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Abstract
The study examined the trends of real Gross Domestic Product, Agriculture Gross Domestic Product, Government Expenditure on Agriculture, Domestic Savings and Foreign Direct Investment in Agriculture with a view to determining the relative contributions of the Nigeria’s Agriculture sector to the Nigerian economy. Data were generated through the secondary sources and Ordinary Least Squares (OLS) used to fit the models. The study noted that there is positive and significant relationship between Agric GDP and Foreign Direct Investment (t=9.58,p=0.0000) and Government Expenditure on Agriculture 3.99, p=0.0004) while there is no significant relationship between Agric GDP and Domestic Savings (t=1.73, p=0.0930). The study also revealed that the contributions of the agricultural policies on the Nigerian Business Environment are not large enough to justify the investment in the sector. The study further noted that poor implementation and mismanagement of policy instruments could constitute major obstacles to the achievement of the goals and objectives of the policies. The study has therefore suggested the transformation of Nigeria’s agricultural industry which will require addressing risks and profitability issues that may inhibit the supply and demand for technical inputs, and will likely necessitate using subsidies as incentives to the private sector to strengthen the supply and value chains.

Keywords: agriculture sector; Nigerian business environment; government policies; ordinary least squares; regression.

1. INTRODUCTION

Business operates in an environment. As a social enterprise, business has an intricate and important association with the environment with which it inter-relates (Hellman et al.,1999). The study carried out by Obiwuru et al. (2011) has shown that both internal and external environmental factors exert influence on and shape the life, growth and development of the business. It has also shown that external environment and its factors exert more relevance to business strategic management.

The saying that agriculture is the nucleus of the Nigerian economy may no longer be new. It nevertheless underlines the emphasis placed on agriculture as the engine of growth in the Nigerian economy. Abayomi (1997) noted that stagnation in agriculture is the main indicator of poor economic performance, while rising agricultural productivity has been the most important outcome of successful industrialisation. In realisation of this, the government has embarked on various policies and programmes targeted at strengthening the sector in order to continue performing its roles, as well as measures for combating poverty (Iganiga and Unemhiliin, 2011).

Udoh et al. (2012) stated that a country’s agricultural sector is expected to play an important role in development performance. At the beginning of development, the agricultural sector constitutes the largest portion of economic activity in developing country. Its contribution to employment cannot be ignored. Emeka (2007) also noted that agriculture’s contribution to
the Gross Domestic Product (GDP) has remained stable at between 30 and 42 percent, and agriculture employs 65 percent of the labour force in Nigeria, and it is estimated to be the largest contributor to non-oil foreign exchange earnings.

1.1 Statement of the Problem

DFID (2005) reported that the largest category of private investors in Nigerian agriculture is made up of the multitude of small holder farmers, scattered across the country. Thus, Agricultural production in Nigeria is dominated by small-scale farms characterized by small, uneconomic and often fragmented holdings, the use of simple implements (hoes and knives) and unimproved planting and storage materials. The results have been a combination of low productivity, low income and low capital investment. FAO (2012) noted that the agriculture sector employs about two-thirds of the workforce, providing livelihood for about 90 percent of the rural population and was the leading contributor to GDP in 2009 at 37.2 percent. However, once the nucleus of the economy (accounting for over 60 percent GDP and 90 percent of exports at the time of independence), agriculture has been neglected in favour of the oil sector. Furthermore, until the Nigerian civil war of 1967-70, agriculture dominated Nigeria's economy contributing some 53 percent to GDP in 1965. By 1984 however, its percentage share had almost halved (Iganiga and Unemhilin, 2011).

IMF (1992) stated that Nigeria’s share was 1.8% of the total Foreign Direct Investment (FDI) to all developing countries. In the same year, net foreign private capital into Nigeria was ₦1,808m (or US $182.5m, using average annual exchange rate of ₦9.9095/US $1.00) and equivalent to 0.5% of the FDI that went to all developing countries. By year 2000, the flow of FDI increased and Nigeria was still not among the top ten recipients though her share of the FDI relative to other developing countries increased marginally to 1.9% (World Bank, 2002). FAO (2012) noted that despite its substantial agricultural resources, Nigeria is a net importer of food and agricultural products in general. Agriculture value added in 2007 was US$53.7 billion, an increase from the 2004 value of US$29.4 billion. The average growth rate for 2004-2007 was 7 percent. Ogbanje et al. (2010) also noted that Agricultural GDP showed slow growth and at a decreasing rate. In a country with a fast growing population, this trend and relatively low foreign investment have adverse implications for the agricultural sector and the entire economy.

It can also be argued that despite the strategic importance of Agriculture to the Nigerian economy, comprehensive and up-to-date information about the level of significance of its contribution to the economy is lacking. Most of the studies were descriptive without in-depth analysis of the statistical significance of its contribution to the Gross Domestic Product (GDP). To address this gap, this study was designed specifically to look at:
- What Real Gross Domestic Product is all about and its trend over the period of this study,
- Contribution of Agriculture to GDP in trend,
- Government Expenditure on Agriculture (GEA) in trend,
- Domestic Savings in trend, and
- Foreign Direct Investment (FDI) in Agriculture in trend.

1.2 Objective of the Study

As a result of the general drive for the transformation of Nigeria from a mono-product economy into a multi-product economy, and given that a number of Agriculture-related policies have been formulated and implemented towards the improvement of the sector, the general objective of this study is to determine the relative contributions of the Nigeria's Agriculture sector to the Nigerian economy.

The study therefore seeks to:
- examine the trends of the real Gross Domestic Product,
- examine the trends of the Agriculture GDP,
- examine the Government Expenditure on Agriculture in trend,
- examine the trends of the Domestic Savings,
- examine the trend of Foreign Direct Investment in Agriculture,
- assess the policies that had been in place within the study period, and
- suggest, based on the findings, the most appropriate sectoral contribution to overall GDP.

The following hypotheses were therefore tested:
(i) There is no significant relationship between Agriculture GDP and Foreign Direct investment on Agriculture, Government Expenditure on Agriculture and Savings.
(ii) Foreign Direct Investment on Agriculture does not contribute significantly to GDP Agriculture.
(iii) Government Expenditure on Agriculture does not contribute significantly to Agriculture GDP.
(iv) Savings has no significant effect on Agriculture GDP.

2. LITERATURE REVIEW

Several studies have looked specifically at Agriculture in Nigeria in several contexts; and the following is thus a discussion of the findings of various studies regarding Agriculture in Nigeria. Akinboyo (2008) conceptually defined agriculture as the production of food, feed, fiber and other goods by the systematic growing and harvesting of plants and animals. According to him, it is the science of making use of the land to produce plants and animals and the simplification of nature's food webs and the rechanneling of energy for human planting and animal consumption. Agriculture in Nigeria can be broken down into four sub-sectors: Crop production, Livestock, Fisheries, and Forestry (Akinboyo, 2008).

2.1 Crop Production
The policy in crops production currently focuses on the development of five crops namely rice, sorghum, cocoa, cotton, and cassava. It seeks to increase the current level of production and productivity of the crop sub-sector.

2.2 Livestock
This deals with effective control and management of vectors of animal diseases and migratory pest as well as encourages private sector participation in all aspects of livestock production, processing and marketing.

2.3 Fisheries
The priority of Government is to achieve increased domestic fish production from various sources on a sustainable and remarkable basis to the level of self-sufficiency and in fish export in the medium and long term. Until the exploitation of oil reserves began in the 1980s, Nigeria economy was largely dependent on agriculture.

2.4 Agricultural Sector Policies and Programmes
Ogboru (2002) stated that the government of Nigeria has never been in short supply of policies/programmes or reforms aimed at alleviating the failing economy over the past four decades or so, but never at any time have they been successful. He (2002) went further to say that the Nigerian agricultural policy is probably the most visible aspect of the economy and certainly the deepest and possibly the most widely discussed. This is particularly so with respect to the deteriorating food crisis, shortage of raw materials and the virtual collapse of the rural economy. Onakuse and Lenihai (2007) stated that since Nigeria attained independence in 1960, there has been a consistent move towards the improvement of the agricultural sector which has manifested in the various agricultural policies that have been embarked upon by different regimes, military and civilian alike.
Macro policy programmes put in place, also according to Onakuse and Lenihai (2007), by the Federal Government of Nigeria over the years include (1) Operation Feed the Nation (OFN), (2) Green Revolution (GR),(3) Directorate of Food, Roads, and Rural Infrastructure (DFRRI), responsible for financing construction and rehabilitation of rural infrastructure-roads, water supply, earth dams and rural electrification,(4) National Agricultural Land Development Authority (NALDA), initiated to encourage small holder farmers to bring more land under cultivation and improve agricultural outputs (5) River Basin Development Authorities (RBDA), with the principal objective to raise agricultural productivity as well as the living standards of the rural region. (6) Strategies Grain Reserves Programme SGRP), with the objective to achieve stable prices for grain by buying large quantities at harvest period, storing, and releasing them during off seasons periods when prices are high because of scarcity. SGRP is also used for providing emergency assistance whenever it may be required in the country. (7) Agricultural Development Projects (ADP), the main purpose of this is to encourage increased food production and enhance the income of the rural population.

2.5 Operation Feed the Nation (OFN)
The Operation Feed the Nation was launched on May 21st 1976 by the then Head of State Lt. Gen. Obasanjo. Prior to its launching, the country experienced a significant fall in agricultural production. Government had to import increased quantities of a high number of food items. Prices of food-stuff increased. The high numbers of young men and women who migrated from the rural areas to cities, leaving behind old men and women who were not able to meet the growing needs of the country, made matters worse (Iwuchukwu and Igbokwe, 2012).

The objectives of the OFN included the following:
- To mobilise the nation towards self-sufficiency and self-reliance in food,
- To encourage the sector of population which relied on buying food to grow its own food,
- To encourage general pride in agriculture through the realisation that a nation which cannot feed itself cannot be proud, and
- To encourage balanced nutrition and thereby produce a healthy nation.

However, contrary to the spirit and letter of these objectives, what was witnessed was a continued fall in the rate of food production. This is evident in Appendix 1 which shows the contribution of the agricultural sector to the Gross Domestic Product (GDP) of Nigeria. From the Appendix, it is clear that the contribution of agricultural sector to GDP in 1976 being the year OFN was launched was 25.21% which was a decline from the 1973 – 1975 contribution to the GDP preceding the OFN. When capitalists economy was distorted by the spending policy of the oil boom according to Nzimiro (1985), they found defects with programmes like OFN because the bureaucratic bourgeoisie class controlled and directed the programmes for their own benefit-fertilizer, improved variety of seedlings and so on never really reached the peasants.

2.6 Green Revolution (GR)
Nzimiro (1985) stated that the Nigerian Green Revolution was a strategy that succeeded the 1976 Operation Feed the Nation (OFN). The GR was inaugurated in April, 1980. It was established to boost agricultural production as well as to ensure rural development through agro induction, the construction of feeder roads, and the production of housing, educational facilities, water and electricity in the rural areas.

The GR had two aims which were:
- To boost export of agricultural products, and
- To increase food production. The focus was to be able to feed ourselves with lots to spare for export.
Iwuchukwu and Igbokwe (2012) stated that the federal government ensured the success of the programme by providing agrochemicals, improved seeds/seedlings, irrigation system, machine (mechanisation), credit facilities, improved marketing and favourable pricing policy for the agricultural products. The programme did not achieve its objective of increasing food supply because there was delay in execution of most of the projects involved in the programme. There was also no monitoring and evaluation of the projects for which huge sums of money were spent.

It failed also in the sense that the instruments of the state power were effectively in the hands of a social minority which was ever willing to sell out the masses interests to the multinational organisations. The GR programme granted credit facilities to members of commercial bourgeoisie class contracts to import fertilizers. Nzimiro (1985) wrote that the regime approved 1,058,000 tonnes of fertilizers out of which 930,239 tonnes were received and distributed.

2.7 River Basins Development Authorities
Ayoola (2001) stated that River Basin Development Decree was promulgated in 1976 to establish eleven River Basin Development Authorities (RBDAs) under Decree 25 of 1976. The feasibility study in Nigeria which was carried out in Funtua, became a pioneer project. The concern of the World Bank to revolutionise the rural sectors of developing societies was to be achieved through Agricultural Development Projects (ADPs).

Among other things, the programme was to satisfy the following requirements:
- a. To engage in crop development,
- b. To raise income of rural peasants by about 59% from S580 to S920,
- c. To develop livestock, and
- d. To construct rural feeder roads.

The ADPs financed jointly by the World Bank, federal and state governments offered input-seeds, chemicals, fertilizers and machinery, credit irrigation, extension service training and so forth. At the exit of the military administration which created it, the project died a natural death as a result of neglect and political activism of the successor civilian regime.

2.8 Directorate of Foods Roads and Rural Infrastructure (DFRRI)
The Directorate of Food, Roads and Rural Infrastructure (DFRRI) was launched in 1986. The "operation go back to land" received attention directed to the rural areas through the DFRRI. DFRRI as the name implied was established for the purpose of harnessing all the resources in the rural areas. This was to ensure that food in particular be provided abundantly for the hunger-stricken populace. Secondly, it was to ensure that adequate assistance was given the rural dwellers in the provision of infrastructure. Thirdly, it was to ensure that the production of export crops was encouraged through the construction of feeder roads in the rural areas; among other objectives. State directorates through their respective integrated Rural Development Programmes were established in 1987 in line with Federal Government directive for such directorates to co-ordinate rural development efforts in the state (DFRRI Evaluation Report, 1987). However, DFRRI, like the other agricultural policies did not bring about self-sufficiency in agricultural production and the rural feeder roads were mere embellishments of few kilometers from the public glare which did not get to the rural settlements where the peasants dwelt (Ogboru, 2002). Even if they did, there wouldn’t have been agricultural products to haul to the urban areas through the roads.

2.9 The 1985 to 1999 era (SAP and post SAP period)
This era saw the Federal Ministry of Agriculture, Water Resources and Rural Development in 1988 produce an agriculture policy for Nigeria decreed to be operational for at least the next fifteen years. Adubi (2004) noted that the Structural Adjustment Programme relied most especially on the agricultural sector to achieve the objectives of its far-reaching reforms of
exports and adjustment of the production and consumption structure of the economy. Despite the policy measures, the agricultural sector did not record significant overall growth for several reasons: the impact of SAP was more on the distribution of farm incomes than on agricultural growth and productivity and the decline in output of the export crop.

2.10 The new millennium agricultural policies (1999-2009)
This phase witnessed a drastic reduction in food imports from 14.5% to 5% of total imports. Agriculture contributed 42% of Nigeria’s GDP in 2008 (National Bureau of Statistics, 2006). However, despite having grown at an annual rate of 6.8% from 2002 to 2006, 2.8% higher than the sectors annual growth between 1997 and 2001, food security remains a major concern due to the subsistence nature of the country’s agriculture (Nwafor, 2008).

2.11 Transformation Agenda: Agriculture (2010 to 2012)
Adesina (2012) stated that as part of Government effort to develop the agricultural sector to ensure food security and improved productivity, a comprehensive Agricultural Development Programme was developed. The programme consists of commercial agriculture; the Special Programme for Food Security (SPFS); Fadama I & II Programmes; Fertilizer Revolving Fund; Presidential Initiative on cassava, Rice, Vegetable Oil, Tree Crops and Livestock; restructuring and recapitalisation of the Nigerian Agricultural, Co-operative and Rural Development Bank. These were complemented with other initiatives, including the Value Added Tax Exemption for locally produced agricultural inputs such as fertilizer, and agricultural machinery, storage and processing facilities. Also, there are agricultural development and marketing initiatives resulting in the setting up of the Livestock Development and Marketing Company and the arable Crop Development and Marketing Company. The Central Bank of Nigeria (CBN) also adopted new measures on credit delivery including the Trust Fund Model which reduced risk faced by farmers. These policies, programmes and projects have so far positively impacted on agricultural production in the country.

2.12 Agriculture Export
A cardinal focus of the Structural Adjustment Programme (SAP) was the restructuring of the production base of the economy with an emphasis on the production of Agricultural exports. In Nigeria, agricultural exports have played an important role in economic development by generating the needed foreign exchange earnings for other capital development projects. From the initial trade in Palm oil, Nigeria’s agricultural export has enlarged to include cocoa beans and palm kernel. Available statistics indicate that in 1960, agricultural export commodities contributed well over 75% of total annual merchandise exports (Ekpo and Egwaikhide, 1994). Nigeria also ranked very high in the production and exportation of some major crops in the world in the 1940s and 1950s. At present, Nigeria has lost its role as one of the world’s leading exporters of agricultural commodities.

Table 1: Average net trade balance during different policy regimes in Nigeria

<table>
<thead>
<tr>
<th>Period</th>
<th>Net trade balance ('000 USS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-1969 (pre-1970)</td>
<td>-842,767.59</td>
</tr>
<tr>
<td>1970-1985 (pre-SAP)</td>
<td>-178,149.11</td>
</tr>
<tr>
<td>1986-1994 (SAP)</td>
<td>-265,614.67</td>
</tr>
<tr>
<td>1995-2004 (post-SAP)</td>
<td>-764,819.73</td>
</tr>
</tbody>
</table>

Source: Computed from FAO Database, 2005

2.13 Agriculture and Government Support
Over the years, government has almost been the sole provider of financial and other capital resources to support agriculture. Government has attempted to increase her expenditure on
agriculture through budgetary allocation and through the provision of cheap credit facilities (Nwosu, 2004). Nwosu (2004) also found that the government budgeting allocation has become an important determinant of agricultural output in Nigeria.

3. METHODOLOGY

The study is based on a qualitative approach and quantitative approach using secondary sources of data collection and literature review. Secondary data are data collected and recorded by a third party researcher for purposes other than contemporary needs of the researcher (Harris et al., 2001).

The major secondary sources of data collection are (i) the database of published articles in the area of Agriculture in Nigeria for the qualitative aspect of the study, (ii) the database of the Central Bank of Nigeria (CBN), (iii) Food and Agriculture Organisation (FAO).

The Real GDP, Domestic Savings, Government Expenditure on Agriculture and Foreign Direct Investment on Agriculture were sourced from the Central Bank of Nigeria statistical bulletin. These various data were processed into tables of analysis results/outputs on which the interpretation, inferences, conclusions and recommendations were based.

The literature review is a product of articles majority of which were published in the last twenty years.

3.1 Analytical technique

The empirical model was specified based on the objectives of the study.

3.2 Data Analysis Plan: Ordinary Least Squares (OLS)

The least-squares line approximating the set of points \((x_1, y_1), (x_2, y_2), \ldots, (x_N, y_N)\) has the equation \(y = a_0 + b_1x_1 + b_2x_2 + b_nx_n\),

where \(a_0, b_1, b_2, \ldots, b_n\) are constants.

In this study \(y\) represents Gross Domestic Product (GDP) while \(x_1\) represents Foreign Direct Investment (FD1), \(x_2\) represents Government Expenditure on Agriculture and \(x_3\) represents Domestic Savings.

In order to examine the effect of the overall agricultural growth on economic development, three variables were considered as the independent variables, they are Domestic Savings, Government Expenditure on Agriculture and Foreign Direct Investment on Agriculture, while the economic development which is proxy by Gross Domestic Product (GDP) is dependent variable. All other data relating to the independent variables and that of the dependent variable were sourced from the Central Bank of Nigeria statistical bulletin. The time series data cover 36 years ranging from 1976-2011(Appendix1). The purpose of choosing this period is to empirically test the significance or the extent to which agricultural sector has contributed to the economic growth despite several years of Government neglect and the renewal of effort towards stabilising the sector, since 1976 to date. The statistical formulation of the model can therefore be presented as follows:

\[
Model: Y_t = \beta_0 + X_1\beta_1 + X_2\beta_2 + X_3\beta_3 + \mu_t.
\]
5. FINDINGS AND DISCUSSION

4.1 Findings

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>AGRIC GDP</th>
<th>FDL_AGRIC_</th>
<th>GEA</th>
<th>DOMESTIC SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>141113.5</td>
<td>7287.175</td>
<td>15601.74</td>
<td>1039222.</td>
</tr>
<tr>
<td>Median</td>
<td>135969.4</td>
<td>1208.750</td>
<td>3277.200</td>
<td>96744.30</td>
</tr>
<tr>
<td>Maximum</td>
<td>199781.0</td>
<td>1399.000</td>
<td>78666.70</td>
<td>6758.167</td>
</tr>
<tr>
<td>Minimum</td>
<td>69978.70</td>
<td>19900.00</td>
<td>1250.000</td>
<td>2256.300</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>44747.43</td>
<td>599.0004</td>
<td>21398.59</td>
<td>204233.2</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.043697</td>
<td>-0.141434</td>
<td>1.282292</td>
<td>1.904817</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.400971</td>
<td>1.109600</td>
<td>3.481127</td>
<td>5.367673</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>3.604322</td>
<td>5.481009</td>
<td>10.21286</td>
<td>32.27281</td>
</tr>
<tr>
<td>Probability</td>
<td>0.166274</td>
<td>0.064638</td>
<td>0.006058</td>
<td>0.000000</td>
</tr>
<tr>
<td>Sum</td>
<td>50500085</td>
<td>26233.83</td>
<td>561682.5</td>
<td>37411984</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>7.01E-10</td>
<td>11332099</td>
<td>1.80E+10</td>
<td>1.46E+14</td>
</tr>
<tr>
<td>Observations</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

The plot in Figure 1 shows a relatively low level of GDP for Agriculture up to 1985 with a continued rise from then till date.

The plot in Figure 2 shows the gradual rise in Government Expenditure on Agriculture (GEA) between 1985 and 1995 which got to the peak between 2000 and 2005.

Also, the plot in Figure 3 on Domestic Savings shows a critical low level of performance up to 1990 with a gradual rise by 1995 and a steep rise after year 2000.

Finally, the graph in Figure 4 shows a continuous but low rise between 1980 and 1990 and steep rise in 1995 and a flat level thereafter till date.

![Figure 1: Agric GDP in Trend](image-url)
Figure 2: GEA in Trend

Figure 3: Domestic Savings in Trend

Figure 4: FDI in Trend
Table 3: The contributions of Agriculture to Gross Domestic Product

Dependent Variable: AGRICGDP
Method: Least Squares
Date: 10/24/13   Time: 02:44
Sample: 1976 2011
Included observations: 36

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI_AGRIC_</td>
<td>52.56447</td>
<td>5.488873</td>
<td>9.576550</td>
<td>0.0000</td>
</tr>
<tr>
<td>GEA</td>
<td>0.602380</td>
<td>0.151126</td>
<td>3.985944</td>
<td>0.0004</td>
</tr>
<tr>
<td>SAVINGS</td>
<td>0.002395</td>
<td>0.001383</td>
<td>1.731589</td>
<td>0.0930</td>
</tr>
<tr>
<td>C</td>
<td>90921.94</td>
<td>3621.537</td>
<td>25.10590</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

R-squared 0.921831  Mean dependent var 141113.5
Adjusted R-squared 0.914503  S.D. dependent var 44747.43
S.E. of regression 13084.08  Akaike info criterion 21.90062
Sum squared resid 5.48E+09  Schwarz criterion 22.07657
Log likelihood -390.2112  Hannan-Quinn criter. 21.96203
F-statistic 125.7905  Durbin-Watson stat 1.895128
Prob(F-statistic) 0.000000

The statistics in Table 3 above presents the contributions of Foreign Direct Investment (FDI) on Agriculture GDP (FDI_AGRIC), Government Expenditure (GEA) and Domestic Savings on Agriculture Gross Domestic Product (AGRIC GDP) for the period of 1976-2011. The table also shows that there is positive and significant relationship between AGRICGDP and FDI, and GEA. This is significant at 5% level (p<0.05). This result is confirmed by the finding of the study carried out by Ogbanje et al. (2010), which showed that there is significant relationship between foreign direct investment and agricultural GDP at 0.01 level of probability. However, the calculated t for Domestic Savings of 1.73 and P=0.09 is not significant at 5% (p> 0.05).This implies that there is no significant relationship between Domestic Savings and AGRICGDP during the period under consideration.

The table also reveals that Foreign Direct Investment on agriculture contributed 52.56 (5%) significantly to the agriculture GDP and t statistics was 9.576 tested at 5% significant level and its p value was 0.000 which is less than 0.05 (significance level). Also, Government Expenditure on Agriculture (GEA) contributed significantly to agriculture GDP; 0.60. This is because its p value 0.000 is less than 0.05 level of significance (t statistics =3.985). Therefore, it could be deduced that Foreign Direct Investment on agriculture and Government Expenditure on Agriculture had contributed significantly to agriculture GDP during the period under consideration. However, the contribution of Savings to Agriculture GDP with a t statistics of 1.73 is not significant at 5% (p=0.093).

The adjusted R² value was 0.9145; this implies 91.45% of the model is explained by the variables tested. The R-squared of 0.9218 (92.18%) also confirmed that a positive and significant relationship exists between the dependent variables and independent variables.

In order to further determine if a significant relationship exists between the dependent variable and independent variables, the F-statistics was computed. The model calculated
F=125.7905 is significant at 5% (p=0.00) thus a significant difference exists among the independent variables on the predictors.

In determining the existence of auto-correlation in the model, the Durbin Watson statistics was computed. In the model above, D-W =1.89. The indication of this is that there is no auto correlation in the model hence the model is conclusive.

4.2 Discussion
According to Olayemi (1995), Olomola (1998) and Garba (2000), a critical examination of the policies and their implementation over the years shows that policy instability, policy inconsistency, lack of policy transparency, poor coordination of policies, a poor implementation and mismanagement of policy instruments constitute major obstacles to the implementation and achievement of the goals and objectives of these policies as detailed below:

Appendix 1 shows the contributions in percentages of agriculture to the Gross Domestic Product (GDP) in trends from 1976 to 2011 on year to year basis. This covers the period of our study and the periods of all the various agricultural policies and programmes. Crop production is the main contributor to the contribution of agriculture to the GDP. It contributed, according to Appendix 1, between 60% and 88%. Other sub-sectors: livestock, fisheries and forestry, in order of significance, contributed between 12% and 40%.

Under the OFN, it is clear, from Appendix 1 above, that the contribution of agricultural sector to GDP in 1976 being the year OFN was launched was 23.5% which was a fall from the 1975 contribution to the GDP preceding the launching of OFN. While subsequent years recorded declines of contributions except for very minor increases in 1981 (28.1%)-a clear indication that the programme failed to address the problem it was set up to address during the administration that established the OFN.

The Green Revolution (GR) failed because the instruments of the state power were effectively in the hands of a social minority that was ever willing to sell out the masses interests to the multinational organisations. The contribution of Agriculture to the GDP under Green Revolution is contained in Appendix 1 and the trend is not significantly different from the OFN experience.

The Agricultural Development Projects (ADPs) financed jointly by the World Bank, Federal and State governments offered input-seeds, chemicals, fertilizers and machinery, credit irrigation, extension service training and so forth. At the exit of the military administration which created it, the project died a natural death as a result of neglect and political activism of the successor civilian regime.

Despite the policy measures, during the SAP and post SAP period, the agricultural sector did not register significant overall growth for several reasons: (a) the impact of SAP was more on the distribution of farm incomes than on agricultural growth and productivity, and (b) the decline in output of the export crop.

During the new millennium agricultural policies (1999-2009), the growth increased at an annual rate of 6.8% from 2002 to 2006, 2.8% higher than the sectors annual growth between 1997 and 2001, yet food security remained a major concern due to the subsistence nature of the country’s agriculture.

In the current dispensation, this sector is still bedeviled by lack of access to long term finance, low productivity, low level of private sector investment, non-competitiveness, inadequate funding as well as underdeveloped land ownership and tenure system. Associated with low productivity are issues of ageing farming population and continued
reliance on rudimentary tools and cultural practices. Other related issues are persistent drift of population from rural to urban areas, weak linkage to agro-allied industries sector, inadequate storage facilities, low prices during harvest period, poor research co-ordination and weak linkage between research and extension services, poor state of rural infrastructure such as feeder roads and very weak marketing structure.

However, “the new era Cassava Bread Development Policy stipulating 40 percent cassava in wheat bread has been described as an initiative capable of helping Nigeria to save about ₦40.03bn annually” (IITA, The Punch, Friday, 10th August, 2012, page 26). Under agricultural exports, based on the results in table 2, in which net export values for the different policy regimes studied had negative values, it can be concluded that agricultural exports cannot finance agricultural imports.

6. CONCLUSIONS & RECOMMENDATIONS

This study has shown that Nigeria has not been lack ing in articulating policy focus aimed at tackling the problems of poverty, insecurity, and the dearth of infrastructure. Onyisi (2004) argued that when policies are made without taking into consideration incompatible goals it tends to affect the impact of the policy. For instance, an administration would pursue the policy of poverty alleviation and promotion of socio-economic development; and at the same time pursue a policy of retrenchment of workers from paid employment. The small-scale farmers who needed facilities and other inputs to increase food production but who were not taken into account. In agricultural credit scheme, the peasants showed a lack of understanding, many of whom regarded borrowing or indebtedness as an affront to their dignity. Moreover, the demand for collateral securities, feasibility study, certificate of occupancy and so on were disincentives. Although emphasis of the policies was on self-reliance and self-sufficiency in food production in order to remove external threats to national sovereignty, yet this same revolution by-passed the country’s enormous human and material capital to rely on technological, chemical and financial inputs from foreign markets. There was also overdependence on external private sector and foreign aid funding for the various programmes.

The effects of agricultural policies on the Nigeria Business environment cannot be said to be unsatisfactory in view of their moderate contributions to the economy proxy by the GDP. However, these contributions are not large enough to justify the investment in the sector.

The emphasis of the government on the capital expenditure should therefore be on how to revive the ailing agricultural sector. This should be complemented with well-monitored credit facilities to acquire modern farming techniques and equipment. River basins and irrigation facilities should be made a priority to have all-year round production. Food importation should be banned to encourage local producers and population control measures should be intensified in the rural setting.

The transformation of Nigeria’s agricultural industry is imperative. This will require addressing risk and profitability issues that may inhibit the supply and demand for technological inputs, and will likely necessitate using subsidies as incentives to the private sector to strengthen the supply and value chains. The institutional void left by the abolition of marketing boards also needs to be filled by the creation of a new institution. This should be managed independently to reduce transaction costs, to improve access to quality inputs, and to ensure a fair price for agricultural goods and commodities.
Therefore, the government should provide more funding for agriculture universities in the country to carry out more research on all aspects of agricultural output, such as livestock, crops, fishing and forestry, crop preservation.

- The Central Bank of Nigeria should come out with stable policy guideline to enable the commercial banks disburse loans to farmers at a very lower interest rate, in order to help them expand their production capacity. Training more extension workers to educate farmers in the use of modern production techniques to help boost the country's production capacity is imperative.

- Government should encourage the use of modern mechanised farm tools, and subsidise the prices of agro-chemical and fertilizer for farmers.

- There is need for the establishment and operation of collective storage and marketing facilities through the co-operatives. Agricultural marketing co-operatives have been established mainly for the export trade where they operate as licensed buying agents of the commodity boards.

- It is necessary to make government institutions more professional in their market-oriented functions. In particular, the commodity boards, the development corporations, and the food production and marketing companies need staff with professional training in agricultural economics and marketing, if they are to be creatively involved in stimulating increased agricultural output and more efficient marketing. The higher agricultural training institutions should develop the necessary competence to offer this.

- Establishment of more research institutes to improve seedling production, encourage the use of irrigation farming system and provision of storage facilities for seasonal products as means of improving the country's agricultural output.

- Government should encourage more exportation of agricultural output as this in turn will enhance external foreign exchange earnings and improve the competitiveness of Nigerian agricultural produce in the international markets.

- There is need for value addition to products being exported. This will attract more revenue than raw crops.

- The Federal Government should ensure that there is only a small margin between the producer prices and world price of crops, so that farmers can benefit substantially from international trade.

- The link between Nigeria's Ministry of Agriculture and its Ministry of Industry needs to be strengthened. Effective economic diversification for poverty reduction requires not just inter-agency collaboration, but strong coordination of institutions and resources-all of which should aim towards a common industrial trajectory.
### Appendix 1: Contribution of the agricultural sector to gross domestic product (GDP) 1974-2011 % growth rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Crop Production</th>
<th>Livestock</th>
<th>Forestry</th>
<th>Fishing</th>
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### References


World Bank (2002). World Development Indicators. Washington D.C. USA.