women-specific challenges in agricultural value chain, please refer to Developing gender-sensitive value chains – Guidelines for practitioners (FAO, 2018a).
6. Conclusion

It is often said that it is very difficult for youth to start up an agribusiness because of their lack of access to productive resources and services. In fact, however, most YCs launched their agribusinesses using their own savings, and/or with some support from family members or friends. For the start-up stage, few of them depended on loans from financial institutions. Another major challenge to youth agripreneurship is that they do not own land. However, about half the YCs chose an agribusiness that did not require a large plot of land (e.g. aggregation, processing, input supply and nursery management). Meanwhile, the other half who opted for agricultural primary production selected crops such as vegetables and tree fruits with high profitability, and started on a small plot of land that they could manage to obtain. No YCs began agribusinesses with large-scale facilities and/or modernized machinery and equipment on large plots of land or premises. In that sense, YCs are pioneers for agripreneurship and will be able to act as role models for other youth. In sum, no matter how difficult the business environment is, well-motivated youth like YCs will be able to commence an agribusiness with available resources at hand from a small scale.

Nevertheless, it is expected that the MOA and other stakeholders should take the recommended actions mentioned in each section in order to integrate more youth into the agricultural value chains, and to lift well-motivated agripreneurs like YCs to a higher-level stage of business development, where they could be linked with more formal and sustainable markets (e.g. small and medium enterprises (SMEs) and large-scale traders). This will lead to further employment creation for youth as those youth agripreneurs have potential to become “change makers” in rural communities with various ripple effects on the rural economy. In actual fact, all YCs have played this role very well by providing advice and mentorship for other youth in the community, where similar agribusinesses are now burgeoning thanks to inspiration provided by YCs. Furthermore, YC agribusinesses function as a market for local farmers who supply raw materials, and have consequently contributed to increasing their income and agricultural productivity, which leads to the transformation of agriculture from subsistence to market-oriented. Thus, youth-led agribusinesses can be a stimulant in the community not only by creating employment within the youth-led enterprise/group but also by assisting subsistence farmers to make the shift to commercial farming. Youth agripreneurs are change makers in the community, and contribute to community empowerment.
References


