AGRICULTURE: A PANACEA TO ECONOMIC GROWTH AND DEVELOPMENT IN NIGERIA

Oluwole, Israel Oluwasani
Department of Public Administration and Local Government,
University of Nigeria, Nsukka, Enugu State, Nigeria
israel.oluwole@unn.edu.ng
+2348038256337, +2348071115801 (Corresponding Author)

Attama Paulinus Ikechukwu
Department of Public Administration and Local Government,
University of Nigeria, Nsukka Enugu State, Nigeria
paulinus.attama@unn.edu.ng
08030891488

Onuigbo Fidelia Nebechi
Department of Economics, Enugu State University, Enugu State
Enugu State, Nigeria
fidelia.onuigbo@esut.edu.ng
09094720099

Atabo Ichaba
Department of Public Administration and Local Government,
University of Nigeria, Nsukka Enugu State, Nigeria
ichaba.atabo@unn.edu.ng
07032838500

ABSTRACT
Economic growth and development is critical to every economy, therefore making it imperative to understand why government policies fail or succeed, in other to learn on best ways to spur economic growth and development. According to Maslow's hierarchy of need, food is one of the basic needs of man, thereby making food security first a priority for every economy, while export of excess provides a source of foreign earning for a country like Nigeria which export primary products. With double digit food inflation, balance of payment necessitated from sub-optimal export from the non-oil sector. This study examined agriculture: a panacea to economic growth and development in Nigeria in relation with GDP growth, towards understanding causal relationship, if any, between agricultural sector GDP growth and development. Scholars have diverse views on how to rehabilitate the Nigerian economy. The paper utilized documentary methods to source for materials and analyzed using content analysis technique. In doing this, Basic Resource Theory was used as a framework of analysis to address the issue. The paper also examined the various challenges facing Nigerian state in achieving this economic growth and the core is the oil. The findings among others found out that agriculture is a solution to economic growth and that the discovery of crude oil served as the major contributor in neglecting Agriculture as a means of economy in Nigeria. Thus, based on the findings of this paper it recommended among that there is need for effective monitoring of allocated funds, to ensure that there is no shortfall in remittance and to equally conduct an audit overtime to ensure judicious management of allocated funds until the project is completed. This will see to the lasting solutions to sustainable economic growth and development in Nigeria.

Keywords: Keynesian growth model, Public Expenditure, Economic Growth and Development, Agricultural Sector

1. INTRODUCTION

In Nigeria agriculture comprises the main fields of human activities as it concerns the production of food and cash crops, livestock, fishing, forestry and marketing of the products. The role of agriculture in any economy is very central and especially for developing countries. It can promote economic development by increasing availability of food and releasing labour for the industries, raises the level of savings and capital formation while also earning foreign exchange from exports (Anyanwu et al: 1997:10; Ebere and Osundina, 2012 1997: Efobi and Evans,2012 Central Bank of Nigeria,2003; Chude and Chude, 2013).

However, at the dawn of the 1970s agriculture lost its dominant position to crude oil and natural gas in terms of contribution to GDP, the export basket, foreign exchange earnings and government revenues and so on. Output deteriorated and the sector generally stagnated. The food situation became disturbing and almost alarming to the extent that Nigeria, once one of the leading producers of certain agricultural goods, became an importer of some of the same products, especially food grains. In other to reverse this trend, the country adopted series of agricultural reforms or revival strategies and programmes targeted at different activities in the agricultural sector ranging from finance, pricing, infrastructure, institutions, marketing to storage and so on. The efforts were further boosted by increased earnings from crude oil sales. Large funds were invested in the sector, several institutions were created and the work force developed. In spite of all these, agricultural production remained low and lagged behind other sectors. Food supply was still below the demand and the food import bill continued to grow.

By focusing on agricultural development, Nigeria can speed up its economic growth in the coming decade. Currently, Nigeria had 75 percent of its land suitable for agriculture, but only 40% is cultivated. That indicates there is much room for the country to focus on. This addresses the food security and agriculture component of their plan along with the focus on employment for all. However, to move forward, the country must increase the low productivity of current agricultural companies, engage competition within the agricultural sector, develop domestic policies and increase funding (Ayodele, Obafemi and Ebong, 2013).

Economic growth and development is critical to every economy, therefore making it imperative to understand why government policies fail or succeed, in other to learn on best ways to spur economic growth and development. According to Maslow's hierarchy of need, food is one of the basic needs of man, thereby making food security first a priority for every economy, while export of excess provides a source of foreign earning for a country like Nigeria which export primary products. With double digit food inflation, balance of payment necessitated from sub-optimal export from the non-oil sector.

Recent reports on this sector are frightening. The Gross Domestic Product (GDP) report for first quarter of 2020 released in 2020 by the Nigeria Bureau of Statistics (NBS) compounded these issues and confirmed that the nation's economic growth is on the decline and hence the country is heading towards a recession. According to the NBS, the recession could be as deep as -4.4 percent GDP growths for the year, though the Federal Government (FG) hopes it can reduce the contraction to -0.4 percent, through its stimulus measures {Komolafe, Eboh, Elebeke and Ewepu, 2020}.

The first part of this report highlighted recommendations by business leaders on how to rescue Nigeria from the impending deep recession. These include: Policies that will encourage massive investment for infrastructure and into agriculture, tax incentives and immediate termination of all lockdown measures.

On the medium to long term, the government needs to craft out policies aimed at diversifying the Nigerian economy. Such sectors as manufacturing, ICT and agriculture should be given a massive boost. It is on the latter that the study is interested in.
As Nigeria seeks to continue to be a leading economy in Africa and a major player in the world's economic and political affairs, Nigeria needs to speed up its economic growth by focusing on vital economic sectors like education, energy, agriculture and manufacturing. At this point in Nigeria's development, the best approach is to focus on the agricultural sector. In addition, it is important to identify the strategies needed to enhance economic growth through the use of agriculture.

2. THEMATIC EXPOSITION OF CONCEPTS-

Agriculture and Agriculture Expenditure in Nigeria

Ogunlela and Mukhtar (2009) posit that increases in agricultural productivity are central to growth, income distribution, improved food security and alleviation of poverty in rural communities in Nigeria. Food security and poverty alleviation cannot be truly achieved in Nigeria without rapid growth in agriculture. The growth and development of agriculture sector is crucial in increasing the living standard of farming household in rural areas especially vulnerable groups such as women and reducing poverty as a whole. In a country where there is an effective agricultural policy, an increase in crop production can positively affect staple food supply, which in turn increases nutritional levels and living standard. Growth in agricultural production improves farmer's socio- economic status in the society through their social and economic empowerment.
Neajiuba as cited in Okozie et al (2013), stated that the population involved in farming is between 60% and 70% and the sector contributes an average of 36.6% to the GDP within the years 1980 to 2011. The above analysis supports the notion that agriculture is the main stay of Nigerian economy. On the other hand, Egunjobi (2013) succinctly argued that agriculture faced serious neglect in 1984-1989 and enjoyed government focus in the year 2001, 2002 and 2005.
In the same vein, Babalola (2015) pointed out that federalism is harmonious with economic development and further argued that one of the major reasons for the decline in agricultural production was the unprecedented flow of oil rent, which caused agricultural products to become unprofitable. He therefore concluded that Nigeria's fiscal federalism has not spurred the desired development. In an analysis of the level of significance between public expenditure and Agric. Sector growth, Ayunku and Etale (2015) investigated the effect of agricultural spending on economic growth in Nigeria from 1977 to 2010 using ADF and Philips Perron unit root test and concluded based on the result from the analysis that there is a significant relationship between public expenditure and economic growth both in the short-run and long-run respectively. They therefore recommended based on the result, government should increase spend on agriculture. FAO report cited by Iganiga and Unemhilin (2011) argued in line with the assertion by Ayunku and Etale (2015), by pointing out that capital allocation to agriculture in Nigeria, as an average of 4.74 percent from 1970-1980. But, from 1980-2000, it rose to 7.00 percent and 10 percent from 2001-2007, though revealing an increase, but still falls short of Food and Agricultural Organization (FAO) recommendation of 25 percent of government capital budget be assigned to the agricultural development.
To further buttress the FAO in relation with capital expenditure. Nkechukwu and Okoh (2013) utilized OLS multiple regression model to examine the partial or joint effect of disaggregated capital expenditure on economic growth in Nigeria. The study found that there is long-run equilibrium relationship between capital expenditure and economic growth in Nigeria; capital expenditure on agriculture and healthcare has a negative effect on economic growth. This therefore attests to the fact that in line with FAO report on that Nigeria's capital expenditure in Agric. sector is below standard. While, Okezie et al (2013:178) asserted that the nature of support given to agriculture by various governments in the country varied over the years. Before independence, the assistance to the sector was generally aimed at developing the export crop required by the overseas industries. After

independence when the national development plans were prepared, agricultural support took a much more formal form, and thus presented a more serious impression of what government intends doing for the sector. However, the most of the efforts later turned out to be as can be inferred from the allocations made in various national development plans and annual budgets, leaves much to be desired. Lawal (2011) adopted trend analysis and simple linear regression to examine the level of government spending on the agricultural sector and the consequential effect on the GDP. Result of the analysis showed that there is direct positive relationship between GDP and the selected sectors and therefore recommended that government should increase her budgetary allocation to the sector in a consistent manner, because it is important to the national economy.

In line with the above, with reference to Kuznet and Mackie, Iganiga and Unemhilin (2011) argued that agricultural sector contributes to the development of an economy in four major ways - production contribution, factor contribution, market contribution and foreign exchange contribution. In the same vein, Abayomi as cited by Iganiga and Unemhilin (2011) argued that stagnation in agriculture is the principal explanation for poor economic performance, while rising agricultural productivity has been the most important concomitant to successful industrialization. Okezie et al. (2013) in analyzing the relationship between expenditure on agricultural sector growth from 1981 to 2011 adopted Augmented Dickey Fuller (ADF) test and Engel-Granger causality test. The analysis showed that there is long-run relationship between government expenditure on agriculture (capital and recurrent), and agricultural contribution to GDP (output). They therefore recommended that government should pay more attention to the agric. sector by compelling non-government financial institutions to supplement government efforts.

Okezie et al. (2015) rightly pointed out that agriculture sector has the potential to be the industrial and economic springboard from which a country's development can take off given the linkages as a source of raw material. The above assertion by Okezie et al (2015) is in line with Rostow's five stages of growth and in tandem with Nigeria's situation given that pre-colonial, colonial and immediate post-colonial Nigeria was dependent on agriculture as one of the major sources of foreign earning until the discovery and exploration of oil in Nigeria, which brought about Dutch Disease syndrome in Nigerian economy. Successive government before and in the on-going fourth republic has continuously advocated the need to strengthen other sectors in the economy to bring about a viable economy less dependent on oil and less prone to external shock. Various reforms starting from the First National Development plan up till the transformation agenda, MDGs and SDG has been implemented, but Nigerians are yet to come to terms with the significant economic effects of those policies.

Onyinbo et al (2013) while studying the relationship between agricultural budgetary allocation and economic growth in Nigeria adopted Keynesian macroeconomic approach, Augmented Dickey Fuller (ADF) and Johansen co-integration. The study concluded that based on analysis, agricultural budgetary allocation is positively related to economic growth in the long run but not significant in the short run, it was also found to be negative and significant for a one-year lagged period, but positive and significant for a two years lagged period at a 5% probability level. They linked the disparity to poor budgetary allocation to agricultural sector which is far below the 25% and 10% recommendation for the FAO and AU respectively. Oyinbo et al (2013) equally attributed the FAO recommendation of 25% of government capital budget allocation to agricultural development, in line with Nigerian's poor performance.

Akonyi, Olubukola and Wakili (2012) examined the Wragner's law of public expenditure to justify whether the law is applicable to Nigeria in view of the rising profile of public expenditure. Wagner's law was adopted while Johansson's method was used to establish whether or not a long-run relationship existed. From the analysis, they discovered that public expenditure in Nigeria is driven largely by Gross Domestic Product (GDP). Public expenditure is therefore an endogenous variable and not the cause of real GDP. The above assertion clearly contradicts Keynesians theory, where public expenditure is regarded as an exogenous variable. It is important to note Abizadeh and Yousefis as cited in Anochie and Ude (2014), in their study of the causality between the growth of public expenditure and economic growth, found no evidence for the proposition. In the same vein, Singh and Sahni (1984) found no causality to support either Wagner's law or Keynesian theory.In support of the Wagner's law, Ghali (1997) studied annual data from Saudi Arabia over the period 1960 to 1996 using granger-causality test. Result from the test shows that government spending has a statistically insignificant impact on changes in the growth rate of real per capita GDP; rather the flow of causality is running from output growth. Shrinking the size of government and limiting its role in the economy is therefore the policy thrust from the analysis. While, Aregbeyen (2006) adopted Johansen co-integration and standard causality tests, found a unidirectional causality from national income to total expenditure, which is in line with Wagner's law.

Nigeria is fortunate to have an abundance of fertile soil along with a climate suitable for agriculture. There is also a supply of human resources that could benefit from having the agricultural sector to work in.

As stated above, Nigeria can join the league of economically developed nations by focusing on the improvement of its agricultural sector. A recent group study (Diao, Xinshen, Hazell, Peter &Thurlow, 2009) examined the effect of other channels of growth on the decrease in poverty and the overall growth rate in six low-income countries of Africa. The findings of that research can be applicable to Nigeria as well. According to the study, industrial growth is less effective in reducing poverty than agricultural growth because a major percentage of the population (about 70) live in rural area. The agricultural sector is favorable as it allows greater employment opportunities for the poor. It was also noted by Diao et al that even though the industrial sector is important for boosting the economy, it fails to create sufficient employment opportunity for the poor and unskilled workers. In addition, the study stated that there was little evidence to prove that African countries could launch a successful economic transformation without going through an agricultural revolution on a country-wide basis.

Economic Growth Development of Nigeria

The term 'growth' can be defined as an increase in worker's productivity (Ray, 1989). Therefore, to grow, Nigeria should increase its productivity. Nigeria needs to determine how it can grow its productivity and how much it need to grow to reach its target of becoming one of the next twenty developed economies by the end of 2020. Nigeria also needs to determine what it will require to achieve its target if it plans to concentrate mainly on agriculture for economic growth.

The term 'development' has been a cause of much debate. Currently, 'development' is universally agreed upon to be infrastructural development and social development of a people education and health.

The term 'economic development' has previously been viewed as alterations in the framework of production and employment. This means that when there is a rise in the manufacturing and service industry in a country, the agricultural sector tends to decline. This is the reason most strategies for growth in economic development focus mainly on rapid industrialization and concentrate on the urban areas while the rural areas and agriculture are highly neglected. Tornado and Smith stated that development was seen as an economic phenomenon which included a prompt gain in the overall and per capita GNI growth. This effect would 'trickle down' to the mass population in the form of employment creation. This results in programs such as the Structural Adjustment Program and the trickle-down effect that never really occurred in Nigeria (2006).

Many residents in Nigeria are poor and a majority of them are farmers. Increasing their income would result in poverty reduction and hence, an improvement in the Nigerian economy because a very large percentage (69%) of the population live in poverty. It has previously been seen that poverty and development is measured by GDP growth and that growth in turn leads to further development. This is turn demonstrates that development in the agricultural sector can led to the progress of the Nigerian economy.

3. METHODOLOGY

The study adopted documentary method of data collection which is basically a tool used in obtaining information from the secondary source. This method involves eliciting information contained in the works of authors both published and unpublished, Journals, Periodicals, Government Publications and Encyclopedia, among others.

Agriculture Sector and Economic Growth in Nigeria

This concept is the total final output of goods and services produced by the country's economy, within the country's territory, by residents and non-residents. It is the monetary measure of value of all final goods in a given period of time. It is the total of tangible goods and services produced in an economy over a period of time. GDP can be calculated in terms of real or nominal GDP. Nominal GDP doesn't reflect differences in cost of living and the inflation rate, but real GDP takes the duo into consideration. For the purpose of this study, real GDP will be adopted.

Several studies have focused on understanding the association between agriculture and economic growth, yet there is some disagreement. While some researchers have argued that agriculture should be the foundation of economic growth (Gollin, Parente&Rogerson, 2002; Thritle, Lin &Piesse, 2003), others claim that the linkages agriculture has with other sectors are too weak an its innovative structures inadequate for promoting economic growth (Ranis and Fei, 1961; Jorgenson, 1961). However, the relationship between the agriculture sector and other sectors should not be a competition but rather be viewed as interdependent where supply and demand in sectors can be accommodated through strengthened linkages (Adelman, 1984; Sabry, 2009). For instance, industry is an important sector and every economy that strives for development should work.

The contributions of agriculture to economic growth can be examined through the roles of the sector in the economy. Johnston and Meller (1961) summarized these roles in five inter- sectoral linkages; food, labour, market, domestic savings and foreign exchange. The most basic of these roles is, perhaps the supply of food for both domestic consumption and export. Direct contributions of food production can be through income generated from sales of farm produce and returns from economic activities related to production; or indirectly from increased capacity to partake in any form of economic activity through improved diet. Anyawu, Ibekwe and Adesope (2010) using correlation matrix find that production or major staples in Nigeria contributed significantly to GDP growth (except wheat) between 1990 and 2001. Also, as observed by Timmer (1995), the agriculture sector contributes to economic growth through provision of better caloric intake and food availability. The attainment of global food security and reduction of hunger hinges largely on this singular role. According to FAO (2005), agriculture can facilitate the attainment of all 8 MDGs through the direct or indirect linkages to food availability and poverty reduction. In 2008, UNDP reported that the 12.6% reduction recorded in the proportion of underweight children between 1990 and 2008 can be attributed largely to growth in the agriculture sector in Nigeria (UNDP, 2008). Furthermore, as population increase, failure to increase food supply in proportion to increase demand has negative effects on industrial profits, investment and economic growth (Johnson & Mellor, 1961).

To be successful, there needs to be a relation between agricultural output and the growth in GDP over a period of five decades. Nigeria must also identify factors that are critical to agricultural development in the form of increase in output. Furthermore, Nigeria needs to understand what is necessary to compete favorably in the international market when it can hardly produce enough to feed its own people. In addition, it should be evaluated as to whether an import substitution strategy or export led growth would be able to boost Nigeria's economic development.

Agriculture and the Nigerian Economy

Since its independence, Nigeria has been well known for the significant amount of its exports of items like groundnuts, cocoa and oil palm products. A formal arrangement was made to market these exports globally. These were known as marketing boards. These boards were given charge to handle the supply chain and logistics of these items. After procuring them from the local farmers, they used to arrange for the export of these items as well as sell them domestically.

It was a very well established system. Due to this, the board has become the main body as it helped fund the needs of the state significantly, through its system of revenue generation which proved to be very effective. The revenue was mostly generated by selling the procured agricultural products domestically and through exports.

A widely accepted principle in economics states that "people respond to incentives" (Carbaugh, 2009). The existence of the marketing board acted as a chief incentive for key export commodity producers in early 1950s.

The Nigeria cocoa marketing board that was setup in 1947. The other boards for crops like groundnut, seed cotton and palm produce were established two years later. Ojiowu stated that these boards were, "nation-wide monopolistic single-commodity marketing boards" (1987, p. 253). Besides the main purpose of procuring, grading, marketing arrangements and export of these crops, the board was also responsible for assisting the development of the Nigerian agricultural export industry "for the benefit and prosperity of the producers" (Ojiowu, 1987, p. 23). The agriculture sector never went away; it was just over taken by the oil boom that began in the 1970's (National Bureau of Statistics, 2012).

Moreover, two more commodity marketing boards were setup to deal with the domestically consumed agricultural produce which at the time was grains, tuber and root crops. After two years, with the creation of more states in 1976, the marketing boards were modified to become nation-wide commodity boards. This step was taken to avoid the establishment of state marketing boards.

Nigeria has an abundance of material and human resources. The country is divided into three Nigeria regions; the Eastern, western and northern regions. The northern region of Nigeria is main largest of the three. It contributes the most to the agricultural sector. A study identified that the main problems of Nigeria stem from the fact that they are unable to access the natural and human resources (Muhammad, &Atte, 2006). In the study, Muhammad et al observed growth in many different sub sectors of agriculture and their contribution to the Nigerian economy during the years 1981 to 2003. They also identified the various factors that have an impact on the national agricultural production in Nigeria. They specifically examined the sectors of crops, livestock, fishery and forest. The factors that were examined included population growth rate, GDP growth rate, consumer price index, food import values and the expenditure of government on the agricultural sector. Land, labour and machinery; which are equally important factors were not included in the analysis.

In his study, Muhammed et al found that a negative coefficient exists between the values of food imports. This means that whether food import in the country increase, national agricultural production tends to decline. Other variable in the study had a positive coefficient leading to the notion that any increase in the variable will result in an increase in the national agricultural production (2006). Muhammad et al however, did not examine the amount of output and its contribution to the GDP. He also failed to observe whether this amount was sufficient to instigate a transformation in the economy of Nigeria. One may also wonder how much more the government needs to allot to agriculture expenditure to yield a certain amount of agricultural output. The report by Action Aid Nigeria late last year captured it.

ActionAid Nigeria, AAN, last year, expressed concern over implications of 2020 Budget cut on health, education, and agriculture sectors. The concern was raised after the critical assessment was made on the budget cut by the AAN as it touches these sectors considered to be critical to the lives of Nigerians and Nigeria's socio-economic development, which was contained in a letter addressed to the President of the Senate, Ahmad Lawan, with the subject 'Budget Reality: X-Raying the Implication of the Cuts in the 2020 Budget on Key Sectors, Health, Education and Agriculture Amidst COVID-19 Pandemic' and signed by the Country Director, AAN, Ene Obi, and made available to the media.

The letter made observations on the budget cut which include; an anticipated loss in revenue from oil due to the Covid-19 pandemic, which may render Nigeria incapable of meeting her 2020 revenue targets. This has necessitated a budget cut; a budget deficit of 5.365 trillion is expected to be funded through loans from the IMF, AFDB, and other institutions. It was projected that by 2021, 75% of Nigerian revenue will be channeled towards offsetting debts accrued. With the dwindling revenue occasioned by falling oil prices, non-remittances, leakages, among others, the tendency that borrowing will continue in 2020 to fund the budget is likely. This is a major concern as the debt profile keeps pilling and to substantiate this, the Debt Management Office (DMO) showcases the nation's total debt stock at N27,401,381.29 ($84,053.32b) as at December 31st 2019{}.

The Health, Education and Agricultural sectors were grossly underfunded in the 2020 budget and further cuts have proved detrimental. Though the Federal Government has facilitated a 1.2 billion dollars loan from the Brazilian government for the mechanization of agriculture across 632 Local Government Areas in Nigeria. As reported by the World Poverty Clock {2019}, Nigeria has overtaken India as the poverty capital of the world and the most vulnerable groups include women and children. Nigeria currently has the highest rate of maternal mortality in Africa second only to India in the world. 15% of Child Mortality rates in the world accrue from Nigeria also; A worldwide food production disruption for 24-36 months is imminent. There is an urgent need to channel more citizens and resources into food production, through value chain development.

AAN in the letter made some recommendations and reads in part, "ActionAid Nigeria, an affiliate member of the ActionAid International with presence in 45 countries, has been advocating for increased budgetary allocation to key sectors, such as Agriculture, Health and Education sectors given their strategic importance. Agriculture employs up to 80% of the population, especially in the informal sector, where the majority of the small-scale food producers are women farmers. "Financial incisiveness should be encouraged through increased access to credit by the small scale farmers. Similarly, improved funding of the education sector will minimize the incessant strikes in our public institutions; enhance the quality of education, learning, and provision of infrastructures at our basic, secondary, and tertiary institutions.

For agriculture, the international recommended benchmark is 10%, according to the AU 2003 Maputo Declaration. Unfortunately for Nigeria, Agricultural allocation is a mere 1.73%, health 4.16% and education 7.54%. Further reduction will exacerbate poverty and inequality in the country.

The economy, long dependent on a mono product – petroleum, is being retooled, refocused, with diversification as a task that must be accomplished. Agriculture has been given a fillip, manufacturing has got a shot in the arm, and solid minerals are contributing a large chunk to the Gross Domestic Product (GDP). The country is very close to food security, with rice, beans, maize, millet, and all sorts of grain no longer imported. We now eat what we grow.

The presidency in her fifth year anniversary highlighted its strides in the agricultural sector. It noted:

The Anchor Borrowers Programme (ABP) of the Central Bank of Nigeria, launched by President MuhammaduBuhari on November 17, 2015, made available more than N200 billion in funding to more than 1.5 million smallholder farmers of 16 different commodities (rice, wheat, maize, cotton, cassava, poultry, soy beans, groundnut, fish), cultivating over 1.4 million hectares of farmland; the ABP substantially raised local production of rice, doubling the production of paddy as well as milled rice between 2015 and 2019; between 2016 and 2019, more than 10 new rice mills came on-stream in Nigeria{Komolafe, B, Egwuatu, P, Nnorom, NEboh, M, & Uzor,2020}.

Many of the existing mills according to the presidency have expanded their capacity and several new ones are under construction; more than a billion dollars of private sector investments in the production of rice, wheat, sugar, poultry, animal feed, fertilizers, etc., since 2015; Federal Executive Council approval (2020) for a National Agriculture Mechanisation Programme, 'the Green Imperative', in partnership with the Government of Brazil and multilateral financing institutions. The Presidential Fertilizer Initiative: launched in January 2017, as a government-to-government agreement with the Kingdom of Morocco; more than a million metric tonnes of fertilizer produced since 2017. This translated to distribution of more than 18 million 50kg bags of NPK fertilizer in the first three years of the PFI); 22 blending plants resuscitated (combined installed capacity of more than 2.5m MT); price reduction from 9,000-11,000 per bag, to 5,500; FX savings of $150m annually through the substitution of imported components with locally manufactured ones; subsidy savings of N50 billion annually {Komolafe, Eboh, Elebeke and Ewepu 2020}.

Agriculture: A Panacea to Economic Growth and Development in Nigeria

The contributions of agriculture to economic growth and development can be examined through the roles of the sector in the economy. These roles can be summarized in five inter-sectoral linkages; food, labour, market, domestic savings and foreign exchange. Also, the Great Green Wall (GGW) Project, which is the Nigeria component of the Great Wall of the Sahara and the Sahel Initiative (GGWSSI) shall be briefly ex-rayed as it aims to, among other things that reduced poverty in the country.

- **Supply of Food for both Domestic Consumption and Export**

The most basic roles of the agriculture to economic growth are the supply of food for both domestic consumption and export. Direct contributions of food production can be through income generated from sales of farm produce and returns from economic activities related to production; or indirectly from increased capacity to partake in any form of economic activity through improved diet. Anyawu et al. (2010) found that production of major staples in Nigeria contributed significantly to GDP growth (except wheat) between 1990 and 2001. Also, the agriculture sector contributes to economic growth through provision of better caloric intake and food availability. The attainment of global food security and reduction of hunger hinges largely on this singular role. According to FAO (2005), agriculture can facilitate the attainment of all 8 MDGs through the direct or indirect linkages to food availability and poverty reduction. In 2008, UNDP reported that the 12.6% reduction recorded in the proportion of underweight children between 1990 and 2008 can be attributed largely to growth in the agriculture sector in Nigeria (UNDP, 2008). With a population of over 170 million and growing, Nigeria needs to provide enough food for her growing population and also export to earn foreign exchange.

- **Provision of Markets**

Results of several studies (Irz et al., 2001; Thirtle et al., 2001) show that an increases in agriculture growth results in an increase in the income level of the poorest of the population. Also, results from cross country regressions among developing countries show that $1 increase in GDP results in significantly more poverty reduction when the growth is in agriculture rather than other sectors (Lipton, 2012).

- **Increase in Domestic Savings**

Agriculture contributes to economic growth by increasing the incomes of majority of the population thereby strengthening their saving capacity. Results from an IFPRI publication on Ethiopia's growth and transformation plan shows that increased domestic savings is imperative to the achievement of higher total productivity (Engida et al., 2011). Obayelu (2012) found that domestic saving is low among rural dwellers/farmers in Nigeria.

- **Foreign Exchange Earning**

After oil, agriculture is the second highest foreign exchange earner for the country. In the agricultural sector, cocoa is the highest foreign exchange earner, with Nigeria producing more than 200,000 tons of cocoa per annum (Aikhionbare, 2016).

- **Employment of Labour**

Agriculture is the single highest employer of labour in Nigeria, most especially in the rural areas. Many young people are picking up agriculture as an alternative after leaving school.

Action Plan of the Nigerian Government

The government plays a very significant role in deciding the course of the oil revenue movement throughout the economy of Nigeria. The decisions taken by the government (monetary or others) to achieve quick economic growth within a decade have a major impact on the development of the sector, no matter what that sector may be. To prevent the decline in the agricultural sector, it is crucial to channel oil revenue via an appropriate investment strategy to the development initiatives crafted for the agricultural sector as President Buhari is doing today.

A. Trade: import substitution or Export led policy

Import substitution is an inward bound strategy that safeguards domestic producers from competition posed by imported products using trade and tariff barriers. On the other hand, export policy is an outward bound strategy that connects the domestic economy of a country to the world market by encouraging export of domestically manufactured goods.

Carbaugh, {2009), taking into consideration the advantages and disadvantages of both the strategies, import substitution seems as a more favourable option for Nigeria. Nigeria has been importing huge amounts of food from the international market although it has sufficient resources to produce its own food.

In 2010, Nigeria spent an enormous amount of food imports. They spend USD $635 billion on what imports and USD $356 billion on rice imports. It also spent USD £217 billion on the import of sugar and USD $97 billion on fish imports even though Nigeria is rich in marine resources. Over the years, Nigeria has been investing immensely in its exports and has been heavily criticized by internal and external organizations who suggest the federal government to top depleting the foreign exchange reserves of Nigeria by using strategic initiative thereby
making Nigeria economically, fiscally and politically unsustainable and throwing more Nigerian farmers into poverty.

To implement the import substitution policy, the government needs to provide subsidies to domestic farmers to give them a boost. This will not only add value to raw materials, but will create large-scale employment opportunities for Nigerian youth.

B. Approach to investment in Agriculture

Scherr, emphasized that there was a dire need to allot a sufficient amount of government spending on the agricultural sector in comparison to other sectors to counter the issue of the "Dutch disease pressure". It is important to choose an appropriate investment strategy in this situation. Scherr identified two main approaches for public investment in oil exporting countries. These were "modern" agricultural enclaves and broad-scale small holder development programs (2006).

Modern agricultural enclaves

The main problem faced by Nigeria's urban dwellers is a shortage of food supplies which resulted to excess importation. To solve this problem, the Nigerian government should invest on a large-scale in subsidized production units. These units include state farms, commercialized private farms or some capital-intensive projects which use imported industrial machinery. The main aim of the approach was that implementing it will result in a "trickle-down effect" of wealth from massive industrial projects to poor labour via employment.

One problem that exists is that public funds which are in control of the government agencies are highly mismanaged due to corruption. This makes privatization the need of the day, but these firms can only create a limited number of jobs. A point to consider here is that large-scale production handled by the government can be quite inflexible. If these firms are handled by private owners, there capitalistic mind set can lead to exploitation of workers because they are in excess and cheaply available. This will just lead to widening of the gap between the poor and the rich and a few capitalists will keep on amassing all the wealth.

Broad-based smallholder development program

This program involves a broad distribution of subsidized key inputs to farmers that guarantees regular farm production and allows them a consistent income and food security. The components of this program include a method to decrease price instability and risk of farmers, enhanced marketing infrastructure to cut down on costs, more credit allowance, irrigation facilities on a small-scale drainage construction and rehabilitation.

These programs will require a hefty investment to develop services and social infrastructure in rural areas to raise 'nonmonetary' income among small farmers (Scherr, 1989). This approach is more flexible than the previous one as it encourages self-employment. A small farmer can get subsidized inputs and has easy access to family labour and which helps him adapt to changes in costs.

Nigeria should now seriously put these plans into action in their own country to achieve income and food security and hence, economic development and growth.

CONCLUSION

The role of agriculture in bringing Nigeria out of poverty cannot be overemphasized. To channel itself on the path to modern development, Nigeria should examine those factors that hindered the development of its agricultural sector, which was the backbone of the Nigerian economy before the era of oil boom. It should rectify the mistakes it made in the last fifty eight years by immediately putting these strategic plans into action. The people of Nigeria can uplift themselves from poverty and distress by eradicating corruption and devoting themselves to strive for progress.

Agriculture will keep Nigeria focused on improving their economy and combined with a significant effort to reduce food imports and to increase food production within their own country, Nigeria can see a timely around in their investment. Nigeria has the necessary components in place to return to an agricultural-based economy. Research has demonstrated that a return to an agricultural economy is not only possible, but will greatly benefit the entire country of Nigeria.

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