

PDF - THE IMPACT OF AGRICULTURAL DEVELOPMENT ON NIGERIA ECONOMIC GROWTH - researchcub.infoINTRODUCTION

1.1. BACKGROUND OF THE STUDY

Agriculture is concerned with the husbandry of crops and animals for food and other purposes. It is the foundation upon which the development of stable human communities, such as rural and urban communities has depended on in many parts of the world. The study of economic history provides us with ample evidence that an agricultural revolution is a fundamental pre-condition for economic development. The agricultural sector has the potentials to be the industrial and economic springboard from which a country's development can take off. Indeed, more often than not, agricultural activities are usually concentrated in the less developed rural areas where there is a critical need for rural transformation, redistribution, poverty alleviation and socio-economic development.

The agricultural sector has the potentials to shape the landscape, provide environmental benefits such as conservation, guarantee sustainable management of renewable natural resources, preserve biodiversity and contribute to the viability of rural areas. Through its spheres of activities at both the macro and micro levels, the agricultural sector is strategically positioned to have a high multiplier and linkage effect on any nation's quest for socio economic and industrial development.

The growth of the agricultural sector in Nigeria was not smooth.

Anyanwu (1967) held that during the colonial period between 1861 – 1960, attention was given to agricultural research and extension services. Among the activities that was done, the first was the establishment of a research station in Lagos by Sir Claude McDonald in 1893. Landmarks of 10.4 km was acquired by the British Cotton Growing Association (BCGA) in 1899 for experimental purposes strictly for cotton and was named Moor Plantation in Ibadan.

In 1912, the Department of Agriculture was established in each of the then Southern and Northern Nigeria, but the activities of the department were virtually suspended between 1912 and 1921 as a result of the First World War and its aftermath. The period 1929 and 1945 was a difficult one for the agricultural sector of Nigeria. This was the period of great depression when the world prices on commodities fluctuated. This affected the agricultural sector negatively because the volume of agricultural produce increased but the value did not increase proportionately.

The period 1945 – 1954 marked the period of export boom, because countries were just recovering from the Second World War and countries that needed to develop their destroyed industrial sector were many. They depended on primary product for the beginning stage of industrialization. They needed to revitalize their industrial sector by demanding primary goods. Prices of primary products rose higher again because there were speculations that there would be a Third World War due to the outbreak of the Korean War. However, after this period, there came another period of price instability. This made the reliance on agriculture and its products to fall, leading to the establishment of a market board. This board bought these products from the local farmers and sold them overseas.

In spite of all the periods, Nigeria made a great revenue from agriculture. In the pre-Independence era, the agricultural sector contributed most to the GDP of Nigeria. Helleiner (1966) said that in 1929, export production amounted to 57% of Nigeria's revenue and in that 57%, agriculture made up about 80% of the export. On attainment of political independence in 1960, the trend was still very much the same, the Nigerian economy could reasonably be described as an agricultural economy, because agriculture served as the

engine of growth of the overall economy (Ogen, 2003: 231-234), from the stand point of occupational distribution and contribution to the GDP. Nigeria was the world's second largest producer of cocoa, largest exporter of palm oil. Nigeria was also a leading exporter of other major commodities such as cotton, groundnut, rubber and hides and skins (Alkali, 1997: 15-16). Between 1964 – 1965, agriculture accounted for 55% of GDP and employed 70% of the adult workforce (Matton, 1981). In 1970, agricultural export crops like cocoa, groundnut, cotton, rubber, palm oil, palm kernel, etc. accounted for an average of between 65% – 75% of Nigeria foreign exchange earnings and provided the most important source of revenue for the Federal as well as State governments through export products and sale taxes (Ekundare 1973), despite the reliance of Nigerian peasant farmers on traditional tools and indigenous farming methods, these farmers produced 70% of Nigeria's exports and 95% of its food needs (Lawal, 1997: 195). However, the 1967 – 1970 Civil War in Nigeria coincided with the 'Oil Boom' era, which resulted in extensive exploration and export of petroleum and its products. This led Nigeria to neglect its strong agriculture in favour of an unhealthy dependence on oil (United States Department of State, 2005). Ever since then, Nigeria has been witnessing extreme poverty and insufficiency of basic food items. The agricultural sector contributions now account for less than 5% of Nigeria's GDP (Olagbaju and Fashola, 1996:263). It is against this backdrop that we set out to research on the impact of agricultural development on Nigeria's economic growth.

As noted earlier, the neglect of the agricultural sector and the dependence of Nigeria on a mono-cultural crude oil based economy had not augured well for the well-being of the Nigerian economy. In a bid to address this drift, the Nigerian government as from 1975 became directly involved in the commercial production of food and cash crops.

Several large scale agricultural projects specializing in the production of grains, livestock, dairies and animal feeds, to mention but a few, were established (Fasipe, 1990: 129-130). Sugar factories were also established at Numan, Lafiagi and Sunti (Lawal, 1997: 196).

The Nigerian Agricultural and Co-operative Bank (NACB) was established in 1973 as part of government's effort to invest oil wealth into the agricultural sector through the provision of credit facilities to support agriculture and agro-allied businesses (Olagunju, 2000: 90). By 1995 the bank had granted the sum of \$3,179.6 million as loan to the Private Sector.

The River Basin Development Authorities (RBDA) were conceived in 1963 and were to cater for the development of land and mineral resources potentials of Nigeria.

Operation Feed The Nation (OFN) was commissioned in the 1970s with the main objectives of:

Mobilizing the nation towards self sufficiency and self reliance in food.

Encouraging the sector of population which relies on buying food to growing its own food.

Encouraging general pride in agriculture through the realization that a nation which cannot feed itself, cannot be proud etc.

The OFN which was launched in 1976 to generate public awareness of the importance of agriculture to national development, and mobilize both rural and urban dwellers to participate in agriculture, be it in conventional crop farms, fish farms, backyard gardens or poultry did not realize the objectives of reducing or eliminating food imports and achieving self-sufficiency so in 1980 it was replaced with the Green Revolution Programme.

– The Green Revolution; This was a more deliberate and calculated approach to the food production

problem. The programme was followed by the mounting of food strategies mission for Nigeria by the Federal Ministry of Agriculture, which estimated the level of food production needed to achieve self-sufficiency. Much of the recommendations of the programme, such as the expansion of the Integrated Agricultural Development Programme (ADP) to cover all States of the Federation, support for artisanal fishers and aquaculture and the establishment of grain storage facilities, among others, are still being implemented.

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