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Assessing Agricultural Export Evidence on Economic Growth in Nigeria (1999-2020)

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A B S T R A C T
This study examined the impact of agriculture export on economic growth in Nigeria from 1999 to 2020. Specifically, the study investigated the impact of agriculture exports (as percentage of merchandize export), exchange rate and trade openness on economic growth (measured using gross domestic product growth rate). Annual data used for the study were sourced from World Development Indicator (WDI) and Central Bank of Nigeria (CBN) Statistical Bulletin. The study used econometric techniques of Augmented Dickey-Fuller (ADF), bound test and autoregressive distributed lag (ARDL) for empirical analysis. The results of unit root suggested that GDP growth rate and agriculture export were stationary while exchange rate and trade openness were non-stationary of order one. The findings from the autoregressive distributed lag (ARDL) method show that agriculture export contribute positive to economic growth. Exchange rate has a positive and significant impact on the Nigerian economy. Furthermore, the ARDL result show that trade openness has a positive and insignificant impact on economic growth. It was recommended that the Federal Government should formulate policies that will increase investment in the agriculture sector in order to optimize its positive contribution to the Nigerian economy.

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INTRODUCTION

Export promotion drive economic growth of developing countries (Nigeria inclusive) through the multiplier effects that the income earned from exports has on the economy. Prior to the discovery of oil, agriculture has been the main contributor to the Nigerian external sector. Oji-Okoro (2011) in his opinion stated that agricultural resource has been an important sector in the Nigerian economy in the past decades, and is still a major sector despite the oil boom; basically it provides employment opportunities for the teeming population, eradicates poverty and contributes to the growth of the economy. Olajide, Akinlabi, and Tijani (2012) also opined that a strong and efficient agricultural sector would enable a country to feed its growing population, generate employment, earn foreign exchange and provide raw materials for industries.

According to Ahmed (2000) agriculture is the mainstay of many economies and it is fundamental to the socio-economic development of a nation because it is a major element and factor in national development. In the 1960s, with a retrospective look into the agricultural sector and its contributions to the development of the Nigerian economy, it reveals that agriculture accounted for well over 80 percent of the export earnings and employment; about 65 percent of the GDP (gross domestic product) and about 50 percent of the government revenue (FRN, 2000). However, over the years, agriculture contribution to the Nigerian economic growth has declined. Muhammad-Lawal and Atte (2006) stated that the contribution of agriculture to the GDP was about 50% in 1970 and 34% in 2003.

According to Ukeje (2005), the principal constraint to the growth of the agricultural sector is the fact that the structure and method of production has remained the same since independence more than four decades ago. Despite the reliance of Nigerian peasant farmers on traditional tools and indigenous farming methods, these farmers produced 705 of Nigerian's exports and 95% of its food needs (Onunze, 2012). In relation to the growth of the economy, the contribution of the agricultural sector in terms of exports to the Gross Domestic Product (GDP) in Nigeria have not been encouraging, as evidence from CBN (2016) and NBS (2017) revealed that from the 1960s to the 1970s, the agricultural sector contribution to Nigeria's GDP was 48 percent and it continues in 1980 to 20percent and 19 percent in 1985 which was majorly as a result of oil glut of the 1980s (Ukeje, 2003).

THEORETICAL REVIEW

According to Onunze (2012), agricultural sector contributions and its exports now account for less than 5% of Nigeria's GDP. From the 1990s to 2000, the agricultural sector contribution to Nigeria's GDP was 2.95 percent and kept on rising from 3.88 percent in 2001 to 4.25 percent in 2002, and up to 7.40 percent in 2006 (CBN, 2015). As at 2007,agriculture contribution to the GDP declined slightly to 7.20 percent which further declined to 6.30 percent in 2008, 5.90 percent in 2009; from 2010 to 2012, it declined to 4 percent and 2.61 percent in 2013 (CBN, 2016). In 2017, the agricultural sector output stood at 4.23 percent from 3.06 percent in 2016 (NBS, 2017). With the above trend, it shows that agricultural exports have not trickled down to the growth of the Nigerian economy. Thus, there have been a declining contribution of the agricultural exports and its sector to economic growth in Nigeria. The exportation of cocoa, groundnut, rubber and palm products reduced drastically because of the huge revenue gotten from oil production. The decline in agricultural production and exportation was largely due to the rise of oil shipments.

However, the dependence on oil is not only the cause of the under-development of the Nigerian agricultural sector. Other causes include poor storage facilities which have led to so much wastage and high cost of storage. This also hinders the availability of source of perishable agricultural produce; poor and unavailability of irrigation facilities for tackling weather conditions (i.e. the dry seasons). Because of this, during dry season farmers stop farming activities due to unavailability of water; inadequate financial assistance from the government and cooperate bodies. Farmers do not get credit easily from financial institutions, like commercial banks. And because of this, they find it difficult to finance projects which are capital intensive; dependence on imported foods has also contributed to disincentive investment in local farming. In the light of the above, it is quite clear that the agricultural sector has really got a lot to contribute to the economic growth of the country.

Other studies has been done on economic growth and agricultures in Nigeria and other countries at large. Morton and Tullock (1978), international trade (in terms of exports of agricultural commodities) brings gains to a nations whether rich or poor and that it acts as a stimulus to growth. Agriculture is most developed and developing countries of the world is the basis of development. Ogburu Ishmael (2009) but this study with broad objective assessing the relationship between agricultural exports on economy growth (1999-2020) is a researchable gap that is necessary to be filled. The specific objectives are to:

a. Evaluate the effects of exchange rate on GDP growth between (1999-2020)
b. Examine the effect of trade openness on GDP growth.
c. Estimate the relationship that existed between agricultural exports and economic growth (GDP) in Nigeria from (2021-2030).

METHODOLOGY

The study on assessing the relationship between agricultural exports on economy growth (1999-2020) was carried out in Nigeria as the study area with the agricultural component of Nigeria’s aggregate exports and the geographical area. Nigeria as a country is made up of thirty six (36) states and a federal capital territory, Abuja. The country has a total of seven hundred and seventy four (774) local government areas. It is located on the gulf of guinea in West African sub-region of the African continent. It has a land area of 923,768 square kilometers. Nigeria is bounded by Cameroon to the east, Chad to the north-east, Niger to the north, Benin to the west and the gulf of Guinea on the Atlantic Ocean to the south. The topography ranges from lowlands along the coast and in the lower Niger valley to high plateaus in the north and mountains along eastern borders. Nigeria has a population of about 160 million people

(World Bank, 2011). The population has been estimated to grow annually at 2.0%. There exist over 250 ethnic groups in Nigeria while Hausa/Fulani, Igbo, Yoruba and Kanuri are the largest. The prominent religions are Christianity, Islam and traditional religion. English language is the official language in Nigeria.

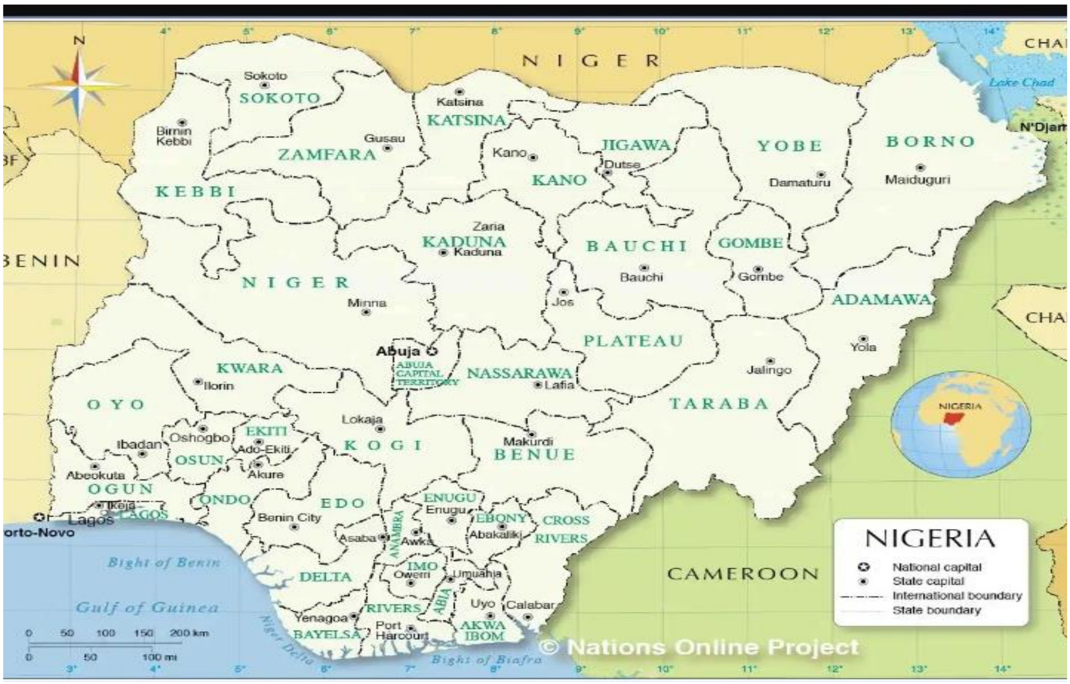

Figure 1. The Prominent Religions

Data Collection

A time series data was employed in this study. Specifically, data on agriculture exports, GDP growth and trade openness was obtained from the World Development Indicators (WDI) while data on exchange rate was obtained from the Central Bank of Nigeria Statistical Bulletin.

Data Analysis

An autoregressive distributed lag (ARDL) model based on its ability to provide robust estimates for relatively small study period. Pesaran, Shin and Smith (2001) describe the ARDL very flexibility as it integrates the short and long results in a single equation set up. In addition to the ARDL, this study applied descriptive statistics of mean distribution, standard deviation and Jarque-Bera statistics to descriptively analyze the distribution of the variables over the studied period. The variables was equally subjected to unit root and bounds cointegration tests. Essentially, the augmented Dickey-Fuller (ADF) test for unit root proposed by Dickey and Fuller (1981) was applied in this study.

Model Specification

The formal specification of the unit root test model with a constant and deterministic trend are provided as follows:

$$\Delta X_t = B_0 + B_1 X_{t-1} + \sum_{i=1}^{q} \pi_i \Delta X_{t-i} \qquad \text{…………………………………………(1)}$$

Where:

X_t	= variable include in each of the models
B_1 and π_i	= estimated parameters
q	= Proxy for the maximum lag length for the variables
Δ	= Notation for the first difference operator
U_t	= Disturbance error term

More so, some post-estimation tests are conducted to determine the reliability of the estimated model. Specifically, the Breush-Godfrey test for serial correlation proposed by Breush (1978) and Godfrey (1978) was applied to examine whether the residuals are serially independent at 5 percent level. In order to ascertain whether the variance of the random variable is constant or not, the heteroskedasticity test proposed by White (1980) was used. The normality test was equally used to determine if the residuals are normally distributed at 5 percent level. The Jarque-Bera statistic formed the basis for rejecting or accepting the null hypothesis of normal distribution at 5 per cent level. This study also employed a multivariate model with economic growth (measured by GDP growth) as the dependent variable while agriculture exports, exchange rate and trade openness served as the independent variables. The functional specification of the model is provided as follows:

GDPR = f (AGRX, EXCH, TOP) ……………………………………………………(2)

Where:

GDPR	= GDP growth
AGRX	= Agriculture export
EXCH	= exchange rate
TOP	= trade openness

The specification of the ARDL model is provided below:

$$GDPR_t = \alpha_0 + \sum_{i=1}^{P} \psi_{1i} \Delta GDPR_{t-1} + \sum_{i=1}^{p} \psi_{2i} \Delta AGRX_{t-1} + \sum_{i=1}^{p} \psi_{3i} \Delta EXCH_{t-1} + \sum_{i=1}^{p} \psi_{4i} \Delta TOP_{t-1} + ß_1 GDPR_{t-} + ß_{2i} AGRX_{t-1} + ß_{3i} EXCH_{t-1} + ß_{4i} TOP_{t-1} + U_t (3.3) \text{……………………………(3)}$$

Where:

α_0	= Constant parameter
ψ_1 - ψ_4	= Short run parameters
$ß_1 - ß_4$	= Long run multipliers
U	= Error term
Δ	= First difference operator
p	= Maximum lag order

RESULTS AND DISCUSSIONS

Trend Analysis of Assessing Agricultural Exports on Economy Growth (1999-2020)

The data presentation of the variables is shown on table 1 below. The result of the graphic trend analysis is showing the Trend of GDP Growth and Agriculture Export in Nigeria from 1981 – 2020 in fig. 1.

Table 1. Data Presentation

YEAR	GDPR	AGRX	EXCH	TOP
1981	-13.13	0.12	0.610025	18.17173
1982	-6.8	0.23	0.672867	13.77983
1983	-10.92	0.08	0.724142	10.04497
1984	-1.12	0.05	0.764942	9.380541
1985	5.91	0.04	0.89375	10.39198
1986	0.06	0.41	2.020575	9.135846
1987	3.2	0.52	4.017942	19.49534
1988	7.33	0.32	4.536733	16.94061
1989	1.92	0.46	7.391558	34.18262
1990	11.77689	0.43	8.037808	30.92474
1991	0.358353	0.32	9.909492	37.0216
1992	4.631193	0.4	17.29843	38.22739
1993	-2.03512	0.38	22.05106	33.71975
1994	-1.81492	0.37	21.8861	23.05924
1995	-0.07266	0.38	21.8861	39.52838
1996	4.195924	1.62	21.8861	40.25773
1997	2.937099	0.08	21.8861	51.46101
1998	2.581254	0.1	21.8861	39.27861
1999	0.584127	0.13	92.69335	34.45783
2000	5.015935	0.01	102.1052	48.9956
2001	5.917685	0.01	111.9433	49.6805
2002	15.32916	0.28	120.9702	40.03517
2003	7.347195	0.01	129.3565	49.33496
2004	9.250558	0.1	133.5004	31.89587
2005	6.438517	0.13	132.147	33.05946
2006	6.059428	0.36	128.6516	42.56657
2007	6.59113	0.76	125.8331	39.33693
2008	6.764473	0.93	118.5669	40.79684
2009	8.036925	1.14	148.8802	36.05871
2010	8.005656	1.63	150.298	43.32076
2011	5.307924	6.13	153.8616	53.27796
2012	4.230061	7.27	157.4994	44.53237
2013	6.671335	3.21	157.3112	31.04886
2014	6.309719	0.43	158.5526	30.88519
2015	2.652693	0.31	193.2792	21.33265
2016	-1.61687	0.16	253.4923	20.72252

2017	0.805887	0.23	305.7901	26.3476
2018	1.922757	0.13	306.0802	33.00783
2019	2.208429	0.11	306.9206	34.02388
2020	-1.79425	0.16	358.8108	25.39979

Trend Analysis

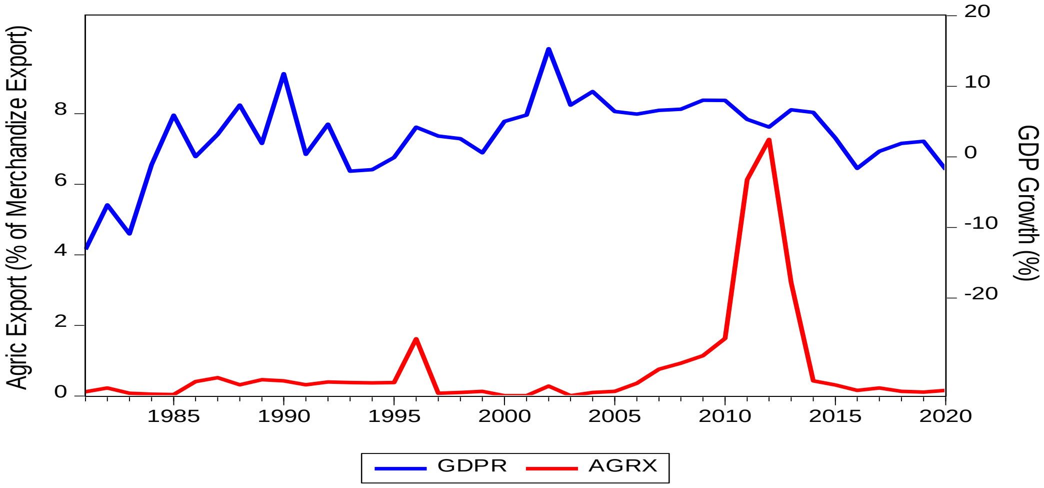

Figure 2. Trend of GDP Growth and Agriculture Export in Nigeria from 1981 – 2020

Figure 1 Chart the movement in gross domestic product growth rate and agriculture export from 1981 to 2020. A positive relationship can be graphically established between GDP growth rate and agriculture export, as increase in agriculture export as percentage of merchandize export is associated with growth in GDP. The study observes a decline in GDP with decrease in agriculture export from 2012 to 2020.

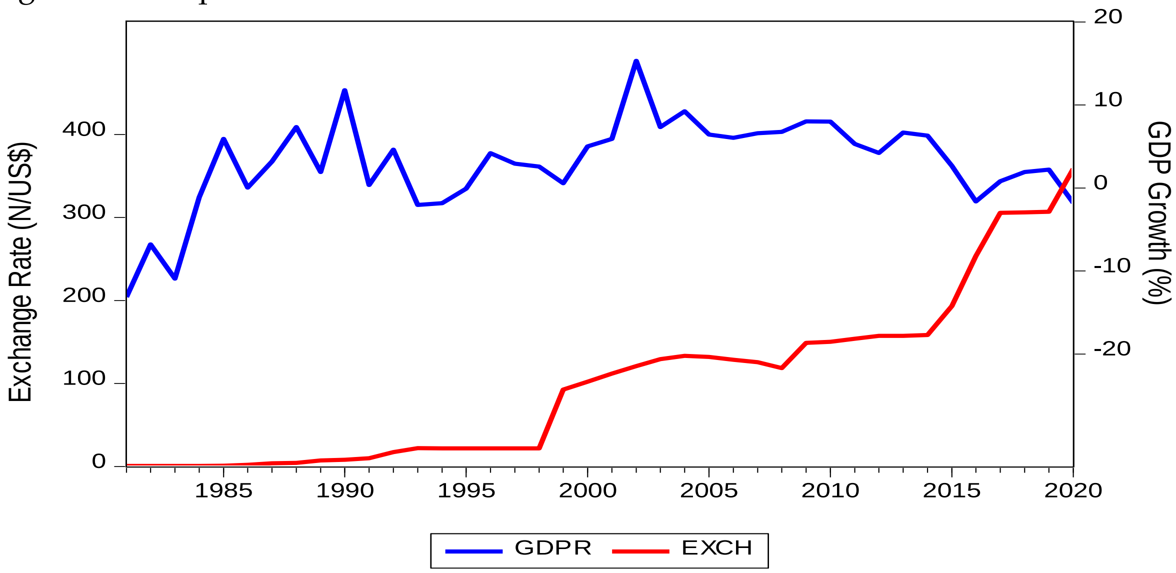

Figure 3. Trend of GDP Growth and Exchange Rate in Nigeria from 1981 – 2020

As seen in Figure 2, gross domestic product (GDP) growth rate and exchange rate move in the same direction, which could signal a positive relationship between them. From 1981 to 2020, the observe steady depreciation in the value of the naira against the US dollar and fluctuating economic growth in consonance with the exchange rate value of the naira.

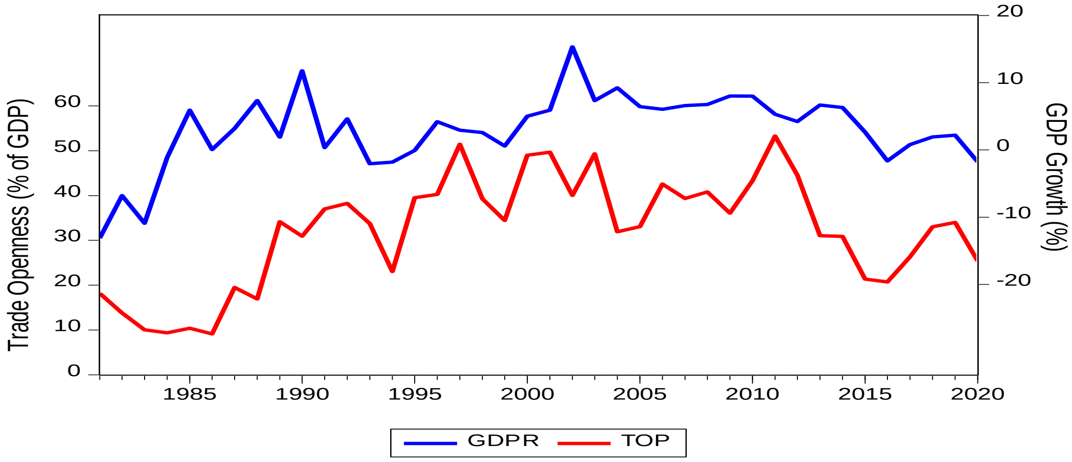

Figure 4. Trend of GDP Growth and Trade Openness in Nigeria from 1981 – 2020

The study observes from Figure. 3 that there maybe cointegrating relationship between trade openness and GDP growth. Figure 4.3 shows that the residuals from estimating the economic growth model maybe stable as there seems to be co-movement, though subject to scientific validation, between GDP growth and trade openness from 1981 to 2020.

Descriptive Analysis

The study carried out statistical analysis of the economic growth (measured using gross domestic product growth rate), agriculture export (as percentage of merchandize export), trade openness and exchange rate. The descriptive statistics of these series are presented in Table.1.

Table 2. Descriptive Statistics

	GDPR	**AGRX**	**TOP**	**EXR**
Mean	3.0261	0.7485	32.1279	100.8726
Median	3.6979	0.3150	33.8718	107.0243
Maximum	15.3291	7.2700	53.2779	358.8108
Minimum	-13.1300	0.0100	9.1358	0.6100
Std. Dev.	5.4528	1.5083	12.2925	100.7597
Skewness	-0.8009	3.3584	-0.3308	0.8853
Kurtosis	4.5019	13.6609	2.2547	2.9875
Jarque-Bera	8.0369	264.6173	1.6551	5.2254
Probability	0.0179	0.0000	0.4371	0.0733
Observations	40	40	40	40

Table 2 report the summary statistics for the underlying series which was used in constructing the economic growth model. The series of interest were economic growth (measured using gross domestic product growth rate), agriculture export, exchange rate and trade openness (proxy using ratio of sum of exports and import to gross domestic product). For the coverage of the study which spanned from 1981 to 2020, GDP growth averaged 3.02 percent; agriculture export averaged 0.74 percent of merchandize export. Averagely, trade openness was 32.12 percent and the naira exchanged for an average of N100.87/US dollar. Economic growth in Nigeria during the period peaked at 15.3291 percent, with negative growth of -13.13 percent recorded during the period. Agricultural export ranged from 0.01 percent to 7.27 percent of merchandize export, while trade openness ranged from 9.13 percent to 53.27 percent of gross domestic product.

The value of the naira tumbled to N358.81 against the US dollar, appreciating to N0.61 per US dollar during the period. The result of the standard deviation reveals that GDP growth rate, trade openness and exchange rate are highly susceptible to shocks, with agricultural export less volatile relatively. The skewness statistics of -0.8009 for GDP growth and -0.3308 for trade openness reveals that both distributions are negatively skewed, indicating that, over the years there has been decline in output growth and openness of the Nigerian economy. Agricultural export and exchange rate are positively skewed, indicating an increase in both agricultural export as percentage of merchandize export and exchange rate over the sample period. The Jarque-Bera statistics reveals that trade openness and exchange rate have normal distribution, but the study failed to accept the null hypothesis of normally distributed series for GDP growth rate and agricultural export. These results indicate that agriculture export and GDP growth rate are not normally distributed.

Unit Root Test

The variables considered for this study were subjected to unit root test to understand the statistical properties of the series. The augmented Dickey-Fuller (ADF) method was applied. Table 3 summarizes the result of the test.

Table 3. Unit Root Test Result

Variables	**ADF**			**Decision I(d)**
	Level	**1st_diff.**	**Critical Value at 5%**	
$GDPR_t$	-3.0204**	-	-2.9411	I(0)
$AGRX_t$	-3.6771***	-	-2.9411	I(0)
$lnEXCH_t$	-2.1121	-5.2995***	-2.9411	I(1)
TOP_t	-2.3285	-7.4764***	-2.9411	I(1)

Table 3 report the ADF statistics and critical values of the augmented Dickey-Fuller unit root test. The critical values are reported in column 4 and the ADF test statistics at level and first difference reported in column 2 and 3 respectively. The unit root test was conducted to provide information on the characteristics of the series used in explaining economic growth. As observed from Table. 2, $GDPR_t$ and $AGRX_t$ are stationary in their level form. Table.2 reveals that exchange rate and trade openness in their level form have unit root. Both series were then difference and found to be stationary. Table.2 reveals that exchange rate and trade openness are non-stationary series, but integrated of order one, 1(1), while GDP growth rate and agriculture export are stationary series or I(0). The conclusion reached after the unit root tests were reported in column 5 and the decision is that, the series are of mix order of integration, precisely of order zero I(0) and order one I(1). This provide the justification for using the ARDL bound test to test for cointegration and examining the link between agricultural export and economic growth in the ARDL framework.

Cointegration Test

The ARDL bound test was applied in determining if there is long run equilibrium relationship among the considered series. The application of this approach results from the unit root test as the series were of order I(0) and I(1). Table.3 presents the result of the test.

Table 4. Bounds Test Co-Integration Result

Significant Level	I(0) Bound	I(1) Bound	Value
10%	2.72	3.77	F-Statistic = 5.088035***
5%	3.23	4.35	k = 3
2.5%	3.69	4.89	
1%	4.29	5.61	

Table 3, documents the outcome of the bound test. The test is conducted in respect of the specified economic growth model and due to the presence of unit root in two of the underlying series. The null hypothesis of the bound test typifies that, there is no level relationship between the variables of interest. The null hypothesis is rejected if the calculated F-statistics is above the upper bound value at 5 percent level of significance. Where the F-statistics is below the lower bound value, the study fail to reject the null hypothesis. The test is inconclusive when the calculated F-statistics lies between the lower bound and upper bound value. The calculated F-statistics of 5.088035 is greater than the upper bound value of 4.35 at 5 percent level. This suggests that the variables have cointegrating relationship. Put differently, GDP growth rate, agriculture export, trade openness and exchange rate have long run relationship.

Model Estimation

One of the advantages of the ARDL method is that, it simultaneously estimates the long run and short run behaviour of the employed series. The long run result and short run result are summarized in Table .4.

Table 5. Long Run and Short Run ECM Results

Dependent Variable: $GDPR_t$				
Part A: Long Run Results				
$Variable$	$Coefficient$	$Std.Error$	$t-Stats$	$Prob.$
$AGRX_t$	0.0729***	0.0249	2.9218	0.0091
$lnEXCH_t$	0.3583**	0.1399	2.5596	0.0197
TOP_t	0.1377	0.1138	1.2107	0.2344
C	-1.3851	3.3007	-0.4196	0.6774
Part B: Short Run Results				
$Variable$	$Coefficient$	$Std.Error$	$t-Stats$	$Prob.$
$D(AGRX_t)$	-0.0171	0.4579	-0.0374	0.9703
$D(lnEXCH_t)$	0.0931	0.4579	0.2034	0.8400
$D(TOP_t)$	0.0843	0.0741	1.1374	0.2633
ECM_{t-1}	-0.6119***	0.1553	-3.9390	0.0004
$R^2 = 0.3490$		Adjusted $R^2 = 0.3314$		

Table 5 reveals that agriculture export significantly enhances economic growth in Nigeria at 5 percent level of significance. The estimated agriculture export coefficient of 0.0729 indicates that a 1 percent increase in agriculture export is associated with an increase in economic growth of 0.7029 percent in the long run. This result is consistent with economic theory which argues that export is important component of aggregate demand and a propeller of economic growth. This implies that agriculture export should be encourage in order to promote economic growth in Nigeria. This finding agrees with the results of Olojede and Michael (2020) and Isaiah Zayone, Henneberry and Radmehr (2020), contradicting the empirical results of Uzonwanne (2020) and Uysal and Mohamoud (2018) which estimated an insignificant relationship between agriculture export and economic growth.

The results of Table 4. show that exchange rate affect economic growth significantly at 5 percent level. In the long run, an increase in exchange rate (which denotes depreciation of the naira against the US dollar) by one percent will lead to an increase in economic growth by 0.3583 percent. The result show that the value of the naira against the US dollar can contribute to enhancing economic growth in Nigeria if underlying domestic conditions such as infrastructure and energy supply are in place to encourage local production and export. The result of a positive negative relationship between exchange rate and economic growth is consistent with economic theory. The finding corroborates those of Obansa, Okoroafor, Aluko and Eze (2013), but is not consistent with the results of Umaru, Aguda and Davies (2018) and Barguellil, Ben-Salha and Zmami (2018) who report a negative relationship.

Trade openness, unlike agriculture export and exchange rate is statistically insignificant in impacting on economic growth in Nigeria. The long run result of Table 4. shows that economic growth will increase by 0.1377 percent following one percent increase in trade openness. This finding is inconsistent with economic theory and the implication is that trade openness has not contributed to enhancing economic growth in Nigeria. The reason could be that, the bulk of trade activities that occur in Nigeria are primarily import activities, which tend to discourage local production. This finding agrees with Oloyede, Osabuohien and Ejemeyovwi (2021), but deviates from the result of Raghutla (2020) and Ejike, Arinze and Chidi (2018) who report significant positive relationship between exchange rate and economic growth.

The error correction model was also estimated to verify the short-run dynamics of the impact of agriculture export, exchange rate and trade openness on economic growth. The coefficient of determination was 0.3490. This suggests that 34 percent of the variations in economic growth are explained by agriculture export, exchange rate and trade openness. Table 4. shows that neither agriculture export, exchange rate nor trade openness significant impact on economic growth in the short run. The error correction coefficient of -0.6199 meet the twin criteria of negative and significant estimate. The parameter estimate of -0.6199implies that the estimated ARDL model (1, 0, 0, 0) adjust back to long run from short run at the speed of 61 percent when there are short run disturbances.

Diagnostic Tests

In order to ensure the estimated ARDL model (1, 0, 0, 0) is fit to be employed for prediction purposes, diagnostic tests were carried out on the residuals of the model and parameter estimates. This is to ensure the estimated model meets the assumptions of the Classical Linear Regression Model (CLRM). The results of the tests are presented in Table.5.

Table 6. Diagnostic Test Results

Test	Null Hypothesis	Test Type	Test Stat.	Prob.
Autocorrelation Test	Serial Correlation does not exist	Breusch-Godfrey LM Test	5.1590	0.0758
Heteroscedasticity Test	Homoscedasticity exist	WHITE	11.9649	0.6091
Normality Test	Residuals are normally distributed	Jarque-Bera	1.9435	0.3784
Model Specification	Model is correctly specified	Ramsey RESET	0.9120	0.3465

Table 6 reports a Chi-square Breusch-Godfrey LM Test statistics of 5.1590 and a probability value of 0.0758. The probability value which is above 0.05, implies that the LM test statistics is insignificant, hence the study fail to reject the null hypothesis of no serial correlation. This indicate that the ARDL model does not suffer from autocorrelation problem. Similarly, the WHITE statistics is insignificant as the probability value of 0.6091 for the Chi-square WHITE statistic of 11.9649 is greater than 0.05. The study therefore, fail to reject the null hypothesis which implies that the variances of the errors of the ARDL model are constant. The Ramsey RESET reported a test statistics of 0.9120 with a probability value of 0.3465, indicating that the test statistics is insignificant.

Based on this, the study fail to reject the null hypothesis, stating that the functional form of the model is correctly specified. The Jarque-Bera statistics of 1.9435 and probability value of 0.3784 implies that the residuals of the model are normally distributed. The results of these diagnostic tests shows that the estimated coefficients can be used for predictions as they are reliable parameters. The cumulative sum (CUSUM) and cumulative sum of squares (CUSUM of squares) conducted to test the stability of the coefficient of the estimated ARDL model (1, 0, 0, 0) reveals that there is no structural break in the series and the coefficients of the model are stable as the plot of CUSUM and CUSUM of squares statistics falls within the 5 per cent critical bounds.

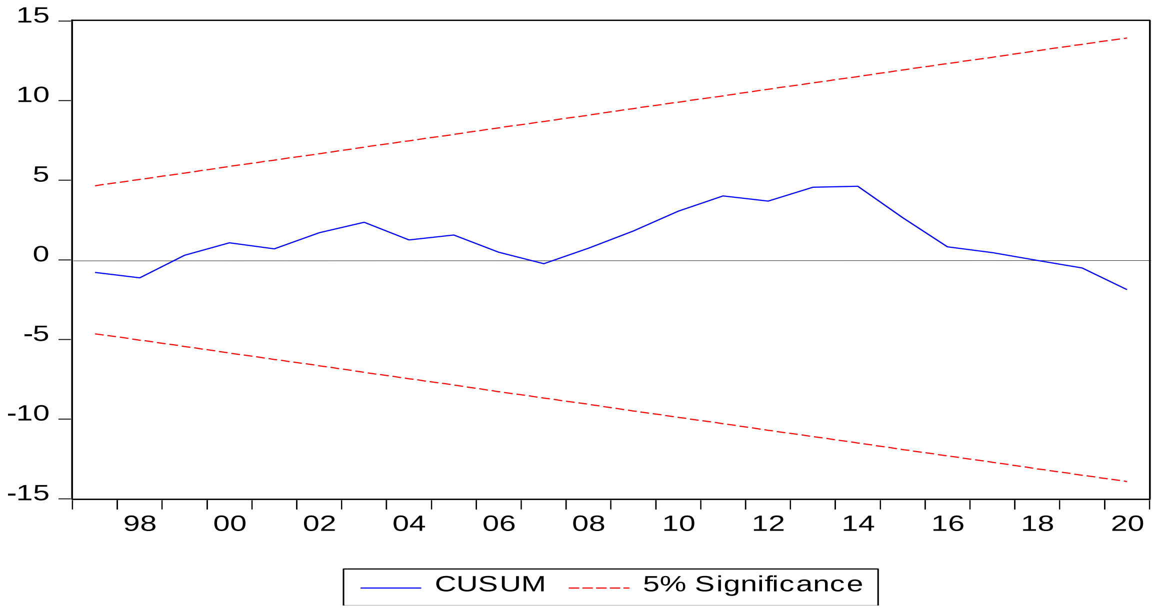

Figure 5. Plot of Cumulative Sum (CUSUM)

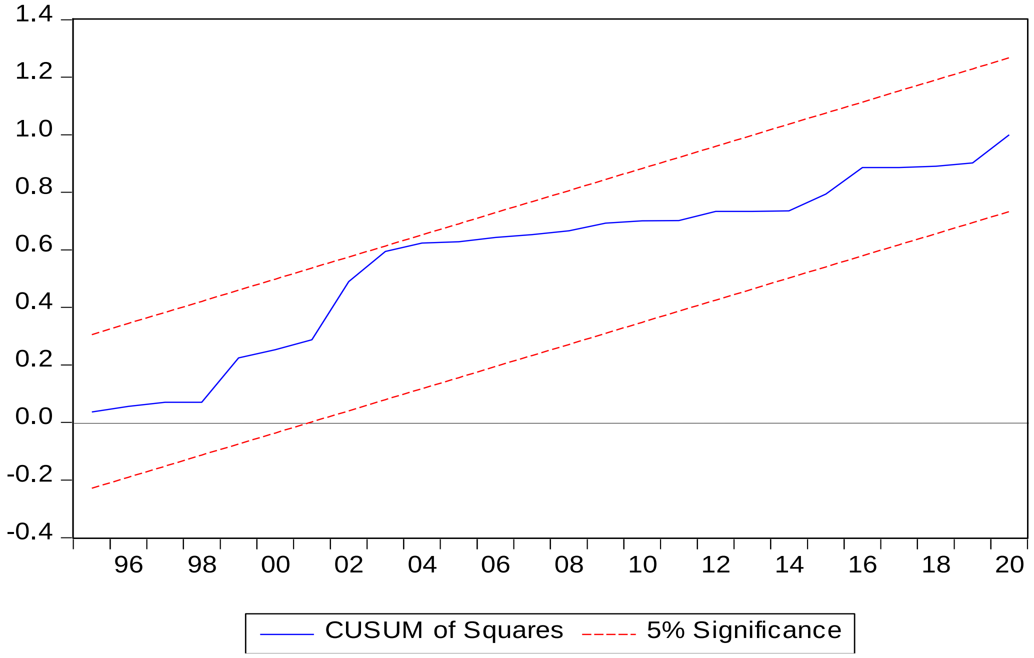

Figure 6. Plot of Cumulative Sum of Squares (CUSUMSQ)

CONCLUSIONS AND RECOMMENDATIONS

With the fluctuating economic growth and slow-down of economic activities resulting from severe fiscal imbalances and the reliance on the oil sector of the economy, which has caused Nigeria to slip into recession in 2016 and 2020 due to declining crude oil price, there is a need for the country to develop her non-oil sector in order to increase her export capacity and improve her balance of payments position and external reserve through windfall gains from export. Agriculture is seen as a backbone of socio-economic development and catalyst for job creation and a major foreign exchange earner. On the backdrop of this, this study examined the impact of agriculture export on economic growth in Nigeria 1981 to 2020. Empirical evidence show that agriculture export is capable of contributing significantly to the growth of the Nigerian economy and investment in the sector should be encourage in order to optimize its contribution to total output. It is therefore recommendations for policy purposes.

The Federal Government of Nigeria, State and Local Government in collaboration with the Ministry of Agriculture and International Organizations should formulate pragmatic policies that will increase investment in the agricultureal sector in order to optimize its positive contribution to the growth of the Nigerian economy, the Central Bank of Nigeria (CBN) should increase the supply of forex to deposit money banks (DMBs) in order the clear the backlog of foreign exchange demand. Special consideration should be given to the manufacturing and agricultural sector, and finally, the Federal Government of Nigeria should impose import tariffs on certain commodities that can be local grown. This will increase the local manufacturing of these commodities and boost exports of the country, thereby enhancing economic growth.

FURTHER STUDY

Furthermore, the ARDL result show that trade openness has a positive and insignificant impact on economic growth. It was recommended that the Federal Government should formulate policies that will increase investment in the agriculture sector in order to optimize its positive contribution to the Nigerian economy. However, over the years, agriculture contribution to the Nigerian economic growth has declined. Muhammad-Lawal and Atte (2006) stated that the contribution of agriculture to the GDP was about 50% in 1970 and 34% in 2003. However, the dependence on oil is not only the cause of the under-development of the Nigerian agricultural sector. Other causes include poor storage facilities which have led to so much wastage and high cost of storage.

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