Economic agriculture

Agriculture is of great economic value if agriculturists use the right inputs and fertilizers. The article reveals that agronomical inputs improve yields that results on increased returns and high economic boost. It has become a standard practice in the developed countries to use modern seeds and adequate water for enhancing yields of crop. Agriculture development is linked to economy because high production of crops leads to high incomes, prosperity of the communities and overall economic growth. Evidence suggests that the countries that have better developed agriculture are more likely to gain economic benefits. GDP growth is directly liked to the agriculture yield that also depends on labor productivity. Per capita real income of the countries is also linked to high agricultural yield.

Labor force of most of the developing countries is generating large share from agriculture. Evidence also suggests that agriculture is the major source of generating employment for the people of developing countries. People lacking in education or skills can get work in agriculture that help them in earning money. Agriculture is also linked to the exports that again improved the economic gains for the country. Most of the developing countries are exporting agricultural commodities to different countries for earning foreign exchange. The foreign exchange is then used for improving infrastructure of the economy and its other important indicators including education, health and investments.

Agriculture leads to economic development by providing food and raw material for the non-agriculture sector, developing demand for the goods produced in those sectors, strengthening purchasing power and selling market surplus. Investable surplus is also given in the form of taxes and savings. Agriculture sector thus help nations in making economic system self sustaining. While if agriculture sector fails to meet the demands for food products it undermines economic growth.

Reference

McArthura, J. W., & McCord, G. C. (2017). Fertilizing growth: Agricultural inputs and their effects in economic development . *Journal of Development Economics, 127*, 133-152.