

## The Role of Extension and Advisory Services in Agricultural Value Chain Development

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### SUMMARY

Achieving optimum development of the agricultural value chain in developing countries is a principal component of the quest to achieve global food security. Increased productivity, sustainability and profitability brought about by value addition is one of the ways to drive the attainment of this goal. Agricultural extension and advisory services, a system of making knowledge, technologies, and advice available to farmers, is indispensable in this regard, as it encompasses the dissemination of information and skills through various methods and channels. This article details the role of the discipline to the development of agricultural value chains.

### INTRODUCTION

Agriculture is an important sector of the Nigerian economy with high potentials for employment generation, food security and poverty reduction (Obiora and Emodi, 2013). Some of these potentials have however remained unrealized due to a combination of factors such as unstable government policy, development of a mono-product economy and lack of sincerity and commitment to the wholesome development of the agricultural sector. Another often overlooked cause of unrealized potentials in agriculture is inadequate maximization of opportunities by farmers and value chain actors. A strict adherence to age-long practices and traditional ways of carrying out farm activities as ensured that farmers have been unable to take advantage of opportunities provided by shifts in the marketplace. The value chain describes the complete and full range of activities that firms and workers carry out to bring a product from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution and support to the final consumer. The activities that comprise a value chain can be contained within a single firm or divided among different firms. Value chain activities can produce goods or services and be contained within a single geographical location or spread over many areas. The value chain on a farm will typically involve pre-production activities such as seed acquisition, land clearing; production activities such as planting, weeding, fertilizer application, harvesting and post-production activities such as storage, marketing, transportation, processing and packaging. In most farms in rural Nigeria, the farmer and his family members are usually responsible for all value chain activities. However, not all the possible value chain activities are undertaken on smallholder farms e.g. processing and packaging. As a result, goods put up for sale in markets by farmers are limited in value and consequently command lower prices. Agricultural extension is a service or system which assists farm people through educational procedures to improve farming methods and techniques, increase production efficiency and income, better their levels of living and to lift the social and educational standards of rural life. Both in theory and practice, agricultural extension is concerned with informing and adequately equipping rural dwellers, majority of whom are farmers, with the knowledge, skills set and resources required by them to maximize opportunities in their milieu. To resolve the dilemma of underdevelopment in the agricultural sector, it is obvious that the contributions of agricultural extension and advisory services cannot be overlooked. If there is going to be a paradigm shift in the current trend, farmers need to be educated and orientated on how to bring about the much needed change and this in itself is hinged on agricultural extension.

### The Value Chain

The term *value chain* was first used by Porter (1980). He defined value chain as a representation of a firm's value-adding activities, based on its pricing strategy and cost structure. Kaplinsky (2000) defined the value chain as the full range of activities which are required to bring a product or service from conception, through the intermediary phases of production, delivery to final consumers, and final disposal after use. Correspondingly, the value chain can also be explained as the sequence of value-adding activities, from production to consumption, through processing and commercialization. It is the whole series of operations, from production of inputs to cultivation, post-processing, distribution and marketing, until the product reaches the end user - the consumer. Value is added at each stage, and the different stages maybe undertaken by different operators - including the

farmer, labourer and the rice miller. They can be thought of as a “farm-to-fork” set of inputs, processes and flows (Miller and da Silva, 2007). A value chain is therefore an alliance of activities proceeding vertically to achieve a more rewarding position in the market. Vertically proceeding activities means that the activities are connected from one end of the process from production through processing, and feasibly into the final marketing stages where consumers purchase a finished product. The value of the final product increases at each stage of the process.

### **Value Addition**

This is a means of describing the way that agribusinesses tend to generate additional benefits or values during the course of their usual operation. It refers to the series of activities that can be undertaken to improve the quality of a commodity. The value chain addition transcends what happens on the farm, indeed it commences with research questions put forth by scientists. Some of the benefits of value addition include increased farm level incomes, diversity of incomes, improved productivity of inputs and reduction in cost of production, and improved skill on the part of farmers.

### **The Need for Value Chain addition**

For many years now, the focus of agricultural development initiatives aimed at improving living standards of farming households in rural areas has been to increase the production activities of farmers and their overall productivity. In spite of these huge and commendable efforts by both local and international agencies alike, the problems of low farmer income and a generally poor standard of living persists. This suggests that the problem of smallholder farmers may no longer be the need to just increase the quantity of produce, but the need to improve the quality of what the farmer brings to the marketplace. There has risen a necessity for farmers to produce to meet specific market demands. In the same vein, the need to improve the overall system efficiency on farms by maximizing opportunities to lower farm production costs while increasing profit has ensured that it is no longer enough for farmers to just produce and sell to consumers or middlemen. The demand for differentiation of products for the marketplace has also made it pertinent for farmers to undertake more value adding activities. Simply put, the farmer must now assume more responsibilities in his venture.

### **The Role of Agricultural Extension**

A major role of agricultural extension in developing countries has been to disseminate technologies generated by universities and public sector research organizations through appropriate dissemination strategies such as demonstrations, field visits, farmers’ meetings, use of media etc. However, for farmers to successfully assume value addition responsibilities on their farms, their knowledge and skill set must undergo some form of upgrading. Upgrading is a key concept that refers to the acquisition of technological capabilities and market linkages that will enable the farmers to improve competitiveness and move into higher value activities (USAID, 2011). Upgrading can involve improvements in quality and product design, access to new markets, and diversification. Agricultural extension as a field of study is exceptionally well-positioned to facilitate and support the acquisition of needed value addition skills by farmers. Through liaison between researchers and field extension agents, the needed change in the activities of farmers can be pushed through. Improved production technologies, value addition technologies, association and cooperative development and management, marketing and linkages to buyers and integrated pest management are some of the areas smallholder farmers stand to benefit if avenues for teaching and learning are properly harnessed in rural areas.

### **CONCLUSION**

Value chains are important for agricultural systems because of the multifaceted ways it serves to improve rural livelihoods. The significance of extension and advisory services to the development of agricultural value chains cannot be overemphasized as it plays a crucial role in the training of actors across the value chain to improve farming methods, increase production, and overall standard of living. By assisting diverse clientele to effectively harness the benefits of value addition such as increased income, product differentiation, and improved livelihoods, extension and advisory services plays an indispensable role in the drive towards global food security and agricultural development.

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