

STRATEGIES FOR CREATING AND MAINTAINING PARTNERSHIPS IN AGRI-BUSINESS FOR NATIONAL ECONOMIC DEVELOPMENT IN NIGERIA

BY

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Abstract

Strengthening agribusiness linkages is vital for agribusiness development. Successful partnerships with stakeholders will add value to agric sector thereby creating employment and increasing income levels of farmers. The study is aimed at determining the strategies for creating and maintaining partnership in agri-business for national economic development. To achieve the purpose of the study, two research questions were developed and answered by the study and two null hypotheses were formulated and tested at 0.05 level of significance. Descriptive survey research design was adopted for the study. The sample for the study is 90. A 33- item structured questionnaire was developed and used for data collection. The instrument was validated by three experts and internal consistency of the instrument was determined using Cronbach Alpha reliability coefficient. A reliability coefficient of 0.75 was obtained. The data collected were analyzed using mean and analysis of variance (ANOVA) for hypotheses. The study found out fifteen strategies on how to create partnership in Agribusiness and eighteen strategies on how to maintain partnership in Agribusiness. Based on the findings from the study, it was recommended that government should train farmers on how to create and maintain partnership in agribusiness among others.

Key Words: Creating, Maintaining, Partnership, Agri-business and Economic Development

Introduction

Agriculture is the engine of growth and development in many countries. Kalu (2015) affirm that agriculture is a system that encompasses all the productive occupations of man that mobilize various

form of resources to produce food and raw materials and their transformations into various utilizable forms that are of benefit to man. Today, agriculture has transformed into agribusiness.

Agribusiness is a crucial sector for economic development and job creation. Agribusiness according to Baruch (2005) is a vast and complex system that reaches beyond the farm to include all those who are involved in bringing food and fiber to consumers. Chait (2015) refers to agribusiness as an agriculturally related business that supplies farm inputs and products through warehouses, wholesalers, processors, and retailers. Supporting the above statement, Baruch (2005) stated that agribusiness include not only those that farm the land but also the people and firms that provide the inputs, manufacture the food, transport the products and sell the food products to consumers. Terso (2013) stated that agribusiness has the capacity to provide greater employment, higher incomes, poverty reduction and provision of corporate social responsibility via their requisite infrastructure. Agribusiness provides input to farmers and connects them to consumers via general handling, processing, transportation, marketing and distribution of agricultural products. World Trade Organization (2014) outlined the objective of agribusiness to include: develop a competition and sustainable private sector agribusiness particularly in high volatile areas of livestock and fisheries, increase productivity, reduce yield gaps, promote commercially oriented agricultural activity and advance high potential sector. For agribusiness activities to be fully harnessed and its objectives achieved, there is need for partnership with all relevant stakeholders that will lead to its growth and sustainability.

Partnership is a situation where two or more persons come together to achieve business goal. Sloman (2006) defined partnership as a firm owned by two or more people and each have limited liability of the firm's debt. Economic.uk (2015) defines partnership as two or more persons in business with a view to making profit. In a partnership, the partners provide the capital and share the responsibility of running the business on agreement between its members. Successful partnership is often based on trust, equality, mutual understanding and obligations. Partnership can be formal, where each party's roles and obligations are spelled out in a written agreement or informal where the roles and obligations are assumed or agreed to verbally. Agric Food and Rural Revitalization (2014) indicated that a partnership agreement is a contract between all partners that: has clearly defined roles and responsibilities; determines how future profit are shared; set rules for dissolution; determines salaries; defines limits of each partner; discuss dispute resolutions; and have a lawyer to prepare their document. The organization added that in the event that a partnership agreement is not developed, all partners share equally in the capital and profits of the business and contribute equally towards losses, no person may be introduced as a partner without the consent of all existing partners among others. Eben (2014) outlined six tips for developing successful partnerships to include: finding the right strategic partner; establishing clear objectives; being honest about your own weaknesses and gaps;

understanding what makes your business unique; doing your research and keep communicating.

When partnerships are developed it need to be maintained. Maintaining your partnership means keeping them alive and not allowing them to grow stagnant. Community Tool Box (2015) stated that creating and maintaining partnerships involves:

'describing the multiple organizations that have come together in common purpose; assembling the coalition groups; outlining your partnerships' vision and mission; stating the objectives or goals; outlining the needed resources and relationships to accomplish your objectives; re-examining the group's memberships in the light of the vision, mission, and objectives; describing potential barriers to your partnership's success and how you would overcome them; identifying what financial resources that will be needed to support the group's activities and infrastructure; describing how the coalition will function as an organization and how responsibilities will be shared among partner organization; and describe how the group will maintain momentum and foster renewal among others'.

USDA (2014) stated that to build an effective partnership should be guided by approaching prospective partners, identifying common goals, creating strategies to achieve shared goals, developing a partnership agreement, and appointing a partnership liaison or leader.

To maintain a partnership should be anchored on frequent and effective communication.

In Nigeria, a lot of Agribusiness partnerships are initiated with some of the stakeholders without solid strategic policies for creating and maintaining the tempo of the partnership for its growth and sustainability. Sometimes some agribusiness when formed without acquiring strong partners or solidifying the existing partners frizzle out because of the weakness in the association of the partners. Locally, farmers enter into partnerships with themselves and some marketers in the form of cooperatives and thrifts for the supply of labour during clearing, tillage, weeding and harvesting. In this form of partnership, individuals are free to withdraw at any time because it is based on oral agreement resting on moral values hence, very many are never committed to this co-operative partnership thereby leading to failure. The failure of many of these cooperative business and thrifts affects economic development of a nation especially in the area of agriculture. For strong and lasting agribusiness partnership to stand, strategies for creating and maintaining the partnership need to be put in place, hence this study.

The purpose of this paper is to provide answers to the following questions.

1. What are the strategies for creating partnership among interested groups in agribusiness for national economic development?

2. What are the strategies for maintaining partnership among interested groups in agribusiness for national economic development?

Hypotheses

The following null hypotheses were formulated and tested at 0.05 level of significance ($P < .05$)

1. Lecturers in Agric. Education, Lecturers in Business Education and Directors in Agribusiness companies in Enugu State do not differ significantly in their opinion on the strategies for creating partnership among interested groups in agribusiness for national economic development
2. There is no significance difference in the mean ratings of the responses of the respondents on the strategies for maintaining partnership among interested groups in agribusiness for national economic development

Methodology

The study adopted descriptive survey research design. Carrol (2015) stated that, this design attempts to describe and explain conditions of the present by using many subjects and questionnaires to fully describe a phenomenon. Descriptive survey is appropriate for this study since questionnaire were developed and utilized for data collection.

The study was carried out in Enugu State which is made up of six agricultural zones. Enugu State is naturally endowed with good soil, adequate rainfall, optimal temperature and sunshine for agricultural businesses. Enugu State is equally known

for business acumen with a lot of enterprises in agriculture. Therefore the area is considered very suitable for carrying out this study. The population of the study is 300 made up of 30 lecturers of Agricultural Education, 50 lecturers of Business Education in four tertiary institutions and 220 Directors of Agribusiness companies in Enugu State. The sample for the study is 90 made up of 30 lecturers of Agricultural Education, 50 lecturers of Business Education and 10 Directors of Agribusiness Company.

The instrument used for data collection was a thirty-three item structured questionnaire generated from review of literature and was divided into two sections based on strategies for creating and maintain partnership in agribusiness respectively. The response scale for the items were based on the 4- point rating scale of Strongly Agree, Agree, Disagree, and Strongly Disagree with their corresponding value 4,3,2, and 1 respectively.

The instrument was face - validated by three experts, one from the Department of Business Education and two from the Department of Agricultural Education University of Nigeria Nsukka. The experts were requested to restructure, and correct items that were wrongly written to eliminate all those that were irrelevant. The internal consistency of the questionnaire items was established using Cronbach Alpha reliability coefficient method which yielded a coefficient of 0.75.

The instrument was administered by the researcher to the respondents with the help

of two research assistants. The data collected were analyzed using mean to answer the research questions and Analysis of Variance (ANOVA) to test the hypotheses at 0.05 level of significance.

Research Question 1

What are the strategies for creating partnership among interested groups in agribusiness for national economic development?

Table 1: Mean Ratings and Standard Deviation of respondents on strategies for creating partnership among interested groups in agribusiness for national economic development

Item Statement	Mean	Standard Deviation	Remarks
Identify area of partnership in agribusiness	3.70	0.44	Agree
Identify programme area of partnership	3.66	0.57	“
Identify competent partners like NGOs, institution that can meet needs	3.71	0.48	“
Identify competent expertise/personnel that will manage the business	3.80	0.48	“
Initiate source of fund for the take off and management of the business	3.70	0.42	“
Make contact with partners and make proposals	3.62	0.46	“
Follow up with the proposal	3.62	0.49	“
Assign responsibilities among the partners	3.60	0.49	“
Identify political interest and requirements in the partnership	3.62	0.52	“
Estimate the benefits from the partnership	3.79	0.49	“
Clarify members about the benefits and how to share the profits	3.71	0.41	“
Identify conditions for implementation like location, time, cost of training	3.70	0.46	“
State the cost benefit and effectiveness of the partnership	3.74	0.48	“
Initiate and inaugurate management board	3.52	0.44	“
Plan for capacity building of agribusiness managers on current issues in partnership programme	3.54	0.51	“

Overall mean =3.67, 0.42

Data in Table 1 shows that all the 15 items had their mean ranged from 3.52 – 3.80. This showed that the means were above 2.50, indicating that they are

strategies for creating partnership among interested groups in agribusiness for national economic development. The standard deviation of all the 15 items ranged from 0.42 to 0.57, indicating that the respondents were not too far from the mean and from one another in their responses. This added validity to the value of the means of the items as it shows that their opinions are similar on the strategies developed.

Hypothesis 1

Lecturers of Agric. Education, Lecturers of Business Education and Directors in Agribusiness Companies in Enugu State does not differ significant in their opinion on the strategies for creating partnership among interested groups in agribusiness for national economic development

Table 2: Analysis of Variance (ANOVA) of Lecturers of Agric. Education, Business Education and Directors in Agribusiness Companies on strategies for creating partnership, among interested groups in agribusiness for national economic development

		Sum of Squares	Df	Mean Square	F	Sig.
Item1	Between Groups	0.16	2	0.08	0.38	0.68
	Within Groups	18.83	88	0.21		
	Total	18.99	90			
item2	Between Groups	0.00	2	0.00	0.01	0.99
	Within Groups	21.54	88	0.25		
	Total	21.54	90			
						0.707
item3	Between Groups	0.14	2	0.07	0.35	0.71
	Within Groups	17.53	88	0.20		
	Total	17.67	90			
						0.906
Item4	Between Groups	0.05	2	0.03	0.10	0.98
	Within Groups	22.56	88	0.26		
	Total	22.62	90			
						00.980
item5	Between Groups	0.01	2	0.01	0.02	0.96
	Within Groups	19.75	88	0.22		
	Total	19.76	90			
						0.859
Item6	Between Groups	0.057	2	0.03	0.15	0.10
	Within Groups	16.62	88	0.19		
	Total	16.68	90			
						0.9940.977
Item7	Between Groups	0.01	2	0.01	0.02	0.99
	Within Groups	21.75	88	0.25		
	Total	21.76	90			
						0.857

Item8	Between Groups	0.08	2	0.04	0.15	0.69	
	Within Groups	22.06	88	0.25			
	Total	22.13	90				0.9960.926
Item9	Between Groups	0.04	2	0.02	0.08	1.00	
	Within Groups	21.26	88	0.24			
	Total	21.30	90				0.977
Item10	Between Groups	0.01	2	0.01	0.02	0.98	
	Within Groups	21.75	88	0.25			
	Total	21.76	90				0.979
Item11	Between Groups	0.01	2	0.01	0.02	0.98	
	Within Groups	18.98	88	0.22			
	Total	18.99	90				0.994
Item12	Between Groups	0.01	2	0.00	0.01	0.86	
	Within Groups	22.72	88	0.26			
	Total	22.73	90				0.828
Item13	Between Groups	0.18	2	0.09	0.19	0.67	
	Within Groups	40.57	88	0.46			
	Total	40.75	90				0.694
Item14	Between Groups	0.18	2	0.09	0.37	0.94	
	Within Groups	21.95	88	0.25			
	Total	22.13	90				0.996
Item15	Between Groups	0.00	2	0.00	0.00	0.53	
	Within Groups	15.03	88	0.17			
	Total	15.03	90				

Data in Table 2 revealed that the fifteen items had their p- values ranged from 0.53 to 1.00 which were greater than the 0.05 level of significance. This indicated that there was no significant difference in the mean ratings of the responses of the three groups of respondents (Lecturers of Agricultural Education, Lecturers of

Business Education and Directors of Agribusiness Companies) on the fifteen strategies identified by the study for creating partnership among interested groups in agribusiness for national economic development. The null hypotheses of no significant difference was therefore accepted for the fifteen items

Research Question 2

What are the strategies for maintaining partnership among interested groups in agribusiness for national economic development?

Table 3: Mean ratings and Standard Deviation of the respondents on strategies for maintaining partnership among interested group in agribusiness for national economic development

Item Statement	X	Std	Rmks
Good management and organization	3.79	0.41	Agree
Strategic financing orientation	3.69	0.47	“
Technology, awareness and training	3.73	0.45	“
Motivation for both partners	3.80	0.42	“
Knowledge of results based on benefit and effectiveness	3.73	0.45	“
Influencing relationship (i.e. local and international)	3.66	0.48	“
Achievement of mission and vision of partnership	3.67	0.47	“
Management of resources available between the partners	3.60	0.52	“
Multipliers effects of partnership activities (e.g. transfer of knowledge of result to others)	3.66	0.48	“
Providing opportunities for retraining	3.62	0.49	“
Opportunity for improvement based on changes in technology	3.65	0.48	“
Maintaining benefits from partners	3.60	0.52	“
Adherence to agreement or consultation where there is need for change of policy	3.64	0.48	“
Provide regular report or result of the products to the partners	3.45	0.51	“
Encourage partners to keep to the tenets of memorandum of understanding	3.52	0.51	“
Re-invest the income from the centre for maintenance and sustainability	3.60	0.52	“
Schedule periodic meetings with partners to maintain cordial relationship with partners	3.51	0.50	“
Carry every partners along	3.41	0.50	“

Data in Table 3 revealed that all the eighteen items had their mean ranged from 3.41 to 3.80. This shows that the mean were above the cutoff point of 2.50, indicating that the respondents agreed that all the items werestrategies for maintaining partnership among interested group in agribusiness for national economic development.The table also revealed that the standard deviation ranged from 0.41 to 0.52 indicating that the respondents were not too far from the mean and from the opinions of one another.

Hypothesis 2

There is no significance difference in the mean ratings of respondents on the strategies for maintaining partnership among interested groups in agribusiness for national economic development

Table 4: *Analysis of Variance (ANOVA) of Lecturers of Agric. Education, Business Education and Directors of Agribusiness companies on strategies for maintaining partnership, among interested group in agribusiness for national economic development*

		Sum of Squares	Df	Mean Square	F	Sig.	
Item1	Between Groups	0.09	2	0.05	0.23		
	Within Groups	18.04	88	0.205		0.80	
	Total	18.13	90			0.91	
Item2	Between Groups	0.05	2	0.02	0.10		0.907
	Within Groups	20.39	88	0.23		0.93	
	Total	20.44	90			0.69	
Item3	Between Groups	0.04	2	0.02	0.08		0.927
	Within Groups	21.00	88	0.24		0.89	
	Total	21.03	90			0.82	
Item4	Between Groups	0.19	2	0.10	0.38		0.686
	Within Groups	22.55	88	0.26		0.83	
	Total	22.75	90			0.58	
Item5	Between Groups	0.06	2	0.03	0.12		0.889
	Within Groups	22.36	88	0.25		0.96	
	Total	22.42	90			0.93	
Item6	Between Groups	0.08	2	0.04	0.20		0.819
	Within Groups	18.49	88	0.21		0.88	
	Total	18.57	90			0.82	
Item7	Between Groups	0.09	2	0.04	0.19		0.829
	Within Groups	21.45	88	0.24		0.95	
	Total	21.54	90			0.70	
Item8	Between Groups	0.17	2	0.09	0.55		0.577
	Within Groups	13.65	88	0.16		0.74	
	Total	13.82	90			0.90	
Item9	Between Groups	0.03	2	0.02	0.04		0.962
	Within Groups	38.08	88	0.43		0.98	
	Total	38.11	90			0.64	
Item10	Between Groups	0.03	2	0.02	0.07		0.929
	Within Groups	20.08	88	0.23		0.34	
	Total	20.11	90			1.00	
Item11	Between Groups	0.06	2	0.03	0.13		0.881
	Within Groups	21.24	88	0.24			
	Total	21.30	90				
Item12	Between Groups	0.10	2	0.05	0.20		0.823
	Within Groups	22.52	88	0.26			

	Total	22.62	90			
Item13	Between Groups	0.03	2	0.01	0.06	0.946
	Within Groups	20.72	88	0.24		
	Total	20.75	90			
Item14	Between Groups	0.19	2	0.09	0.36	0.696
	Within Groups	22.50	88	0.26		
	Total	22.68	90			
Item14	Between Groups	0.07	2	0.04	0.31	0.737
	Within Groups	10.35	88	0.19		
	Total	10.42	90			
Item16	Between Groups	0.05	2	0.03	0.10	0.903
	Within Groups	22.67	88	0.26		
	Total	22.73	90			
Item17	Between Groups	0.01	2	0.00	0.02	0.981
	Within Groups	18.12	88	0.21		
	Total	18.13	90			
Item18	Between Groups	0.34	2	0.17	0.45	0.642
	Within Groups	33.77	88	0.38		
	Total	34.11	90			

Data in Table 4 revealed that the eighteen items had their p- values ranged from 0.34 to 1.00 which were greater than the 0.05 level of significance. This indicated that there was no significant difference in the mean ratings of the responses of the three groups of respondents (Lecturers of Agricultural Education, Lecturers of Business Education and Directors of Agribusiness Companies) on the twenty strategies for maintaining partnership among interested groups in agribusiness for national economic development. The null hypothesis of no significant difference was therefore accepted for the twenty items.

Discussion of Result

The result of this study revealed that strategies for creating partnership among interested groups in agribusiness for

national economic development are: identify area of partnership in agribusiness, identify programme area of partnership, and identify competent partners such as NGOs, institution that can meet needs among others. The findings of this study on strategies for maintaining partnership among interested groups in agribusiness for national economic development as stated in table 2 are: good management and organization, strategic financing orientation, technology awareness and training, motivation for both partners among others. The result of this study were in agreement with the findings of Ganzel (2007) who outlined the process of creating partnership to include stating objectives, identifying competent partners and assigning responsibilities. The result of this study is also in consonance with Terso

(2013) who identified the strategies for maintaining group partnership to include state benefits from partners, estimate cost benefits and effectiveness

The findings of the study in research question two shows that the strategies for maintaining partnership among interested groups in agribusiness include good management and organization, motivation for both partners among 16 others. The findings are in conformity to those of Chait (2015) who said that the best ways to maintain partnership in agriculture include capacity building, maintaining benefits and adherence to agreement. The results of this study are also in conformity with USDA (2014) who reported that an effective partnership should be guided by approaching shared goals, develop a partnership agreement, and create a partnership liaison or leader. Also, the maintenance of a partnership should be anchored on frequent and effective communication. Honestly, be willing to compromise, be sensitive confronting problems immediately, strong personal commitment and function as mentors towards each other.

Conclusion

For success in any agribusiness there must be good relationships among partners that formed the business which will lead to national economic development. The identified strategies in this study if followed judiciously by partners in business will be able to create and maintain successful partnership in agribusiness.

Recommendations

It is recommended that:

1. Government should train farmers on how to create and maintain partnership in agri- business.
2. Government should develop policies and strategies to improve agribusiness competitiveness including fostering better coordination and linkages among partners
3. Government should organize training for small farmers and managers of agro-processing enterprises who need technical and managerial skills.
4. Government should help Agribusiness companies to establish solid partnerships for business sustainability

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