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**Local Government Investments in Agriculture and Rural  
Development in Osun State of Nigeria**

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**KEYWORDS** Rural development; agricultural development; efficiency; local government investments

**ABSTRACT** This paper examines the local government participation in specific agricultural projects as a strategy for achieving rural development taking a case study of Osun State of Nigeria. The results of the analysis revealed that the investment in agriculture has a high potential of improving the internally generated revenue of the local governments. The rate of returns achieved was 52.7 percent which was higher than the prevailing interest rate. The observed percentage allocation to agriculture was very low across the board. If the allocation could be improved, we should expect a better performance from the agricultural projects.