**THE CONSTRAINTS OF AGRICULTURAL DEVELOPMENT**

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 **Abstract**

Agriculture is the most basic form of human activities in the whole world. It is the most important occupation. Infact, the source of food and development in Oredo Local Government Area. Yet agricultural development is still at primary level in study area. The research looks at the climate, soils, relief, economic market and social factors as constants of agricultural development in the study area. The farmers from the Local Government Area were randomly selected. 200 questionnaires were distributed to various farmers in the area of study.

 **CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

Agriculture is the most basic form of human activities in the whole world. It includes the cultivation of crops as well as rearing of animals for human uses. Today in Nigeria, about 70% of its population is engaged in this activity. Despite the large number of people engaged in this activity in the country and the whole world in general, the activity is not 100% successful. Norman (1981) grouped the development of agriculture in the world into four. Thus: physical, social, economical and political constraints. In the developed countries the physical and economic constraints are taken care of: now left with the problem of the land scarcity.   In the developing countries especially in the savannahs (Sudan and Sahel) where there is series of aridity condition, the most dominant problem in every country or nation, at least must have one or two of these problems which militate against the development of agriculture in the region.

Nigeria has a highly diversified agro ecological condition which makes possible the production of a wide range of agricultural products. Over the past two decades, agricultural yields have remained the same or worse still declined. Nigeria’s agriculture to a large extent still possesses the characteristics of a peasant economy that was prominent in the pre-independence period (Adewumi & Omotesho, 2002). More than 70 per cent of the farming population in Nigeria consists of smallholder farmers, each of whom owns or cultivates less than 5 hectares of farmland (NARP, 1994). Less than 50% of the country’s cultivable agricultural land is under cultivation. Even then, smallholder and traditional farmers who use rudimentary production techniques, with resultant low yields, cultivate most of this land. The smallholder farmers are constrained by many problems including those of poor access to modern inputs and credit, poor infrastructure, inadequate access to markets, land and environmental degradation, inadequate research and extension services, etc. Although there has been a recent rise in agricultural productivity, such improvement is derived more from expanded planting areas for staple crops than from yield increases. Howbeit, agriculture constitutes one of the most important sectors of the economy. The sector is primarily important, given its employment generation potential and its contribution to gross domestic product (GDP) and export revenue earnings (Ogen, 2002; Essien, 2005). A vibrant agricultural sector is capable of ensuring the supply of raw materials for the industrial sector as well as providing gainful employment for the teeming population (Ukeje, 2007). The emergence of the petroleum sector in the early 1970’s resulted in significant structural changes in the Nigeria economy which negatively affected the agricultural sector. In response to the oil boom, public expenditures grew, fostering many other economic activities, including infrastructural development, creation of new institutions and expansion of existing ones, and importation of all kinds of consumer goods (Essien, 2005; Ukeje, 2007). Earnings from petroleum resources favoured these developments, but tradable agricultural commodities did not experience similar growth. The share of the oil sector in the total value of exports, which was under 60 per cent in 1970, rose to over 90 per cent after 1973. The non-oil exports declined from about 30 per cent in 1970 to less than 10 per cent by 1980 (Ojo, 1992). Agricultural productivity estimates for Nigeria showed a decline in productivity growth from the 1960s to the 1980s. Nigeria has witnessed strong economic growth in the past few years, averaging 8.8 per cent real annual GDP growth from 2000 to 2007. However, the agricultural sector has lagged behind GDP growth at 3.7 per cent in 2007.

In spite of the various agricultural programmes and policies initiated by different administrations for the development of Agriculture in Nigeria, there has not been any phenomenal growth in agricultural output since the 1970s. Agriculture’s contribution to the non-oil gross domestic product (GDP) was stable at about 40 per cent in recent years (FDA/FMARI, 2005). The index of agricultural output declined from 75.5 in 1970 to 35.2 in 1979. Although the index increased steadily from 35.2 in 1979 to 40.10 in 2005, the growth rate shows complete absence of sustainability. For instance, the growth rate was negative throughout the 1970s; declined from 6.34 to 3.04 between 1982 and 1986, and then fluctuated to 8.33 in 2003 and -3.24 in 2005. The rate was worsened in 2010 (4.2) due to the high price of oil. The question agitating the minds of scholars is why agricultural output is low amidst the huge expenditure via the different programmes implemented in Nigeria. Consequently, there has been a dramatic increase in the incidence and severity of poverty in Nigeria, arising in part from the dwindling performance of the agricultural sector where a preponderant majority of the poor are employed. Furthermore, poverty in Nigeria has been assuming wider dimensions including household, income poverty, food poverty/insecurity, poor access to public services and infrastructure, unsanitary environment, illiteracy and ignorance, insecurity of life and property, and poor governance. Arising from this backdrop, this paper is poised to investigate the nexus between food export and import on agricultural sector performance. Also, the study is apt to assess the relationship between agricultural credit financing and the sector’s productivity, while attempting to unravel the major determinants of agricultural output in Nigeria

* 1. **STATEMENT OF THE PROBLEM**

Despite the large number of people engaged in agricultural activity in the study area, yet agriculture is still at the primary level. The study is therefore set out to find out the solution to the following questions:

1.          What are the factors militating against agricultural development in the study area?

2.          To what extent does the factors militating against agricultural development affects agricultural development in the study area?

3.          What are then possible solutions to the problem caused by these factors in the study area?

* 1. **OBJECTIVE OF THE STUDY**

The objectives of the study are;

1. To find out the factors militating against the agricultural development in Oredo Local Government Area.
2. To find out the extent to which the problem affects the development of agriculture in the study area.
3. To offer suggestions for the solution to the problem
	1. **RESEARCH HYPOTHESES**

For the successful completion of the study, the following research hypotheses were formulated by the researcher;

**H0:** there are no factors militating against the agricultural development in Oredo Local Government Area

**H1:** there are factors militating against the agricultural development in Oredo Local Government Area

**H02:** there is no extent to which the problem affects the development of agriculture in the study area.

**H2:** there is extent to which the problem affects the development of agriculture in the study area.

**1.5 SIGNIFICANCE OF THE STUDY**

The study will give a clear insight in the constraint of agricultural development. The study will be beneficial to student, ministry of agriculture and the general public. The study will sought out what constraint the development of agriculture in Nigeria. It will also suggest the solution and the forward to agriculture development in Nigeria. The study will also serve as a reference to other researcher that will embark on this topic

* 1. **SCOPE AND LIMITATION OF THE STUDY**

The scope of the study covers the constraints of agricultural development. The researcher encounters some constrain which limited the scope of the study;

 **a) AVAILABILITY OF RESEARCH MATERIAL:** The research material available to the researcher is insufficient, thereby limiting the study

**b) TIME:** The time frame allocated to the study does not enhance wider coverage as the researcher has to combine other academic activities and examinations with the study.

**1.7 DEFINITION OF TERMS**

 **CONSTRAINT:** stiffness of manner and inhibition in relations between people.

**AGRICULTURAL DEVELOPMENT**:Agricultural Development and Policy. Working to reduce hunger and poverty, and improve the sustainability of rural livelihoods in the face of increasing social, economic and physical shocks and stresses.

**1.8 ORGANIZATION OF THE STUDY**

This research work is organized in five chapters, for easy understanding, as follows

Chapter one is concern with the introduction, which consist of the (overview, of the study), historical background, statement of problem, objectives of the study, research hypotheses, significance of the study, scope and limitation of the study, definition of terms and historical background of the study. Chapter two highlights the theoretical framework on which the study is based, thus the review of related literature. Chapter three deals on the research design and methodology adopted in the study. Chapter four concentrate on the data collection and analysis and presentation of finding. Chapter five gives summary, conclusion, and recommendations made of the study

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

 **2.1 INTRODUCTION**

The agricultural sector has been relatively stagnant at 3% growth performance in 2003, but moved from 4.1% growth rate in 1998 to 5.64% by end of 2010. This was as a result of a renewed attention of the government within the period through various reform programmes that also encouraged increasing private sector entrepreneurial activities (but not necessarily due to the effectiveness of policy implementation in the long run). Agricultural entrepreneurs were positioned to take advantage of the policy targets. In growth terms, the sector was only second to telecommunications services, the fastest growing sector since 2004. The agricultural share of National Gross Domestic Product (GDP) has been hovering around 40 – 41% annually since 2003 The largest subsector contribution to national output is from the crops subsector which annually ranged between 36% (2003, 2004 and 2005) and 37% (2006 and 2007) in an increasing manner. The livestock subsector share of GDP is almost constant at 2.6% while the fishing sector at 1.37% contributions. The agricultural sector is the highest contributor to non-oil GDP growth rate. After an initial fall from 6.64% in 2003 to 6.50% in 2004, the growth rate appreciated per annum from 2005 (7.06%) but still fell to 5.64% in 2010 The documented growth figures are expected to positively affect livelihoods, especially in terms of food prices and employment. The contrary, however, is the case. As earlier shown above, the agricultural sector is characterized by a dominant crop subsector with its long varietal chain, and a growing livestock and fishery subsectors. These subsectors are in dire need of appropriate interventions to attain market competitiveness in order to contribute to overall national economic growth objectives and poverty alleviation. The forestry subsector may have remained vibrant, but not for reduced commitment to forest resource development. The crops subsector could be divided into major and minor crops depending on whether they are cash or key staple food crops and minor, if otherwise, they are non-cash or purely food crops. However, effectiveness of some major food crops in Nigeria shows absence of sustainability (Igwe, 2008). The development of agricultural infrastructure has been poor, in spite of annual budgetary provisions for such activities. Some efforts tailored to the development of irrigation facilities in different parts of the country have been progressive. The agriculture sector share of overall capital budget over this period which also increased annually from N8.5 billion in 2003 to N136.3 billion by 2007 indicate clearly that the Federal Government is the greater single spender on agricultural development. The functional federal Government capital Expenditure on economic sector basis shows that the capital budget for overall economic sector increased from N98.1 billion in 2003 to N367.9 billion in 2007 The allocation of funds relative to other key economic sectors shows an increase by 78% (N17.3 billion in 2005 to N30.8 billion in 2006), but rate of increase went down 25.97% between 2006 and 2007 budget. However, agriculture budget has remained paltry relative to the sectoral budgets of the Federal Government; 3.09%, 4.2% and 4.04% of sector budget portfolio for 2005, 2006 and 2007 respectively. These figures which are lower than provisions for the federal capital territory, fall far short of the Maputo Agreement for 10% of national budgetary provision for agriculture. State’s overall budget for agriculture increased from N18.1billion (2003) to N30.8 billion (2007). A similar trend is seen in capital budget for agriculture. The weak presence of the states in agricultural development is indicated in the overall national dependence on oil revenue, and their inability to optimize the huge revenue options provided by the agricultural sector. The uncoordinated manner of the spending by the tiers of government leads to slow growth experience.

**2.2 AGRICULTURAL POLICIES IN NIGERIA**

The need for active government intervention in the Agricultural sector through reform programs was informed by the dearth and neglect of Agriculture in Nigeria, due majorly to the rising fortunes in crude oil in the early 70’s. Until then, Nigeria had a very robust agricultural sector with self-sufficiency in food production and minimal imports of processed food for the elites; farmers produced enough food crops to feed the population and foreign exchange receipts from exported crops was used to finance government expenditure in education, health, construction and finance, etc. The northern region (including the middle belt) was largely exporting cotton, hides and groundnuts; the South West region specialized in cocoa, while the South East region (including the present South–South region) was a major exporter of rubber and palm produce. Government focused on research, extension services, marketing and pricing of export crops. The period 1970-85 witnessed more direct government intervention in agriculture in the face of the noticeable decline in agriculture performance. A variety of policies were introduced. Macroeconomic policies became expansionary, including direct government involvement in agricultural production; incentives were introduced, including low tariffs on agricultural inputs. The period witnessed the establishment of many new agricultural institutions and programmes. Notable were the marketing board system which was reformed in 1973 and 1967/77 due to mounting criticisms against the inefficiencies and abuses that characterized the operations of the boards (Olomola & Akande, 1990). Nigerian Agricultural and Co-operative Bank (NACB) later followed in 1973 and the Agricultural Credit Guarantee Scheme Fund (ACGSF) in 1978, which were established to provide agricultural finance. During this period, world Bank-assisted ADPs were introduced in a number of states. The programmes were designed to provide an integrated approach to agricultural and rural development. River Basin Development Authorities were also established to provide all-yearround water through irrigation to farmers. More research institutes were established during this period. In anticipation of the increased agricultural output arising from these projects and Operation Feed the Nation (OFN), there was a reorganization of marketing boards, which gave rise to the grain boards. However, the Structural Adjustment Programme (SAP) policy of 1986 began the era of liberalization of Nigeria Agricultural exports, including the scrapping of commodity boards and deregulation of the entire economy. During the period 1986-99, which combines SAP and post-SAP era, market-oriented and not so market-oriented agricultural development policies and programmes were introduced. River Basin Authorities were restructured from 21 to 11; the DFRRI was established, as well as the National Agricultural Insurance Corporation and Peoples’ Bank. Farm input supply policy was actively pursued during this period. Trade liberalization was an important aspect of SAP. Abolition of import and export licensing and exchange control measures took place. With these reforms, export earners became entitled to 100 per cent of their foreign exchange earnings provided these were kept in a domiciliary account. Thus, agricultural producers had an incentive to boost their exports. The Nigerian Export-Import Bank (NEXIM) grew out of the Export Incentive and Miscellaneous Decree of 1986 and Nigerian Export Credit Guarantee and Insurance Corporation in 1988 and commenced operations in 1991. The focus was to provide refinancing and discounting facilities to commercial and merchant banks to encourage them to provide credit and risk-bearing facilities in support of exports. Perhaps the most visible and pervasive policy under SAP is the naira exchange rate devaluation. The rate, which was 0.639 naira to the US dollar in 1981 and 0.9996 naira in 1985, averaged 3.32 naira in 1986. By 1992, it had fallen to 19.66 naira and to 91.83 naira in 1999. The current democratic era that begun in 1999 gave rise to yet new Agricultural policy reforms to wit, National Economic Empowerment and Development Strategy (NEEDS), National Agricultural Policy (NAP) and Rural Sector Strategy (RSS), 2004. The overall strategic objective of the NEEDS and NAP is to diversify the productive base from oil and to promote market-oriented and private sector-driven economic development with strong local participation. Specifically, it sought to achieve a minimum annual growth rate target of 6% for the agricultural sector in the first instance and attain a minimum agricultural exports of $3 billion per annum from the Cassava initiative alone, and drastically reduce food imports to 5% from the present 14.5%. It also targeted increasing cultivable arable land by 10% per annum and foster implementation of private sector participation through incentives schemes to achieve agricultural production sustainability. The strategies to achieving the NEEDS Agriculture objectives include such programs as the presidential initiatives on chosen competitive commodities and taking advantage of concession arrangements in bilateral and multilateral agreements (WTO, EU-ACP, US-AGAO, and ECOWAS). Others include strengthening agricultural research, training and extension institutions and frameworks. It also sought a sustainable development of a private sector-led input supply and distribution system; an integrated agriculture led rural development and the growth of agricultural credit access window for farmers, while NAP aims at laying a solid foundation for sustainable growth in agricultural productivity.

**2.3 GENERAL AND PERSISTENT CONSTRAINTS OF THE SECTOR**

Several structural bottlenecks beset Nigeria’s agricultural growth and competitiveness. First is the problem of policy incapacity, instability and implementation inefficiency (Innocent, 2008). In most cases it results from incomplete policy thought-through or ineffective implementation of policy prescribed programmes to result-end. This therefore questions skills and appropriate use of required manpower in both policy formulation and implementation processes. For instance, the failure of the $3 billion per annum cassava export earning was announced but not followed with the necessary structural back-up to ensure the processing of cassava into confectionary flour (which however when reduced to 5% still failed). In their study on the impact of FADAMA II project implementation in Imo State, Nigeria, Echeme and Nwachukwu (2010) concluded that, several issues associated with project implementation include, poor project funding, low level of local government support, poor community support and low capacity building, while Olomola (2006) associated agricultural policy failure in Nigeria to lack of competitiveness. There is also the malaise of non-competitive input-end subsidy administration system. The existing input subsidy administration has been known to be defective, discouraging the development of agricultural service delivery competitiveness. The system of input-end subsidy administration has been tainted with official and institutional corruption and impedes the growth of efficient private sector led input service. The process of using some private sector fronts appointed by government to procure fertilizer on its behalf, led to distortions in the procurement process such as over-invoicing, late deliveries and middlemen cartel development in the distribution system. Consequently, the administration of the subsidy policy was considered tainted and non-transparent in implementation and consequently ineffective. Subsidized inputs have been diverted to the open market and sold at higher input prices, thereby depriving farmers the subsidy benefit which the unintended beneficiaries (middlemen and their sponsors in the public sector) usurp. Poor agricultural technology and service delivery environment hampers agricultural productivity in Nigeria. Technology diffusion in farming is low. Whereas Igwe (2008) establishes the positive link of technology diffusion in the cultivation of rice and yam in Nigeria, the low use of appropriate farming technology and poor agricultural service delivery environment combined with lack of incentives for private sector led input chain development severely hampers the development of competitive farming and agribusiness. This also severely impedes the growth of local input and equipment manufacturing as well as efficient and costeffective procurement and distribution system. The immediate outcome is that the sector is a low input and output technology enterprise and thus, reducing agriculture to become labourdriven, farmers having poor skills and lacking processing and value-added content, leading annually to heavy post-harvest losses. The absence of basic infrastructure for agricultural, industrial and social services in the economy is a big disincentive to downstream agribusiness processes and a heavy drawback against agricultural development. The effect has been heavy also on upstream agriculture (irrigation facilities, transport and market information infrastructure) and value chain development. Enabling infrastructures, especially rural roads and irrigation systems are not likely to be in place in the humid and sub-humid tropics of Africa in the next 20-30 years (Dunstan, 1994). Absence of long term finance window for agriculture is also a huge drawback to agricultural productivity in Nigeria. Over several years, there has practically been a dearth of sustainable funding windows through which investors could borrow capital for agricultural and agribusiness entrepreneurship engagement. Earle (2011) argue that limited financing and inadequate new investments hinder agricultural development. There is however smallholder funding windows through the development finance institutions such as the CBN (ACGS), NACRDB, and international Development Assistance (IDA’s) pro-poor target programmes that sustained small and subsistence farmers in Nigeria. Although, access process to these finance sources has been difficult to small farmers, in terms of availability, timing amount and the lack of security for more formal (private/bank) credit. Thus, farm finance remains a persistent constraint. Ojo and Akanji (1996) opined that, beginning from 1970-85, agricultural credit came mostly from informal sources and at prohibitive interest rates; government spent less than 10 per cent of its total capital expenditures on agriculture. The market for agricultural input and output has been weak, undeveloped and atomistic. Access to foreign markets is affected by commodity productivity and price competitiveness. Also, nonremunerative prices for agricultural commodities, worsened by cycles of surplus and low farm production, cause unsteady farm income, poverty and food insecurity among Nigerian farmers, creating an unstable environment of cyclical low and high food prices. Tied to the above is the lack of reliable and sustainable market information system to aid output in order to ensure competitive prices for producers and agribusiness operators. Thus, improvement in marketing has been widely recognized as one of the most effective ways to increasing agricultural productivity (Yisa, 2009). Agricultural activity is particularly risk-prone, given that, farmers can manage only some part of the production process while natural conditions beyond the farmer’s control also have a significant impact. Both crop and livestock production can be strongly affected by weather; yields vary from year to year, and extreme weather conditions such as frost, droughts, floods and storms can heavily damage agricultural output. Though technological progress has allowed agricultural producers to improve the degree to which they can manage the influence of natural factors, the experience in Nigeria is yet to show significant improvement. However, among the various measures of financial risk applied to agricultural risk, the Spectral Risk Measure (SRM) proposed by Acerbi (2004)stands distinctive, in that, it specifically incorporates a user’s degree of risk aversion. Other constraints to agricultural sector development in Nigeria have been the practice of tenure ownership. Lloyd (1962) noted that land tenure had seriously handicapped the commercial development of agriculture in Western Nigeria. Only a few years later, Adegboye (1967) argued in a much more radical vein that any society seeking land reform must make a choice between economic efficiency and retention of traditional ties and institutions. He identified land tenure, farm tenancy and the provision of agricultural credit as obstacles to increasing productivity per acre and per farmer. The literature on the shortcomings of customary forms of tenure is fairly large (see, Adeniyi 1972; Fabiyi, 1974; Famoriyo, 1979; Ojaodola, 1970; Olatunbosun, 1975; Osuntagun, 1976; Wells, 1974; Williams, 1978). However, a recent study by Francis (2005) considered the impact of the Decree on patterns of landholding and use in a community in the cocoa belt of Southwest Nigeria and revealed that the political conditions which govern the ownership and control of land indicates that the system of tenure as it existed prior to the Decree functioned as an equitable, stable and flexible means of regulating access to land.

**2.4 SECTORWIDE AGRICULTURAL PRODUCTIVITY CONSTRAINTS IN NIGERIA**

**Poor Agricultural Pricing Policies**

Fertilizer use is promoted mainly by the fertilizer subsidy policy in Nigeria. In spite of economic reforms in Nigeria, fertilizer subsidies have remained. There is renewed consideration of input subsidies, at least as a means to reduce attendant effects of market failures. Input subsidies were widely practiced in the 1960s through 1980s. The costs of subsidies became high and unsustainable. Thus, subsidies have placed a high budgetary burden on the government in Nigeria. Also, the program has been targeted to those who may not need it the most, mainly large-scale farmers. Investments in core public benefits such as research and extension, which also aim to boost productivity, may suffer setbacks under sustained and high-input subsidy programs. However, there are no immediate data from which to draw a firm inference on this assertion for Nigeria. Most subsidies in Nigeria were expected to give way as reforms were embraced in the mid-1980s. However, elements of fertilizer subsidy have persisted within the Nigerian agricultural economy. Indeed, the National Council on Agriculture (NCA), pronounced a 25 percent fertilizer subsidy for the 2008 production season. How effectively this subsidy was implemented is unclear.

**Low Fertilizer Use**

 Improved crop varieties exist, but realization of yield potential requires a leap in the level of fertilizer use. As elsewhere in SSA, low fertilizer use is a serious constraint to agricultural productivity growth in Nigeria, where fertilizer use averages 10–15 kg/ha. Between the late 1980s and mid-1990s, domestic fertilizer production as a percentage of the total supply varied from 46 to 60 percent. There has been no domestic production of fertilizers since the early 2000s because NAFCON, the dominant fertilizer producer in Nigeria, has been shut down. Some issues affecting domestic supply of fertilizers include high transport costs from port to inland destinations, poor distribution infrastructure, absence of capital for private-sector participation in distribution, significant business risks facing fertilizer importers, and inconsistencies in government policies.

**Poverty and Women’s Limited Access to Inputs**

 For farmers, poverty can result in food insecurity, low productivity, and inability to afford yield-enhancing inputs. Women have relatively limited rights to farmland in spite of having a significant role in agricultural production in many parts of Nigeria. Women also have less access to extension services and credit. All these constraints limit their agricultural productivity. In some areas in Nigeria, on-farm activities are left to women. In other places, women engage mainly in cooking and caring for children. To better appreciate women’s roles and to estimate their farm labor productivity, diverse roles must be accounted for. Failure to do so may underestimate women’s agricultural labor productivity

**Low Access to Agricultural Credit**

 Access to agricultural credit has been positively linked to agricultural productivity in several studies. Yet this vital input has eluded smallholder farmers in Nigeria. Cooperatives, friends, and family members dominate the sources of farm credit among the rural farmers surveyed in southwest Nigeria. Banks with large loan funds are generally difficult to access. Issues of collateral and high interest rates screen out most rural smallholders. Another problem associated with smallholder access to agricultural credit is that agricultural loans are often short term, with fixed repayment periods; this may not suit annual cropping, especially when loan release is not coordinated with growing cycles of crops. Short-term loans are also unsuitable for livestock production. For credit to be most effective, loan terms must flexibly relate to cash flows in the target business, the input demand/supply structure, and quantifiable business risks.

**Low and Unstable Investment in Agricultural Research**

 Private-sector involvement in agricultural research has remained negligible to date. Low public expenditure on agricultural research has been associated with low growth in agricultural productivity elsewhere. Conversely, such investment can help explain eventual agricultural productivity growth. When research is poorly funded, agricultural technologies cannot be improved, and there will be no downstream farm income increase, rural employment generation, reduction in food prices, establishment of agrobased industries, and economic growth. In short, the absence of new technologies in agriculture will slow the growth of agricultural productivity and the reduction of rural poverty. Total public research and development (R&D) spending has not been stable since independence. It is believed, however, that the situation has improved since 2000 because of an increase in the salary structure and improvement in the nominal contribution of government to agricultural research. The budget process for agricultural research funding in Nigeria is neither simple nor wholly transparent. The time between submission of planned budgets by research agencies and approval and release of funds is long and often out of sync with research work plans. Also, approved amounts and disbursement processes by government often fall far short of research agencies’ planned budgets. Indeed, since the late 1990s, higher education and research agencies have been receiving both recurrent and capital budgets on a monthly basis, leaving virtually no space for long-term research investment. Apart from making research planning impossible, this has tended to delay or prolong the completion of laboratory-based graduate programs because neither the faculties nor the students have access to adequate and sustained research funds.

**Poor Funding and Coordination of Agricultural Extension**

Specific constraints identified in the implementation of the training and visit (T&V) system in Nigeria included bureaucratic procedures, and location of crop and livestock extension staff in different departments and ministries, which tended to promote rivalry and duplication of resources. Related to these issues was the fact that the extension system was implemented with a huge bias in favor of cropping activities. In 1992, the NCA approved the adoption of a Unified Agricultural Extension System (UAES) to ensure a single line of command and delivery of unified extension messages to farmers. The implementation of this laudable extension system remains hampered by poor funding, as most of the state Agricultural Development Projects (ADPs) stopped functioning after the cessation of World Bank funding. There is some evidence that previous funding of agricultural extension activities had beneficial spillover effects on adoption of farm technologies. Available estimates of adoption rates appear to be satisfactory for a wide array of farm technologies, even after the implementation years of the ADP system. Indeed, adoption may have been constrained more by the inability to purchase improved inputs than by factors related to the extension system itself.

**Land Tenure System and Land Degradation**

 The communal system of land ownership prevails among most ethnic groups in the south, in which individual ownership of land is embedded in group or kinship ownership. Communal ownership of land in Nigeria has been associated with such problems as limited tenure security, restrictions on farmers’ mobility, and the inevitable fragmentation of holdings among future heirs. In addition, group ownership restricts access rights of community members outside the owning group, a situation that limits the use of land as collateral for agricultural credit. But communal ownership has also been credited with preserving traditional land use practices such as bush fallowing, which has helped retard problems of land degradation. 5 Restrictions on land sales impede the use of land as collateral, thereby hindering development of the rural credit market. Communal land ownership is a disincentive to the improvement of land quality and long-term investment in land management. Inheritance leads to land fragmentation among future heirs, and subsequent uneconomic farm sizes per member. Subdivision of holdings among household members prevails as a consequence of the inheritance system. But the size of farms per capita depends ultimately on population pressure, the amount of land available to each household, and the specifics of the inheritance law in each community. An important institutional constraint is absence of clear title to land. This may limit access to formal credit since the farmer cannot use land as collateral. It also reduces incentives to invest in land-quality maintenance and improvement. Because poor farmers cannot afford alternative farmlands, or have no access to lands not inherited, they remain on depleted lands and further degrade resources. Thus, poverty and custom may constrain farmers’ ability and willingness to mitigate land degradation, leading to declining productivity.

**Poor Market Access and Marketing Efficiency**

 Limited or poor-quality roads and rail transportation inhibit timely access to inputs, increase costs of inputs, and decrease access to output markets. Thus, investment in infrastructure contributes to agricultural productivity. The bulky nature of primary produce has discouraged production because rural farmers have limited access to markets and good feeder roads. Economic reforms in Nigeria have led to increased private-sector participation in the supply of most purchased inputs in Nigeria, but most suppliers are based in urban areas. End users of the inputs are in rural areas, which are poorly linked to urban suppliers. Transaction costs of inputs increase delivery costs to rural farmers. However, given the prevailing poor marketing infrastructure and the attendant high transaction costs, fertilizer subsidies in Nigeria may not be effective at this time. Agricultural marketing efficiency in Nigeria is dismally low. Transportation costs are high. Road conditions are poor, which limits access to purchased inputs, credit, and output markets, and reduces the transmission of market signals. Increased access to output markets would likely generate demand for conventional inputs. High transport costs are significant constraints to agricultural productivity, reflecting the poor state of rural transport infrastructure in the study areas.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

* 1. **Research design**

The researcher used descriptive research survey design in building up this project work the choice of this research design was considered appropriate because of its advantages of identifying attributes of a large population from a group of individuals. The design was suitable for the study as the study sought to the constraints of agricultural development

* 1. **Sources of data collection**

Data were collected from two main sources namely:

(i)Primary source and

(ii)Secondary source

**Primary source:**

These are materials of statistical investigation which were collected by the research for a particular purpose. They can be obtained through a survey, observation questionnaire or as experiment; the researcher has adopted the questionnaire method for this study.

**Secondary source:**

These are data from textbook Journal handset etc. they arise as byproducts of the same other purposes. Example administration, various other unpublished works and write ups were also used.

* 1. **Population of the study**

Population of a study is a group of persons or aggregate items, things the researcher is interested in getting information on the constraints of agricultural development. 200 residents in Oredo Local Government Area of Edo state. was selected randomly by the researcher as the population of the study.

* 1. **Sample and sampling procedure**

Sample is the set people or items which constitute part of a given population sampling. Due to large size of the target population, the researcher used the Taro Yamani formula to arrive at the sample population of the study.

n= N

 1+N (e) 2

n= 200

1+200(0.05)2

= 200

1+200(0.0025)

= 200 200

1+0.5 = 1.5 = 133.

**3.5 Instrument for data collection**

The major research instrument used is the questionnaires. This was appropriately moderated. The secretaries were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed to obtain sufficient and relevant information from the respondents. The primary data contained information extracted from the questionnaires in which the respondents were required to give specific answer to a question by ticking in front of an appropriate answer and administered the same on staff of the two organizations: The questionnaires contained structured questions which were divided into sections A and B.

* 1. **Validation of the research instrument**

The questionnaire used as the research instrument was subjected to face its validation. This research instrument (questionnaire) adopted was adequately checked and validated by the supervisor his contributions and corrections were included into the final draft of the research instrument used.

* 1. **Method of data analysis**

The data collected was not an end in itself but it served as a means to an end. The end being the use of the required data to understand the various situations it is with a view to making valuable recommendations and contributions. To this end, the data collected has to be analysis for any meaningful interpretation to come out with some results. It is for this reason that the following methods were adopted in the research project for the analysis of the data collected. For a comprehensive analysis of data collected, emphasis was laid on the use of absolute numbers frequencies of responses and percentages. Answers to the research questions were provided through the comparison of the percentage of workers response to each statement in the questionnaire related to any specified question being considered.

Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while percentage refers to the arrangements of the responses in order of their proportion. The simple percentage method is believed to be straight forward easy to interpret and understand method.

The researcher therefore chooses the simple percentage as the method to use.

The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item

Contained in questions

**CHAPTER FOUR**

**PRESENTATION ANALYSIS INTERPRETATION OF DATA**

**4.1 Introduction**

Efforts will be made at this stage to present, analyze and interpret the data collected during the field survey. This presentation will be based on the responses from the completed questionnaires. The result of this exercise will be summarized in tabular forms for easy references and analysis. It will also show answers to questions relating to the research questions for this research study. The researcher employed simple percentage in the analysis.

**DATA ANALYSIS**

The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 133(one hundred and thirty three) questionnaires were distributed and 133 questionnaires were returned.

Question 1

Gender distribution of the respondents.

TABLE I

|  |
| --- |
| **Gender distribution of the respondents** |
| Response | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 77 | 57.9 | 57.9 | 57.9 |
| Female | 56 | 42.1 | 42.1 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

From the above table it shows that 57.9% of the respondents were male while 42.1% of the respondents were female.

Question 2

The positions held by respondents

TABLE II

|  |
| --- |
| **The positions held by respondents** |
| Response | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | Farmers  | 37 | 27.8 | 27.8 | 27.8 |
| Married men  | 50 | 37.6 | 37.6 | 65.4 |
| Married women  | 23 | 17.3 | 17.3 | 82.7 |
| Youths  | 23 | 17.3 | 17.3 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

 The above tables shown that 37 respondents which represents27.8% of the respondents are farmers 50 respondents which represents 37.6 % are married men 23 respondents which represents 17.3% of the respondents are married women, while 23 respondents which represent 17.3% of the respondents are youths

**TEST OF HYPOTHESES**

there are factors militating against the agricultural development in Oredo Local Government Area

 **Table III**

|  |
| --- |
| there are factors militating against the agricultural development in Oredo Local Government Area |
|  Response  | Observed N | Expected N | Residual |
| Agreed | 40 | 33.3 | 6.8 |
| strongly agreed | 50 | 33.3 | 16.8 |
| Disagreed | 26 | 33.3 | -7.3 |
| strongly disagreed | 17 | 33.3 | -16.3 |
| Total | 133 |  |  |

|  |
| --- |
| **Test Statistics** |
|  | there are factors militating against the agricultural development in Oredo Local Government Area  |
| Chi-Square | 19.331a |
| Df | 3 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.3. |

Decision rule:

There researcher therefore reject the null hypothesis there are no factors militating against the agricultural development in Oredo Local Government Area as the calculated value of 19.331 is greater than the critical value of 7.82

Therefore the alternate hypothesis is accepted that there are factors militating against the agricultural development in Oredo Local Government Area

**TEST OF HYPOTHESIS TWO**

There is extent to which the problem affects the development of agriculture in the study area.

Table V

|  |
| --- |
| **there is extent to which the problem affects the development of agriculture in the study area.** |
| Response  | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |
| --- |
| **Test Statistics** |
|  | there is extent to which the problem affects the development of agriculture in the study area.  |
| Chi-Square | 28.211a |
| Df | 2 |
| Asymp. Sig. |  .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. |

Decision rule:

There researcher therefore rejects the null hypothesis there is no extent to which the problem affects the development of agriculture in the study area as the calculated value of 28.211 is greater than the critical value of 5.99

Therefore the alternate hypothesis is accepted that state there is extent to which the problem affects the development of agriculture in the study area.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Introduction**

It is important to ascertain that the objective of this study was to ascertain the constraints of agricultural development

In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the challenges of the constraints of agricultural development

* 1. **Summary**

This study was on the constraints of agricultural development. Three objectives were raised which included: To find out the factors militating against the agricultural development in Oredo Local Government Area, to find out the extent to which the problem affects the development of agriculture in the study area, to offer suggestions for the solution to the problem. In line with these objectives, two research hypotheses were formulated and two null hypotheses were posited. The total population for the study is 200 residents in Oredo local government of Edo state. The researcher used questionnaires as the instrument for the data collection. Descriptive Survey research design was adopted for this study. A total of 133 respondents made up farmers, married men, married women and youths were used for the study. The data collected were presented in tables and analyzed using simple percentages and frequencies

* 1. **Conclusion**

Agriculture plays a significant role in the economic growth and development process of any economy, although, most developing economies, like Nigeria are yet to fully harness the potentials of a well-structured agricultural sector for the actualization of higher economic growth trajectories. However, the study investigated the constraints to agricultural development in Nigeria and uncovered some binding constraints to the sector, some of these constraints include; diversion of funds meant for investment in agriculture to other areas of interest, increasing food imports and lack of requisite technologies for the facilitation of agribusinesses, etc. Explanatory variables such as food export, rainfall and exchange rate are significant positive determinants of agricultural output in Nigeria as revealed in the empirical results

* 1. **Recommendation**
1. Government must as a matter of necessity adopt strategies to re-direct adequate loans to genuine farmers through micro-finance banks and commercial banks. Apart from this, government should also strengthen research and development institutions as a means of seeking for new knowledge. One method of achieving that is increasing research grants as well as staff training and re-training to adequately equip upcoming and experienced researchers in the agricultural sector.
2. Government should initiate programmes and policies that will ensure adequate partnerships between research institutions and our higher institutions of learning to breach the widening gap between theory and practice. Such research institutions are manifold. Examples include, International Institute of Tropical Agriculture (ITTA), International Food Policy Research Institute (IFPRI), National Root Crops Research Institute, and Arable Crops Research Institutes etc. This will assist in effective implementation of new knowledge as well as expose the younger generation on the lofty potentials in agricultural sector.
3. Government through its agencies should seek to maintain a stable and favourable exchange rate since the variable has been found to possess a significant positive effect on agricultural output.
4. The Federal Ministry of Agriculture as a representation of government must work in partnership with other organized farmers’ groups, non-governmental organizations (local and foreign) with special focus in agriculture to sensitize the public on the negative implication of high food import. This can be achieved by organizing seminars and workshops but not necessarily on increasing tariffs on food import to avoid retaliation from trading partners.
5. The development of agro-allied industries that will ensure processing, preservation and packaging of agricultural products for consumption and export must be given serious attention by agricultural stake holders. This will encourage local producers to engage fully in agriculture, create jobs, and earn significant foreign exchange for the country

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**QUESTIONNAIRE**

**INSTRUCTION**

Please tick or fill in where necessary as the case may be.

Section A

1. Gender of respondent

A male { }

B female { }

1. Age distribution of respondents
2. 15-20 { }
3. 21-30 { }
4. 31-40 { }
5. 41-50 { }
6. 51 and above { }
7. Marital status of respondents?
8. married [ ]
9. single [ ]
10. divorce [ ]
11. Educational qualification off respondents
12. SSCE/OND { }
13. HND/BSC { }
14. PGD/MSC { }
15. PHD { }

Others……………………………….

1. How long have you been Oredo local govt
2. 0-2 years { }
3. 3-5 years { }
4. 6-11 years { }
5. 11 years and above……….
6. Position held by the respondent in Oredo local govt
7. Farmer { }
8. Married man { }
9. Married woman { }
10. Youth { }
11. How long have you been in Oredo local govt
12. 0-2 years { }
13. 3-5 years { }
14. 6-11 years { }
15. 11 years and above……….

SECTION B

1. There is no constraint of agricultural development
2. Agrees { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. There are factors militating against the agricultural development in Oredo Local Government Area.

(a) Agrees { }

(b) Strongly agreed { }

(c) Disagreed { }

(d) Strongly disagreed { }

1. There are extent to which the problem affects the development of agriculture in the study area.
2. Agreed { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. There is no agricultural constraint in Oredo local govt
7. Agreed { }
8. Strongly agreed { }
9. Disagreed { }
10. Strongly disagreed { }
11. Agriculture boost Nigeria economy.
12. Agreed { }
13. Strongly agreed { }
14. Disagreed { }
15. Strongly disagreed { }
16. Farmers are not getting access to loan in Oredo local govt.
17. Agreed { }
18. Strongly agreed { }
19. Disagreed { }
20. Strongly disagreed { }
21. Government is ignoring local farmers for modern facilities
22. Agreed { }
23. Strongly agreed { }
24. Disagreed { }
25. Strongly disagreed { }
26. Modern facilities are the major constraint to farmer?
27. Agreed { }
28. Strongly agreed { }
29. Disagreed { }
30. Strongly disagreed { }