

# **Youth Engagement in Agribusiness Sector in Sri Lanka**

## **Challenges, Best Practices, and Policy Recommendations**

### **Executive Summary**

This study examines youth engagement in Sri Lanka's agribusiness sector using survey data from Youth Entrepreneur Development (YED) participants (n=370), 4P Value Chain participants (n=173), and Outside Youth (n=175), combined with insights from stakeholder workshops, focus group discussions, and key informant interviews. The findings provide evidence on youth interest, structural barriers, entrepreneurial capacity, technology adoption, and climate resilience practices in agribusiness.

The results show that youth interest in agribusiness is relatively high, with over 72% expressing interest in pursuing agribusiness as a career. Program participation also appears to improve economic engagement. For example, 85.4% of YED participants are engaged in agribusiness as their primary employment, compared to 67.6% of 4P youth and 49.1% of outside youth. Similarly, business formalization is significantly higher among program participants, with 54.3% of YED and 57.2% of 4P youth registering their businesses, compared to only 8% of outside youth.

Despite this strong interest, young people face several significant challenges when entering the agribusiness sector. Lack of capital is the most critical barrier, reported by 50.1% of respondents, followed by limited market access (20.4%), competition (13.3%), and lack of technical knowledge (11.5%). Access to technology is also constrained by limited training (49.9%) and high costs (34.4%), although youth generally demonstrate strong willingness to adopt new technologies. More than 75% of respondents already use some form of modern technology, and 84.4% are aware of modern agricultural technologies.

Attitudinal findings indicate that youth recognize the national importance of agribusiness, with over 90% stating that agribusiness is very important for Sri Lanka's economy. However, perceptions of social status remain relatively low, suggesting that agribusiness is still viewed by many young people as a low-prestige occupation. This perception gap represents an important psychological barrier to youth participation.

Climate change also emerges as a critical concern. More than 81% of youth reported being very concerned about climate change, and over 91% have directly experienced climate-related impacts on their agricultural activities. In response, youth are adopting practical adaptation strategies such as climate-resilient crop varieties (44.7%), improved irrigation systems (27.7%), and sustainable farming practices (24.3%).

Program participants, particularly those involved in YED and 4P initiatives, demonstrate stronger entrepreneurial capacity and climate resilience practices. Compared with outside youth, they show higher technology adoption, stronger business formalization, greater irrigation use, and better awareness of climate-related risks. These findings suggest that structured youth agribusiness programs significantly strengthen youth participation and resilience in the sector.

The study highlights that youth in Sri Lanka have strong interest and potential in agribusiness, but structural barriers related to finance, land access, market linkages, and training continue to limit their full participation. Strengthening youth-focused policies, expanding successful program models, and improving institutional coordination can play a key role in transforming agribusiness into a more attractive and sustainable career path for young people.

## **Policy Recommendations**

To strengthen youth engagement in agribusiness, several policy actions are recommended:

1. **Expand Youth-Friendly Financial Programs**  
Introduce low-interest loans, flexible repayment schedules, and grant programs specifically designed for young agripreneurs.
2. **Improve Access to Land**  
Develop youth land leasing programs and cooperative farming models to provide secure land access for young farmers.
3. **Strengthen Training and Capacity Building**  
Establish practical agribusiness training programs focusing on business planning, financial management, marketing, and digital agriculture.
4. **Promote Technology Adoption**  
Provide subsidies and financing for irrigation systems, digital tools, and climate-smart technologies, along with technical support services.
5. **Improve Market Access**  
Develop regional collection centers, digital price information systems, and contract farming frameworks to stabilize markets and reduce price risks.
6. **Strengthen Institutional Coordination**  
Establish a national youth agribusiness coordination platform linking government agencies, financial institutions, private sector actors, and youth organizations.
7. **Improve the Image of Agribusiness**  
Promote agribusiness as a modern and profitable career path through education programs, media campaigns, and success stories of young entrepreneurs.

The findings suggest that supportive policies, targeted training, and improved financial access can significantly increase youth participation in agribusiness, contributing to rural development, employment generation, and agricultural sustainability in Sri Lanka.

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## 1. Introduction

Agribusiness development has long been utilized as a key strategy for economic growth in both developed and developing nations. Historically, decision making has followed a top down approach, where external experts directing policies without adequately considering local community needs (Chambers, 2017). While such centralized strategies may accelerate short term development, they often fail to produce sustainability (Mansuri & Rao, 2013). In response, governments and international development organizations have increasingly shifted from top-down models criticizing for their inflexibility and exclusion of local voices toward participatory approaches that prioritize community engagement in policy formulation and project implementation (Cooke & Kothari, 2001).

Stakeholder participation is now widely regarded as essential for effective community development, as it ensures that decisions align with the diverse needs of those directly impacted (Reed et al., 2009). Agribusiness, as an interconnected sector, involves multiple actors across the value chain, including farmers, government agencies, buyers, brokers, retailers, suppliers, and development partners (World Bank, 2021). Given this multi stakeholder nature, a participatory and inclusive approach is crucial for fostering equitable and sustainable agribusiness growth. By incorporating the perspectives of all key players, this method enhances collaboration, minimizes conflicts, and strengthens long term development outcomes.

Agribusiness refers to the collection of various business activities and operations involved in the production, processing, and distribution of agricultural products. It encompasses the entire agricultural value chain, including input suppliers, farmers, processors, distributors, wholesalers, and retailers, all working to bring agricultural products from farm to table.

The term agribusiness was first popularized by Davis and Goldberg (1957) in their seminal work, *A Concept of Agribusiness*, which defined it as the total of all operations involved in the manufacture and distribution of farm supplies, production operations on the farm, and the storage, processing, and distribution of farm commodities and items made from them. This definition underscored the interconnected nature of agricultural systems, highlighting how farming is only one part of a larger, integrated process.

Over time, the definition of agribusiness has evolved to reflect changes in technology, globalization, and market dynamics. According to Beierlein, Schneeberger, and Osburn (2008), agribusiness now includes not only traditional agricultural activities but also the increasingly important services and technologies that support agribusiness, such as biotechnology, agritech startups, and digital marketing tools. This modern perspective positions agribusiness as a multidisciplinary field that combines agribusiness, economics, management, and technological innovation.

Agribusiness typically involves three major sectors, Input Supply Sector: This includes businesses that provide seeds, fertilizers, agrochemicals, machinery, irrigation technologies, and financial services. These inputs are critical for enhancing agricultural productivity and sustainability (FAO, 2017). Farm Production Sector: This is the core of agribusiness, involving the actual cultivation of crops and rearing of animals. It includes both subsistence and commercial farming and often determines the quality and volume of agricultural outputs. Processing and Marketing Sector: This sector adds value to raw agricultural products through processing, packaging, branding, and distribution. It also involves marketing strategies that ensure products reach appropriate consumer markets, both domestically and internationally (Kotler & Armstrong, 2014).

Agribusiness is a dynamic and comprehensive field that goes far beyond farming. It encapsulates a network of economic activities that connect input suppliers, farmers, processors, marketers, and consumers in a global chain of food production and distribution. As the world faces increasing pressures related to food security, sustainability, and economic inequality, strengthening agribusiness, especially in developing economies offers a pathway to inclusive growth and resilience.

## **2. Overview of SAPP, YED, and 4P Interventions in Sri Lanka**

To address structural challenges faced by smallholder farmers and rural youth in agribusiness, the Government of Sri Lanka, with the support of the International Fund for Agricultural Development (IFAD), implemented the Smallholder Agribusiness Partnerships Programme (SAPP). The programme was designed to enhance the competitiveness and market participation of smallholder farmers while creating inclusive business opportunities for rural youth. SAPP was implemented as a national development initiative aimed at strengthening agricultural value chains, improving rural incomes, and promoting sustainable agribusiness practices (International Fund for Agricultural Development (IFAD), 2017; IFAD, 2020).

A central feature of SAPP is the introduction of the Public, Private, Producer Partnership model (commonly referred to as 4Ps). This model integrates four key actors: public institutions, private sector companies, producer organizations, and financial institutions. The primary objective of the 4Ps approach is to establish mutually beneficial partnerships that link smallholder farmers directly with structured markets while ensuring access to inputs, technology, finance, and technical knowledge. Through these collaborative partnerships, smallholders can integrate into organized value chains and benefit from improved productivity, stable market arrangements, and enhanced bargaining power (IFAD, 2017; World Bank, 2017).

Within this broader programme framework, the Youth Entrepreneurship Development Programme (YED) was introduced as a targeted intervention aimed at increasing youth participation in agribusiness. The YED component focuses on identifying and supporting young entrepreneurs in rural areas by providing training, mentorship, financial facilitation, and opportunities to engage in agribusiness value chains. The programme seeks to transform agriculture from a traditional subsistence activity into a viable and attractive entrepreneurial sector for young people, thereby addressing the declining youth interest in agriculture (International Labour Organization, 2020; IFAD, 2020).

The implementation of SAPP spans several years and involves collaboration among government agencies, private agribusiness firms, financial institutions, and farmer organizations across multiple districts in Sri Lanka. Through the integration of the 4Ps partnership framework and the YED initiative, the programme has facilitated stronger market linkages, enhanced the capacity of producer organizations, improved youth entrepreneurship skills, and increased the participation of smallholder farmers in structured agribusiness value chains (IFAD, 2020; World Bank, 2021).

Key outputs of these interventions include the establishment of formal partnerships between producers and private sector buyers, improved access to training and financial services for rural youth entrepreneurs, the development of agribusiness value chains, and enhanced income opportunities for participating smallholder farmers. Collectively, these initiatives aim to promote sustainable rural transformation, increase youth engagement in agribusiness, and strengthen the overall competitiveness of Sri Lanka's agribusiness sector (IFAD, 2018; FAO, 2019).

## **Policy Context and Rationale**

Improving markets, value chains and the systems that support them work better for the community has become a central aim of many donors, governments, and non governmental organizations (NGOs) (Elliott, 2008; Heinrich, 2013).

Agricultural sector in Sri Lanka, smallholder farmers play a pivotal role. Approximately 1.65 million smallholder farmers operate on average less than 2 hectares of land and contribute about 80% of the country's total annual food production (World Bank, 2021). However, the access to finance, well-structured markets, advanced technology, and technical knowledge for smallholder communities in agribusinesses were lacking in the context. Hence, the majority of smallholder farmers continued to sell their excess production to local markets due to limited accessibility of well-structured markets or being unable to access available structured markets (International Fund for Agricultural Development, 2020). Sri Lankan government has practiced various community development models to empower rural farmers throughout history (World Bank, 2017). However, it is under debate whether these models are succeeded in achieving the targeted goals (International Fund for Agricultural Development, 2020).

The programs conducted by the government to develop the smallholder agribusinesses could not achieve expected results. The government introduced contract farming out grower schemes which use as the common business model by small agribusiness holders in Sri Lanka, are mainly focused on predetermined value chains, purchase commitments, and supply inputs against cost recovery upon delivery of harvest (International Fund for Agricultural Development, 2020). Smallholder farmers receive low returns on their produce in supply chains that are dominated by global corporations (International Finance Corporation, 2018). Moreover, weak linkages among value chain partners and violations of promises on buyers and sellers discourage small farm holders (International Fund for Agricultural Development, 2020). Moreover, the partnerships that were introduced through contract farming were not successful in achieving the root causes of poverty among the farming communities, even though those may increase the income of the participating smallholders to some extent (Senevirathna, 2018). Hence, building fairer trading models, improving their negotiating power, and building direct business partnerships are required. Better access to markets, subsidies for inputs such as fuel, seed, and machinery, and the opportunity for smallholder farmers to secure land rights are still lacking in Sri Lankan agribusiness. In access to finance, credit for smallholder farmers is often unaffordable making it difficult for them to buy inputs, technologies, or diversify their crop base (Priyanath & Premaratne, 2014). Further, increasing sustainable practice and helping smallholder farmers to adapt to the demands of climate change will require investment in training and adaptive technologies. Moreover, the allocation from the budget to agriculture in developing countries around 5% of their national budgets and the international aid for improving their agribusiness were far below (Food and Agriculture Organization of the United Nations, 2016). Women farmers are often disempowered and isolated but they produce 80% of food in most developing countries (Food and Agriculture Organization of the United Nations, 2011).

With the handful of knowledge and experiences learned from different types of partnerships, the Government of Sri Lanka with the assistance of IFAD, introduced public private producer partnerships (4Ps) for small agribusiness holders as a broader and more holistic approach to generate a sustainable rural transformation and livelihood development (IFAD, 2018; International Fund for Agricultural Development, 2020).

National Agribusiness Development Programme has intervened in maximizing the competitiveness of smallholders through developing a unique 4Ps prototype in the Sri Lankan

context by linking smallholders also into value chains and to generate impact to the scale (International Fund for Agricultural Development, 2016).

Due to a number of significant issues, such as unstable markets, low social recognition of the industry, and restricted access to financial resources, youth involvement in Sri Lankan agribusiness is declining. Due to the dangers and financial uncertainties associated with crop production, market instability, natural disasters, and price fluctuations discourage young people from pursuing careers in agriculture (World Bank, 2018). A further factor in agriculture's unfavorable social impression is that it is frequently viewed as an ugly and labour-intensive occupation (FAO, 2019). Young people's engagement in agriculture is further restricted by the difficulty in obtaining credit and financial services, which makes it challenging for young business owners to finance agricultural endeavors (ILO, 2020). To engage young people in agriculture and ensure the sector's sustainability in the future, these issues must be addressed.

### **3. Objectives**

- Identify and address the challenges, difficulties and bottle necks faced by youth when entering in to the Agriculture and Agri business sector
- Secure and retain the existing youth in the sector
- Explore possibilities to overcome the identified challenges
- Identify and highlight best practices
- Recommend remedial measures to overcome the issues identified

### **4. Methodology: Sampling Methods**

This study examines youth engagement in Sri Lanka's agribusiness sector using survey data collected from three groups of young agripreneurs: Youth Entrepreneur Development (YED) participants (n = 370), 4P Value Chain participants (n = 173), and Outside Youth (n = 175). The quantitative survey was supported by qualitative insights gathered through stakeholder workshops, focus group discussions, case studies, and key informant interviews, allowing for a comprehensive understanding of youth participation in agribusiness.

For the Youth Entrepreneur Development (YED) group, a stratified sampling approach was employed. The sample of 370 youth farmers was drawn from a known population of 3,508 youth farmers distributed across the 25 districts in Sri Lanka. The sample was proportionally allocated according to the number of youth farmers in each district, ensuring adequate geographic representation and minimizing regional bias.

For the 4P Value Chain youth group, a total of 173 respondents were selected from among youth participating in agribusiness value chains supported through public, private, producer partnership initiatives. The selection aimed to capture participants from diverse agribusiness activities and regions, where these partnerships were actively implemented.

The Outside Youth group (n = 175) consisted of young individuals engaged in farming or agribusiness activities but not directly affiliated with the SAPP Programme. As no formal database exists for such youth agripreneurs, snowball sampling was used to identify respondents. Initial contacts were obtained through agricultural extension officers, youth leaders, and local farmer organizations in selected districts. To minimize potential bias associated with snowball sampling, recruitment was initiated from multiple entry points across different districts, ensuring diversity in age, gender, and the type of agribusiness activity.

The decision to include and analyze these three distinct groups was intended to provide a holistic picture of youth engagement in agribusiness in Sri Lanka. By combining program participants and non-participants, the study enables comparisons of experiences, barriers, and

opportunities across different levels of program exposure. The survey data were initially analyzed separately for each group and later can be integrated to identify broader patterns and policy-relevant insights. This approach is consistent with mixed-methods practices in policy-oriented research, enabling both group-specific analysis and the development of more generalizable recommendations.

## **5. Stakeholder Workshops, Case Studies, and Key Informant Interviews**

Key stakeholders, including government officials, private sector representatives, farmer organizations, and youth participants, took part in six (06) regional stakeholder workshops. These workshops facilitated discussions on the opportunities and challenges faced by young people engaged in agribusiness across different regions. In addition, five (05) key informant interviews were conducted with selected experts and practitioners in agribusiness and youth development. These interviews provided deeper perspectives on policy gaps, institutional support mechanisms, and potential strategies to strengthen youth participation in agribusiness. Furthermore, three (03) case studies of youth-led agribusiness initiatives were undertaken to document practical experiences, success factors, and challenges faced by young agripreneurs.

## **6. Data Analysis**

Data were analyzed using both quantitative and qualitative methods to identify important trends, patterns, and connections. The qualitative responses from workshops and interviews were processed and categorized for thematic analysis, while the questionnaire data underwent statistical analysis. The final recommendations were grounded in both empirical evidence and practical experiences; thanks to this multifaceted approach

## **7. Literature Review**

### **7.1 Youth Demographic Profile**

Sri Lanka's youth population (aged 15-29) constitutes approximately 23.2% of the total population (Department of Census and Statistics, 2021). Despite their significant presence, youth engagement in agribusiness remains low due to socio-economic, educational, and structural challenges. Sri Lanka maintains a relatively high literacy rate of 95.7%, though this varies by sector, with the estate sector reporting only 86.1% literacy (Department of Census and Statistics, 2022). In terms of educational attainment, 17.0% of individuals aged five and above have passed the G.C.E. Ordinary Level, and 12.3% have completed the G.C.E. Advanced Level, yet only 2.7% possess higher education qualifications. However, agricultural education remains underprioritized, with only 5% of vocational training institutes offering agribusiness-related courses (Ministry of Education, 2023). Many rural youth lack access to modern agricultural training, limiting their ability to adopt innovative farming techniques (Rathnayake, et al., 2021). Despite these achievements, a growing disconnect exists between academic credentials and employability, particularly among youth with university degrees (YouLead, 2017).

Surveys reveal that a significant proportion of Sri Lankan youth aspire to work in government jobs, which are perceived as secure and respectable (Verité Research, 2020). However, the limited availability of public sector positions has led to increased competition and unmet aspirations. Moreover, there is a notable disinterest among youth toward agribusiness and related sectors, often seen as outdated or low-income career options. This perception persists despite emerging opportunities in modern agribusiness, technology integration, and entrepreneurship. Youth also face significant structural impediments in entering the agribusiness sector. The average landholding available to young farmers is only 0.8 hectares, which limits commercial viability and scalability. Moreover, youth experience a high rejection

rate for agricultural loans, 82% of applications are declined by financial institutions, largely due to lack of collateral and credit history (Central Bank of Sri Lanka, 2023).

## **7.2 Best practices in Agribusiness in Sri Lanka**

Youth engagement in agribusiness is critical for sustainable rural development, yet Sri Lanka faces significant challenges in attracting and retaining young people in the sector. While agribusiness contributes substantially to the economy, outdated farming practices, limited access to finance, and a lack of entrepreneurial opportunities discourage youth participation (FAO, 2018). Addressing these barriers requires a “multi stakeholder participatory approach” that ensures inclusive policy formulation and implementation.

Public private partnerships (PPPs) have been widely explored as a mechanism for agricultural transformation in developing economies. Klerkx et al. (2012) identify four primary types of agri PPPs: a). Value chain development partnerships: Enhancing market linkages and productivity, b). Agricultural research and innovation partnerships: Promoting technology transfer and knowledge sharing, c). Market infrastructure partnerships: Improving storage, transport, and processing facilities, d). Business development service (BDS) partnerships: Providing training, finance, and advisory support to farmers. However, despite their potential, PPPs in Sri Lanka have struggled with weak coordination among stakeholders, conflicting interests, and limited long-term sustainability (De Silva & Ratnadiwakara, 2008). A key limitation is the exclusion of smallholder farmers and youth from decision making processes, leading to misaligned incentives and uneven benefits.

To address these gaps, the ‘Public Private Producer Partnership (4Ps) model’ has been introduced by the International Fund for Agricultural Development (IFAD, 2016). Unlike traditional PPPs, the 4Ps framework integrates small scale producers (including young farmers) as equal partners, ensuring shared risks, responsibilities, and benefits. This approach strengthens value chain linkages by involving private sector actors, such as input suppliers, processors, and retailers from the project’s inception while maintaining producer ownership.

Enhanced access to markets and technology through private sector collaboration, Inclusive decision making, giving youth a voice in agribusiness policies, risk sharing mechanisms, reducing barriers for young entrepreneurs, and capacity building programs, equipping youth with modern farming and business skills. Given Sri Lanka’s need for youth inclusive agribusiness policies, adopting a 4Ps framework could foster sustainable engagement by aligning government support, private investment, and youth entrepreneurship.

## **7.3 Partnership models applied in the Sri Lankan context**

In the past years, it has been observed that a revival of interest in the private sector as a partner in agricultural development in Sri Lanka. This interest has often taken shape in PPPs, Public Private Partnerships as an instrument in which the public and private sector join forces in solving bottlenecks for value chain development. Earlier, community empowerment has been a widely expressed political objective in Sri Lanka before it became a strategy for projects to advance participatory mechanisms to sustain development. However, subsequent governments have focused on power to people which was manifested in the programs titled Jana Saviya, Peoples Committees, Gramodaya Mandala, Gemidiriya, Jana Sabha, and Gama Neguma in Sri Lanka. When “participation” was considered the lost fixing in ventures considered not fit for funding in the 1970s, people enablement took a major place in the development discourse later more as a political agenda in rural development policymaking (Batuwitage, 2014). Moreover, from the lessons learned through implementing these development programs the significance of multi stakeholder participation has been widely identified. According to Hirmuthugodage “It is crucial that the function, monitoring, and evaluation of the program is maintained by all partners

collectively whilst at the same time, maintaining autonomy, transparency, and accountability” (Hirimuthugodage, 2012).

Janasaviya Poverty Alleviation Program, which public people partnership was applied, inaugurated in October 1989 and soon became a lead program of the government. The major point of Janasaviya was to convert devastated families into feasible financial units through credit privileges and expanded cash and subsistence exchanges (Stokke, K. (1995). At the center of the Janasaviya Program was an installment of 2,500 rupees per month, per family for an add up to a period of 24 months. Of that installment, 1,042 rupees were credited to an obligatory investment funds account within the title of each beneficiary family. The 25,000 rupees provided the recipient a tidy sum of money which he was required to use at the end of the 24 months to embark upon an activity that should provide him with self-sufficiency through self-reliant development. The Janasaviya Programme was yet another development strategy that appeared to be based, at least in its peripheral aspects on a Keynesian principle. The increase in the demands of society was believed to increase opportunities for employment increasing income. It was also believed by Stokke that this method would by a dialectical process carry an economy from a level of underutilization of its resources to a condition of their full utilization. The economy could then be said to be in full bloom while utilizing every aspect of the Island's available resources. The Janasaviya Program considered this perspective as a key component in its condition for the mitigation of destitution.

Gemidiriya and Gamaneguma were the first and second phases of the Community Development and Livelihood Improvement Project which was started by the Government of Sri Lanka (GOSL) in 2004. Gemidiriya Community Improvement and Job Change Venture were planned to help the usage of the Governments community strengthening procedure; the Gamaneguma extend is centered to advance feasible vocations and regulation improvement at intra and inter village level by scaling up organization instruments, financing models, and organizations between towns and private, open and monetary segments (World Bank, 2010). This was a village-based self-help program, supported by the Government of Sri Lanka. Gemidiriya model supports the government's commitments to citizen engagement in marginalized areas to effectively utilize community strength to useful collaboration with government through sustainable community institutions.

The Divi Neguma program was presented by the Ministry of Economic Development which pointed to bolster family units to be self-sufficient, monetarily secure and depend less on the advertise for their day-by-day nourishment prerequisites. The programme was implemented in three phases, (1) agribusiness, (2) small scale industries, and (3) fisheries and livestock. The agribusiness phase was mainly focused on home gardening, the small scale industry phase was mainly focused on cottage industries, the handicraft sector, and the livestock phase were mainly focused on the fishery, poultry, and dairy sector. The prime objective of the Divi Neguma programme was to strengthen people's economic status and minimize their dependence on the market for food requirements. The programme further aimed to create new income generation sources for families by selling excess production and encourage entrepreneurship at the village level. Divi Neguma is the only programme where the government does not play a key role and merely facilitates, thus embodying the theories of self-sufficiency and places the onus on the people to move the programme forward. It is however contended that similar programs that have been implemented previously and have for many reasons faded out are integrated into the Divi Neguma programme.

The National Agriculture Development Programme (NADeP), with the assistance of the International Fund for Agricultural Development (IFAD) working on better usage of public and private sector resources leveraged from nontraditional sources and channeled to rural areas.

NADeP intervened in maximizing the competitiveness of smallholders through the development of the Public Private Producer Partnership (4Ps) prototype in Sri Lanka linking smallholders to value chains and generating impact at scale. The 4P approach is used as a “pull” mechanism to finance business plans jointly submitted by private companies and farmer organizations.

There is currently a noticeable youth population in Sri Lanka with 23% of its population (4.8 million individuals) aged between 15 - 29 years, presenting both a challenge and opportunity for national development (UNDP, 2023). Each year, over 150,000 young people enter the labor market, with 62% residing in rural areas where non-farm employment opportunities remain limited (Department of Census and Statistics, 2023; UNDP, 2023). This demographic reality creates an urgent need for gainful employment solutions, yet a concerning mismatch exists between the education system and labor market needs, evidenced by the fact that only 12% of vocational training programs offer agribusiness related skills development (NAITA, 2023). The current system fails to prepare youth for modern agricultural careers, perpetuating negative perceptions about the sector.

Sri Lanka's agricultural labor market is characterized by an unsettling mismatch, where high youth unemployment coexists with an aging farming population. Recent data reveals that the average age of farmers has risen to 55 years, with only 15% is under 35 years old, while youth unemployment stands at 22.7% among 15 - 24 years olds, significantly higher than the national average (Department of Agriculture, 2023; Department of Census and Statistics, 2023). This contradiction stems largely from pervasive negative perceptions, with 68% of Sri Lankan youth viewing agribusiness as an unattractive career choice due to its association with low profitability, physical drudgery, and limited career progression opportunities (Marga Institute, 2023; IFAD, 2023). The economic realities reinforce these perceptions, as agricultural workers earn an average daily wage of LKR 1,200 compared to LKR 2,500 in the services sector (Central Bank of Sri Lanka, 2023).

#### **7.4 Community Based Agribusiness Development**

Sri Lanka's agricultural sector comprises two distinct segments: the plantation sector (dominated by tea, rubber and coconut) and the non-plantation sector. The non-plantation sector, which occupies 80% of the country's 2.3 million hectares of agricultural land, is primarily dedicated to food crop cultivation including rice, coconuts, fruits and vegetables (Department of Census and Statistics, 2022). This vital sector is sustained by approximately 1.65 million smallholder farmers who typically operate on modest plots of 1 - 2 hectares, yet remarkably contribute 80% of the nation's total food production (World Bank, 2021).

The smallholder dominated structure presents both opportunities and constraints for community-based agribusiness development. While small farms demonstrate remarkable productivity per unit area, their limited scale creates challenges in accessing: Formal credit (only 12% of smallholders have bank loans), Modern technologies (just 8% use any form of mechanization), Quality inputs (35% rely on informal seed sources) (Department of Agriculture, 2023).

#### **7.5 International Case Studies**

##### **7.5.1 Kenya's 4K Clubs School Agriculture and agribusiness Program**

Kenya's 4K Clubs, an acronym for *Kuungana, Kufanya, Kusaidia Kenya* (Swahili for *Coming together, to Act, to Help Kenya*), have been a long-standing initiative to engage school aged children in agricultural education and food production. Originally introduced in the 1980s, the program was revived in 2021 to address youth disengagement from agriculture and promote agribusiness skills among the younger generation. The clubs aim to cultivate interest in farming

through hands on learning, entrepreneurship, and environmental stewardship in schools (Ndambuki, Kyule, & Konyango, 2024).

The renewed 4K Clubs focus on climate smart agribusiness, nutrition, and sustainable practices, contributing to the broader goals of food security and youth empowerment. By embedding agribusiness in the educational curriculum, the program prepares students to view agribusiness not just as subsistence farming but as a viable economic and career opportunity (Ndambuki, Kyule, & Konyango, 2024).

### 7.5.2 Vietnam’s Agri Tech Startup Ecosystem

Vietnam has emerged as a dynamic hub for agri tech innovation in Southeast Asia, supported by government initiatives, incubators, and growing private investment. The ecosystem consists of startups focused on digital farming, precision agribusiness, blockchain for traceability, and IoT applications in production and supply chains. Companies like Mimosatek and Sero.ai have introduced smart irrigation systems and AI powered farm management tools that enhance productivity and sustainability (Nguyen, 2022).

Government support, such as the National Digital Transformation Program, has played a key role in creating a favorable policy environment for agri tech. Vietnam's Ministry of Agriculture and Rural Development collaborates with universities and the private sector to encourage innovation, aiming to digitize at least 70% of production by 2030 (Nguyen, 2022). This approach has made Vietnam a model for integrating technology into traditional agriculture, boosting both efficiency and youth participation.

### 7.5.3 India’s Farmer Producer Organization (FPO) Model

India's Farmer Producer Organization (FPO) model aims to empower farmers by enabling them to leverage collective strength through economies of scale in production and value addition. This model is a successful example of empowering small and marginal farmers through collective action. FPOs are legally registered entities formed by farmers to leverage economies of scale in production, marketing, and input procurement. The model was institutionalized through policy support from the Small Farmers’ Agribusiness Consortium (SFAC) and the Ministry of Agriculture and Farmers Welfare (Ameer, Pratap, Siddique, & Gedam, 2021).

FPOs enhance the bargaining power of farmers, improve access to credit and markets, and encourage adoption of modern agricultural practices. By 2022, over 10,000 FPOs had been registered across India, with a target of creating 10,000 more by 2024 under the central government’s FPO scheme (Lalitha, Viswanathan, & Vinayan, 2022). Importantly, the model has fostered youth engagement by offering leadership and employment opportunities in rural areas, particularly in areas such as marketing, logistics, and value added processing (Nikam, Veeram, Kumara, & Chand, 2023).

## 8. Data Analysis and Key Findings of the Survey

**Table 01: Business Registration**

	<b>YED</b>	<b>%</b>	<b>4P</b>	<b>%</b>	<b>Outside</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Yes	201	54.3	99	57.2	14	8.0	314	43.7
No	169	45.7	74	42.8	161	92.0	404	56.3
Total	370	100.0	173	100.0	175	100.0	718	100.0

Both YED (54 Percent) and 4P (57 Percent) groups show majority formal business registration. Only 8 Percent of Outside youth have registered businesses. Membership strongly correlates with business formalization. The difference between program members and non-members is

extremely large (over 45 percentage points). Program participation appears to significantly increase business formalization.

**Table 02: Primary employment status**

	YED	%	4P	%	Outside	%	Total	%
Agribusiness	316	85.4	117	67.6	86	49.1	519	72.3
Non-agricultural sector	30	8.1	39	22.5	70	40.0	139	19.4
Unemployed	24	6.5	17	9.8	19	10.9	60	8.4
Total	370	100.0	173	100.0	175	100.0	718	100.0

YED shows the strongest sector retention effect, whereas the 4P shows moderate agricultural engagement. Outside youth are more diversified but less agribusiness-focused. Program participation appears to enhance agribusiness engagement and slightly reduce unemployment. YED demonstrates the strongest impact.

**Table 03: Ownership of Land for Business (Asset Ownership Indicator)**

	YED	%	4P	%	Outside	%	Total	%
Yes	226	61.1	109	63.0	109	62.3	444	61.84
No	144	38.9	64	37.0	66	37.7	274	38.16
Total	370	100.0	173	100.0	175	100.0	718	100.00

Land ownership is very similar across all the three groups (61-63 Percent). Unlike business registration, land ownership does not show strong variation by membership. Asset ownership appears to be structurally similar regardless of program participation. Programs may influence business formalization, but they do not significantly affect land ownership.

### **Economic Performance Indicators**

Cross-tabulation analysis was conducted to compare economic performance indicators among YED members, 4P Value-chain youth, and non-member youth.

Regarding the business registration, 54.3 Percent of YED members and 57.2 percent of 4P members reported having registered businesses, compared to only 8.0 percent of non-member youth. This substantial difference indicates that program participation is strongly associated with business formalization. The findings suggest that entrepreneurship programs play a critical role in encouraging formal economic participation.

In contrast, land ownership for business purposes did not vary significantly across groups. Approximately 61 percent of YED members, 63 percent of 4P members, and 62 percent of non-members reported owning land for business activities. This suggests that asset ownership may be influenced more by pre-existing socio-economic conditions than by program participation. The analysis indicates that youth development programs significantly influence business formalization but have limited impact on asset ownership.

### **Interest & Attitude Indicators**

Youth engagement in agribusiness is not solely determined by structural factors such as land ownership or business registration. Psychological and social dimensions, including interest, perceived social acceptance, profitability beliefs, and perceived national importance, play a

critical role in shaping career decisions. This section examines attitudinal differences among the three groups.

**Table 04: Social Acceptance and Career Satisfaction in Agribusiness**

	<b>YED</b>	<b>%</b>	<b>4P</b>	<b>%</b>	<b>Outside</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Yes	302	82.7	125	74.4	111	68.1	538	77.3
No	63	17.3	43	25.6	52	31.9	158	22.7
Total	365	100.0	168	100.0	163	100.0	696	100.0

The findings indicate that 82.7 percent of Youth Entrepreneur Development (YED) participants, 74.4 percent of 4P participants, and 68.1 percent of outside youth feel socially accepted and satisfied with their involvement in agribusiness, resulting in an overall positive perception rate of 77.3 percent among the respondents.

A strong majority of youth, particularly YED participants, report social acceptance in pursuing agribusiness careers. The 14.6 percentage point gap between YED and Outside youth suggests that structured program participation enhances confidence and perceived legitimacy of agribusiness as a viable career. Programs appear to reduce the social stigma traditionally associated to agrarians. Exposure to entrepreneurial success stories, peer networks, and institutional recognition may contribute to increased social validation among participants.

**Table 05: Interest in Pursuing a Career in Agribusiness**

	<b>YED</b>	<b>%</b>	<b>4P</b>	<b>%</b>	<b>Outside</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Very interested	140	37.9	58	34.9	50	29.4	248	35.2
Somewhat interested	144	39.0	55	33.1	58	34.1	257	36.5
Neutral	30	8.1	19	11.4	21	12.4	70	9.9
Not interested	55	14.9	34	20.5	41	24.1	130	18.4
Total	369	100.0	166	100.0	170	100.0	705	100.0

The results indicate that interest in agribusiness is highest among YED participants, with 76.9 percent expressing high interest, followed by 68.0 percent of 4P participants and 63.5 percent of outside youth; correspondingly, the proportion of respondents who reported no interest in agribusiness is lowest among YED participants (14.9 percent), compared to 20.5 percent among 4P participants and 24.1 percent among outside youth.

YED participants demonstrate the strongest career commitment, with over three-quarters expressing interest. Outside youth show comparatively lower enthusiasm and higher disinterest. Entrepreneurial development programs appear to significantly enhance career motivation. Structured engagement may increase self-efficacy, skills confidence, and exposure to profitable models, thereby strengthening career intention.

**Table 06: Perceived Social Status of Agribusiness Professionals**

	YED	%	4P	%	Outside	%	Total	%
Very high	34	9.2	6	3.5	7	4.1	47	6.6
High	96	25.9	38	22.4	31	18.0	165	23.2
Neutral	79	21.4	54	31.8	46	26.7	179	25.1
Low	41	11.1	44	25.9	71	41.3	156	21.9
Very low	120	32.4	28	16.5	17	9.9	165	23.2
Total	370	100.0	170	100.0	172	100.0	712	100.0

The findings show that 35.1 percent of YED participants, 25.9 percent of 4P participants, and 22.1 percent of outside youth perceive agribusiness as having very high or high social status, whereas 43.5 percent of YED participants, 42.4 percent of 4P participants, and 51.2 percent of outside youth perceive it as having low or very low social status.

Despite high interest levels, perceptions of social status remain relatively weak. Notably, outside youth are most likely to perceive agribusiness as low status, and even among YED participants, 32.4 percent perceive the status as ‘very low.’

This reveals a critical contradiction. Youth may recognize economic potential but still perceive agribusiness as socially undervalued. Cultural norms in Sri Lanka often associate agriculture with traditional or low-prestige labor rather than modern entrepreneurship. This perception gap remains a key psychological barrier.

**Table 07: Perceived Profitability of Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Yes	264	71.9	130	78.8	130	77.4	524	74.9
No	19	5.2	9	5.5	11	6.5	39	5.6
Unsure	84	22.9	26	15.8	27	16.1	137	19.6
Total	367	100.0	165	100.0	168	100.0	700	100.0

### **Believe Agribusiness is Profitable**

The findings indicate that 71.9 percent of YED participants, 78.8 percent of 4P participants, and 77.4 percent of outside youth hold a positive perception, resulting in an overall positive response rate of 74.9 percent among all respondents. Across all groups, a strong majority believe agribusiness can be profitable. Interestingly, even Outside youth demonstrate high confidence in profitability.

Profit perception is not the primary constraint limiting youth participation. Instead, barriers may lie in capital access, risk exposure, social recognition and market stability. This suggests that economic belief alone does not lead automatically into career entry.

**Table 08: Perceived National Importance of Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Very important	321	86.8	165	95.4	163	93.1	649	90.4
Somewhat important	23	6.2	5	2.9	6	3.4	34	4.7
Neutral	14	3.8	3	1.7	4	2.3	21	2.9
Not important	4	1.1	0	0.0	2	1.1	6	0.8
Not at all important	8	2.2	0	0.0	0	0.0	8	1.1
Total	370	100.0	173	100.0	175	100.0	718	100.0

The findings indicate that 86.8 percent of YED participants, 95.4 percent of 4P participants, and 93.1 percent of outside youth consider agribusiness to be very important for national development, resulting in an overall perception of 90.4 percent of respondents recognizing agribusiness as very important to the country.

Almost all respondents believe that agribusiness is very important to Sri Lanka's economy. This view is strongly shared by youth in all the three groups, making it the most widely agreed opinion in the study. Young people clearly understand that agribusiness is important for the country's economy. However, this awareness does not always lead them to choose agribusiness as a career, especially among youth who are not part of the programs.

### Skills and Training Indicators

Skill development and institutional training are important for increasing youth participation in agribusiness. This section looks at youth access to formal training, their satisfaction with the quality of training, and the main skills they believe are important, across the three groups.

**Table 09: Access to Formal Agribusiness Training**

	YED	%	4P	%	Outside	%	Total	%
Yes	161	43.5	73	42.2	70	40.0	304	42.3
No	209	56.5	100	57.8	105	60.0	414	57.7
Total	370	100.0	173	100.0	175	100.0	718	100.0

The analysis shows that 42.3 percent of the total respondents have received formal agribusiness training, while 57.7 percent have not received any formal training. Among the groups, 43.5 percent of YED participants, 42.2 percent of 4P participants, and 40.0 percent of outside youth reported having received formal training. The differences among the three groups are relatively small, indicating that access to formal agribusiness training is fairly similar across categories. However, the results also reveal that more than half of the youth surveyed still lack formal training, highlighting a significant gap in skills development within the agribusiness sector. Strengthening training opportunities could therefore play an important role in improving youth capacity and participation in agribusiness activities.

While access rates appear comparable, the quality, structure, and relevance of training may differ significantly across groups. YED's stronger performance in business formalization and sector engagement (as shown in previous sections) suggests that training under SAPP, linked interventions may be more structured and outcome-oriented.

**Table 10: Satisfaction with Agricultural Training Quality**

	YED	%	4P	%	Outside	%	Total	%
Very satisfied	52	30.4	26	34.7	26	35.1	104	32.5
Somewhat satisfied	66	38.6	34	45.3	36	48.6	136	42.5
Neutral	39	22.8	14	18.7	10	13.5	63	19.7
Dissatisfied	12	7.0	0	0.0	2	2.7	14	4.4
Very dissatisfied	2	1.2	1	1.3	0	0.0	3	0.9
Total	171	100.0	75	100.0	74	100.0	320	100.0

The analysis shows that most youth who received agricultural training are satisfied with the quality of the programs. Overall, 32.5 percent are very satisfied and 42.5 percent are somewhat satisfied, meaning about 75 percent of the respondents have a positive view of the training. Among the groups, 30.4 percent of YED participants, 34.7 percent of 4P participants, and 35.1 percent of outside youth are very satisfied. About 19.7 percent of respondents are neutral, while only a small number reported dissatisfaction (4.4 percent dissatisfied and 0.9 percent very dissatisfied). Dissatisfaction is slightly higher among YED participants (7.0 percent) compared to the other groups.

Overall, the results show that agricultural training programs are generally well accepted by youth, but improvements in training content and practical relevance could further increase satisfaction. SAPP-supported YED initiatives likely emphasize practical application, enterprise development, and market linkages. Participants may therefore evaluate training quality based on real business outcomes rather than general knowledge acquisition.

**Table 11: Perceived Important Skills for Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Technical farming skills	122	33.2	57	32.9	62	35.6	241	33.8
Business and marketing skills	123	33.5	46	26.6	43	24.7	212	29.7
Financial management	68	18.5	39	22.5	47	27.0	154	21.6
Technology and innovation	53	14.4	30	17.3	22	12.6	105	14.7
Leadership and teamwork	1	0.3	1	0.6	0	0.0	2	0.3
Total	367	100.0	173	100.0	174	100.0	714	100.0

The results show that the most important skills for agribusiness identified by youth are technical farming skills (33.8 percent) and business and marketing skills (29.7%), followed by financial management (21.6%) and technology and innovation (14.7%), while leadership and teamwork were mentioned by very few respondents (0.3%).

YED participants give equal importance to technical farming and marketing skills, while outside youth place slightly more emphasis on technical farming and financial management. This indicates that YED participants, who received support through the SAPP program, have

developed a stronger entrepreneurial mindset, recognizing the importance of marketing, value addition, and business sustainability rather than focusing only on production. Overall, youth engagement in Sri Lanka’s agribusiness sector is influenced by structural, psychological, and skill-related factors. The findings suggest that SAPP-supported Youth Entrepreneur Development initiatives have positively contributed to youth entrepreneurship by improving business formalization, increasing commitment to the agribusiness sector, strengthening entrepreneurial attitudes, and enhancing social confidence in agribusiness careers.

However, challenges such as limited access to training, the need for modern skills, and social perceptions about agriculture still limit wider youth participation. Therefore, the SAPP model can be considered effective and impactful, and expanding and integrating this approach into national youth development policies could further strengthen sustainable youth engagement in Sri Lanka’s agribusiness sector.

### Technology Adoption

Technological modernization is a critical driver of productivity, efficiency, and competitiveness in agribusiness. Youth, often considered more adaptable and innovation oriented, play a central role in accelerating agricultural transformation.

**Table 12: Awareness of Modern Agricultural Technologies**

	YED	%	4P	%	Outside	%	Total	%
Yes	311	86.6	145	84.3	137	79.7	593	84.4
No	48	13.4	27	15.7	35	20.3	110	15.6
Total	359	100.0	172	100.0	172	100.0	703	100.0

Awareness of modern agricultural technologies is generally high among all youth groups. Overall, 84.4% of the respondents said they are aware of modern agricultural technologies, while 15.6% said they are not aware.

Among the groups, YED participants show the highest awareness (86.6%), followed by 4P youth (84.3%) and youth outside the programs (79.7%). This indicates that young people who have participated in development programs, especially YED, have slightly better exposure to modern farming technologies.

The difference between YED participants and outside youth is about 7%, suggesting that organized programs help young people learn more about new agricultural technologies. These technologies may include mechanized farming equipment, modern irrigation systems, climate-smart farming methods, and digital platforms for marketing agricultural products.

Although awareness levels are high, being aware of technology does not always mean that youth will use it. The actual use of modern technologies often depends on other factors such as cost, access to resources, training opportunities, and financial support.

**Table 13: Use of Modern Technologies in Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Yes	302	81.8	123	71.5	112	64.4	537	75.1
No	67	18.2	49	28.5	62	35.6	178	24.9
Total	369	100.0	172	100.0	174	100.0	715	100.0

The use of modern technologies in agribusiness varies among the three groups of youth. Overall, 75.1 percent of the respondents reported that they use modern technologies in their agribusiness activities, while 24.9 percent reported that they do not use them.

Among the groups, YED participants show the highest level of technology use at 81.8 percent. This is followed by 4P youth with 71.5 percent and youth outside the programs with 64.4 percent. The difference between YED participants and outside youth is more than 17 percent, which indicates a clear gap in technology adoption.

This pattern suggests that participation in development programs plays an important role in encouraging the use of modern technologies. Programs such as YED likely provide young people with opportunities to learn about new technologies through training, demonstrations, and practical exposure. They may also help youth connect with financial institutions and innovation networks that support the use of modern farming tools and techniques. YED participants appear to be more capable of turning their knowledge about modern agricultural technologies into actual practice in their agribusiness activities.

**Table 14: Perceived Benefits of Technology Adoption**

	YED	%	4P	%	Outside	%	Total	%
Increased productivity	50	15.6	32	22.2	30	21.7	112	18.6
Reduced labor costs	203	63.4	74	51.4	79	57.2	356	59.1
Improved product quality	49	15.3	23	16.0	11	8.0	83	13.8
Enhanced market access	18	5.6	15	10.4	18	13.0	51	8.5
Total	320	100.0	144	100.0	138	100.0	602	100.0

The perceived benefits of technology adoption in agribusiness differ slightly among the youth groups, but some clear patterns can be observed. Overall, the most commonly reported benefit is reduced labor costs. About 59.1 percent of the respondents believe that technology helps reduce the amount of labor needed in agricultural activities. This suggests that many youths adopt technology mainly to improve efficiency and reduce manual work.

Increased productivity is the second most mentioned benefit, reported by 18.6 percent of the respondents. This indicates that some youth recognize that modern technologies can help improve farm output, although it is not the main reason for adoption.

Among the groups, YED participants report reduced labor costs most frequently at 63.4 percent. They also report a relatively higher level of improved product quality at 15.3 percent compared to outside youth at 8.0 percent. This may indicate that YED participants are more focused on improving the value and quality of their agricultural products.

Youth outside the programs place slightly more emphasis on enhanced market access at 13.0 percent compared to YED participants at 5.6 percent. This may suggest that they rely more on digital platforms or other market channels to reach buyers. The results show that technology adoption among youth is mainly driven by the need to reduce labor and make farming operations easier. Benefits such as increased productivity and better market access are recognized but receive less attention, suggesting that the full potential of modern agricultural technologies may not yet be fully utilized.

**Table 15: Barriers to Technology Adoption**

	YED	%	4P	%	Outside	%	Total	%
High cost	106	30.6	66	40.0	61	36.7	233	34.4
Lack of knowledge/ Training	171	49.4	79	47.9	88	53.0	338	49.9
Limited access to technology	69	19.9	19	11.5	17	10.2	105	15.5
Resistance to change	0	0.0	1	0.6	0	0.0	1	0.1
Total	346	100.0	165	100.0	166	100.0	677	100.0

The results show that the main barrier to technology adoption is lack of knowledge or training, reported by 49.9% of respondents. This is the highest barrier across all the three groups (YED, 4P, and Outside Youth), indicating that many youth need more technical skills and training to use new technologies. The second major barrier is high cost (34.4%), suggesting that financial limitations also prevent many respondents from adopting technology. Limited access to technology (15.5%) is another challenge but less significant compared to knowledge and cost issues. Resistance to change is very low (0.1%), showing that most youth are willing to adopt technology if they receive proper support. The findings suggest that providing training programs and reducing technology costs would significantly improve technology adoption among youth.

Technology adoption among youth in Sri Lanka's agribusiness sector is relatively high, particularly among YED participants. SAPP-supported initiatives have significantly enhanced awareness and practical implementation of modern agricultural technologies.

However, adoption remains largely efficiency-driven and constrained by knowledge and financial limitations. To achieve transformational impact, policy interventions must move beyond basic mechanization toward digital innovation, market integration, and climate-smart agriculture. Expanding and strengthening SAPP-linked youth technology models can serve as a strategic pathway toward modernizing Sri Lanka's agribusiness sector while enhancing sustainable youth engagement.

### **Entrepreneurial Capacity and Business Development Constraints**

Entrepreneurial capacity is a decisive factor in transforming youth from agricultural labor participants into agribusiness innovators and enterprise owners.

**Table 16: Anticipated Challenges in Starting an Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Lack of capital	167	48.0	83	49.1	93	55.4	343	50.1
Lack of market access	78	22.4	34	20.1	28	16.7	140	20.4
Lack of technical knowledge	49	14.1	17	10.1	13	7.7	79	11.5
Regulatory barriers	16	4.6	10	5.9	6	3.6	32	4.7
Competition	38	10.9	25	14.8	28	16.7	91	13.3
Total	348	100.0	169	100.0	168	100.0	685	100.0

The results show that the main challenge in starting an agribusiness is lack of capital (50.1%). The second major challenge is lack of market access (20.4%), which shows that many youths are concerned about finding reliable markets to sell their products. Competition (13.3%) and lack of technical knowledge (11.5%) are also notable challenges, suggesting the need for better training and business guidance. Regulatory barriers (4.7%) were reported by a smaller number of respondents, indicating that government regulations are not a major concern compared to financial and market issues. The findings suggest that improving access to finance, markets, and technical training would help youth overcome the challenges of starting agribusinesses.

Three key patterns emerge, financial constraint is universal and remains the dominant barrier to youth agribusiness entrepreneurship, program participants demonstrate greater market and technical awareness, reflecting deeper engagement with enterprise realities, and outside youth appear more vulnerable to competitive pressure and capital limitations, indicating weaker support ecosystems.

**Table 16: Support Needed to Start and Sustain Agribusiness**

	YED	%	4P	%	Outside	%	Total	%
Access to finance	162	46.3	92	55.4	99	58.6	353	51.5
Business training	97	27.7	38	22.9	40	23.7	175	25.5
Mentorship	60	17.1	26	15.7	25	14.8	111	16.2
Market linkages	21	6.0	8	4.8	5	3.0	34	5.0
Infrastructure support	10	2.9	2	1.2	0	0.0	12	1.8
Total	350	100.0	166	100.0	169	100.0	685	100.0

The results show that the most important support needed by youth is access to finance (51.5%). This indicates that financial support such as loans or grants is essential for starting and sustaining agribusinesses. YED participants place greater emphasis on business training compared to other groups, reflecting an entrepreneurial mindset shaped by program exposure. The second most needed support is business training (25.5%), showing that many youths require knowledge and skills in managing and developing agribusiness ventures. Mentorship (16.2%) is also an important support, as guidance from experienced entrepreneurs can help youth make better business decisions. The findings indicate that youth in Sri Lanka's agribusiness sector face primarily financial and structural barriers, rather than attitudinal resistance.

### **Climate Resilience and Youth Agribusiness Sustainability**

Climate change poses a significant threat to agricultural productivity, rural livelihoods, and food security in Sri Lanka. Given the heavy dependence of agribusiness on weather patterns, youth engagement in climate-resilient strategies is essential for long-term sector sustainability.

**Table 18: Level of Concern About Climate Change**

	YED	%	4P	%	Outside	%	Total	%
Very concerned	303	82.8	138	81.2	140	80.5	581	81.8
Somewhat concerned	31	8.5	21	12.4	21	12.1	73	10.3
Neutral	31	8.5	10	5.9	12	6.9	53	7.5
Not concerned	1	0.3	1	0.6	1	0.6	3	0.4
Total	366	100.0	170	100.0	174	100.0	710	100.0

An overwhelming majority (over 81%) of youth across all categories are ‘very concerned’ about the impact of climate change on agribusiness. The negligible percentage of youth reporting no concern (0.4%) indicates strong climate risk awareness across the sector. There is minimal variation among groups, suggesting that climate anxiety is universal and not significantly influenced by program participation.

**Table 19: Direct Experience with Climate Change Effects**

	<b>YED</b>	<b>%</b>	<b>4P</b>	<b>%</b>	<b>Outside</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Yes	344	93.2	156	90.7	154	89.0	654	91.6
No	25	6.8	16	9.3	19	11.0	60	8.4
Total	369	100.0	172	100.0	173	100.0	714	100.0

More than 90% of respondents report direct experience with climate-related impacts on their agricultural activities. YED participants show slightly higher exposure, possibly due to greater involvement in commercial production, larger-scale operations, and higher engagement intensity. Climate change is not perceived as a distant or abstract threat; it is a lived reality for youth in Sri Lanka’s agribusiness sector. This high exposure level explains the strong concern observed in the previous section.

**Table 20: Measures to mitigate the climate change impact**

	<b>YED</b>	<b>%</b>	<b>4P</b>	<b>%</b>	<b>Outside</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Adoption of climate-resilient crops	158	44.3	75	44.4	80	46.0	313	44.7
Improved irrigation systems	108	30.3	43	25.4	43	24.7	194	27.7
Sustainable farming practices	78	21.8	43	25.4	49	28.2	170	24.3
Government policies and support	13	3.6	8	4.7	2	1.1	23	3.3
Total	357	100.0	169	100.0	174	100.0	700	100.0

The most common adaptation strategy is the adoption of climate-resilient crop varieties. This reflects practical, production-level adaptation rather than systemic transformation. YED participants report slightly higher use of improved irrigation systems, suggesting that greater capital access, higher technology integration, and stronger institutional support. Outside youth show relatively higher engagement in sustainable farming practices, possibly reflecting lower-cost adaptation methods. The very low reliance on government policy support (3.3%) indicates limited visibility or effectiveness of public climate resilience programs among youth.

## **9. Key Findings of Stakeholder Workshops and FGDs**

### **9.1 Barriers and Opportunities**

#### **9.1.1 Access to finance**

Access to finance was raised in every focus group discussion and was described as a hardest part of both starting and running an agribusiness. Participants said that banks usually require land titles or strong guarantors, which most young people do not have. One youth explained,

*They asked for a title deed in my name, our family land is in my parents’ names, so the application ended there.*

Even where youth loans exist, the real price was seen as too high once fees, insurance and penalties are added. As one participant said,

*After fees and insurance, the youth loan costs more than we can carry for a crop season.*

Others noted that a single late installment can trigger penalties that make the loan unmanageable. Grants were not viewed as an easy alternative, deadlines were short, forms changed between schemes, rules were unclear and applicants had to collect multiple signatures and visit several offices. A young woman said,

*By the time we hear about a grant from the GN office, the application process is already closed.*

Timing was another mismatch. Repayments often begin before any cash comes in from the first harvest, which is especially difficult for vegetables, tree crops and small processing. One farmer said,

*Repayment starts in three months, but my first proper harvest is around month five or six.*

Youth repeatedly asked for longer terms and step by step disbursements that match crop cycles, with a grace period until the first sale. Paperwork requirements also stop applications. Banks ask for cash flow statements, business plans, and proof of land tenure that most youth have never been instructed to get ready. A participant said,

*We were never shown how to prepare a cash flow or a simple business plan,*

Bank staff acknowledged that many rejections are due to incomplete files and confirmed that their rules require titled collateral.

Information gaps make matters worse. Many youths had not heard about youth friendly loans and grants available in their own districts, and a women highlighted an additional barrier?

*Women rarely have documents in their own names, that is why most of us use informal lenders.*

These results demonstrate that financial constraints for first time young people are not only the rejection of credit, but also that they do not meet realities regarding collateral, cost, and timing, as well as the lack of application skills. Participants consistently asked for youth friendly finance.

### **9.1.2 Access to land**

Access to land came up in most groups and was described as the root of many other problems. Youth linked land directly to finance, irrigation, and technology, saying banks will not lend without proof of ownership and they cannot plan investments without secure tenure. One participant said,

*Everything is in my parents' names; without a deed in my name, nothing can be done.*

Lack of title blocked loans and official paperwork. Young people who farm family land in someone else's name said applications stop at the first step because they cannot show a deed in their own name. Without credit, they cannot buy inputs.

Young people are discouraged from investing in small, spread plots. They cultivate small plots of land that are separated by great distances, making it too expensive to purchase machinery, fencing, or irrigation.

*I have two separate small plots of land that are far from each other.*

Neither buyers nor banks are interested and the cost of infrastructure per plot is too high. Short or informal leases created further risk. Many said they will not put in drip systems, pumps, or greenhouses when a lease can be cancelled at any time. A farmer summed said,

*I will not put drip on land that can be cancelled next season.*

Because of this uncertainty, they delay adopting new technologies even when they want to. The overall picture is that without secure tenure, either a deed or a reliable, recognized lease, youth delay or avoid investment.

### **9.1.3 Access to Training and Capacity Building**

The discussions in every focus group showed a strong demand for training that is short, practical, and timed. Participants repeatedly said they learn best on real fields and with clear steps they can copy the same day. As one youth participant said,

*Show us on a plot, we learn faster than in a hall.*

They stressed that a single workshop is not enough and asked for at least one follow up visit during the season to correct mistakes. Another participant explained,

*We do it right when someone checks.*

Across locations, young agripreneurs asked for simple business skills alongside technical content. They want help to price their produce correctly, keep basic records, and prepare the cash flow sheets and business plans that banks and grant programs request.

*Teach us to price properly and keep basic books.*

said one participant, adding that a short certificate or attendance letter is useful when applying for loans. Participants also described what good delivery looks like, two-to-three-hour sessions near the farm, in the local language, with a clear take home template and a WhatsApp group for reminders and quick questions.

*Send the steps and a checklist, we will follow it.*

This was a common request. Youth said they trust a mix of extension officers and successful young farmers from the area, so they can see local examples and ask practical questions. Men more often requested hands on modules such as nursery management, irrigation setup, and pest control, while women more often requested sessions on costing, record keeping, and how to complete loan and grant forms.

*Give us a session on costing and how to fill the loan forms.*

one woman said, adding that evening or weekend slots make it easier to attend.

The evidence points to a training model that is practical, with at least one follow-up, simple templates for records and costing, a short certificate for proof of completion. Delivering these elements in the field, in short blocks, and supported by a simple messaging group would allow youth to apply new skills immediately and improve both productivity and access to finance.

### **9.1.4 Access to Technology**

Technology in agribusiness was discussed in every group. Youth said they want to use new tools, but most cannot afford them and do not get the support to keep them working. The first hurdle is the price. Items like drip kits, protective fencing, pumps, and materials for protected cultivation are beyond reach without subsidies. As one participant said,

*One fence cost more than a season's profit.*

Even when a few manage to buy equipment, keeping it running is difficult. Many described long delays at all for installation, repairs, and spare parts. A youth said,

*We can buy once, but when it breaks, no one comes to repair.*

Digital apps attracted strong interest because they can help with weather, prices, and farm records. However, data costs and the lack of basic training slow adoption. Youth asked for short lessons and simple apps that work offline and in local languages.

*Give us the app and a quick lesson, we will use it.*

It was a common request. Gender differences were also clear. Women felt the cost barrier more sharply because they have less access to capital.

The evidence shows that technology will rise if the cost of priority items is reduced and if service is reliable. Youth asked for affordable financing for irrigation, local technicians who can respond quickly, and brief training related to the equipment they purchase. Without these supports, most will postpone investment even when they see the clear benefits of modern tools.

### **9.1.5 Access to Market and Variability of Prices**

Market access and price variability emerged as a universal concern across the discussions and often determined whether young producers chose to expand or step back. Participants described price crashes at harvest when everyone brings produce to market on the same day, forcing sales below cost because there is no storage. As one youth said,

*We harvest together and the price falls in one day.*

This variability discourages investment and pushes many to switch to low input crops or to scale down until they can secure a buyer.

Youth said they rarely see clear specifications before delivery and only learn the buyer's requirements when the price is cut at the collection point. As one participant explained,

*We only learn the grade when the buyer cuts the price.*

Without training on sorting and packing, and without agreed measurements, the same lot can be priced very differently from one buyer to another, creating mistrust and waste.

Transport and aggregation problems made matters worse. Most youth move small volumes over long distances, paying high per kilogram transport costs. Many districts lack nearby collection points, so planning harvests and coordinating with buyers is difficult. One youth said,

*If there was a nearby collection center, we could plan harvests.*

Delayed payments were another recurring issue, creating cash flow gaps that stop youths from buying inputs for the next cycle. The evidence across locations points to practical fixes that youth believe would change their decisions. They are ready to scale when off take is clear, grades are known in advance, and payment is prompt. Short training on sorting, packing, and basic quality compliance would directly reduce risk.

### **9.1.6 Policy and Bureaucracy**

Raised Policy and institutional barriers came up repeatedly in the discussions and were described as a major reason why youth delay remain. Participants said routine processes, such as registering a business, or applying for irrigation support, take too long and are confusing. One young farmer said,

*we go office to office and still do not know the next step, different officers ask for different papers and send applicants back for new signatures. We avoid formal registration because the process is unclear, slow, and time consuming.*

Several groups added that they lose planting while waiting, which makes training and finance less useful because the season has already moved on. Many youth avoid formal registration because the administrative path is unclear and time consuming. Participants also said that bureaucracy interacts with other barriers.

Without clear documents, banks will not lend, youth will not invest in irrigation, without a simple proof of business, buyers hesitate to sign agreements. One government officer in a group

acknowledged that youth can complete simple application forms. Informing application deadlines in advance, and sending SMS or WhatsApp alerts through local officers, would help youth apply on time. A youth said,

*We often hear about programs only after deadlines have already passed.*

Having one-page checklists for common processes, with the exact documents required and the office responsible, would reduce back and forth.

### **9.1.7 Climate and Environmental Risks**

A Climate and environmental risks were discussed as a major threat in every discussion, and they directly impact on planting decisions, cash flow, and willingness to take loans. Youth said the season has become unreliable, rains arrive late, stop early, or come in short and goes off that do not refill tanks. One participant said,

*We plant twice because rains cheat us.*

Floods and disease outbreaks were reported as sudden shocks that can wipe out a season's work within days. A women said,

*One flood, all gone.*

She said recalling recent losses of vegetables and paddy and the extra expense of cleaning fields, and buying chemicals. These shocks also disrupt repayment schedules, which makes young farmers cautious about borrowing for inputs.

Wild animal damage was raised repeatedly, especially by women who farm closer to their homes and guard plots at night. One farmer said,

*At night the animals finish what we guarded all day,*

describing losses to porcupines, wild boar, and monkeys. Participants linked these risks to delays in adopting technology, without a fence or reliable water, they hesitate to invest in improved seed, drip systems, or protected cultivation.

Young people preferred practical adaption strategies that, with money and training, they can manage on the farm. They requested shorter duration crops and climate resilient cultivars to lessen exposure to extended droughts, improved drainage techniques, and small-scale irrigation to ensure that a crop is not harmed by an omitted rain. A woman said,

*I can work hard if there are enough water and a safe fence.*

They also asked for fencing to safeguard animals. Participants emphasized that these measures only scale when there is access to affordable credit. They stated that they would plant with greater assurance and keep clear of the cycle of replanting.

The participants highlighted a number of feasible approaches that are effective locally and could be expanded with little assistance. The first is buyer producer lack with clear grades and prompt payment. Where contracts spell out the specification and price formula in advance, young farmers plan confidently and invest in quality. A youth said,

*When the contract shows grade and price, we plant confidently.*

This arrangement reduces price risk at harvest, encourages proper sorting and packing, and shortens payment cycles so youth can reinvest in the next season.

The second-best performance was a field-based presentation connected to follow up. Good practices were quickly adopted through farm meetings that walked through the entire growing to selling procedure, followed by a midyear visit. Participants reported observable

improvements after following nursery management, arrangement, and basic documentation. One youth said,

*We copied the demonstration design and harvests improved.*

The secret is to follow up when issues can still be fixed and to provide farmers an easy checklist to adhere to.

Institutionalize District Price Sharing via WhatsApp was commonly discussed. Many young farmers highlighted that timely and reliable price information was one of the simplest but most powerful tools to improve their income. In the discussions, youth reported that receiving daily price posts from several wholesale points directly to their phones allowed them to, time their harvests better and avoid selling too early when prices were low, select the right market by choosing whether to sell at the district center or transport produce elsewhere based on real time comparisons, and reduce losses from sales, because they could wait a few days if they knew a price increase was coming. One young farmer explained,

*Daily prices on the phone helped us time the harvest.*

Other youth said,

*Simple order messages through WhatsApp groups further reduced uncertainty.*

Instead of transporting goods blindly, they could confirm orders before leaving, saving money on transport and avoiding wasted trips. Young women in agribusiness often face limited access to markets, and knowledge barriers in areas such as packaging, pricing, and safe storage. To address this, fields of training and buyer meetings targeting women were needed. These initiatives created safe and supportive spaces where women could, directly meet local buyers in nearby, convenient venues, gain immediate business opportunities by showing their products, learn practical skills such as correct packaging to meet market standards, appropriate pricing strategies, and maintaining safe storage for perishable goods. One participant said,

*After the meeting, two shops started buying from us.*

This outcome demonstrates that exposure to buyers not only opened new sales channels but also boosted confidence among women agripreneurs. Others reported that discussions on pricing and packaging during these sessions helped them avoid losses, present their produce more professionally, and negotiate better terms.

Uncertainty in selling produce is one of the biggest risks faced by young agripreneurs. Without clear agreements, they often face problems such as buyers changing prices at the last minute, delays in receiving payments, which disrupt cash flow, disputes over quality standards due to shifting expectations. To address this, youth groups piloted the use of simple one-page contracts. These contracts included, clearly posted grades and specifications for produce, example, size, weight, or quality standards, agreed payment terms with deadlines for full settlement, and a transparent price formula established in advance. One young farmer reported,

*Where contracts spell out the specification and price formula in advance, we planned confidently and invested in quality.*

Another said that

*On time payments allowed us to reinvest in inputs for the next season without borrowing at high interest.*

Young agripreneurs repeatedly emphasized that practical demonstrations are more effective than classroom style training. However, timing is critical. When demonstrations are aligned

with the actual crop season, youth can directly observe techniques in their own fields and apply them immediately. One participant explained that,

*when the trainer came back mid-season, we corrected our spacing and saved the crop.*

Another said that,

*We are able to compare our field with the demo gave to adopt improved irrigation and fertilizer methods.*

## **10. Success Stories in Agribusiness**

### **Case study 01: Youth Agribusiness Success Story- Ajith's Journey**

Ajith, 35 years old, lives in Haputale in the Nuwara Eliya District. He is an inspiring example of how determination, innovation, and collaboration can transform a small-scale agribusiness into a successful and prospering agribusiness.

Ajith began his journey as a vegetable seller first and then vegetable collector, supplying produce to supermarkets. Over the years, he built strong relationships with farmers and markets, gaining valuable experience in logistics, quality control, and customer demand. Today, more than 40 workers are employed under his leadership, contributing to a growing enterprise.

Recognizing the opportunities in value addition, Ajith recently launched a potato chips production factory. Instead of only selling raw produce, he moved into processing and branding, which opened new market opportunities and increased profit margins.

Ajith believes that youth led agribusiness can only successful when farmers are empowered. He established direct collaborations with potato farmers, offering them a stable market, fair prices, and confidence to expand production. This model ensures mutual growth, farmers receive steady income, while Ajith secures consistent supply for his processing unit.

Provides employment for more than 40 people in his community, strengthens farmer livelihoods by creating assured markets, demonstrates the power of value addition and entrepreneurship in agribusiness, and sets an example for Sri Lankan youth that agribusiness is not only viable but also profitable and innovative.

Ajith's story shows that agribusiness is no longer limited to traditional farming, it is a business of opportunities. With creativity, partnerships, and persistence, young people can build enterprises that generate income, create jobs, and contribute to national food security.

### **Case study 02: Youth Agribusiness Success Story- Saman's Journey**

Saman, 39 years old, from Monaragala, has built an inspiring example of how commitment and systematic planning can turn even a small-scale farm into a prospering agribusiness.

Saman runs a cattle farm with only three milk producing cows and four calves, yet he earns nearly Rs. 500,000 per month. His success lies not in scale but in his ability to manage his farm efficiently and adopt systematic practices.

For Saman, farming is not just a business, it is a family enterprise. His wife, mother, and father all contribute to daily operations, creating a strong support system that helps the farm run smoothly. This family involvement has strengthened both the business and their bond.

Remarkably, Saman manages his farm by working only four to five hours per day, giving him plenty of free time for personal life. This balance between work and leisure is one of the reasons he loves his work. Farming, for him, is not just profitable but also enjoyable.

Encouraged by his current success, Saman is determined to expand his cattle farm in the future. His story shows that with passion, discipline, and family support, even small beginnings can lead to big achievements.

Saman's journey is proof that agribusiness is not limited to large scale farms or high investments. With systematic planning, family involvement, and a balanced approach, young people can create profitable and satisfying livelihoods in agribusiness.

### **Case study 03: Youth Agribusiness Success Story- Senarath & His Wife's Journey**

Senarath, 35 years old, and his wife, 33 years old, from Matale, are a very good example of how teamwork and innovation can transform small scale farming into a sustainable agribusiness. The couple first started with poly tunnel farming, focusing on high value crops. Their dedication, technical knowledge, and willingness to adopt new practices soon made their poly tunnel enterprise highly successful, generating steady income and community recognition.

Building on their success, Senarath and his wife recently expanded into large scale mushroom farming, investing in proper infrastructure to ensure quality and consistent production. Their forward looking mindset allowed them to diversify their income streams while responding to the rising market demand for mushrooms in Sri Lanka.

Their story is unique because it highlights the strength of a husband and wife partnership in agribusiness. By sharing responsibilities and supporting each other, they not only improved efficiency but also created a model of family based entrepreneurship that others in their community admire.

Created a profitable dual enterprise, poly tunnel farming and mushroom cultivation. Invested in modern infrastructure for sustainable production. Demonstrated the power of youth innovation and diversification in agribusiness and inspired other young families in Matale to consider agribusiness as a career path.

Senarath and his wife's journey shows that agribusiness is not just about farming, it is about innovation, diversification, and collaboration. With vision and persistence, young people can create modern, profitable agricultural ventures that uplift their families and communities.

## **11. Key Informant Interview Findings**

The key informants represent both policy-level experience and programme implementation expertise in agribusiness and youth development. Their insights highlight current challenges, best practices, policy gaps, and future directions for strengthening youth engagement in agribusiness in Sri Lanka.

### **11.1 Current Status of Youth Engagement**

All informants agreed that youth participation in primary agricultural production is low, as many young people prefer white-collar jobs. However, youth are more interested in:

- Value-added production
- Processing
- Marketing and export activities
- Technology-based services (Agri-tech, digital systems)

Youth are motivated mainly by higher income opportunities, profit margins, access to markets, and technological involvement. Technology-driven agriculture is particularly attractive to young people.

## 11.2 Key Challenges Identified

The major barriers limiting youth engagement include:

### a) Access to Land

- Lack of ownership or affordable leasing options.
- This is identified as the most critical structural barrier.

### b) Access to Finance

- Limited savings and weak access to credit facilities.
- Absence of youth-friendly loan schemes.
- Need for stronger linkage between youth and banks.

### c) Market Access

- Limited knowledge of modern market systems.
- Weak value chain integration.
- Need for stronger digital and institutional market linkages.

### d) Technology Gaps

- Lack of access to modern equipment, digital tools, drones, AI systems.
- Need for training in smart farming and Agri-tech.

### e) Institutional Weaknesses

- Weak coordination between government and private sector.
- Lack of a dedicated youth-focused agricultural agency.
- Limited infrastructure and technical capacity.

### f) Gender-Specific Challenges

Young women face additional barriers such as:

- Smaller land ownership
- Limited financial access
- Market domination by men
- Safety concerns
- Technology access gaps

## 11.3 Best Practices Identified

The interviews highlighted several successful approaches:

- Agribusiness mindset and treating farming as a business model
- Training and capacity building
- Public-private partnerships
- Private sector involvement in supporting youth
- Value addition and export orientation
- Post-disaster recovery support programs
- Use of digital platforms and technology

One informant emphasized that success depends on dedication, innovation, and business-oriented thinking among youth.

## 11.4 Policy and Institutional Gaps

Although national policies promote value addition and technology adoption, key gaps remain:

- Weak implementation due to resource constraints
- Lack of multisectoral coordination
- No dedicated youth agribusiness agency
- Limited land access mechanisms for youth
- Weak insurance and asset recovery systems
- Complex business registration procedures

All informants emphasized:

- Expansion of high-tech and smart farming
- Integration of AI and digital agriculture systems
- Climate-resilient agribusiness models
- Increased youth ownership in farming enterprises
- Stronger links between youth, investors, banks, and markets
- Recognition of agriculture as a modern, professional occupation

One informant suggested that at least 20% of agriculture enterprises should be youth-managed by 2030.

## **12. Key Policy Recommendations, Challenges and Best Practices**

From the combined interviews, the following priority reforms emerged:

1. Establish a dedicated youth agribusiness agency to coordinate programs and partnerships.
2. Improve access to land for youth, especially marginalized groups.
3. Develop youth-friendly financial mechanisms, including credit facilities and partnerships with banks.
4. Strengthen public-private partnerships for market access, training, and technology transfer.
5. Simplify business registration processes for youth entrepreneurs.
6. Promote digital agriculture platforms, including market information systems and technology support.
7. Enhance training in agribusiness management, climate-smart agriculture, and smart farming technologies.

The key informant interviews confirm that youth have strong potential and interest in agribusiness, particularly in value addition, technology-based services, and export-oriented ventures. However, structural barriers, especially land access, finance, institutional coordination, and technology gaps, limit their participation. Strengthening policy implementation, digital transformation, public-private partnerships, and youth-focused institutional support will significantly enhance youth engagement and contribute to a modern, climate-resilient agribusiness sector in Sri Lanka.

### **12.1 Key Challenges**

The study identifies several major barriers that limit youth engagement in agribusiness.

#### **Limited Access to Finance**

Financial constraints are the most significant challenge. Over half of the respondents (51.5%) identified access to finance as the most important support needed, while 50.1% reported lack of capital as the main challenge when starting an agribusiness. Banks often require collateral such as land titles, which many young people do not possess.

#### **Limited Market Access and Price Instability**

Youth frequently face difficulties in accessing reliable markets and dealing with unstable prices. About 20.4% of respondents reported lack of market access as a major challenge, while focus group discussions highlighted price fluctuations, delayed payments, and lack of clear grading standards.

#### **Limited Skills and Training Opportunities**

Although 42.3% of respondents have received formal agribusiness training, more than 57% have not received structured training, indicating a significant skills gap. Youth expressed strong

demand for practical field-based training in business management, financial planning, and modern farming techniques.

### **Technology and Infrastructure Constraints**

Technology adoption is limited by lack of knowledge (49.9%) and high costs (34.4%). Youth are willing to adopt new technologies, but require better financial support, training, and maintenance services.

### **Access to Land**

Many youths do not have land ownership or secure leases. This limits their ability to obtain credit, invest in infrastructure, and expand production.

### **Social Perception of Agriculture**

Although youth recognize the economic importance of agribusiness, a large proportion still perceive the sector as having low social status, which discourages some young people from choosing agriculture as a career.

## **12.2 Best Practices**

Several successful practices emerged from the survey, focus group discussions, case studies, and Key Informant Interviews.

### **Youth Agribusiness Development Programs**

YED and 4P significantly improve youth engagement by providing training, mentorship, and market linkages. Participants in these programs show higher business formalization and stronger commitment to agribusiness.

### **Value Addition and Diversification**

Successful young entrepreneurs are moving beyond traditional farming into processing, branding, and value-added products, increasing profitability and market opportunities.

### **Buyer-Producer Linkages**

Contract farming and direct partnerships with buyers reduce market uncertainty and ensure stable prices for young farmers.

### **Field-Based Training and Mentorship**

Practical demonstrations, seasonal follow-up visits, and mentorship from experienced farmers help youth adopt new practices more effectively.

### **Digital Market Information Systems**

Sharing daily market prices through mobile platforms such as WhatsApp groups allows youth to make better marketing decisions and avoid price exploitation.

### **Climate-Smart Farming Practices**

Youth are increasingly adopting climate-resilient crops, improved irrigation systems, and sustainable farming methods, helping them adapt to climate risks.

## **12.4 Policy Recommendations**

Based on the findings, several policy actions are recommended to strengthen youth engagement in agribusiness.

### **Expand Youth-Friendly Financial Programs**

Introduce low-interest loans, flexible repayment schedules, and grant programs specifically designed for young agripreneurs.

### **Improve Access to Land**

Develop youth land leasing programs and cooperative farming models to provide secure land access for young farmers.

### **Strengthen Training and Capacity Building**

Establish practical agribusiness training programs focusing on business planning, financial management, marketing, and digital agriculture.

### **Promote Technology Adoption**

Provide subsidies and financing for irrigation systems, digital tools, and climate-smart technologies, along with technical support services.

### **Improve Market Access**

Develop regional collection centers, digital price information systems, and contract farming frameworks to stabilize markets and reduce price risks.

### **Strengthen Institutional Coordination**

Establish a national youth agribusiness coordination platform linking government agencies, financial institutions, private sector actors, and youth organizations.

### **Improve the Image of Agribusiness**

Promote agribusiness as a modern and profitable career path through education programs, media campaigns, and success stories of young entrepreneurs.

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**Youth policy paper to analyze the challenges, highlight best practices and identify recommended actions to boost youth engagement in the agribusiness sector**

**Section 1: Demographic information**

1. Name:.....
2. District:.....
3. GN Division:.....
4. Contact Number:.....
5. Are you a member of
  1. Youth Entrepreneur development (YED)
  2. 4P Value chain
  3. Outside youth
6. Your date of Birth? Date..... Month.....Year.....
7. Your gender?
  1. Male
  2. Female
  3. Other .....
8. What is your highest level of education?
  1. Primary below grade 10
  2. O/L Pass
  3. A/L Pass
  4. Diploma
  5. Degree
  6. Postgraduate Qualifications

**Section 2: Youth Engagement in Agribusiness**

9. Do you have registered your business?
  1. Yes
  2. No
10. What is your primary employment status?
  1. Employed in agribusiness: Specify .....
  2. Employed in a non-agricultural sector
  3. Unemployed
  4. Other Specify.....
11. What is your main income source
  1. From agribusiness

2. From non-agricultural sector
3. Unemployed
4. Other Specify.....

12. Do you have any other income sources? What are they?.....

13. What is your father's occupation

1. Employed in agribusiness: Specify .....
2. Employed in a non-agricultural sector
3. Unemployed
4. Other Specify.....

14. What is your mother's occupation

1. Employed in agribusiness: Specify .....
2. Employed in a non-agricultural sector
3. Unemployed
4. Other Specify.....

15. Do you have your own land for business

1. Yes
2. No

16. If no, who own the land?

1. Mother
2. Father

17. Have you ever worked in the agricultural sector?

1. Yes
2. No

18. If yes, what type of agricultural activities have you been involved in?

	Agricultural activities	If you have more, prioritize first 3
1	Crop farming	
2	Livestock farming	
3	Fisheries and Aquaculture	
4	Agribusiness (e.g., processing, marketing)	
5	Other (please specify)	

19. If no, what are the main reasons youth have not engaged in agribusiness?

	Main reasons	If you have more, prioritize first 3

1	Lack of interest	
2	Low income potential	
3	Lack of access to land	
4	Lack of access resources or capital	
5	Lack of knowledge or training	
6	Social stigma	
7	Uncertainty	
8	Other (please specify)	

20. Have you felt social acceptance or satisfaction from engaging a career in agribusiness?

1. Yes
2. No

21. How interested are you in doing a career in agribusiness?

1. Very interested
2. Somewhat interested
3. Neutral
4. Not interested
5. Not at all interested

### Section 3: Challenges and Opportunities

22. What are the biggest challenges you face in engaging with agribusiness?

	Biggest challenges	If you have more, prioritize first 3
1	Lack of access to finance	
2	Health issues	
3	Lack of training or knowledge	
4	Lack of knowledge developing business plan	
5	Limited market access	
6	Poor infrastructure (e.g., roads, storage facilities)	
7	Climate change and environmental issues	
8	Animal threats	
9	Lack of support from government & private sectors	

10	Irregular involvement of intermediaries	
11	Other (please specify)	

23. What support or resources would encourage you to engage in agribusiness? (Select all if apply)

	Support or resources	If you have more, prioritize first 3
1	Access to land	
2	Financial support _ loans	
3	Financial support _ grants	
4	Training and skill development programs	
5	Better market access	
6	Mentorship and networking opportunities	
7	Other (please specify)	

**Section 4: Policy and Institutional Support**

24. Are you aware of any government sector programs supporting youth in agribusiness?

1. Yes
2. No

25. If yes, What are the programmes that you aware?

.....

26. If yes, how successful do you think these programs are?

1. Very successful
2. Somewhat successful
3. Neutral
4. Not successful
5. Not at all successful

27. Are you aware of any private sector programs supporting youth in agribusiness?

1. Yes
2. No

28. If yes, What are the programmes that you aware? .....

29. If yes, how successful do you think these programs are?

1. Very successful
2. Somewhat successful

- 3. Neutral
- 4. Not successful
- 5. Not at all successful

30. What role should the government play in promoting youth engagement in agribusiness?

- 1. Provide financial support
- 2. Improve access to education and training
- 3. Develop better infrastructure (e.g. marketing, networking, incentives)
- 4. Create awareness campaigns
- 5. Other (please specify).....

31. Do you have support for your agribusiness from your parents or spouse

- 1. yes
- 2. no

32. Do you have support for your agribusiness from your parents?

- 1. yes
- 2. No

**Section 5: Perceptions and Attitudes Toward Agribusiness**

33. How do you perceive the social status of individuals working in agribusiness?

- 1. Very high
- 2. High
- 3. Neutral
- 4. Low
- 5. Very low

34. Do you believe agribusiness can be a profitable career for youth?

- 1. Yes
- 2. No
- 3. Unsure

35. What factors influence your perception of agribusiness as a career? (Select all if apply)

	Factors influence perception	If you have more, prioritize first 3
1	Income potential	
2	Job stability	
3	Social recognition	
4	Personal interest	
5	Family influence	
6	As a hobby	
7	Other (please specify)	

36. How important do you think agribusiness is for Sri Lanka's economy?

1. Very important
2. Somewhat important
3. Neutral
4. Not important
5. Not at all important

**Section 6: Skills and Training**

37. Have you received any formal training or education in agribusiness?

1. Yes
2. No

38. If yes, what type of training did you receive?

	Type of training	If you have more, prioritize first 3	Duration: Days	Duration: Months
1	Crop production			
2	Livestock management			
3	Agri business (marketing)			
4	Agri technology			
5	Agro tourism			
6	Other (please specify)			

39. Do you follow self study in the agri business?

1. Yes
2. No

If yes, How?.....

40. How satisfied are you with the quality of agricultural training programs available to youth?

1. Very satisfied
2. Somewhat satisfied
3. Neutral
4. Dissatisfied
5. Very dissatisfied

41. What skills do you think are most important for success in agribusiness?

	Important skills for agribusiness	If you have more, prioritize first 3
1	Technical farming skills	
2	Business and marketing skills	
3	Financial management	
4	Technology and innovation	
5	Leadership and teamwork	
	Other (pl. specify)	

**Section 7: Technology and Innovation**

42. Are you aware of modern agricultural technologies?

- 1. Yes
- 2. No

43. Have you used any modern technologies in agribusiness?

- 1. Yes
- 2. No

44. If yes, What the new technologies that you used?

.....

45. If yes, how has technology improved your agricultural activities?

- 1. Increased productivity
- 2. Reduced labor costs
- 3. Improved product quality
- 4. Enhanced market access
- 5. Other (please specify) .....

46. What barriers youth face in adopting modern agricultural technologies? (rank first 3 answers)

	Barriers in adopting modern agricultural technologies	If you have more, prioritize first 3
1	High cost	
2	Lack of knowledge/training	
3	Limited access to technology	
4	Resistance to change	
5	Other (pl. specify)	

**Section 8: Entrepreneurship and Agribusiness**

47. If you are not doing agribusiness, are you interested in starting your own agribusiness?

1. Yes
2. No
3. Not sure

48. If yes, what type of agribusiness are you interested in? (rank first 3 answers)

	Type of training	If you have more, prioritize first 3
1	Crop production	
2	Livestock management	
3	Agri business (marketing)	
4	Agri technology	
5	Agro tourism	
6	Other (please specify)	

49. What challenges do you anticipate in starting an agribusiness?

	Challenges	If you have more, prioritize first 3
1	Lack of capital	
2	Lack of market access	
3	Lack of technical knowledge	
4	Regulatory barriers	
5	Competition	
6	Other (please specify)	

50. What support do you need to start and run a successful agribusiness?

	Support to start agribusiness	If you have more, prioritize first 3
1	Access to finance	
2	Business training	
3	Mentorship	
4	Market linkages	
5	Infrastructure support	
6	Other (please specify).....	

**Section 9: Environmental and Climate Change Concerns**

51. How concerned are you about the impact of climate change on agribusiness?

- 1. Very concerned
- 2. Somewhat concerned
- 3. Neutral
- 4. Not concerned
- 5. Not at all concerned

52. Have you experienced any effects of climate change on your agricultural activities?

- 1. Yes
- 2. No

53. If yes, what effects have you observed?

	Effects observed	If you have more, prioritize first 3
1	Unpredictable weather patterns	
2	Droughts	
3	Floods	
4	Pests and diseases	
5	Reduced crop harvests	
6	Wild animals	
7	Other (please specify).....	

54. What measures do you think can help mitigate the impact of climate change on agribusiness?

	Measures to mitigate the climate change impact	If you have more, prioritize first 3
1	Adoption of climate resilient crops	
2	Improved irrigation systems	
3	Sustainable farming practices	
4	Government policies and support	
5	Other (please specify).....	

**Section 10: Suggestions**

55. What do you suggest to mitigate the impact of climate changers on agribusiness?

.....

56. What specific actions would encourage more youth to engage in agribusiness?

.....  
57.What message would you like to share with policymakers about youth in agribusiness?

.....  
58.Any additional comments or suggestions? .....

END

**Youth policy paper to analyze the challenges, highlight best practices and identify recommended actions to boost youth engagement in the agribusiness sector**

**Guideline for Conducting Focus Group Discussions (FGDs)**

The following guidelines are designed to facilitate a structured and productive stakeholder discussion to analyze challenges, highlight best practices, and identify recommended actions for boosting youth engagement in the agribusiness sector. These guidelines ensure inclusivity, focus, and actionable outcomes.

1. Objectives of the Stakeholder Discussion

- **Analyze Challenges:** Identify key barriers preventing youth from engaging in agribusiness (e.g., lack of access to land, finance, training, or technology).
- **Highlight Best Practices:** Highlight good policies, programs, and initiatives that have succeeded in getting young people involved in agribusiness.
- **Identify Recommended Actions/suggestions:** Develop actionable recommendations for policymakers, private sector actors, and development partners to enhance youth engagement.

2. Key Stakeholders to be invited

- **Government Representatives:** Ministry of Agriculture, Ministry of Youth, and local government officials.
- **Youth Organizations:** National Youth Services Council, youth led agribusiness groups, and university agricultural societies.
- **Private Sector:** Agribusiness companies, startups, and financial institutions.
- **Development Partners:** NGOs, international organizations (e.g., FAO, UNDP), and donor agencies.
- **Academia and Researchers:** Universities and research institutions.
- **Farmers and Entrepreneurs:** cooperatives, young farmers, and agribusiness owners.

3. Challenge, highlight best practices and identify recommended actions

**1: Analyzing Challenges and Opportunities:**

Breakout groups to discuss specific challenges (e.g., access to finance, land, training, markets, and technology). Each group presents their findings.

**2: Highlighting Best Practices**

Presentations of successful case studies and initiatives. Group discussions to identify transferable best practices.

**3: Identifying Recommended Actions:**

Brainstorming session to develop actionable recommendations. Prioritization of recommendations based on feasibility and impact.

#### 4. Discussion Methodology

Breakout Groups: Divide participants into small groups to focus on specific themes (e.g., access to finance, technology, training).

Case Study Presentations: Invite stakeholders to share successful initiatives and programs.

SWOT Analysis: Use SWOT (Strengths, Weaknesses, Opportunities, Threats) to analyze challenges and opportunities.

#### 5. Key Discussion Themes

##### **Commencing:**

- Welcome participants and introduce yourself and the team.
- Explain the purpose of the FGD and how the information will be used.
- Opening Questions (Icebreakers)
- What does agriculture mean to you?
- How do you perceive the role of youth in agriculture?

##### **Access to Finance**

- Challenges: Lack of collateral, high interest rates, and limited awareness of financial products.
- Best Practices: Youth friendly loan schemes, crowdfunding, and venture capital for agribusiness startups.

##### **Access to Land**

- Challenges: High land prices, land fragmentation, and lack of land ownership among youth.
- Best Practices: Land leasing programs, cooperative farming models, and government land allocation schemes.

##### **Training and Capacity Building:**

- Challenges: Limited access to practical training and outdated curricula.
- Best Practices: Vocational training programs, mentorship initiatives, and digital learning platforms.

##### **Access to Technology:**

- Challenges: High costs of technology and limited digital literacy.
- Best Practices: Affordable agri tech solutions, mobile based advisory services, and innovation hubs.

##### **Market Access:**

- Challenges: Lack of market linkages and price volatility.
- Best Practices: E-commerce platforms, farmer cooperatives, and value chain development programs.

##### **Policy and Institutional Support:**

- Challenges: Lack of youth focused policies and coordination among stakeholders.

- Best Practices: National youth agribusiness strategies and public private partnerships.

These guidelines will ensure a productive and inclusive stakeholder discussion, leading to actionable insights and recommendations for enhancing youth engagement in the agribusiness sector.

END

Youth Engagement in the Agribusiness Sector in Sri Lanka: Challenges, Best Practices, and Policy Recommendations

**Section A: Background Information**

1. Please describe your current role and experience related to agribusiness/youth development.
2. How long have you been involved in this sector?.....
3. What is your level of engagement with youth in agribusiness?

**Section B: Current Status of Youth Engagement**

4. How would you describe the current level of youth participation in Sri Lanka's agribusiness sector?
5. Which sub-sectors (e.g., primary production, processing, agri-tech, export, value addition) attract more youth?
6. What motivates young people to enter agribusiness?

**Section C: Key Challenges**

7. What are the main barriers preventing youth from entering or remaining in agribusiness?
  - Access to land
  - Access to finance
  - Market access
  - Technology gaps
  - Social perceptions
  - Policy limitations
8. Are there gender-specific challenges affecting young women?
9. How does rural-urban disparity influence youth participation?
10. What structural or institutional constraints exist?

**Section D: Best Practices & Successful Models**

11. Are there successful youth agripreneurship initiatives in Sri Lanka?
12. What factors contributed to their success?
13. Are there international models Sri Lanka could adopt?
14. What role do incubators, cooperatives, or public-private partnerships play?

**Section E: Policy and Institutional Environment**

15. Are current policies adequate to support youth agripreneurs?
16. Where are the policy gaps?
17. How effective are government support programs?
  
18. What reforms would you prioritize?

**Section F: Future Outlook**

19. How can digital transformation (Agri-tech, AI, smart farming) improve youth engagement?
20. What would an ideal youth-inclusive agribusiness ecosystem look like in 2030?

**Section G: Recommendations**

21. What three key policy recommendations would you propose?
22. What immediate short-term interventions are required?
23. What long-term structural reforms are necessary?

-END-