

Poverty Eradication Through Agricultural Practices for Better Economic Growth in Nigeria

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1. INTRODUCTION

1.1 Nigeria as a Country

Nigeria is a country that is located within the tropics and therefore experiences high temperatures throughout the year. The average maximum temperatures vary from 32°C along the coast to 41°C in the far north, while mean minimum figures range from 21°C in the coast to below 13°C in the north. The climate of the country varies from a very wet coastal area with annual rainfall greater than 3,500 mm to the Sahel region in the north western and north eastern parts, with annual rainfall less than 600 mm (Oyakhilomen and Zibah, 2014). Nigeria is a vast agricultural country “endowed with substantial natural resources” which include: 68 million hectares of arable land; fresh water resources covering about 12 million hectares, 960 kilometres of coastline and an ecological diversity which enables the country to produce a wide variety of crops and livestock, forestry and fisheries products (Arokoyo, 2012).

The importance of increasing government spending for agriculture has been recognized by African leaders as a fundamental pre-requisite for achieving a 6% annual growth rate in agricultural GDP, a goal that has been adopted by NEPAD through the Comprehensive Africa Agriculture Development Programme (CAADP).

2. POVERTY REDUCTION THROUGH AGRICULTURAL PRACTICES

In the words of Adam Smith (1776), ‘No society can surely be flourishing and happy of which by far the greater part of the numbers are poor and miserable’. Therefore elimination of poverty is very important. Poverty, according to Oladeji and Abiola (1998), is a ravaging economic and social phenomenon that manifests in the ability to acquire the basic necessities of life needed for a decent living in low self-esteem and in the absence of the means for self-actualization.

Globally, extreme poverty continues to be a rural phenomenon despite increasing urbanization. Of the world’s 1.2 billion extremely poor people, 75% live in rural areas and for the most part they depend on agriculture, forestry, fisheries and related activities for survival (Anríquez and Stamoulis, 2007). In Nigeria, 54% of people lived relatively below poverty line of two-third of per capita households’ expenditure, while 22% lived below the extreme relative poverty line of one-third of per capita household expenditure in the year 2004 NBS (National Bureau of Statistics).

World agricultural productivity, particularly in poor countries, is key to global food security and the fight against hunger and poverty (Von Braun et al., 2008). Agriculture remains the leading non-oil sector of the economy, supporting about 60% of the population directly and providing nearly 70% of non-oil export (CBN, 1998). Agriculture contributes to poverty reduction because it provides employment to the poor, who have also generally low skills and education. Growth in agriculture also contributes to greater supply of food-stuffs and lower food prices, and benefits both rural and urban poor (Grewal and Ahmed, 2011). In most poor countries, especially in sub-Saharan Africa, large majorities of the population live in rural areas and earn their livelihoods primarily from agriculture (Gollin, 2009). It was established that agricultural production was positively related to economic growth in Nigeria and the relationship was significant both in the long run and in the short run.

2.1 Factors accounting for Poverty Productivity

The factors accounting for poverty productivity in Nigeria, according to Akindiya (2013), include unemployment, effects of globalization, corruption and debt burden.

3. FACTORS AFFECTING AGRICULTURAL PRODUCTION ACTIVITIES IN NIGERIA

Agriculture in Nigeria is plagued by many problems. Food production is still mainly in the hands of peasant farmers who are involved in the day to day struggle for subsistence and with great drudgery in wrestling enough from the soil to keep themselves alive (Oladoja et al., 2005). Farmers are faced with storage and processing facilities problem for safe keeping of products especially perishable products at the peak of the season. Rural communities lack basic amenities such as electricity and portable water. This has increased the rural-urban drift to enjoy basic things of life.

4. EFFORT OF NIGERIA GOVERNMENT IN ENHANCING AGRICULTURAL PRODUCTIVITY

Nigeria government in realization of its responsibility to ensure enough food for both local consumption and

export purposes designed a number of projects and programmes. Some of these projects and programmes include:

- i. National Accelerated Food Production Programme (NAFPP): This programme was launched in 1973 to accelerate the production of food crops.
- ii. The Operation Feed the Nation (OFN): This programme in 1976 which actually mobilized people psychologically into awareness of food problem did not result in any appreciable increase in food production.
- iii. The Green Revolution Programme: The programme commenced in 1980 as an initiative of the then Federal Government. The importance of the agricultural sector in reducing poverty and serving as an engine of growth was demonstrated throughout the Green Revolution in Asia, particularly in India and China. Africa cannot bypass this development pathway, as the bulk of the African population lives in rural areas.
- iv. The River Basin Development Authorities: It was established in 1977 to undertake schemes for the control of floods and erosion, construction of dams, dykes etc. to enhance irrigation schemes for food production.
- v. Agricultural Development Programmes (ADPs): The programme was sponsored by the World Bank, the Federal Government and State Governments. This programme started with a pioneer scheme in Gusau, Funtua and Gombe, Bida, Ekiti Akoko, Lafia, Ayangba, Ilorin and Oyo North and is now established in all states of the Federation. It is about the most successful programme providing Unified Agricultural Extension Services, but is now being short funded. Evaluation of all the programmes has revealed duplicated efforts with on-going and dying the way of others (Durojaiye, 1997).
- vi. The Directorate of Foods, Roads and Rural Infrastructure (DFRRI): It was established in 1986 as an enabling facility management organization to coordinate and streamline all rural development activities in the country and accelerate the pace of integrated rural development. It was designed to act as a policy catalyst for the development of the rural areas.
- vii. The Better Life Programme (BLP): It was established in 1987. Its main focus was the rural areas and the programmes covered health, agriculture, education, social welfare and cooperatives. The cooperatives were supported in terms of access to credit facilities from People's Bank. However, during the Abacha regime, the programme was re-named Family Support Programme (FSP) with greater emphasis on the health component. The Family Economic Advancement Programme (FEAP) was established to stimulate economic activities by providing loans directly to Nigerians through cooperative societies and informal associations. The change of focus from BLP to FSP and then to FEAP was the major albatross of poverty reduction efforts during this era.
- viii. Agricultural Credit Guarantee Scheme Fund (ACGSF): This scheme was established in 1978 by the Central Bank of Nigeria (CBN). The objective of the Scheme is to encourage commercial banks to lend to those engaged in agriculture by providing guarantee for loans granted by such banks for crop and livestock production, processing and marketing. The specific objective of the Scheme has been the stimulation of credit for agricultural production for both domestic consumption and export, it is particularly focused on ensuring that banks are favourably disposed to financing the sector. Olaitan et al. (2016) reported that the total loans guaranteed from inception in 1978 to December, 2014 was 929,472 valued ₦88.905 billion. The intervention of the Central Bank of Nigeria in the agriculture sector has stimulated the creation of jobs both directly and indirectly. The ACGS intervention has led to the creation of a total of more than 929,472 direct jobs and 3.4 million indirect jobs.
- ix. Anchor Borrowers Programme (ABP): The scheme was established in November 2015 by CBN. As at February 2018, a total of ₦55 billion has been disbursed by CBN to over 250,000 farmers under the scheme. ₦44 billion out of the ₦55 billion disbursed by CBN went to the rice farmers alone. The scheme was designed to create economic linkages between farmers and processor, not only to ensure increased agricultural output of rice and wheat, but also to close the gap between production and consumption.

5. WAY FORWARD AND CONCLUSION

The present administration of President Muhammadu Buhari has made tremendous effort in diversifying the country's economy to agriculture. The good gesture of government should be embraced as a welcome development towards promoting an economic growth that translates into poverty reduction, enhanced food security, health status, educational capacity and empowerment of youths and women in rural Nigeria. From all indications, it has proved that the agricultural sector has a lot to provide in the area of alleviating poverty and providing food security for the entire masses. Government should be encouraged to design pro poor policies that will alleviate poverty and make the agricultural sector the driver of the economy once again in Nigeria so that the

benefits of economic growth will be felt by the citizenry of this country.

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