POTENTIAL IMPACTS OF THE MDGs AND VISION 2020 ON AGRICULTURE AND RURAL DEVELOPMENT IN NIGERIA

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Abstract

Nigeria faces a very bleak future regarding the provision of adequate food to feed the growing population. This fact was poignantly brought home recently by three Rome-based United Nations agencies, the Food and Agricultural Organisation, FAO, the International Fund for Agricultural Development, IFAD, and the World Food Programme, WFP. The efforts of the MDGs and Vision 2020 has not impacted on the lives of the populace as expected, thereby making it uncertain to that the goal of eradicating extreme hunger and poverty could be realized. This paper assessed the potential impacts of the MDGs and Vision 2020 on agricultural and rural development in Nigeria emphasizing the need to reform agriculture as the engine of growth. Related literature, reports and government policy papers were carefully reviewed to examine the extent to which the MDGs and V:2020 have contributed to achieving agricultural and rural developments. The achievements of MDGs and Vision 2020 in Nigeria since inception were also x-rayed. The paper also identified and discussed the imperatives and criteria for agricultural sector funding as well as the way forward to rekindling agricultural investment for global competitiveness of Nigerian agriculture. Analysis revealed that it is not certain if efforts by the UN agencies could lead to achieving the Millennium Development Goal, MDG, of reducing the number of people suffering from hunger and poverty by half by 2015. Based on the foregoing, it was recommended among others that all tiers of government in the country should consciously invest heavily in agriculture as a wheel for the transformation agenda of the government. Furthermore, the extension should be given its deserved attention in the scheme of things in the Ministry of agriculture by creating a Federal department of agricultural extension services.

Key words: Impacts, MDG, Vision 2020, agricultural and rural development

Introduction

Eradication of extreme poverty and hunger had the remained the foremost objective of the Millennium Development Goals (MDGs). This implies that considerations for agricultural and rural development are important. Renewed impetus for the MDG was achieved with the Vision 20:2020 development plan. Recent economic growth in agriculture has markedly reduced the proportion of underweight children, from 35.7% in 1990 to 23.1% in 2008 (MDG, 2010). However, the growth has not generated enough jobs and its effect on poverty is not yet clear.

In an effort to fight poverty over the decades, government had embarked in several reform programmes aimed at bettering the lives of the common man and building a virile nation. One of such initiative is the MDGs, which has the United Nations' commitment and endorsement.

Since its inception in 2000, the MDGs project had received a significant acceptance and commitment, not only by the beneficiaries, but also by the three tiers of government who jointly access and utilize the debt savings to provide infrastructure for the increasing demand for labour in the more productive categories of employment.

It is not certain if efforts by the UN agencies could lead to achieving the Millennium Development Goal, MDG, of reducing the number of people suffering from hunger and poverty by half by 2015. Nigerians constitute the vast majority of the 600 million people in developing countries said to be undernourished, considering the nation's huge population and the level of poverty, unemployment and absolute neglect of agriculture in the country.

Despite rapid advances by some countries that show that MDGs are achievable, most countries in Sub-Saharan Africa including the populous nation of Nigeria are yet to mobilize resources, political and financial support to meet specific global challenges, especially the eradication of extreme poverty and hunger. A 2003 United Nations Development Programme (UNDP) review of sub-Saharan Africa's social development indicators provides a bleak picture of the region's progress towards MDGs. The number of Africans living on less that $1 a day is increasing.

With an annual per capita income of barely $300, Nigeria is one of the 20 poorest countries in the world. It should therefore be an HIPC-eligible country—deserving of deep debt reduction. Nigeria's debt overhang is considered severe in the context of its development challenges. Currently, about 70% of Nigerians live in absolute poverty (about 84 million people). It requires an annual GDP growth rate of 7-8% in order to halve the number of people in poverty by 2015, and this translates to an investment rate of more than 30% per annum. Currently, the country grows at about 3 percent and the national savings rate is about 15 percent. In addition, the country faces daunting challenges of re-building a country badly damaged by decades of military misrule and a fragile democracy. There is tremendous pressure on the government to deliver some 'democracy dividends'.

The MDGs include a 50% reduction in poverty and hunger, universal primary education, reduction of child mortality by two-thirds, cutbacks in maternal mortality by three-quarters, promotion of gender equality, and reversal of the spread of HIV/AIDS, malaria and other diseases. A Millennium Summit of 189 world leaders in September 2000 pledged to meet all of these goals by 2015. A UN summit in September 2005 reviewed progress towards the goals and set the development agenda for the next decade.

Of particular importance to this study is Goal first, outlining governments' commitment to eradication of poverty. Goal one relates to issues of – debt cancellation, trade justice, equitable governance in global institutions, and political, social and economic rights for the poor – as an indispensable foundation for a politics that will enable sustained progress to end poverty. It is an important goal for holding developed countries accountable in advancing the MDGs. This goal is particularly significant, as it requires richer countries to reform their policies and actions to contribute to the fight against poverty. The lack of basic rights in poor countries stems from and reinforces highly unequal power, within and between countries, which marginalize poor people's needs and priorities.

For more than two decades now, the agricultural sector of the Nigerian economy has continued to perform below expectation despite the huge sums of money being allocated to the sector in each year's budget (Onyeahialam, 2002). In 2002, about N9.874 billion was mapped out for the sector (Obasanjo, 2002). Also during the same year, 72 million dollars donated by Food and Agricultural Organisation (FAO) were distributed to the 36 states of the federation in addition to the years' allocation (Iheagu, 2002). According to Iheagu (2002), the money cannot be said to have been justifiably used, rather, what one sees is the prevalent poor attitude of the government to the execution of agricultural programmes. The warning signals are being confirmed on daily basis by high price of food items in the market and the crude system of farming being practiced in the country. This situation raises questions as to the effectiveness of the MDGs and vision 2020 which were signed and established in the belief that such project can radically transform agriculture and increase the Country's food and fibre needs of the rapidly increasing population. In spite of the presence of the MDG activities, food shortages have been getting worse from year to year. For instance in 2006, the Country's Gross Domestic Product (GDP) at 2002 constant factor cost was N83.5 billion agriculture contributed a total of N33 billion or 40.5% (NBS, 2007). However, at current factor cost, this sector's contribution to GDP declined from 22% in 2003 to 28% in 2008 with unsteady improvement to 31.3% in 2009 and 6.7% in 2002, due to unsteady productivity of the agricultural sector (CBN, 2009).

Something therefore must be wrong with the MDGs and Vision 2020 Policy, its contents and implementation strategies which, over the years of its operation has caused the agricultural sector to remain almost stagnant. In short, the World Bank Agricultural Policy has been faced with a dilemma. The problem is much more confounding than it meets the eye when one realizes that the peasant farmers in most parts of Nigeria still engage in 'primitive' and 'traditional' method of agricultural production.

Ten years is long enough a time to justify a purposeful appraisal of the MDGs and Vision 2020 implementation in Nigeria. This has called for persistent search for the problems that militate against the implementation of these Programmes in Nigeria. The broad objective of this paper is to examine the potential impacts of the MDGs and vision 2020 on agriculture and rural development in Nigeria. Specifically, the paper examines the extent to which MDGs has contributed on poverty eradication through agricultural development; examines the economic growth resulting from past reforms; examine the prospects of both MDG and Vision 2020; and establish how agriculture can serve as engine for growth.

In addition to this introductory section, this paper contains four other sections. In section 2, the concept of agricultural and rural development in the light of the MDGs was reviewed. Section 3 deals with the nexus of poverty, agricultural development and the MDGs in Nigeria. In particular, recent literature on the Nigerian status on achievement of MDGs was examined. In Section 4, I x-rayed the need to refocus agriculture as the engine for growth, identified and discussed the imperatives and criteria for agricultural sector funding to rekindling agricultural investment for global competitiveness of Nigerian agricultural products relying inter-ails on the results obtained in the previous section. The last section contains a summary of the paper, the way forward and conclusion.

Despite the countless numbers of rural development policies introduced at different times by successive governments coupled with the huge financial and material resources employed, little or nothing is felt at the rural level as each policy has often died with the government that initiated it before it starts to yield dividends for the rural dwellers. Onuorah (2006) support this claim when he states that not minding the lofty objectives (policies and government initiatives) such efforts ever endured beyond the government that initiated the schemes.

Concepts of agricultural and rural development

Rural development is the process of sustained growth of the rural economy and improvement of well-being of rural men, women and children (Geoffrey and Mead, 1989). Lele (1975) defines rural development as the process of improving the living standard of the mass of the low-income population residing in rural areas and making the process of their development self-sustaining. Over the years, rural development has been seen as synonymous with improvement in agricultural production. This thinking is due to the fact that agriculture has both forward and backwards linkages with other sectors of the rural economy (Booth, 2000). However, it is important to accentuate the point that agriculture is not the only occupation of the rural people, rather they are involved in a plethora of livelihood activities.

In Nigeria and most parts of Africa, the lopsided development approach which focuses on the urban areas to the neglect of the rural areas has triggered off rural out-migration of able-bodied men from rural communities in Nigeria to the urban centers living the aged and women in rural areas. While successive governments in Nigeria have instituted various rural development programmes and other reforms, paradoxically, the conditions of the rural people are perpetually degenerating.

The bedrock of agriculture and agricultural development in developing countries of sub-Saharan Africa is rural development, without which all efforts at agricultural development will be futile. A large majority of the farmers operate at the subsistence, smallholder level, with intensive agriculture being uncommon. A characteristic feature of the agricultural production system in such countries, Nigeria inclusive, is that a disproportionately large fraction of the agricultural output is in the hands of these smallholder farmers whose average holding is about 1.0-3.0 hectares (C.T.A. 2000). Also, there is very limited access to modern improved technologies and their general circumstance does not always merit tangible investments in capital, inputs and labour.

The bulk of the poor, some three-quarters according to a recent World Bank estimate, live in rural areas where they draw their livelihoods from agriculture and related activities (Kotze, 2003). Evidently, development, food security and poverty alleviation will not be truly achieved without rapid agricultural growth. Assisting the rural poor to enhance their livelihoods and food security in a sustainable manner is therefore a great challenge. Broadly put, increases in agricultural productivity are central to growth, income distribution, improved food security and alleviation of poverty in rural Africa (FAO, 2002 and CDD, 2008).

The department of rural development in the Nigeria Federal Ministry of Agriculture was established with the following objectives among others:

i. Coordination, monitoring and reviewing of the National Policy on Integrated rural development (NIPRD) and the Rural Development sector strategy for Nigeria.
ii. Mobilizing and empowering the rural populace to create wealth through agricultural, industrial and other productive activities.
iii. Establishing an integrated network of cottage and rural industries
iv. Promoting acquisition of vocational and trade skills, arts and crafts
v. Provision of technical support services for rural dwellers.
vi. Provision of rural infrastructure.

However, a cursory look at the situations in the rural areas reveal that inhabitants of the rural areas are yet to have solace and succour reflecting that the stated objectives are only partially achieved. In Nigeria, past rural development efforts have taken many forms including agricultural development, rural-based industrialization, infrastructural development and integrated schemes combining all the elements of agriculture, industry and infrastructure (Oladipo, 2008). A search of literature (for example, Oladipo, 2004; Chukwuemeka and Nzewi, 2011) indicates that a higher level of success has been achieved through the planning of rural projects conceived and implemented in an integrated manner. Recent experiences of private business organizations such as Presco Plc, Okitipupa oil and Okornu Oil engaged in agroindustry processing have opened Nigerian eyes to more possibilities. This has a natural inclination in Nigeria because of the existence of variations in ecological conditions offering a wide range of opportunities for agro-based industries.

Nexus of Agricultural and rural development and the Millennium Development Goals in Nigeria

Conceptually, a person's well-being is associated with his command over commodities. However, this concept is been challenged by the contention that socioeconomic development is more of life expectancy, access to adequate nutrition, education health and other indices of quality of life. Thus by implication, this theoretical postulation of quality of life as the basis of development forms the theoretical underpinnings upon which the MDGs were based. In this regard, the MDGs are rooted on the concept that opulence can be instrumental in expanding socioeconomic capabilities; it cannot be used to substitute quality of life as a measure of development (Simmons, and Birchall, 2008, Issa and Akolade, 2010).

Table 1: The Millennium Development Goals

1. **Eradicate extreme poverty and hunger**
    - Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.
    - Halve, between 1990 and 2015, the proportion of people who suffer from hunger.
2. **Achieve universal primary education**
    - Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
3. **Promote gender equality and empower women**
    - Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.
4. **Reduce child mortality**
    - Reduce by two-thirds, between 1990 and 2015, the under 5 mortality ratio.
5. **Improve maternal health**
    - Reduce by three-fourths between 1990-2015, the maternal mortality ratio.
6. **Combat HIV/AIDS, malaria and other diseases**
    - Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.
    - Have halted by 2015, and begun to reverse, the incidence of malaria and other diseases.
7. **Ensure environmental sustainability**
    - Integrate the principle of sustainable development into country policies and

programmes and reverse the loss of environmental resources.
- Halve, by 2015, the proportion of people without sustainable access to safe drinking water.
- Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

8. Develop a global partnership for development
- Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction—nationally and internationally
- Address the least developed countries' special needs. This includes tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction
- Address the special needs of landlocked and small island developing States
- Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term
- In cooperation with the developing countries, develop decent and productive work for youth
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies—especially information and communications technologies

Source: Baird and Shetty, 2003

Poverty, Agricultural development and the MDGs achievements in Nigeria

In the year 2000, the Nigerian government and 188 other governments across the world made the millennium declaration containing the MDGs committing to eradicating poverty in the world. One major failure in the economic reform agenda is making an impact on poverty alleviation. Government at all levels in Nigeria have not properly addressed the issue of poverty and thereby condemning the majority of Nigerians to a life of misery. More than mid way into the MDGs time frame, this is what the situation is in Nigeria:

i. 54% of Nigerians live below $1 (N120) a day
ii. More than 6.8m Nigerian children of primary school age are out of school
iii. Net enrolment for girls in primary and secondary school in the north is 34% and 10% respectively
iv. 197 out of every 1000 Nigerian babies die before they are 5 years old
v. An estimated 800 Nigerian women die for every 100,000 live births
vi. There were 300,000 deaths related to HIV in 2003/4. It is estimated that 70m Nigerians have one episode of malaria annually
vii. It is estimated that Nigeria is currently losing about 350sq km to desert encroachment annually
viii. Globally there is a challenge of fair trade especially between the developed countries and the emerging economies, mostly poor countries.

It is estimated that in order to achieve the MDGs in Nigeria by the year 2015, $5 billion to $7 billion must be channelled to MDG programmes per annum. The government is presently allocating about $1billion annually out of which $750 million is by the Federal Government and about $250 million by State governments (Adamolekun, 2011). Dahiru (2011) however stressed that the MDGs got zero allocation in the 2011 budget from the federal government. The numbers do not match and it is clear that the public expenditure levels by the three tiers of government are not sufficient to meet the MDGs as demonstrated in the Nigeria MDG report 2006. The report shows that at the present rate, the only MDGs we have the potential to meet by 2015 are:

i. Achieving universal primary education
ii. Combating HIV/AIDS
iii. Ensuring environmental stability
iv. Developing a global partnership for development

Even these four are highly problematic. Enrolment in primary education is certainly growing at a high rate. However, the quality of teachers is not improving significantly, especially in the North and the schools are not well equipped. Indeed, in some Northern states, growing enrolment is proceeding with growing illiteracy (Adamolekun, 2011). The admission in the 2006 Report that we might meet four of the MDGs is disturbing. It means that we are not on course to meet the key MDGs that are the most critical:

a. Eradicating extreme poverty and hunger in spite of the fact that 69 million Nigerians are affected
b. Achieving gender equality in our primary schools and empowering women
c. Reducing child mortality with under-5 mortality for 2005 being 197 for every 1,000 live births
d. Improving maternal healthcare given our mortality rate of 800 for every 100,000 live births.

Adamolekun (2011) suggested a major policy summersault to get Nigeria back on the road map to achieving the MDGs by 2015. He emphasized the need for a policy shift that would prioritise and significantly increase social expenditure and include the poor in public budgeting. Today, Nigeria is not among the countries in Sub-Saharan Africa that are commonly cited as likely to achieve the MDGs by 2015. (African countries considered likely to achieve the MDGs by 2015 include Cape Verde, Ethiopia, Ghana, and Malawi). However, the Country's Countdown Strategy (CDS) outlines a roadmap to accelerate progress towards the achievement of the MDGs, even if all of them would not have been achieved by 2015. Achieving the MDGs is considered a "Transformation Result Areas" (TRA) because the government is formally committed to it, along with about 200 other countries, at the level of the United Nations, and also because the goals are consistent with the development goals that are spelled out in Nigeria Vision 20-2020 (NV20-2020). Indeed, the MDGs have been folded into the implementation plans of NV20-2020.

Nigeria's Status on Achievement of MDGs

The 2004 report which was Nigeria's first report on the MDGs states that "based on available information it is unlikely that the country will be able to meet most of the goals by 2020 especially the goals related to eradicating extreme poverty and hunger. However, the conclusion of the MDG 2005 report is very remarkable and gives hope that there is possibility for achieving all the MDGs in Nigeria with sustained effort (AFRODAD, 2005). The details of the situation in Nigeria as captured in the 2005 MDG report with regard to the first goals is shown in Table 2. There is no denying that assessment of progress towards meeting the MDGs can be very fluid in view of the rapidity of changes in government human development policy and the multiplicity of roles of MDAs in Nigeria and continuous reforms taking place in pertinent sectors of the economy.

Table 2 shows that no statements could be made on the country's progress towards poverty reduction but in terms of prevalence of child malnutrition among under-5 children, the country lost ground between 1995 and 2000, and which was reclaimed between 2000 and 2005. The population below dietary energy consumption declined from 13 per cent to 8 per cent between 1995 and 2000 and stagnated at this level in 2005. However, primary school enrolment has been rising since 1995 when it was 73.6 per cent, reaching 88.6 per cent in 2010.

Table 2: Nigeria's progress on the Human Development MDGs for Goal 1

Eradicate Extreme Poverty and Hunger	**1995**	**2000**	**2005**	**2010**
Population below $1 a day	-	70.2	-	-
Population below $2 a day	-	90.8	-	-
Percentage share of consumption or income held by poorest 20%	-	4.4	-	-
Prevalence of child malnutrition (% of children under age 5)	35.3	39.1	30.7	-
Population below minimum dietary energy consumption (%)	13.0	8.0	8.0	-

Source: World Bank Development Indicators. 2011

Adesina (2011) asserted that hefty amount is spent by the country annually to import the most basic staple foods, including rice, fish, sugar and wheat. He emphasized that for instance, Nigeria spent N98 trillion ($628 billion) between 2007 and 2010 on importation of food into the country. This translates to N24 trillion yearly. In 2010 alone, the country spent N632 billion on wheat; N356 billion on rice; N217 billion on sugar and N97 billion on fish. While it produces only 500,000 metric tons of rice, Nigeria consumes 2.5 metric tons. Hence, it spends about N1 billion per day on rice alone. Estimated annual fish demand for Nigeria is about 2.66 metric tons. Yet, the 2009 annual domestic production was about 0.78 metric tons with a supply-demand gap of about 1.88 metric tons. Although livestock output in the country has been growing at six to seven per cent annually, it is unable to match the growth of demand due to poor nutrition, disease and poor breed thereby prompting sharp increases in the price of livestock and meat in the past five years.

The need to refocus agriculture as the engine for growth

Agricultural and rural developments are crucial for the structural transformation and economic development of West Africa Region. Agriculture contributes 20 per cent of GDP in northern Africa and 30 per cent of GDP in sub-Saharan Africa. The rural population represents an average of over 60 percent of the total population on the continent; about 90 per cent of the rural labor force engage directly or indirectly in agricultural activities. For the continent's rural people, accelerated agricultural and rural development would contribute to greater efficiency, increased household income, improved standards of living, and poverty reduction (Nyagba, 2009).

The agricultural sector suffered neglect during the hey-days of the oil boom in the 1970s. Ever since then Nigeria has been witnessing extreme poverty and the insufficiency of basic food items (Ogen, 2007). Historically, the roots of the crisis in the Nigerian economy lie in the neglect of agriculture and the increased dependence on a mono-cultural economy based on oil. The agricultural sector now accounts for less than 5% of Nigeria's GDP (Olagbaju and Falola, 1996). Agriculture constitutes the main source of employment of the majority of the world's poor. In total, the share of agriculture in total employment in developing countries constitutes 53% of the total workforce in 2004. In Sub-Saharan Africa 60% of the economically active population works in the agricultural sector (WDI, 2006). The disappointment with agriculture led many donor organisations to turn away from agriculture, looking instead to areas that would increase the well-being of poor people, such as health and education. Those organisations that still focused on agriculture, such as the CGIAR, were put under pressure to focus more on reducing poverty, besides increasing agricultural productivity (Meijerink, & Roza. 2007).

Nigeria is blessed with a wide expense of land and water resources covering an area of roughly 98.321million ha. Present land use pattern comprise 9.83 million ha of forest reserves, 34.22 million ha under arable and permanent crops, 39.82 million ha that could be brought under cultivation and 14.45 million ha of permanent pastures built up areas and uncultivable waste lands. Agriculture is the dominant sector of the Nigerian economy. It accounts for 35% - 40% of the GDP and employs two thirds of the Nigerian labour force. Nigeria has highly diversified agro-ecological conditions which could allow production of a wide range of agricultural products including both tropical and more temperate products (Igbuzor, 2006).

Production of crops dominates other agricultural sub-sectors contributing about 85 percent to agricultural GDP, livestock production activities about 10 percent, fisheries about 4 percent, and forestry production about 1 percent. Before the oil boom of the 1970s and 80s, Nigeria had a vibrant agricultural sector. The country was food self sufficient and a key exporter of several agricultural commodities notably cocoa, oil palm, rubber, groundnuts. Excessive real exchange rate appreciation and overvaluation following the oil booms and other distortions introduced by implementation of an import-substitution industrialization policy reduced agricultural competitiveness and incentives for investment in agriculture. Large commercial private estates that made Nigeria a major exporter of tropical commodities declined in importance and large food manufacturers who used to grow a proportion of their own raw material needs withdrew from farming. As agriculture declined, Nigeria became a significant food importer and agricultural exports all but disappeared.

Nigerian agriculture is predominantly small holder, subsistence-based and weather-dependent. Most farmers produce mainly food crops using traditional extensive cultivation methods, making limited use of modern technologies and purchased inputs. The capacity of the agricultural research, extension and input distribution systems are weak and where available, modern technology cannot reach farmers. The country's vast irrigation potential remains largely unexploited: less than 1 percent of cultivated area is under irrigation. Activity in the sector is also characterized by significant post harvest losses due to difficulties in reaching markets and the high cost of transporting produce to markets.

Productivity has declined for both commercial and food crops in Nigeria over the last twenty years. For commercial crops, production levels have fallen as well. In contrast, production levels of food crops have increased substantially and Nigeria has overcome its extreme import dependence. However, this growth has been driven by steady and substantial increase in the area cultivated and harvested and crop land expansion is increasingly taking place on marginal land where yields are lower. Productivity as measured by yields per hectare have therefore declined whilst internationally, yields have been rising. Thus the current strategy of targeting output increase based on area expansion is unsustainable over the long term. The poor constitute the dominant proportion of Nigeria's population and a substantial proportion of currency outside bank vaults is in the rural areas. To this extent, the importance of the rural and informal sectors in economic development cannot be underestimated. Despite past attempts at getting financial services delivered to the rural populace, low access to bank credit and other financial services to the active poor have continued to constitute a serious challenge. The evolving microfinance sub-sector in the country is a another attempt at widening the horizon of the dynamic poor in the rural areas to have unfettered access to credit and other financial services in order to stimulate growth and development of the rural economy and, by extension, the national economy. It is in recognition of this that the Federal Government launched the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria on December 15, 2005. Hitherto, microfinance was reckoned with more as a fringe activity associated with non-profit organizations. But the United Nations redefined that perception in 2005 when it declared the year as the International Year of Micro Credit (IYMC), thus making microfinance as the in-thing in the first decade of the 21st century and also to highlight its importance as a veritable tool to fight extreme poverty in the world. In February 2007 President Umaru Musa Yar'Adua (Late) launched a 50 billion Naira Microfinance Development Fund. Clearly, microfinance is considered the key policy instrument of Government to achieve the revitalisation of the rural sector and to achieving the MDGs, which governments worldwide have committed themselves to achieving by 2015.

In response to these challenges, the Federal Government of Nigeria has identified seven core areas of focus which define the government strategic vision for growth and development. These core areas of focus are in line with NEEDS II. Agricultural sector is central to President Umaru Yar'Adua's agenda since four of the core areas identified aim to revitalize the sector in order to attain food security, increase production and productivity, generate employment, expand the export base and reduce food imports. This has become even more urgent in light of the growing food crisis both within and outside the country. Recognizing the importance of agriculture as well as the challenges manifested by weak economic linkages and a disconnect among stakeholders, weak policy environment and poor service delivery, the administration embarked upon the process of developing a comprehensive agricultural development strategy that aims to transform the agricultural sector and achieve its targets and policy objectives. Some of the policy objectives included in his agenda which are in line with the vision and policy thrust in NEEDS II include:

a. Ensuring food security for the Nigerian people;
b. Generation of employment in the agricultural sector, especially for the growing number of the unemployed youths;
c. Promotion of investment in large scale agricultural production and transformation of subsistence agriculture to modern commercial agriculture;
d. Increase production and productivity in crop, livestock and fisheries sector;
e. Promotion of export-led and market oriented production for strategic commodities such as cocoa, coffee, cotton, rubber, groundnuts, fish and poultry products.

While significant work and strategic vision have gone into defining areas of intervention to achieve agricultural growth and development, the Federal Ministry of Agriculture and Water Resources will need to design evidence based agricultural policy and development strategy that will define priority areas for policy action and investment. According to Adamolekun (2011), the challenge in developing a comprehensive agricultural development strategy as an effective road map to realize the country's agricultural policy objectives include:

i. Determining and sequencing the right mix of priority actions and investments to drive both sectoral and growth priorities that would generate wealth and employment, ensure food security, and achieve desired poverty reduction targets;
ii. Mobilizing the required resources and investment (both public and private), not only resources in the agricultural sector, but also broad investments that support agricultural growth;
iii. Efficient allocation of resources among sub sectors and among different levels of authority at Federal, State and Local levels;
iv. Improving efficiency in the use of these public resources by improving local governance and institutions, and
v. Building the long term country capacity in supporting the formulation and implementation of policies and development strategies for long-term sustainability.

Nigeria's ability to realize its vision of becoming one of the twenty largest economies in the world by the year 2020, is hugely dependent on the capacity to jump start its economic and industrial base (Ezirim *et al, 2010)*. Agriculture is the basis of Nigeria's sustainable economy, however it is characterized with low productivity due to low technology employed, inadequate information or modern knowledge.

Improving the productivity of all agricultural units from their abysmal low level of yields and poor quality of products to commercial beneficial levels could only be achieve through the dissemination, application and utilisation of up-to-date knowledge and information on modern production technologies along its supply and value chains. Information delivery globally has been digitalised and business is conducted at the speed of thought. Nigeria' agriculture cannot therefore afford to deliver information at the pace of walking or at best at the speed of motor-cycle. To be among the top twenty economies of the world, Nigeria's economic base will have to comply with the global standards, i.e. doing business at the speed of thought through the information super highway. India has already started doing this with their rural communities!

Formulating and implementing an effective development strategy for agricultural transformation in Nigeria requires long-term commitment and extensive consultations. Moreover, the strategy must remain flexible and dynamic so as to accommodate refinements in its design and objectives over time as socioeconomic and political conditions change. In addition, building the country's long-term capacity in supporting development strategies will ensure sustainable success in achieving the development goals of these strategies. Typically, an agricultural-led industrialization strategy should focus on improved agricultural packages, proper use of land and water resources, access to improved rural finance, better functioning, markets and better roads and other infrastructures. The overall objective is to enhance productivity of the economy and development of high value products for world markets anchored on a philosophy of structural transformation and outward-oriented development.

Imperatives and Criteria for agricultural sector funding

Very often, agricultural sector stakeholders allude to the inadequate quantum of public sector spending on agriculture, while paying less attention to the quality of public spending in agriculture. Quality is as important as quantity. In order to guarantee higher quality of agricultural sector funding, certain policy changes are imperative. Government agricultural sector institutions should focus on services that have a *public good* character, which would not normally be provided by the private sector, while privatising and commercialising services that are largely of *private good* character. Such *public good* functions include infrastructure development, correction of failures in factor and product markets, regulation and control of input and product markets, development of market information systems, disease and pest control and systems for contract enforcement. Services/functions with a mixed public-private good character can be commercialised by contracting out to private operators or by cost-recovery measures in public provision.

It is crucial to diversify and broaden the financing base for the country's agricultural development. To ensure the sustainability of agricultural sector funding, there is need to elicit and leverage funds from the private sector and civil society. Funding for the agricultural research system in Nigeria should be diversified to include public, private, and beneficiary sources. Many options are possible. There is the option of contractual funding for national priority research. Competitive funds for agricultural research need to be established. This fund would be used to finance some high-priority national research activities, especially upstream research, and research within innovative partnerships among national agricultural research institutions, universities, and the private sector. The new Agricultural Research Council of Nigeria should mobilize and coordinate the funding for agricultural research. It is also important to explore agricultural sector funding under the auspices of the New Partnership for African Development (NEPAD). Another could be levies on the exports of agricultural produce such as cocoa, rubber, oil palm, cotton, cashew, and gum Arabic. Service users (for example through producer associations) can be encouraged to provide funds for research and extension priorities defined by them. This will create a demand-driven hold research and extension by which service users (farmers) can hold research and extension systems more accountable for services provided.

Existing government agricultural financing institutions have a crucial role to play. These institutions exist to correct the imbalance of finance and credit suffered by agriculture vis-à-vis other economic sectors. They are designed to compensate for inadequate amounts of credit and capital which the formal financial markets allocate to agriculture and agro-allied investments. These institutions include the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB), the Nigerian Agricultural Insurance Company (NAIC), the newly-established Commodity Marketing and Development Companies, the Agricultural Credit Guarantee Scheme Fund (ACGSF). Presently the outreach and impact of the ACGSF is limited and need to be enhanced through enlightenment, increased transparency of procedures and minimal administrative red-tape.

It is important to find adequate space for agricultural sector funding within the context of the newly-developing Medium-Term Expenditure Framework (MTEF) regime in the country. The MTEF provides an opportunity to redress the incommensurate funding of agricultural development in the country. By relying on evidence on spending priorities, costing of projects and tying of spending to activities, outputs and outcomes, the MTEF will potentially instill fiscal discipline, transparency and predictability in agriculture.

The proposed Agricultural Development Fund has a vital role to play in stabilizing the public sector funding of agriculture. For the Fund to be effective and produced the desired impact, it should be targeted and devoid of unsustainable political manipulations and stereotype administrative overhang that often beset government institutions. It should be run as an independent professional institution owned and operated by the stakeholders in agriculture. Dahiru (2011) emphasized lack of adequate funding and award of contract to incompetent contractors are among the numerous reasons why Nigeria will not be able to meet the MDGs target of 2015. She stressed further that the MDGs got zero allocation in the 2011 budget from the federal government, a situation she described as unfortunate. The lawmaker however revealed that among the measures taken to ameliorate the problem include making the contract award letters non-transferrable thereby stopping their sales and thorough oversight visits and inspection of projects by the National Assembly.

Conclusion

Agriculture has to be re-packaged and properly promoted just like an attractive product for the investors to buy. It must have the right price and must be sold to the right people and at the appropriate places. No any responsible government that cares for the people it governs toys with its agriculture. The operators in the agricultural industry (about 70% of the population) require a new covenant from the political class which will stimulate a new will in the agricultural industry for sustainable food production and provision of raw materials for our industries and items for export trade.

The Way Forward

The step taken by the House of Representatives to stipulate that a minimum of 15% of federal budget should be allocated to agricultural sector is a welcome development. There is need for appropriate costing of needed policy and programme interventions to provide sound evidence-based rationale for funding. The process to enact the Agricultural Development Fund Bill should be accelerated. Public spending should focus on critical cross-cutting agricultural infrastructure, such as land improvements, market development, transportation, storage and processing facilities, agricultural statistical systems. It is also necessary to upgrade human capital, particularly managerial and entrepreneurial skills in agriculture. There should be minimum guarantees for research and extension funding. It is crucial to improve targeting and effectiveness of funding– e.g. water resources (irrigation development), subsidy schemes, farmer-support schemes, etc. Monitoring of agricultural spending is vital for tracking the progress of funding. Funding will have greater impact if there is better inter-governmental and inter-agency coordination.

The recent reform in the National Agricultural Research Institutes (NARIs) where each NARI was re-posited for a refocus should be adequately monitored and funded so as to enable them achieve their mandates more efficiently. Actions should be expedited on the proposed National Agricultural Extension Summit (NAES) where all relevant stakeholders in agricultural sector (research, extension, input agencies, marketers, credit agencies, NGOs, farmers, private practitioners etc) can channel a new course so as to posit extension as a driving wheel for agricultural transformation and economic progress in the country as the case in different parts of the World. The on-going reform in the Ministry of Agriculture and the creation of a Federal Department of Agricultural Extension services is a welcome idea. The Agricultural Research

Council of Nigeria (ARCN) should be repositioned as a National Agricultural Transformation Agency (NATA).

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