



**THE CONTRIBUTION OF AGRICULTURAL PRODUCTION TO THE GROWTH
OF NIGERIAN ECONOMY IN ENUGU STATE**

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ABSTRACT

Agriculture constitutes the predominant activity in most of the six geo-political zones in Nigeria, the percentage of persons engaged in the agricultural sector ranges between 24.4 and 85.1 percent across zones in Nigeria. With respect to states, the activity ranges between 2.4 and 91.7 percent, majority of states having over 50 percent. Food is one of the basic necessities of life hence the need to encourage agriculture. It is in this vein that; this study examines the contribution of agricultural production to the growth of Nigeria's economy in Enugu state. Considering the impact, it will have to ensure the achievement of economic growth and recovery, from the devastating effects recession had on the economy from 2016 to the second quarter of 2017. The study recommends that research and technology would drive agricultural development and increase agricultural productivity and that the Government should establish agricultural fund to finance and facilitate medium/large scale agricultural production, to enhance employment, production for local consumption and for export. Therefore, the study concludes that any policy thrust that addresses poverty would inevitably focus on agriculture, by increasing rural opportunities that could generate agricultural induced development. Hence, the development of agriculture is a sine qua non for the alleviation of poverty and achievement of sustainable development.

INTRODUCTION

Agriculture is the predominant activity in most of the zones in Nigeria, percentage of persons working in agriculture ranges between 24.4 and 85.1 percent across zones in Nigeria. With respect to states, the activity ranges between 2.4 and 91.7 per cent, majority of states having over 50 percent. Increases in agricultural output brought about by increasing land and labor productivity, will make food cheaper; benefit both rural and urban poor people who spend much of their income on food. Under right condition, increase in agriculture productivity causes the incomes of both small and large farmers to increase and generate employment opportunities.

These increases in income is particularly important because the proportion of people mainly dependent on agriculture for their income remains high; ranging from 45% in East and South Asia, to 53.2% in Asia and 63.5% in Sub-Saharan Africa (Ogen, 2007). The agricultural sector has a traditional role to play in the path of economic development. But in an economy like Nigeria, the agricultural sector had suffered set back in recent times, which has attributed to widespread poverty and insecurity experienced today. Though, no so-called developed nation today actualized this status solely by agricultural transformation, but in many, conscious efforts on agriculture at the early stage of development played a critical role in economic development.

Moreover, rapid increase in agricultural output by increasing land and labor productivity will make food cheaper benefiting both the urban and rural poor people who spend much of their income on food. Increasing productivity will bring about increased incomes of both farmers and even non-farmers, because the proportion of people mainly dependent directly or indirectly on agriculture and agricultural products for their income remains extremely. It is with this quest for recent empirical-econometric facts that motivated this study, poised with the aim of finding out how agricultural output can help to reduce, if not eliminate poverty and enhance growth and thus development. It is equally aimed at providing policy information for the government. Time series data from 1970-2008 for the variables from the relevant data sources would be gotten and the Johansen Technique will be used to get the regression results.

THE ROLE OF AGRICULTURE IN ECONOMIC DEVELOPMENT

At independence in 1960 agriculture accounted for well over half of our Gross Domestic Product(GDP), and was the main source of export earnings and public revenue, with the agricultural marketing boards playing a leading role, but today this leading role in the economy has been taken over by the national oil company, the Nigerian National Petroleum Company (NNPC).

According to the Central Bank of Nigeria's data (2003), Oil still accounts for our major revenue (gearing towards 80%) and almost 100% of our export earnings. Although Agriculture (particularly forestry, livestock and fishing) is shown to serve as the major activity of the majority of Nigerians, it is clear that we indulge in agriculture purely as personal survival strategies rather than as a calculated effort to warming the engine of our countries economy. This is really where our National economic problem lies. The gospel of economic salvation cannot be preached without due regard to agricultural development. Agriculture is the major and most certain path to economic growth and sustainability. It encompasses all aspect of human activities being the art, act, a cultural necessity and science of production of goods through cultivation of land and management of plants and animals which creates an activity web-chain that satisfies social and economic needs.

Agriculture is the mainstay of mankind; therefore, wise nations all over the globe give it a priority by developing and exploiting this sector for the upkeep of their teeming populations through the earning of revenue for development purposes; as well as employment for the stemming down crimes, corruption and other forms of indiscipline which work against all factors of life, living and most of all economic production. While many nations in the world are working hard and reaping their harvests in this direction, Nigeria happens to belong among the few that have greatly retarded from their past glorious heights in agriculture, down to a near zero scale of agricultural production. Surely, this neglect is because of irresponsible and ill-purposeful leadership (Chigbu, 2005).

Nigeria is blessed with a wide variety of agricultural potentials, ranging from varieties of crops to varieties of animals and plants and natural agricultural-supportive factors like forests, waters, sands and most of all human resources that are being under-used (or not even used as at now).

We have it all, yet we lack it all; and that is why we are hungry in the face of plenty to eat. How can our Nation grow well if we cannot cultivate and manufacture our own food? Nigeria's economic development can only be realistic through the total resuscitation of our

agricultural sector. This will propel the sector to produce food and fibers to feed our people and the industry at a rate faster than the birth-rate; yet reducing the death rate. The injection of vigor into the agricultural sector will also fasten the creation of self-reliance, self-contentment and self-Sufficiency (which will be translated to National sufficiency). Adequate supply of raw materials for industries, increased foreign reserve; and increase in the export of non-oil commodities and improvement in the standard of living of the masses are issues that a revitalized agricultural system can provide. This will encourage the growth of a physically fit and mentally alert population. Succinctly put, the development of the agricultural sector will generally improve the revenue generation of our nation and discourage our over-reliance on oil and gas, which has created a 'Dutch disease ' for the Nigerian economy. The economic independence, which the agricultural sector can offer, this nation (if developed) will undoubtedly propel us to political and economic independence, which we cannot truly boast of today as a debtor and borrower nation.

Rural and urban development, rural and urban employment; and of course the control of urban Migration and general development of other sectors of the economy will be the positive chain reactions of an improved Agricultural sector.

ENUGU STATE AGRICULTURE

Agriculture plays an important role in the state's economy and the nation at large, yams, oil palm products, taro, corn (maize), rice, and cassava (manioc) are the main crops. Enugu, the state capital, is a major Centre for coal mining. Iron ore also is mined, and deposits of limestone, fine clay, marble, and silica sand are worked. Industries include textile manufacturing, food processing, lumbering, soft-drink bottling, brewing, and furniture manufacturing. A network of roads connects Enugu town with Awgu, Ezzangbo, and Nsukka. Enugu also is linked by the eastern branch of the Nigerian Railways with Port Harcourt which made it easier to transport agricultural goods from one part to other, and it has an airport.

Agriculture is known to be an area that supports development, most especially in less developed countries (LOCs) like Nigeria where industrialization is under developed. It can be categorically said that, agricultural production in Nigeria has been backward, since the discovery of oil in the country which can actually be said to be a deterrent to its growth and development. This is because the sector (Agriculture) has been relegated to the background since oil discovery. From the investigation carried out, it was confirmed that within the period of 2015 exchange rate had a direct relationship with agricultural input and such

relationship was significant. Loans and advances from the investigation showed that it had an inverse relationship with agricultural output, which goes to say that the loans and advances located to agriculture had be directed to other things or areas, which had been thwarting the growth of the sector. An increase in total savings ordinarily should have a positive relationship with agricultural output but this was not the case because reverse happened to be the situation. As such, it can be concluded that loans are either not given out for agricultural production or the issue of adverse selection and moral hazard took the better of the situation as a result of high rate of interest placed on borrowing, or it can be suggested that corruption engulfed the whole process to the detriment of agricultural growth in the country. Economic Recovery and Growth Plan (ERGP) drafted by the Nigerian government in order to revamp the economy is a wonderful initiative that if diligently pursue, a lot of gain will be made most especially from the perspective of agriculture which is expected to arrest the problem of food insecurity in the country and to greatly improve foreign exchange. A lot need to be put in place in order to achieve that feet.

CONCLUSION

There is an African saying "that once the problem of food is addressed in the life of a poor fellow, the poverty level has been substantially solved." We hold the view that there is a direct correlation between the level of economic growth in Nigeria and the development of agriculture.

This goes without saying that any policy thrust that addresses poverty, would inevitably focus on agriculture, by increasing rural opportunities that could generate agricultural-induced development. Hence, the development of agriculture is a sine qua non for alleviation of poverty, hence the Nigerian Government should lay much emphasis on its encouragement.

RECOMMENDATIONS

Having investigated empirically the effectiveness of the agricultural sector on the economic development of Nigeria; it will be necessary to offer the following recommendations.

- Establishment of agricultural fund to finance and facilitate medium/large scale

Agricultural production, credit should be granted to farmers who are ready and willing to embark on medium/large scale farming to enhance employment, production for local consumption and for export in order to generate foreign exchange revenue for the Nigeria.

The essence of the Fund is to address the most basic constraints facing agriculture, which is

funding; and the disbursement of such funds should be through banks, which would do normal credit appraisal and rating.

Harmonization of agricultural research institutions, it is widely accepted that research and technology are the vehicles on which agricultural development move forward. A thorough analysis of the objectives, roles and activities of each institute should be made with a view to streamlining their operations for better and effective performance. The focus of the institutions should be to enhance yield in agricultural production through continuous research that would bring in new seedlings etc. Also, there is the need to commercialize research findings, government should set up Research Grants to assist research institutes execute research projects. The results can thereafter be sold to venture capitalists, commercial enterprises, or even purchased by the government itself. This would go a long way in encouraging researchers to embark on commercially viable studies in agriculture. An increase in government allocation to the sector is necessary, but currently not sufficient to ensuring that an improvement is realized. This is because increase in government allocation to agricultural sector is not synonymous with improved productivity, because such allocations are not monitored closely to ensure that they are used judiciously

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