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ANALYSIS OF BUSINESS ENVIRONMENT FUNDAMENTALS AND PERFORMANCE OF SECONDARY SCHOOL GRADUATES IN AGRIPRENEURSHIP IN SOUTHERN ZONE OF TARABA STATE, NIGERIA

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Abstract

This study examined the effect of business environment fundamentals on the performance of secondary school graduates in Agripreneurship in Southern Zone of Taraba State, Nigeria. The study specifically examined the effect of unfriendly business climate, lack of credit facilities, multiple taxation and poor state of infrastructure on the performance of youths in agripreneurial activities. A survey design was used for this study and data was collected with the use of structured questionnaire. The population of the study was 650 owner-managers of agripreneurial activities in Southern Taraba. A sample size of 300 respondents was determined using proportionate stratified random sampling technique. Cronbach Alpha and factor analysis were employed to test the reliability and validity of the instruments respectively. The data collected was analysed using descriptive statistical tools such as mean and standard deviation while the null hypothesis was tested using multiple regression. Findings of the study indicated that unfriendly business climate significantly affects agripreneurial activities. The study found that lack of credit facilities has a significant relationship with agripreneurial activities. It was found that multiple taxation affects the performance of youths in agripreneurial activities. Finally, the study found that poor state of infrastructure has negative effect on the performance of youths in agripreneurial activities. The study concluded that business environment fundamentals make agripreneurial activities to lack an enabling environment to thrive hence affecting youths' performance in agripreneurial activities in Southern Taraba State. It recommended amongst others that government should create an enabling environment for agripreneurial activities to strive in the zone by addressing security issues and improve on the provision of basic infrastructures

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such as electricity, good roads and water to help the youths perform well in agripreneurial activities.

Keywords: Business, Environment Fundamentals, Performance and Agripreneurship

Introduction

Agripreneurship has been accepted worldwide as instrument of economic growth and development. Youth participation in agripreneurship, or the combination of agriculture and business, offers a promising path for economic growth and job creation, particularly in rural areas, by empowering young people to become self-employed and contribute to food security. Agripreneurship is a profitable combination of agricultural and entrepreneurial endeavors in the food and agriculture industries that turns a farm into an agribusiness enterprise is known as agripreneurship. The traditional activities of agribusiness include the manufacture and distribution of agricultural inputs as well as the production, harvesting, processing, storing, and delivering of farm products (Kazungu and Kumburu, 2023). Agripreneurship, according to Yadav, Chandra and Bhardwaj (2024) refers to entrepreneurship in agriculture is the creation of innovative economic organizations for growth or gain under conditions of risk and uncertainty in agriculture. In the context of this study, agripreneurship refers to the use of entrepreneurial ideas and methods in the agricultural industry, encompassing creativity, risk-taking, and business savvy, to increase agricultural output, food security, and regional economic development is known as agribusiness. In order to increase agricultural production, food security, and local economic growth, agribusiness, and the youths need to apply entrepreneurial concepts and techniques to the agricultural industry which involves creativity, risk-taking and commercial savvy. Agripreneurship could also reduce the rate of unemployed youths in Taraba State which is 1.9% (Anayo, 2025). Agripreneurship is influenced by business environment fundamentals.

Business environment fundamentals represent all forces, factors and institutions that are beyond the control of the business and affect the functioning of a business enterprise. Business environment also entails the total surroundings, which have a direct or indirect bearing on the functioning of business. Several factors have been identified as the causes of credit availability challenges of business activities. Orjiakor (2022) posited that unconducive business climate in significantly impedes business prospects for survival. The author estimated the probability of exiting the market is predicted to grow by 11% points for every additional increase in the constraint index of such business. Corporate issues, banks points of restriction, and credit establishments, lack of collateral security, inconsistency in government policies, high monetary policy rate, loan diversion, exchange rate depreciation, infrastructural decay and tenor of loans, informational barriers, lack of management expertise, high default rate, monitoring also affect business activities (Bondinuba in Fasola, Asikhia, Akinlabi&Makinde, 2020). Fasola, Asikhia, Akinlabi, and Makinde (2020) stressed that the main challenges that make it difficult for business activities to access finance include policy regulation, inadequate financial infrastructure, stringent collateral security requirements, and a lack of institutional capacity of the business sector.Thangam and Brindha (2024) asserted that market orientation and performance may be affected by technological turbulence and competitive intensity.It may also be the set of factors, such as economic factors, social factors, political and legal factors, demographic factors and technical factors which are uncontrollable in nature and affect the business decisions of a firm.The impact of environment fundamentals on business performance towards profit objective is found to have increasingly stronger interrelationships.

It is unfortunately the state of economic growth of Taraba State appears to be very low despite the large concentration of businesses in the state by youths who are majorly, secondary school graduates. This is attributed to lack of conducive business environment fundamentals that enhance ease of doing business in the state. The poor contribution of Agripreneurial activities to the development of the country may be due to management inefficiency, marketing and sales problems, inadequate infrastructure, market competition, and financial inadequacy that are militating against the performance of agribusinesses in term of their profit, sales and employment generation. Agripreneurial activities in the Southern Zone of Taraba State have not performed creditably well and hence have not played the expected vital and vibrant role in the economic growth and development of the state.

It is observed that yearly the government of Taraba State makes no effort in supporting Agripreneurial activities development leaving the contributions of agribusinesses to economic development very low. It is also worrisome that despite the incentives, favourable policies, regulations and preferential support by federal government aiming at improving agripreneurial activities. The secondary school graduates who engaged themselves intoAgripreneurs in the Southern zone of Taraba State are faced with the problems of unfriendly business climate and lack of credit facilities, multiple taxation and poor state of the country's infrastructure thereby affecting the profit. The sub-sector therefore has performed below expectation in the state with high level of poverty among youths. It is also observed that the persistently high rates of unemployment of these category of people in Taraba State has highlighted the need for immediate policy and program-level responses that would have a significant release in the economic burden of the secondary school graduates. It is on record that no much studies have been carried on the effect of business environment fundamentals on the performance of Agripreneurial activities by secondary school graduates in the Southern Zone of Taraba State. Hence, the need for this study,

Objectives

The specific objectives of the study include to:

1. determine the influence of unfriendly business climate on the performance of agripreneurship in Southern Zone of Taraba State;
2. establish the influence of lack of credit facilities on the performance of Agripreneurial activities in Southern Zone of Taraba State;
3. assess the influence of multiple taxation on the performance of Agripreneurial activities in Southern Zone of Taraba State; and
4. examine the influence of poor state of infrastructure on the performance of Agripreneurial activities in Southern Zone of Taraba State.

Research Questions

The following questions guided the study:

1. What is the influence of unfriendly business climate on the performance of agripreneurship in Southern Zone of Taraba State?
2. What is the influence of lack of credit facilities on the performance of Agripreneurial activities in Southern Zone of Taraba State?
3. What is the influence of multiple taxation on the performance of Agripreneurial activities in Southern Zone of Taraba State?
4. What is the influence of poor state of infrastructure on the performance of Agripreneurial activities in Southern Zone of Taraba State?

Hypothesis

The null hypothesis was tested at 0.05 level of significance:

H_O: There is no significant relationship between unfriendly business climate, lack of credit facilities, multiple taxation and poor state of infrastructure on the performance of agripreneurship in the Southern Zone of Taraba State

Methodology

This study employed a survey research design. The study was conducted in Makurdi metropolis with focus on business environment fundamentals and performance of small and medium enterprises. The population for this study comprised all 650 secondary school graduates who are managers of registered Agripreneurs. The sample size for the study was 300 respondents. The instrument for data collection was a structured questionnaire developed by the researchers from the literature review. The data were analyzed with the use of both descriptive and inferential statistical methods. Descriptive statistics precisely mean and standard deviation were used to answer the research questions. The bench mark for this was 2.50 (4+3+2+1=10%4=2.50). The decision rule was: any item with a mean value of 2.50 or above was regarded as agreed while any item with a mean value of less than 2.50 was disagreed. Inferential statistics (Multiple regression) was used to test the null hypothesis at 0.05 level of significance.

Results and Discussion

Table 1: Mean and Standard Deviation of Respondents on the Influence of Unfriendly Business Climate on Agripreneurial Activities

S/N	Items	Mean	Std. Dev.	Remarks
1	Procedures for registering your business are not easy	3.45	1.06	Agree
2	Insecurity in the country affects your business	3.28	1.15	Agree
3	There are regulatory institutions that affect agripreneurial activities	3.41	0.95	Agree
4	There is fair competition for all agripreneurs in the market	2.87	1.07	Agree
	Grand Mean	**3.25**	**1.06**	

Source: Field Survey, 2025

Result from Table 1 shows the influence of unfriendly business climate on the performance of youths agripreneurial activities. All the items had mean values ranged from 2.87 to 3.45. This indicates that agribusiness environment fundamentals influence agripreneurial activities in the Southern Zone of Taraba State.

Table 2: Mean and Standard Deviation of Respondents on the Influence of Lack of Credit Facilities on Agripreneurial Activities

S/N	Items	Mean	Std. Dev.	Remarks
1	You do not receive financial assistance from family members	3.53	0.73	Agree
2	You hardly get loans provided by the government for your business	3.49	0.94	Agree
3	Non-governmental organizations provides assistance to you	3.59	0.91	Agree
4	Collateral is a necessary condition for giving loans business	3.65	0.78	Agree
5	Agripreneurs are charged heavy taxes	3.44	1.02	Agree
6	Mode of paying taxes is not simplified	3.25	1.13	Agree
7	Different levies are charged on your business	3.42	1.00	Agree
8	You do not understand the purpose of paying taxes	3.26	1.12	Agree
	Grand Mean	**3.45**	**0.96**	

Source: Field Survey, 2025

Result from Table 2 shows the influence of lack of credit facilities on the performance of agripreneurial activities. Respondents rated the items with mean values ranged from 3.26 to 3.65 respectively. This means that lack of credit facilities influence the performance of secondary school graduates in agripreneurial activities in the Southern Taraba Zone.

Table 3: Mean and Standard Deviation of Respondents on the Influence of Multiple Taxation on Agripreneurial Activities

S/N	Items	Mean	Std. Dev.	Remarks
1	Poor communication network affects your business	3.54	0.93	Agree
2	Government does not provide facilities for business	3.42	0.91	Agree
3	Poor electricity supply affects your business	3.24	0.84	Agree
4	Scarcity of water supply affects your business operations	3.42	0.52	Agree
	Grand Mean	**3.41**	**0.08**	

Source: Field Survey, 2025

Result from Table 3 shows the influence of multiple-taxation on the performance of agripreneurial activities. All the 4 items had mean values ranged from 3.24 to 3.54. This is an indication that multiple-taxation affects the performance of agripreneurial activities in Southern Taraba State.

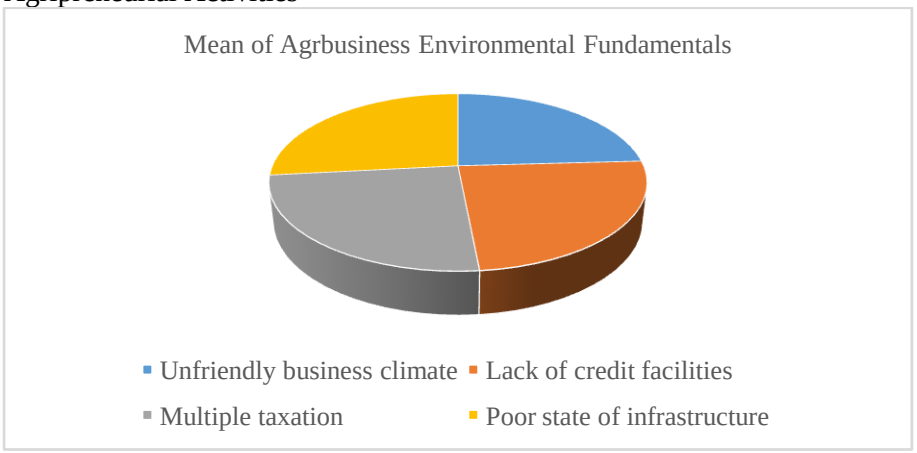
Table 4: Mean and Standard Deviation of Respondents on the Influence of Poor State of Infrastructure on Agripreneurial Activities

S/N	Items	Mean	Std. Dev.	Remarks
1	There is no increase in sales growth of your business	3.56	0.54	Agree
2	Your business records no increase in market share in the last two years	3.46	0.73	Agree
3	There has been no increase on assets of your business	3.53	0.71	Agree
4	Your business does not record increased profit	3.13	1.01	Agree
5	Your business is not highly profitable compared to your competitors	3.01	1.05	Agree
6	Your business has not been able to produce new products	3.34	1.12	Agree
	Grand Mean	**3.34**	**0.86**	

Source: Field Survey, 2025

Result from Table 4 shows the effect of poor state of infrastructure on the performance of youths in agripreneurial activities. All the 6 items had mean values ranged from 3.01 to 3.56. This means that poor state of infrastructure affects the performance of agripreneurial activities in the Southern Taraba State.

Figure 1: Mean of the Relationship between Agribusiness Environmental Fundamentals and Agripreneurial Activities



Source: Field Survey, 2025

Result in Figure 1 shows that unfriendly business climate had a mean value of 2.28, lack of credit facilities had a mean value of 3.42 while multiple taxation had 3.48 and poor state of infrastructure had 3.75 respectively. This indicates that agribusiness environment fundamentals have relationship with agripreneurial activities.

Table 5: Multiple Regression Model Summary of Relationship between Environment Fundamentals and Agripreneurial Activities

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987[a]	.974	.973	.09685

a. Predictors: (Constant), Poor state of infrastructure, Multiple taxation, Lack of credit facilities, Unfriendly business climate

Source: Field Survey, 2025

Result in Table 5 shows the R value of 0.787a which represents a high degree of correlation and the R Square value of 0.974 which indicates how much of the total variation between aagripreneurial activities and environment fundamentals.

Table 6: ANOVA Result of Multiple Regression Model Summary on Relationship between Environment Fundamentals and Agripreneurial activities

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**	**Remarks**
Regression	68.503	4	17.126	1825.871	.000[b]	Significant
Residual	1.848	197	.009			
Total	**70.351**	**201**				

a. Dependent Variable: Agriprenuership
b. Predictors: (Constant), Poor state of infrastructure, Multiple taxation, Lack of credit facilities, Unfriendly business climate
Source: Field Survey, 2025

Result in Table 6 shows regression ANOVA with a significant value of 0.000 which is less than the *P*-value of 0.05. This indicates that overall, the regression model statistically significantly predicts the outcome of variable and it is a good fit for the data collected.

Table 7: Coefficients of Regression Result on the Relationship between Environment Fundamentals and Agripreneurial Activities

	Unstandardized Coefficients		**Standardized Coefficients**			
Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**	**Remarks**
(Constant)	.394	.096		4.100	.000	
Unfriendly business climate	.026	.037	.031	.698	.006	
Lack of credit facilities	-.056	.019	-.046	-2.900	.004	Significant
Multiple taxation	1.011	.037	1.002	27.340	.000	
Poor state of infrastructure	-.093	.020	-.087	-4.592	.000	

Source: Field Survey, 2025

Result in Table 7 shows an interaction effect of environment fundamentals and agripreneurship. Unfriendly business climate had a coefficient of 0.006, multiple taxation had 0.004 while lack of credit facilities had 0.000 and poor state of infrastructure had 0.000 respectively. The coefficients were less than the p-value of 0.05 which indicates that all the variables were statistically significant in affecting performance of secondary school graduates in agripreneurial activities in the Southern Zone of Taraba State.

Discussion of Findings

Result on the influence of unfriendly business climate and performance of youths in agripreneurial activities in Southern Taraba State revealed that procedures for registering businesses are not easy. The respondents strongly agreed with a mean value of 3.45. Investigating if security situation in the zone affects youths' operations in agripreneurial activities with mean value of 3.28. The respondents strongly agreed that regulatory institutions that affect agripreneurial activities with a mean value of 33.41. Since the respondents also agreed with a mean value of 2.87 that fair competition in the market constitute the problems of agripreneurial activities, it indicates that environmental fundamentals influence agripreneurial activities in the Southern Zone of Taraba State. Finding on the test of hypothesis revealed that unfriendly business climate, multiple, lack of

credit facilities and poor state of infrastructure significant affect the performance of secondary school graduates in agripreneurial activities in the Southern Zone of Taraba State. The implication of the finding of this study is that business climate in Southern Taraba is not favourable for agripreneurial activities to prosper. The finding agrees with that of Orjiakor (2022) who found out that unconducive business climate in significantly impedes business prospects for survival.

Finding on the result on influence of lack of credit facilities on performance of agripreneurial activities in Southern Taraba State. To find out if owners of agripreneurs, respondents agreed that they do not receive financial assistance from family members with mean value of 3.53. Also, to find out if government does not always provide loans help businesses, the respondents strongly agreed with mean value of 3.49. All the respondents agreed that that loans are not always provided by the government help in improving the performance of agripreneurial activities with mean value of 3.59. Finding out whether non-governmental organizations provide financial assistance to SMEs, 40.0 % of the respondents strongly agree, 53.6 % agreed, 3.6 % disagreed while 2.8 % strongly disagreed. The item on whether collateral is used as a condition for giving loans to agripreneurial activities, the respondents strongly agreed with mean value of 3.65. The respondents also agreed that agripreneurs are charged heavy taxes with mean value of 3.44. Mode of paying taxes is not simplified had a mean value of 3.25. It was agreed that different levies are charged on business with 3.42 and agripreneurs do not understand the purpose of paying taxes (3.26).This finding is also supported by Umar and Is'haq (2020)who found negative relationship between inadequate finance and performance of SMEs in Nigeria.

Finding on the influence of multiple taxation on agripreneurial activities revealed that poor electricity supply affects agripreneurial activities, respondents agreed with mean value of 3.54.The finding also revealed that implies that agripreneurs face the challenge of poor electricity supply (3.42). The finding affirms a study by Fasola, Asikhia, Akinlabi and Makinde (2020) which found that businesses performance is closely connected with how the government policies are regulated.

The finding on the Influence of poor state of infrastructure on agripreneurial activities revealed that unavailability of water supply affects agripreneurial activities to improve their business, the respondents strongly with mean value of 3.24. With the mean value of 3.42. The respondents agreed strongly with the statement that shortage of water supply affects the performance of agripreneurial activities in Southern Taraba State. There was no increase in sales growth of business (3.56). The respondents also agreed that their business do not records increase in market share in the last two years with mean value of 3.46. There has been no increase on assets of business in the study area (3.53). The statement that business among youths does not record increased profit had a mean value of 3.13. The respondents agreed that their business is not highly profitable compared to their competitors (3.01) and their business has not been able to produce new products (3.34). The finding is supported by Umar and Is'haq (2020) who revealed that lack of basic facilities such as water supply; good roads, constant power and information accessibility significantly affect the performance of businesses in Nigeria.

Conclusion

Agripreneurial activities have been considered as major source of income and sustainability for youths as well as driver of economic growth of a nation. However, this study has established that the business climate; lack of credit facilities; multiple taxes and poor state of infrastructure in Southern Taraba is not friendly and conducive for agripreneurial activities.

The study concludes that business environment fundamentals make agripreneurship to lack an enabling environment to thrive hence affecting the performance of secondary school graduates in agripreneurship in Southern Taraba State.

Recommendations

Based on the findings of the study, the following recommendations are made:

i. The State government should create an enabling environment by tackling security issues in the Southern Taraba that discourage many youths from participating in agripreneurial activities.
ii. The State government should regulate agripreneurial activities to ensure fair competition among youths.
iii. The Federal government in conjunction with state government, individuals and non-government organizations should assist in providing loans or grants to enable youths to expand their agripreneurial activities.
iv. Government at both the federal and state level should promote the process of tax incentives and attractive tax exemptions for the purpose of attracting and retaining youths in agripreneurial activities. Tax holidays should be granted to agripreneurial activities and tax collectors should be check to help reduce multiple taxes levied on agripreneurs.
v. Government should improve on the provision of basic infrastructures such as electricity, good roads and water to help the youths perform well in agripreneurial activities.

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