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## The impact of agriculture entrepreneurship on service sector

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### ABSTRACT

heading calls for contextualizing entrepreneurship research and for greater attention to the role of sector in entrepreneurship research, we conduct a systematic literature review of extant research, in agriculture entrepreneurship. Recent and rapid vertical integration and rationalization within the agriculture sector provide a dynamic setting for scholars to investigate entrepreneurship institutions, and practice, we identify three key contextual dimensions of agriculture sector: identify, family, and institutions, which provide promising opportunities for future research and the potential to contribute to and extend current theoretical and extend current theoretical and empirical analyses of entrepreneurship research.

**Keywords:** Entrepreneurship, Sector, Agriculture, institutions, theoretical,

## المستخلص

في مقدمة الدعوات لوضع أبحاث ريادة الأعمال في سياقها ولإيلاء اهتمام أكبر لدور القطاع الخدمي في أبحاث ريادة الأعمال ، نجري مراجعة منهجية للأبحاث الموجودة في مجال ريادة الأعمال الزراعية. يوفر التكامل الرأسي الحديث والسريع والترشيد داخل قطاع الزراعة بيئة ديناميكية للباحثين للتحقيق في نظرية والنتيجة التي أكدت التطور وتحسن في ممارسة ريادة الأعمال ، ونحدد ثلاثة أبعاد سياقية رئيسية لقطاع الزراعة: تحديد الفردي ، والأسرة ، والمؤسسات ، التي توفر فرصًا واعدة للبحث في المستقبل و القدرة على المساهمة في النظرية الحالية وتوسيع نطاق التحليلات النظرية والتجريبية الحالية لبحوث ريادة الأعمال للقطاع الزراعي أهمية حيوية للمنطقة. إنها تمر بعملية انتقال إلى اقتصاد السوق ، مع تغييرات كبيرة في الهياكل الاجتماعية والقانونية والهيكلية والإنتاجية والتوريد ، كما هو الحال مع جميع قطاعات الاقتصاد الأخرى. وقد صاحب هذه التغييرات انخفاض في الإنتاج الزراعي لمعظم البلدان ، وأثرت أيضًا على قطاعات توريد البذور الوطنية في المنطقة.

**كلمات مفتاحية :** ريادة الأعمال، القطاع، الزراعة، مؤسسات، نظري.

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## INTRODUCTION

Agricultural entrepreneurship is an emerging field. It involves analyzing and understanding the strategies of agricultural entrepreneurs, particularly in response to the institutional changes and economic and technological disruptions to which the agricultural industry is subject. Despite the increase in the number and diversity of publications, there is a need for a better understanding of agricultural entrepreneurship dynamics from the entrepreneurial theory viewpoint (beyond rural sociology and agricultural economics). A literature review identifies the main themes hitherto dealt with, as well as avenues for future research. This special issue partly responds to the need to investigate the entrepreneurial process in agriculture, whether in the development of collective projects, understanding entrepreneurial action, the effects of the business environment on entrepreneurial orientation, or the question of gender and rural development policies. Agriculture entrepreneurship can be defined as being primarily related to the marketing and production of inputs and products used in agricultural activities.

## LITERATURE REVIEW

Agriculture entrepreneurship refers to farmers ability to change or abandon old models by new phases of agriculture characterized by new challenges:

Free markets Sustainability Digital technology the literature on

Agro-entrepreneurship showed significant growth at the end of the 20th century in a context of change in the agricultural sector. Until this period, control of the production and payment of subsidies were the main pillars of agricultural policy, particularly in Europe. In the mid-90s, a new agricultural paradigm emerged based on liberalization and sustainability. This paradigm broke from the productivity and protectionist paradigm inherited from the 1950s. The literature on Agri-entrepreneurship appeared in this context with the introduction of the idea of change in the agricultural sector. Agri-entrepreneurship refers to the capacity of farmers to change, to abandon old models and to enter a new agricultural phase. At the turn of the 20th century, several significant contributions were published by <sup>568</sup>scholars in small business and regional studies (Carter, 1996, 1998a, 1998b, 1999; Carter and Rosa, 1998). These approaches strongly contributed to the integration of the farm sector in small business studies and showed that family farms have the same entrepreneurial attributes as other businesses. However, the objectives of these studies were not to understand the changes that were in progress in the agriculture sector or to evaluate the capacity of the agricultural system (farmers and their supporting services) to modernize farms. Although this literature introduced the idea that farmers are entrepreneurs<sup>569</sup> (Carter and Rosa, 1998), its main objective was to understand the farm as a small

<sup>568</sup> Scholars in small business and regional studies Carter, 1996, 1998a, 1998b, 1999; Carter and Rosa, 1998

<sup>569</sup> Carter and Rosa, University of Khartoum - 1998

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business and family unit and to expand the frontiers between the farm system and other economic systems (rural and non-rural enterprises). This objective has been largely achieved, as evidenced by the journals in which the papers have been published, the coordination of books (Alsos et al., 2011b) and, more generally, the recognition of the family farm as a unit of analysis in entrepreneurship studies (Fitz-Koch et al., 2017; Rønning and Kolvereid, 2006). Another stream of literature emerged at the turn of the 20th century that continues to assimilate the farmer as an owner manager but surpasses this small business view by introducing the idea of entrepreneurship to adapt the farm to new challenges. Agri-entrepreneurship is viewed as both an attitude and a set of strategies that are suitable to modernize the farm. Although the family nature of the farm, the rural location, the way of life, the idea of plural activity and the organization of the farm around the farmer remain important, this literature introduces new topics, such as the emergence of external challenges, the difficulties some farmers face in changing their business models or managing in a new administrative context, the recognition of several entrepreneurial strategies, and the need for support services to adapt their services to help farmers in their entrepreneurial transition. Since the emergence of this literature, many papers on the topic have been published in various academic journals. Several conference proceedings have also been written, transforming an emergent topic into a productive, attractive and promising one. At the same time, the context of farming

has changed. The topic has emerged when international institutions <sup>570</sup>(the European Commission, World Trade Organization 2020) have decided to open the market of agricultural products and instil a dose of sustainability into agriculture, a number of farms have undertaken changes, sustainability has been confirmed (if not yet universally practiced), dairy quotas have been abandoned and the digital transition has pushed agriculture towards a new era. Thus, after nearly twenty years of publication, a Literature review is useful to take stock of the main findings of scholars and to open a Discussion about the future of the topic based on the changes that have recently occurred in the agricultural sector. Such a literature review has recently been conducted based on an identity, family and institutional perspective <sup>571</sup>(Fitz-Koch et al., 2017). This perspective is consistent with the previous literature that used the family business perspective. However, the multiple approaches observed in the agri-entrepreneurship field suggest that several perspectives are possible and useful to obtain a global and multifaceted view of farmers’

## IMPORTANCE

<sup>570</sup> the European Commission, World Trade Organization 2020

<sup>571</sup> Fitz-Koch et al., University of Juba 2017.

Entrepreneurship can engage in the distribution of production inputs like's fertilizers, tools, small machines, improved seeds and chemical, and those with good financial standing and background can become involved in various towns and communities. Agriculture considered as the activity of land digging and harvesting the crop. The present generation have negative attitude about agriculture towards farming, due to increasing fragile land, diminishing natural resources, migration to urban areas. Modern farming system, hybrid seeds, latest technology has to be introduced to re design the agricultural sector. At present, farmers are giving much importance to horticulture such as fruits, vegetables, other plants and spices, Crops plantation such as coffee, cocoa and allied activities. Majority of the people in Ethiopia is engaged in agricultural activities which provide opportunity in agribusiness which generates employment opportunity. Agripreneurship creates wide range of economic benefits like increased agricultural productivity, creating new ventures; develop innovative products and services, development of rural areas. The effective management systems are unable to cope up with natural calamities, monsoons, drought, crop diseases, shortage of fertilizer, poor infrastructure like in sufficient storage facility and transportation as a result in decreasing agriculture production. The managerial, technical and innovative skills of agripreneur become a role model to all farmers.

## **CHALLENGES**

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Lack of Skilled and Managerial Manpower

Lack of Infrastructural Facilities

Problem of Marketing

Lack of Awareness about Career in Agri–preneurship

Inefficient or Lack of Equipments and Technologies

High Infrastructural and Distribution Costs

The major marketing faced by agri–entrepreneurship are lack of marketing channels and networks, promotional facilities, support system, poor quality of products, and competition with medium and large–scale enterprises.

### **CONCLUSION & RECOMMENDATION**

The agricultural sector is of vital importance for the region. It is undergoing a process of transition to a market economy, with substantial changes in the social, legal, structural, productive and supply set–ups, as is the case with all other sectors of the economy. These changes have been accompanied by a decline in agricultural production for most countries, and have affected also the national seed supply sectors of the region. The region has had to face problems of food insecurity and some countries have needed food aid for IDPs and refugees. Due to the relatively low demographic pressure projected for the future, the presence of some favorable types of climates and other positive factors, including a very wide formal seed supply sector, it should be possible to overcome problems of food insecurity in the region as a whole, and even to use this region to provide food to other



food-deficient regions. Opportunities must therefore be created to reach these results. In order to address the main constraints affecting the development of the national and regional seed supplies that are mentioned here, the region requires integrated efforts by all national and international stakeholders and institutions involved in seed supply and plant genetic resource management. On practical issues, lessons learned by some countries could be shared with other countries; e.g. on how to progress with the transition or how to recognize the most immediate needs of farmers. Appropriate policies should also be established, at various levels, in order to facilitate seed investment and development in the region.

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