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## **Youth Strategy:** Empowering youth for agricultural transformation



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# Youth Strategy:

## Empowering youth for agricultural transformation

### Background

Alongside their obligations towards meeting the Sustainable Development Goals (SDGs), African governments and international organizations are also grappling with the challenge presented by the youth bulge phenomenon. Of particular concern is the lack of jobs available for hundreds of millions of young people graduating from schools, universities, and tertiary institutions—they face both unemployment and underemployment.

In an attempt to address the youth unemployment crisis affecting 64% of young adults, Kenya's President Uhuru Kenyatta announced a KES2 billion Youth Fund in October 2016 to train young people in new farming techniques: "It will be spent on new technology and management, so that through the entire agriculture value chain—from the farm to your plate—our youth have a chance to grow a business and to earn a living," said Kenyatta at the time. The fund will benefit more than 750,000 young people within 5 years (Daily Nation, October 2016). In neighboring Tanzania, the government has prioritized training for youth in modern agricultural technologies, agribusiness, and entrepreneurship. Tanzania has also unveiled its National Strategy for Youth Involvement in Agriculture that aims to raise awareness among youths on the opportunities available in the local agriculture sector, and to minimize the challenges they face in agriculture. In Rwanda, the government's medium-term Economic Development and Poverty Reduction Strategy 2 aims to accelerate poverty reduction through enhanced productivity and youth employment including the creation of 200,000 off-farm jobs annually. Complementing these government efforts, other organizations are making significant contributions towards the success of youth engagement in agriculture. They include the MasterCard Foundation with its "Young Africa Works" activities and summit, the Food and Agriculture Organization of the United Nations (FAO) meeting on "Making sustainable agriculture a future for youth in Africa" held in July 2017; the African Development Bank's ENABLE Youth Program; and the World Bank's interventions.

Africa is the world's youngest continent with 600 million people, 65% of its population, aged below 25 years. While there has been strong economic growth averaging 5.03% between 2004 and 2014, this growth has not always been pro-poor, nor has it led to a commensurate increase in jobs. With the rising population of youth, 11 million of whom join the labor market each year, and job creation that cannot absorb this supply, Africa now faces the problem of a "double employment crisis" (Ameyaw & Maiga, 2015). The International Labour Organization (ILO) estimates that only 16 million of the 73 million jobs created in Africa between 2000 and 2008 were filled by youth. Seventy-two percent of youth in Africa are unemployed or vulnerably employed (Young Africa Works Report, 2017). Youth unemployment rates are double those of adult unemployment in most countries (African Economic Outlook, 2015). With an estimated 20% absorption into the formal job sector, the informal sector, which absorbs some sectors of agriculture, represent an immediate means to catalyze economic growth and employment for young people. The rising youth population is increasingly better educated, and there is an unprecedented opportunity for economic and social development if the talents of this generation are well utilized. Modernizing the agriculture sector ultimately leads to economic growth. By tapping into the abundant supply of youthful labor and growing food markets, and as the last continent with an abundant supply of underutilized land, sub-Saharan African countries have the opportunity to provide the right policy environment and make the necessary investments to unlock the earning potential of youths. At the Young Africa Works Summit in Rwanda, all young delegate speakers encouraged the delegates to trust Africa's youth and involve them in decision making. "We are 4 billion strong and we

are innovative, creative and energetic,” stated Francis Arinaitwe from Uganda, “It is time to stop thinking of us as beneficiaries but as participants” (The MasterCard Foundation, 2017).

The youth could also present a significant threat to social cohesion and political stability if sufficient economic and employment opportunities are unavailable. Youth unemployment is of critical concern in fragile states, where one in two youths joining rebel movements cite unemployment as the primary motivation (World Bank, 2011). Addressing this crisis is and should be a top priority for both African governments and global partners. Delays and failure to resolve the youth job crisis has led to an increase in crime rates and substance abuse, especially in urban centers, and political unrest in many African countries (e.g., Ethiopia in 2016); a growing base of vulnerable youth who are targets for radicalization to carry out acts of terror (e.g., Kenya); and globally, the increased illegal migration to wealthier nations where youth perceive they will have more opportunities for improved livelihoods.

Agriculture is the fastest and most stable industry in Africa contributing 30% to the GDP of many countries. With 70% of the population engaged in the sector, it has the potential to solve the youth unemployment crisis as well as to be transformed by the youth (Ameyaw & Maiga, 2015). The growing demand for food means that there is scope for the forces of supply to take advantage of a growing market. Global food prices are at their highest point in several decades and are expected to remain high for the foreseeable future. However, past efforts to accelerate agricultural growth and improve food security in Africa have been conceptually separated from job creation efforts for young people. Increasing young people’s opportunities for productive work in rural areas is the most important catalyst for Africa to reap its demographic dividend. If Africa is to raise agricultural productivity sufficiently to support overall growth and provide a remunerative livelihood for those working in the sector, it has to be profitable, competitive and dynamic. Utilizing the millions of youths with the various skill sets from finance, engineering, biology, business, and social sciences along the agriculture value chain will enable the nations to attain the SDGs.

Rejuvenating the agriculture sector requires all the skill sets:

- a. Finance—to unlock all types of finance available to the sector.
- b. Engineering—to ensure mechanization, electrification, and design of new pieces of equipment to modernize the sector and remove the drudgery associated with agricultural work.
- c. Agricultural sciences and biology—to solve genetic, agronomic, plant protection, and post-harvest problems.
- d. Social sciences—to understand different cultures, and design farmer participatory solutions that ensure adoption of technologies.

The SDGs, a set of goals adopted by countries to end poverty, protect the planet, and ensure prosperity for all were adopted in 2015 in New York. They embrace the need for economic development that leaves no one behind and give everyone a fair chance at leading a decent life. This strategy document tackles how to ensure the youth are not left behind but are engaged in agriculture. This is in line with the AGRA strategy and proposed approach to engage more youth in agriculture.

## Challenges and opportunities in attracting youth to agriculture

Although agriculture offers direct opportunities to gain immediate access to employment, it is increasingly passed over by youth due to the seasonality of economic gain (incomes for only the part of the year where crops are harvested and sold); the more rural nature of agriculture (youth are often drawn to urban centers in search of greater levels of culture and education among other things); low returns on time and input investments (especially in traditional agriculture); and the relative lack of skills gain that typically come from smallholder farming. In addition, secure land tenure is



not assured in many countries due to cultural issues. The lack of access to affordable credit and working capital hampers agricultural investments, and there is limited availability and access to appropriate productivity boosting technologies that include information and communication technologies (ICT) in the production and marketing of produce. Many education programs at both primary and secondary levels have disregarded agriculture as an examinable subject, resulting in apathy towards the sector. The neglect of the sector makes the transition from school to work difficult for learners yet it is the one sector with the capacity to productively engage all people, regardless of their backgrounds.


At the 2016 African Green Revolution Forum (AGRF) hosted by AGRA, a coalition of youth from across the continent presented a position paper to AGRA's president in which they corroborated that access to information, land, finance, and markets were the keys to attracting and retaining African youth in agriculture (AGRF Youth Position Paper to AGRA President, 2016). In addressing the financial risk of lending to youth, Andrew Youn of One Acre Fund stated that the perception that young people are a financing risk was a myth given that 99.5% of loans made to young people through One Acre Fund were repaid on time (Youn at the Young Africa Works Summit; The MasterCard Foundation, 2017). He noted that youth were their best clients: the youth were more likely to adopt modern farming practices and to position themselves as professional farmers.

An obvious solution to this situation is the stimulation of income generating rural enterprise options along the value chain that foster the energies and skills of youths all year round and enable them to interact with the cities and urban centers in some of their businesses. Rural enterprises along the value chain can include agro-dealerships that source inputs in advance of seasons; mechanization services for land preparation; spraying and harvesting; post-harvest handling; aggregation; agro-processing; and marketing of produce. The agribusinesses not only increase youth engagement but also can transform rural areas into places where reasonable livelihoods can be achieved. This solution offers benefits to urban areas as well, providing a wider assortment and a more reliable supply of food products. There are many promising pathways toward this end, but all entail reaching youth in ways that build their skills and offer incentives to be gainfully engaged within the rural areas.

The World Bank's 2014 publication, *Youth Employment in Sub-Saharan Africa*, presents four basic pathways to employment in agriculture that vary in their requirements for land, capital, and skills that can also be explored:

1. Full-time on an existing farm.
2. Full-time on a new holding that requires land, capital and high skills.
3. Part-time combined with household enterprise such as processing, trading, and sales of services.
4. Wage work on a family farm which requires no land and capital but some skills.





The Agrifood Youth Employment and Engagement Study (AgYees) conducted by Michigan State University in partnership with MasterCard Foundation in 2015 examined the potential of sub-Saharan Africa's agri-food systems to provide new jobs for unemployed, underemployed, and disadvantaged youth. It also identified the constraints affecting the capacity in Tanzania, Nigeria, and Rwanda. Two studies were conducted: "The strategic policy and fore sighting analyses" and "The agrifood landscape analysis" focusing on Rwanda and Tanzania. The agri-food landscape examined the economic, policy environment affecting youth engagement with the agri-food system; assessed the supply and demand for related workforce training and perceived gaps; and distilled best practices and lessons learned related to youth economic programming. The downstream report of the strategic policy and fore sighting analysis examined the structure of consumer demand for food, projected likely changes over the next 5 years and linked these consumption changes to changes in future employment.

The key findings of these studies include:

- a. Farming (own farms and hired) accounts for 43–48% of the labor force in Tanzania, 53% in Rwanda, and 34% in Nigeria. The proportion of the labor force in the off-farm segments of the agri-food system is about 8% in Rwanda, 17% in Tanzania, and 23% in Nigeria in terms of full-time equivalent (FTE).
- b. The potential role of the off-farm agri-food system in new employment varies across countries. This system will contribute between 18% and 22% of all new FTE jobs in Tanzania over the next 5 years; and accounts for 22–24% of jobs in Nigeria, but only 18% of FTE job growth (half that of farming) due to lack of exit from farming in that country.
- c. Land farm report (Yeboah & Jayne, 2018) showed that farming contributed 59%, 52%, and 33% of all new jobs created in the economies of Nigeria, Tanzania and Rwanda respectively. The off-farm agri-food system contributed 40%, 16%, and 11% of all new jobs in the three countries respectively. The off-farm sector outside the agri-food system accounted for 1%, 32%, and 57% of all new jobs of Nigeria, Tanzania and Rwanda respectively.
- d. Processing and or value addition working with food away from home should generate high quality jobs for youth in all three countries. This sector will be much larger in Nigeria and Tanzania, as it offers the most rapid and largest growth in demand of any type of food and offers the most rapid growth in output per worker in each country.

This report highlights the potential for employment in farm and non-farm sectors of agriculture in Africa and the fact that Africa's economic and social development agenda can be fully realized if youth are mobilized, incentivized, energized, and equipped for agricultural transformation. Africa needs to up-skill the youth and create the right socio-economic conditions to achieve the accelerated economic growth through agriculture that characterizes achievement of the demographic dividend (Ngugi & Mwamakamba, 2015). Effective youth-oriented policies and innovative development strategies are needed to tap the energy of the young labor force and channel it productively into agriculture. The youth should also be included in decision-making processes, especially those that focus on resolving policy constraints to their involvement in agriculture.

Youth have higher literacy rates, greater understanding of information and communication tools and increased appreciation of value addition compared to the older generation. Indeed, the youth represent an enormous opportunity for Africa: they bring energy and vitality to rural communities but reaping such a demographic dividend requires skills and opportunities for gainful employment and income generation. The youth if incentivized can come up with innovations that can remove the supposed drudgery of the production sector of agriculture. This strategy document draws on AGRA's lessons learned and insights into youth in agriculture gained through the extensive research done in 2015 culminating in the African Agriculture Status Report entitled *Youth in Agriculture in Sub-Saharan Africa 2015* (AGRA, 2015).



## AGRA's proposed interventions for youth

AGRA recognizes that approaches to raising lasting opportunities for rural youth must be based on improving farm productivity, strengthening agricultural value chains, and engagement in value-added processing. For agriculture to be attractive to the youth, significant investments must be made in agricultural education at all levels, including rebranding away from the belief that it is for people who cannot make a livelihood elsewhere. It should be positioned as the new unexplored frontier for business opportunities. Agricultural innovations must be supported; market and rural infrastructure must be improved; and the business environments must be strengthened in ways that raise incomes and expand agriculture value chains. Due to their ability to adapt to new methodologies and technologies young people have a vital role to play in modernizing and therefore transforming the agriculture sector. Innovations in ICT are further contributing to advancing value chains and providing new employment opportunities for the youth.

AGRA proposes a suite of proven innovations and technologies to address some of the challenges and to maximize the available opportunities for the large youth population. Young people can now be encountered at various points along the value chain depending on their interests, education and available opportunities and believe that we can intervene in the following ways:

- Increase and improve the capacity of youth to profitably engage in activities along the agriculture value chain through a multi-pronged approach including basic agribusiness training, an intensive agribusiness entrepreneurship program; and a multi-track vocational education program.
- Improve youth employment and business opportunities along the agriculture value chain by building strong businesses in inputs (seed, fertilizers, and agro-chemicals); mechanization (planting, spraying, and harvesting); output (aggregation, value addition and processing, marketing, and finance and access to credit).
- Increase smallholder farm productivity through irrigation and water management and improve access to markets and financial services through ICT, mechanization, and other services. This will engage youth all year round and enable them to grow a combination of cash and food crops.
- Improve the policy environment for youth participation in agriculture and agribusiness.
- Set up a special fund facility to support youth entrepreneurs such as the credit guarantee schemes to de-risk lending to youth.

AGRA proposes to set up service centers operated by youth in rural areas that link up demand for various goods that include inputs and mechanization services, land preparation, spraying and harvesting, finance, access to credit, extension and knowledge, markets supplied from smallholder farmers' agribusinesses, and employment opportunities. Young people will work with extension services and research centers to identify the appropriate inputs for their regions. This will ensure efficient planning to enable agro-dealer shops to stock seed, fertilizer, and crop protection products to meet local demand. Trained youth can serve as private sector extension workers (village-based extension workers) or work for agro-input companies. They can also determine the demand for inputs and feed this back to agro-input companies and agro-dealers in the region thereby identifying markets for them and linking farmers to markets at a fee. The service centers will be linked to training facilities for several short courses along the value chain to build the capacities of the youth that include extension services, agronomy, agribusiness, post-harvest technologies, processing, marketing and ethics, discipline, and integrity. The critical needs and focus areas for training and skills development for youth will also include entrepreneurship and financial literacy, ICT in agriculture, and value chain methodology and approaches. The youth can be facilitated to start agribusinesses, including agro-dealer shops, transport companies, among others, in the identified gaps in their regions. The centers will also provide a nurturing and mentoring service by people in the businesses the youth get engaged with to build capacity and network them. A career center that links youths to opportunities for employment will also be part of the service center where the trained youth will be the flagship of this program.

The program will learn from and scale other initiatives such as the FAO and NEPAD youth capacity building and empowerment programs.

The proposed scheme is shown in Figure 1. The service centers will have a certified portfolio of small and medium enterprise (SMEs) and service providers linked to them, and farmers working with AGRA who will receive grants, capacity building sessions, business development services, and technical backstopping. AGRA will provide integrated grants for youth to start seed, fertilizer, grain aggregation, and marketing SMEs; build the technical and operational capacity of the SMEs to provide quality products and services profitably; and link them to credit and other financial services for sustainability. This will modernize the agriculture sector, making it more profitable, and provide employment for the youth. The centers will be run as businesses and, to promote their sustainability, they will charge fees for the services they provide to one another as well as to smallholder farmers. The key success factors for these interventions are highlighted in Figure 1.

AGRA can intervene on youth initiatives at the service centers or independently in any of the activities described in the following section where it already has comparative advantage.

## A. Government Engagement and Policy

AGRA works with both public and private sector stakeholders to engage in policy development with governments. The youth will be included to ensure that governments set up effective youth-centered policies that favor partnerships with them in various stages of the value chains. Governments could develop youth flagship programs to drive the sectors led by the youth and intervene to crowd-source resources.

### AGRA is proposing a model to create virtual youth centres that leverage ICT and mobile platforms to create employment and market platform

#### Inputs into the model:

- Short term training programs – working with TVETS and universities
- Business development services including mentorship
- Development of ICT platforms/leverage community forums including database development and management for employable youth and youth owned enterprises (from youth trained and businesses developed)
- Partnerships for career development/placement services
- Partnerships for innovative finance/enterprise financing e.g. through youth focused challenge funds, financial service providers, government youth funds etc

#### Key factors for engagement:

- Strong project oversight and strategic direction
- Effective identification and training of youth to build strong database
- Strong partnerships especially with large agribusinesses to employ and mentor youth
- Links to supporting industries e.g. hospitality to build markets
- Training/mentoring to instill values in addition to skills
- Robust ICT platform to efficiently coordinate supply and demand and manage database
- Quality control- including feedback loops that allow users of services to rate individuals and businesses
- Effective communications campaign to popularize and scale the concept

#### Agriculture youth employment placement and market linkage approach



#### Outputs from the model

- Increased number of skilled youth gainfully engaged in the agricultural sector
- New and strengthened youth owned enterprises/agri-businesses e.g. in mechanization, value-addition, hospitality
- Increased access to finance for youth
- Development of innovative ICT platforms – for market linkages and employment placement

**Figure 1: Proposed service centers: model managed by youth model and key success factors**





## B. Inputs and output markets

- a. Seed systems—AGRA worked with partners to build functional seed systems in 13 countries. Several of these are owned and/or managed by youth and employ young people. An example of a youth entrepreneur is Mr. Tony Okello, owner and managing director of Equator Seed Company in Uganda, who previously worked for another seed company in the same country for 5 years. He established his company in 2012 and expanded it into one of the big four local companies in Uganda with support from AGRA. In 2015 alone, the company produced 10,000 MT of seed. Equator Seed Company currently engages 3,000 seed out-growers, most of them youth. The company currently employs 27 staff and 50 on-call staff, 60% of whom are youth. Seed is sold through 125 agents of whom 40% are youth.
- b. Agro-dealers—AGRA has trained about 25,000 agro-dealers across 13 countries over the last 6 years, of whom 8,000 are youth. Agro-dealers also serve as aggregators of farm produce, offering a lifeline to farmers who used to lose close to 20% of the produce to poor post-harvest management practices. Youth are capable of easily running this business effectively as they possess the dynamism and energy required to reach many more farmers. More youth could be trained in agro-dealer development and management. They could also be facilitated to start SMEs that provide inputs to various areas with identified gaps.
- c. Other SMEs involved in the agriculture value chains—AGRA has invested heavily in developing the capacity of SMEs along key crop value chains with over 600 personnel funded for training. Agricultural enterprises are indeed the “low hanging fruit” that attract youth to be engaged and employed within various agricultural value chains. These services range from the provision of mechanization services, threshing to aggregation, processing, and value addition. AGRA provides training and skills enhancement in leadership and business management to youth. Some youth have carved out a niche for themselves in this field by buying machinery for hire. For example, in Mbeya and Iringa regions in Tanzania, they own hand tractors, maize shellers, rice threshers and harvesters that they haul around villages on motorcycles or pick-up trucks to offer services to farmers at a fee.

## C. Out-grower schemes

Established farmer organizations that provide demand for inputs and supply segments of cities and other agro-industries with produce are a good fit for youth engagement. Some of the youth are placed in the companies to receive mentorship and technical knowledge, eventually venturing out to establish their own out-grower production systems. AGRA has engaged commercial farmers in Ghana, Malawi, and Mozambique to develop out-grower schemes that engage the youth. AGRA's ongoing work supporting the development of these out-grower schemes has demonstrated that many more youth can be involved, as there is a ready market for the produce and other services such as transport.

## D. ICT solutions for agriculture

These include digital financial solutions such as the ones conducted through the “Financial Inclusion for Smallholder Farmers in Africa Project” (FISFAP) and digital extension. Young people are excited about this area and AGRA can engage hundreds of thousands of them to deepen value chains and make agriculture more profitable. AGRA is supporting the development and deployment of ICT applications to improve input and output markets through its mFarms application in 17 countries.





## E. Capacity Building

Training youth in order to build capacity exposes them to the development and scaling out of technologies in agriculture. Scaling them to farmers could be exciting segments of the value chain for the youth. AGRA recognizes that transforming agriculture into a highly productive and sustainable system requires strong human and institutional capacities hence, AGRA's capacity building initiatives take a holistic approach at different levels—individual, institutional, and infrastructure. At the individual level, AGRA's education and training initiatives support mentorship and grants for post-graduate training (MSc and PhD), vocational training for extension agents, seed companies, laboratory technicians, agro-dealers and farmers. AGRA could conduct training of trainers for youth that could form private sector extension with the energy to seek out, demonstrate and market new technologies to smallholder farmers. The capacity building initiatives will include building into them a standard of excellence and discipline, and a culture of service.

## F. Innovative Finance

AGRA has also developed innovative financing models of funding for SMEs and farmers in rural areas, some of which do not require collateral. These mechanisms include credit guarantees, risk sharing facilities, and matching grants, among others. AGRA's partners, in particular the Africa Enterprise Challenge Fund (AECF) and the Africa Fertilizer Agribusiness Partnership (AFAP) have advanced the use of these facilities to grow seed companies, fertilizer companies, SMEs, and agro-dealers. Farmers and their associations have also benefited through various value chains. These could be rolled out to youth to develop agricultural enterprises that serve in the production and marketing of produce. As stated before, One Acre Fund reported that most youth repay loans (Youn 2017 Young Africa Works Summit Report, February 2017, Kigali, Rwanda). A credit guarantee would be ideal for hedging large matching grants for such schemes.

## Concluding Remarks

Equipping the youth with the right knowledge and the means required to engage in the agriculture sector while providing a conducive environment for them to participate will be critical to driving a more productive and modern agriculture sector in Africa. These activities will reduce the numbers of youth who are currently frustrated, idle, and prone to engaging in radicalization and criminal activities.

The youth strategy will be implemented hand in hand with the other AGRA strategies on seed systems development, fertilizer supply, extension, capacity building, input distribution and output markets.

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