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## Agro-Financing and Agricultural Output in Nigeria

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### Abstract:

This study examined the impact of agro-financing on agricultural output in Nigeria. The data for the study was sourced from the Central of Nigeria (CBN) Statistical Bulletin and the World Development Indicators (WDI) of the World Bank for the period between 1990 and 2019. The study applied the Canonical Cointegration approach to achieve its objectives. Findings showed that agro-financing significantly affect the level of agricultural output in Nigeria. The result of the econometric models estimate in this study showed that, on average, a 1% increase in agro-financing may increase agricultural output by between 0.12%. Therefore, the study recommended that more agro-funding at low-interest rates will motivate farmers to invest in high-yield seedlings, farm implements, organic inputs that are capable of positively impacting total yield leading to more output.

**Keywords:** agricultural finance; agricultural output; farmers.

**JEL Classification:** Q14; Q18.

### Introduction

By 2050, it is estimated that the global population will rise to about 9 billion (World Bank 2019). As a result of the estimated rise in global population, food demand will also increase by about 70% by 2050 (World Bank 2019). To solve this problem of global population rise and the attendant rise in food demand, at least about \$80 billion year agro-financing is required to raise agricultural to feed the teeming population (World Bank 2019).

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