

# **Challenges Facing Agribusiness Entrepreneurs in East Africa: A Comparative Study**

**By**

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The study focused on examining, understanding and comparing the challenges faced by agribusiness entrepreneurs in East Africa. The specific objectives were to identify sub-sectors in which entrepreneurs engaged in, challenges faced by entrepreneurs in trade policies, business plan development, financing, linkages and in sourcing from smallholder suppliers, and comparing the challenges across the three East African countries. It involved 41 respondents who own and operate different agribusiness sub-sectors under the AAA platform. Data were collected using structured electronic word template questionnaire. Secondary data from AAA back office DAES-SUA supplemented the questionnaires. Data analysis involved descriptive statistics where cross-tabulations were run to compare the challenges across EA countries. The results showed that African Agribusiness Academy entrepreneurs are organised in different sub-sectors and they face a number of challenges which hinder their business development. Opportunities and challenges posed by common tariffs for cross-border trade, import and export policy, and other business priority policies are not equally understood. Though they understand the importance of business planning as the key strategy for business success, they are not aware of the very pertinent information resulting from thorough business environment scanning, market analysis, and other business feasibility analyses used in developing a sellable business plan. Moreover, they are unfamiliar with business planning toolkits and costs of developing a toolkit were found to be high in Kenya. Banks are the most favourable commercial provider and donor funds and co-funding windows are recommended as alternative financing sources. Entrepreneurs also face a challenge of breach of contract and they prefer negotiations/ mutual discussion in settling down disputes. AAA Academy's contribution in delineating the challenges has been through the provision of training, linkages, learning networks, and creation of resource centre to the emerging entrepreneurs. Government's efforts have been through partnerships. It is recommended that regional agribusiness systems to be instituted which will include but not limited to analysis, forecasting and planning, global market prospecting and promoting, knowledge generation and diffusion, regulation, and legislation, financing support, infrastructure and environmental control activities.