

*Perspective*

## Development of agriculture and economic growth

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### DESCRIPTION

Agriculture is the principal source of employment for substantial sectors of the population in most emerging nations, as well as the key to the countries' long-term economic progress. In light of this, the paper gives an empirical examination of the influence of agricultural lending on the nations' economic growth. The issues of agricultural production are also emphasised, as are agricultural transformation ideas for the economy. The government's numerous policies were reviewed and debated. Our research showed that agricultural factors have an influence on economic growth and have made a positive contribution to the expansion of exports. Consequently, by illuminating the decision to be taken and highlighting the amount and direction of the impact, the macro-econometric model in this study helps to establish policy and programming. The way in which reactions to changes in important agricultural policy can be anticipated. Agriculture is the practise of cultivating land, breeding and rearing animals to produce food for humans, other animals, and industries. Crop productions, animal production, forestry, fishing, processing, and selling of that agricultural produce are all included. Despite the numerous agricultural strategies, the growth of agriculture has been gradual in certain nations. In reality, the government acknowledged the agriculture sector's poor state.

### Development of agriculture and economy

Agriculture as the foundation for industrial development and growth Agriculture, as a disguised labour source for industrial production, and hence the motor of every society's growth and progress, must logically begin with agricultural output. In this way, agricultural modernisation and mechanisation have liberated labour for industrial expansion.

The necessity for agricultural expansion in emerging nations with limited industrial production has been noted in the following areas:

### Providing food for the starved people

Most emerging countries' population growth outpaces agricultural expansion. The dread of a Malthus is increasingly visible in many countries, necessitating the development of agriculture to fulfil the people's food needs. This anxiety, along with the reality that if food supply do not keep up with rising demand, increases the likelihood that food prices will rise. This impact may put pressure on employees' pay, affecting industrial profitability, investment, and economic growth in an economy.

### Providing enough raw materials to a growing industrial sector

Many academics regard agricultural growth as a prerequisite for industrial development due to its role in providing raw materials for industry. It is in this direction that the necessity to boost agricultural productivity has been emphasised, as well as the fact that it is more natural to raise domestic output rather than relying on export expansion to finance rising food exports. In this view, agriculture, as the main sector in developing nations, should provide a net contribution to the overhead investment required in industry, such as lowering foreign raw material supply by boosting local production.

### Being a country's primary source of employment

Based on the roles of agriculture throughout history, we can readily generalise that the process of human resource development in agricultural transformation must precede the process of economic transformation in a country. Agriculture employs more than seventy percent (70%) of the total population in most developing nations. Agriculture is the sole supplier of

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work in poor nations because of this function. However, it has been recognised that the primary issue confronting most agricultural productivity in emerging nations is a severe scarcity of skilled labour. It is commonly understood that a lack of highly skilled management staff in agricultural production has hampered rapid increase of agricultural output.

#### **Providing a significant source of foreign exchange earnings**

Increases in agricultural exports are a key source of revenue and foreign earnings in the majority of developing countries. Substantial development of agricultural export is typically a logical policy in most developing nations for increased foreign exchange earnings in the nonoil sector, and it is a smart policy even when global supply demand conditions are unfavourable.

Although some scholars, such as Long, suggest that increasing agricultural production for export is connected with a larger chance of price declines, which tends to disincentive farmers. Again, as global affluence increases, demand for agricultural products falls due to the nature of agricultural output.

#### **Market Product for the Industrial Sector**

There is a tension between the agriculture sector's contribution to overall development capital and its role in raising farmers' buying power. However, the literature does not dispute agriculture's significance in supplying a market product for industrial products. In this context, the relationship between agricultural growth and economic development, particularly industrial development, is critical for all economies.