



LEAD PAPER ONE

HORTICULTURE ENTREPRENEURSHIP: THE KEY TO SUSTAINABLE ECONOMIC DEVELOPMENT

By

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Abstract

Horticulture is not merely a means of diversification but forms an integral part of food security and poverty alleviation, and also an essential factor of economic development. Horticulture entrepreneurship has important role to play in the areas of human diet, employment, entertainment and medicine to promote sustainable economic development. There are many entrepreneurial opportunities in horticulture with many ways to capture added value in the agricultural value chain. The idea of entrepreneurship in horticulture is complex and dynamic. Skills of entrepreneurs must continue to change to meet the management demands of horticulture enterprises. There are barriers outside the control of entrepreneurs that limit success of horticulture businesses. Specialised training is needed to develop entrepreneurial capacity in horticulture. The extension workers also need specialised training in horticulture to enable them serve as facilitators of entrepreneurship.

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1. Introduction

Entrepreneurship is a strategic development intervention that could accelerate agricultural transformation process. It stands as a vehicle to improve the quality of life for individuals, families and communities, and to sustain a healthy economy and environment. Development of economy of any nation depends primarily on the important role played by entrepreneurs. Entrepreneurs in developing country like Nigeria have ample opportunities in horticulture, for using innovations to exploit the available resources.

Horticultural sector is strategic in terms of employment opportunities. Rural development programmes are mostly oriented towards creating job opportunities; horticulture development could be the best investment for job creation as one-time investment made in plantation programmes has the potential to provide job opportunities for a long period. The cultivation of

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fruit plants per unit area of land provides a comparatively larger volume of employment opportunities to the local people than the cultivation of field crops (Nain *et al.*, 2013). Horticulture has great popularity throughout the world.

Nigeria is rich in horticultural production due to its diverse and unique agro-climatic conditions which is conducive for growing wide range of horticultural crops like fruits, vegetables, flowers, spices, nuts, and tuber crops, medicinal and aromatic plants. These horticultural crops have great commercial value as fresh and in processed forms to serve as a good source of foreign exchange. Commercialization of the horticultural crops on a full scale is not yet achieved in Nigeria and there is tremendous potential for the entrepreneurship development in their cultivation. The future looks bright for innovative horticulture entrepreneurs.

2. What is Horticulture?

Horticulture has been defined as the culture of plants for food, comfort and beauty (Arteca, 2015). Horticulture is the branch of agriculture that deals with the art, science and business of edible and ornamental plants. A more precise definition can be given as "the cultivation, processing and sale of fruits, nuts, vegetables, ornamental plants, and flowers as well as many additional services" (Shyr and Reily, 2017). It also includes plant conservation, landscape restoration, soil management, landscape and garden design, construction and maintenance.

In contrast to agriculture, horticulture does not include large-scale crop production or animal husbandry. Horticulture primarily differs from agriculture in two ways. First, it generally encompasses a smaller scale of cultivation, using small plots of mixed crops rather than large fields of single crops. Secondly, horticultural cultivations generally include a wide variety of crops. Horticulture even refers to the growing of plants in a field or garden.

Horticulturists apply their knowledge, skills and technologies to grow plants for human food and non-food uses, and for personal or social needs. Their work involves plant propagation and cultivation with the aim of improving plant growth, yields, quality, nutritional value, and resistance to insects, diseases and environmental stresses. They work as gardeners, growers, therapists, designers and technical advisors in the food and non-food sectors of horticulture.

3. Importance of Horticulture

The horticulture sector has become a key driver for economic development in many countries. The importance of horticulture is widely acknowledged in improvement of the productivity of land, generation of employment, improvement in economic conditions of the farmers and entrepreneurs, and above all, enhancement of exports and nutritional status of food crops. Today, horticulture is popular and important in all societies, both rich and poor. The popularity of horticulture is due to a number of factors. The horticulture industry provides economic value to local communities and to the country. It creates job opportunities. Horticultural practices provide high quality food for people. Also, horticulture offers an increase in aesthetic pleasure that supports psychological well-being.



Production of vegetable food crops is not only important to our daily nutrition, but also important to economy. Fruits and nuts, like vegetables, are also important to our daily nutrition and economy. Fruit growing is popular, and hundreds of thousands of people are employed in fruit and nut production jobs. A significant level of increase in the labour absorption in fruit cultivation reflects the importance of horticulture in economic development. The major areas of Horticulture that creates employment include:

- i) Turf management includes all aspects of the production and maintenance of turf grass for sports, leisure use or amenity use.
- ii) Floriculture includes the production and marketing of floral crops.
- iii) Landscape horticulture includes the production, marketing and maintenance of landscape plants.
- iv) Olericulture includes the production and marketing of vegetables.
- v) Pomology includes the production and marketing of fruits.
- vi) Viticulture includes the production and marketing of grapes.

4. What is Horticulture Entrepreneurship

Entrepreneurship is a term being used more and more when talking about agriculture. Many stakeholders understand that there is little future for farmers unless they become more entrepreneurial in the way they run their farms. That is, they must increasingly produce for markets and for profits. Horticulture entrepreneurship can be defined as production of various horticultural crops for markets. It is also related to horticultural inputs. It can be described as production and marketing of horticultural inputs and products. Horticulture entrepreneurship is the capacity of farmers/entrepreneurs to introduce innovative techniques in horticultural businesses. It is only the innovative entrepreneur who has the power to transform new situations into thoughts and resolve them into action. Thus, entrepreneurs can play an important role in increasing production and in turn contribute to economic development.

Entrepreneurship contributes to economic development of a country in several ways, like harnessing and assembling the various inputs, bearing the risks, innovating and imitating the techniques of production to reduce cost and increase its quality and quantity, expanding the horizons of the market and co-ordinating and managing the manufacturing unit at various levels. According to Kuratko and Richard (2001) the wealth may be created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some products or services. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources.

Small-scale farmers can become entrepreneurs when they show remarkable ability to adapt. They look for better ways to organise their farms. They try new crops and cultivars, and alternative technologies to increase productivity, diversify production to reduce risks and increase profits. Many small-scale farmers have some of the qualities of an entrepreneur. Horticulture entrepreneurship involves the following conditions:

- i. Seeing farming as a business
- ii. Starting appropriate horticulture enterprises
- iii. Making farming more efficient, profitable and sustainable



- iv. Utilizing land and water resources better
- v. Making horticulture attractive to the youths
- vi. Capturing value in the agricultural value chain
- vii. Introducing high value enterprises to the market
- viii. Improving efficiency of external inputs
- ix. Promoting organic agriculture
- x. Directing more of economic growth towards rural development and alleviation of poverty and malnutrition.

5. Entrepreneurial Opportunities in Horticulture

The following are career options in horticulture

- i) Production and sales: Operating a business or managing cultivable land for catering plants and food processing
- ii) Public Gardens: Managing landscapes and collecting plants is best for persons interested in both plants and people
- iii) Marketing: Involves the sale of fresh or processed fruits and vegetables
- iv) Research and development: Developing ways to improve the yield and quality of the plant produce
- v) Teaching: Teaching in schools and colleges and to all people who are open to learn new ideas of horticulture
- vi) Agricultural engineering: This deals with the conservation of soil and water and farm structures
- vii) Landscape design, construction and management: Creating gardens and knowing the appropriate plants to use to achieve the desired aesthetic effect
- viii) Pest management: Working with the regulatory agencies, agricultural suppliers, processing corporations, large farm organisation as agricultural specialists

6. Development of Horticulture Enterprises

The idea of entrepreneurship is complex. When a farmer introduces new enterprise into his farming business there are different stages of development that the enterprise goes through. The skills of the farmer must also change and develop to meet the management demands of the enterprise.

The development of horticulture enterprise as a business may occur in five phases:

- Establishment
 - Survival
 - Early growth
 - Rapid growth
 - Maturity (and possible decline)
- a. Establishment: is usually a quite simple stage but with challenges that relate to market potential, the motivation of the farmer, the availability of resources and basic business skills. The key questions are:
 - How can this become a profitable business enterprise?
 - How will it impact on my farm as a whole?
 - How can I establish a market?



- Do I have enough money to cover the cash demands in setting up the enterprise? The focus at this stage is on making sure the product is produced, gets to market and is sold. Many new enterprises do not survive the first season of production and marketing. Those that do, enter the survival stage.
- b. Survival: in this stage, the focus is on the relationship between the income earned and the costs entailed. The key questions are:
 - Can I generate enough income to break-even in the short-run and to replace capital equipment?
 - Can I generate enough income to expand or diversify production according to market demands to ensure long-term viability?Many surviving enterprises stay in the survival stage. The farmer/entrepreneur will need to consider if he want to do the work to keep growing. If he does, he will need to figure out how to build on the success of the enterprise to move to the next stage.
- c. Early growth: if the farmer decides to take his new enterprise beyond survival, the enterprise needs to grow. To achieve this, the farmer needs to develop a broader product and buyer base while ensuring that the farm business remains profitable. He must also ensure that farm operations are efficient, find the information needed for better management and hire more skills staff to cope with the increased production, marketing and management activities.
- d. Rapid growth: once the horticulture enterprise is working as a well-integrated farm business, it is in a position where it can achieve rapid growth. One way to grow is by increasing the amount of land planted. This will give more products to sell. Another way is to add value to the product by processing it and/or packaging it.
- e. Maturity (and possible decline): Eventually, the horticulture business reaches maturity. This means that it stops growing or expanding. It reaches a point of balance where land size, market opportunities and the scope of activities are in balance with the skills and vision of the entrepreneur. As long as the entrepreneur and the horticulture business continue in this balance the enterprise will continue. If the enterprises are profitable and the farm is well managed, the business can be sustained.

7. The Entrepreneurial Environment

Being an entrepreneur is a way of life and a way of looking at the world. Entrepreneurs enjoy independence and freedom. They decide for themselves what to do and when to do it. Entrepreneurs also face risk, work under pressure and are immediately accountable for the outcomes (good or bad) of their decisions.

Farmers as entrepreneurs are free and independent, but do not work alone. They operate in a complex and dynamic environment. They are part of a larger collection of people including other farmers, suppliers, traders, transporters and processors, each of whom has a role to play in the agricultural value chain. The world of a farmer as an entrepreneur can be referred to as UNCERTAINTY. Figure 1 describes the world of a farmer as an entrepreneur.

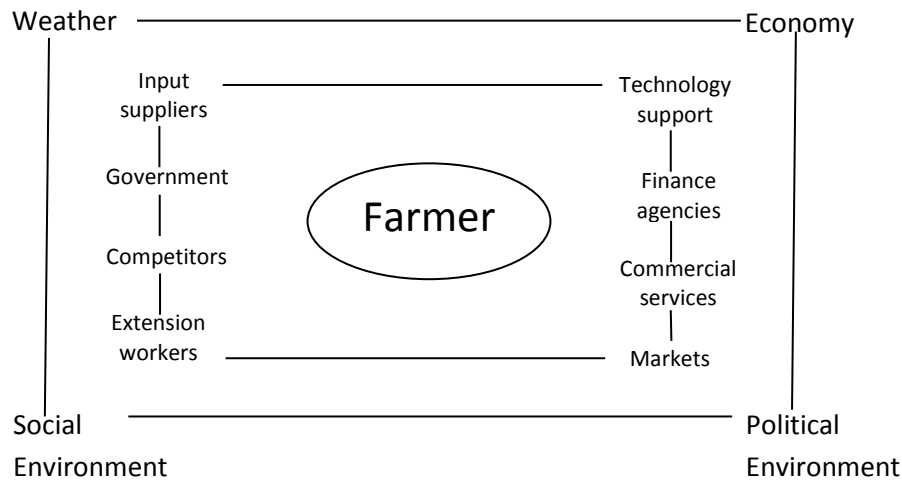


Fig. 1: The world of the farmer-entrepreneur Source: Kahan (2012)

8. Barriers to Horticulture Enterprises

It cannot be assumed that every enterprise will be successful. It needs the right environment. But often there are barriers outside the control of the farmer that limit success and cause inefficiency by making the environment hard for new businesses (Kahan, 2012 and Rahman, 2013). This environment is affected by government policy and the level of investment in agriculture. To create and maintain an environment that encourages profitable, market-oriented farm businesses, policy makers need to address the following barriers:

- i. Poor or absent infrastructure: which often block starting and growing of profitable farm businesses. Poor roads leading to markets, inadequate storage and market facilities and irregular supplies of electricity create practical barriers to developing farm businesses.
- ii. Unsupportive laws and regulations: Government need to have a positive view of entrepreneurship in farming. Land tenure and ownership, banking laws, trading regulations, business laws and tax laws are some of the common barriers that limit the development of successful farm businesses.
- iii. Lack of financial support: is a major stumbling block for many farmers to expand production or diversify into new high value enterprises.
- iv. Lack of training facilities: to have a healthy farming sector, training facilities and support must be easily available to farmers. Effective institutions need to be developed to provide education and training at the right time, in the right place, and with the right balance of technical knowledge and practical skills.

Inadequate support services and trained extension staff: Farmers advancing through the five stages of development of enterprise will need information, advice and support. In many countries, there is a general lack of farm management advisors to deal with the range of issues and questions faced by farmer-entrepreneurs.



- v. Marketing constraints: When running a farm business, production must always be linked to a market. Access to market is often constrained by a number of factors.
- vi. These include poor communications, infrastructure and marketing facilities, lack of reliable and timely market information, limited purchasing power and even negative attitudes of buyers.

9. Conclusion

Many small-scale horticulture farmers have some qualities of an entrepreneur. Farmers as entrepreneurs operate in a complex and dynamic environment. Horticulture entrepreneurship is affected by government policy and level of investment in agriculture. Every horticulture enterprise needs the right environment to be successful. To create and maintain an environment that encourages market-oriented and profitable farm businesses, government and other stakeholders should create enabling environment by providing credits facilities, training of farmers and extension workers, basic infrastructure, Market facilities (especially farmers' markets), adequate fund to agricultural research institutes. Policies should encourage horticultural industry growth through the following:

- Develop potential in the smallholder sector to produce for the export market
- Achieve market diversification to best advantage to promote export competitiveness
- Adopt a least cost strategy for commodity products driven by volume and price
- Adopt a focused differential strategy for niche products
- Review export market requirements (legislation and regulations) to ensure industry compliance
- Identify, adapt and implement internationally accredited phytosanitary inspection and quality control systems
- Encourage contract growing
- Focus on efficient irrigation systems
- Encourage establishment of out-grower post-harvest cold rooms and pack houses

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