

# **Linkage between Agricultural Productivity and Household Welfare: Lessons from Nigeria**

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## **Abstract**

A persistent challenge confronting African agriculture is how best to accelerate productivity, a challenge that is heightened in the presence of rapid population growth. The paper first investigates the factors that hinder or accelerate agricultural productivity, which speaks directly to the productivity goals of most national agriculture plans Africa. The positive role of agricultural productivity on household welfare and more generally on the development of countries is well documented, but there is limited evidence on how agricultural productivity change affects household welfare growth. Second, the paper therefore investigates the impact of agricultural productivity on household consumption growth. To do so, we use the nationally representative Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA) panel datasets from Nigeria, merged with detailed novel climate and bio-physical information. The results show that agricultural productivity has a significant and positive impact on household consumption growth. The results further indicate that agricultural productivity has a positive impact on welfare growth for both poor and non-poor households, although it has a smaller impact on consumption growth for poor households. Similarly, it has a positive and significant impact for all households in different initial land quintiles, but it has a larger impact on households with larger initial land holdings.

**Keywords: Agricultural productivity, Household welfare, Consumption growth, Impact, Nigeria.**

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