

## FACTORS OF PRODUCTION

Production refers to all economic activities which result in the production of goods and services.

Production can be defined as the process of making or manufacturing goods as well as providing services.

It involves the combination of natural, human and material resources that brings about the creation of goods and provision of services.

Factors of production are resources used in the production of goods and services. They are inputs used in the creation of agricultural produce (goods) and services.

The factors of production are Land, Labour, Capital and Entrepreneur or Management.

### **Land**

Land is the upper-most layer of the earth crust where agricultural and non-agricultural activities are carried out. It is the portion of the earth's surface on which farmers plant crops and rear animals.

#### Characteristics of Land

- Land is a gift of nature, not produced by man.
- Land is immovable and fixed in size.
- The reward or value for land is rent paid by the tenant.
- Land can appreciate or depreciate in value.
- The quality of land can be improved upon by different methods.

#### Classification and Uses of Land

1. Agricultural land e.g. land for:
  - i. Crop production
  - ii. Livestock production
  - iii. Fishery
  - iv. Forestry
  - v. Wildlife conservation
  - vi. Grazing

2. Non-agricultural land- land for:

- i. Mining
- ii. Construction of residential buildings
- iii. Road construction
- iv. Sport centres
- v. Worship centers
- vi. Industrial buildings
- vii. Recreational/amusement parks etc.