

LESSON PLAN FOR WEEK SEVEN

Topic: Factors of agricultural production

INTRODUCTION: Production refers to all economic activities which result in the creation of goods and services. Certain factors must be combined during the process of production for goods and services to be created. These factors of production.

FACTORS OF PRODUCTION

A. Land refers to where productive activities such as growing of crops, rearing of animals are carried out.

Characteristics of land

- i. It is a free gift of nature
- ii. It is immobile and a fixed factor
- iii. The reward for land is rent

Importance of land

- i. It is used for planting of food crops
- ii. It is used for planting of cash crops
- iii. It is used for rearing animals
- iv. It is used for construction purposes (airports, roads)
- v. It can be used for social or recreational purposes
- vi. It is used for building houses

B. Labour: Includes all forms of productive human effort put into or utilized in production.

Characteristics of labour

- i. Human efforts can be intellectual or mental manual or physical
- ii. There are three types of labour (skilled labour(white-collar jobs), semi-skilled labour, unskilled labour)
- iii. It is mobile and has feelings. It cannot be used anyhow
- iv. The unit of labour is man-hour
- v. The reward of labour is wage and salary

Importance of labour in agricultural enterprises

- i. It uses other factors of production
- ii. It ensures high agricultural production
- iii. It provides the expertise required for major farm operations
- iv. It ensures the success of my agricultural enterprise.

C. Capital: This includes all man-made productive assets which are used in production. All other factors of production cannot be carried out without capital.

There are two types of capital via – Fixed capital

– Working or variable capital

Characteristics of capital

- i. Capital includes hoe, cutlass, tractor, farm building plough.
- ii. It can depreciate or appreciate
- iii. Sources of capital include personal savings, banks, government agencies, cooperative societies
- iv. The reward for capital is interest
- v. It is a stock of assets used in production

Importance of capital

- i. Working capital is used in the day to day running of the farm enterprise
- ii. Working capital is used for paying wages
- iii. It is used for the purchase of farm inputs, maintenance services on the farm, feeding of livestock
- iv. Fixed capital in the form of immovable buses and farm stead provide shelter for farm operations

D. Management or entrepreneur: This refers to the person or group of persons who coordinates, organises and controls the use of other factors of production.

Characteristics of management

- i. It involves the management skill of an individual or group of persons
- ii. Management influences the organization of other factors of production
- iii. It coordinates and controls other factors of production
- iv. It is involved in decision making
- v. It determines the level of pay or wages

Functions of a farm manager

- i. Organisation
- ii. Administration
- iii. Production
- iv. Marketing
- v. Evaluation