

Federal Government Policies and Intervention in the Transformation and Development of Agriculture in Nigeria, C. 1960-1993

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Abstract

Agriculture has dominated the economy of many African societies, states and governments for a long time despite the varied ecological and demographic regimes. The attainment of independence inaugurated a period of both optimism and uncertainties of African countries and societies. The nature of African political economies in this period meant that many emerging states were largely dependent on Agriculture as the major source of the State and private income. In Nigeria, agriculture was seen as the most important route to economic development and increased welfare for the people. This paper examines the direction of government policies and interventions towards agriculture from 1960 to 1993. It also focuses on changes recorded in agriculture during the period on watch with more emphasis on the ways government intervention (though various policies and programs) has shaped the nature of Nigerian agriculture.

Introduction

Agriculture refers to the production of food and goods through farming. It also encompasses a wide variety of specialties and techniques, including ways to expand the lands suitable for cultivation of land, raising and rearing of animals to feed man and animals as well as raw materials for industries. Agriculture is essential in creating employment opportunities, reduction of poverty and economic inequality and improvement in income distribution, speeding industrialization and easing the pressure and balance of payment. The major agricultural products can be broadly grouped into foods, fibers, fuels, raw materials and so on.

The process of agricultural transformation and its development involves a complex of interplay of factors including significant shifts in production and exchange relations, the proportion of land, labour and capital available for agricultural production, environmental conduction (i.e., climate, rain patterns and soil formation) and indeed, the ways government harness all these for optimum productivity.

Colonial agricultural policy which was embarked by the British from 1900 to 1949 was purely in cash crops production. The cash crops produced were shipped to Europe at much-reduced prices while the processing is done in Europe and then sold back to Nigerians at exorbitant prices. This imperialist expropriation of Nigeria was the main reason behind free-trade in Nigeria and the main point of the colonial relationship was the transfer of surplus to European countries, particularly Britain, to strengthen the capitalist class and the capitalist mode of production.⁴⁵¹ The imperialists export oriented trends of importing tractors, harvesters, fertilizers and cash crops production attempted by the successive Nigerian governments after independence failed largely because the agricultural policies implemented were mostly predicted upon the colonial polices that have continued to underdevelop Nigeria.

Literature Review

A number of studies have been carried out to determine the causes of agricultural transformation and decline in Africa. However, the nature and process by which African agriculture changed in the post-colonial period are still not clearly understood. Agriculture has played a key role in the

⁴⁵¹ B. Onimode, (1985). "Issues in African Development: Essays in Honour of Adebayo Adedeji at 65", African Center for Development and Strategic Studies, Ijebu-Ode, p. 43.

development of human civilization. In fact, until the industrial revolution, the vast majority of the human population labored in agriculture. In 2007, about one-third of the world's workers were employed in agriculture. But despite the fact that agriculture employs over one-third of the world's population, agricultural productivity accounts for less than 5% of the gross world product.⁴⁵²

Three different views have been expressed with respect to the failure of agricultural policies to benefit the rural farmers. First, Hyden argued that government policy has little effect on rural economic activity because the peasants managed to escape government control. He attributed the little impact of state policies to the cohesiveness of traditional society and government actions ranging from unsuccessful efforts to maintain basic infrastructure to wide spread corruption.⁴⁵³ Second, Bates opined that development policies are economically inappropriate, because members of the state apparatus, politicians, economic and civil servants are more concerned with staying in power than with promoting economic growth and development.⁴⁵⁴ Third, Sandbrook commented that colonial rule left Africa with a legacy of neo-patrimonial rule which undermines effective government and aggravates underdevelopment. Berry is of the opinion that the contradictions of the state interests in African agriculture, their strategies of governance, and the diversity of farmers response have demonstrated that the overall effect of state intervention in rural economic

⁴⁵² Wikipedia: Agriculture.

⁴⁵³ S. S. Berry, (1993). *No Condition is Permanent: The Social Dynamic of Agrarian Change*. Wisconsin: University of Wisconsin Press.

⁴⁵⁴ S. S. Berry, (1993). *No Condition is Permanent: The Social Dynamic of Agrarian Change*. Wisconsin: University of Wisconsin Press.

life has been intrusive and disruptive rather than hegemonic.⁴⁵⁵ Hyden Bates, Eicher and Hart agreed that African agriculture is characterized by a combination of backward techniques, bad state policies, sparse populating and farming at low level of productivity, limited transport facilities and vagaries of climate.⁴⁵⁶

The broad aim of this paper is to interrogate the government intervention in the transformation and development of agriculture as well as its policies in Nigeria and also to pursue the following specific objectives:

- To give the historical background of agricultural development in Nigeria;
- To trace the development and agricultural transformation in Nigeria from 1960 to 1999;
- To assess the crises in agricultural development in Nigeria;
- To enumerate and discuss government policies and intervention in agricultural development and transformation in Nigeria
- To analyze the problems and results of the intervention; and
- To proffer recommendations for further intervention in the development and transformation of agriculture in Nigeria.

Government Intervention in Agricultural Development and Transformation

The rural development strategies of newly independent states in Africa were usually a mix of three not necessarily mutually exclusive objectives:

⁴⁵⁵ S. S. Berry, (1993). *No Condition is Permanent: The Social Dynamic of Agrarian Change*. Wisconsin: University of Wisconsin Press.

⁴⁵⁶ J. I. Guyer, (1987). "The Significance of Urban Agriculture for the Advancement of Women: A No Deal with Culture", in the *Peri-Urban Fringe*, Swindell

First, the raising of exchange crops to provide for a growing urban population, facilitate imports, and servicing the escalating foreign debt; second, the re-organization of land, settlement, and production; and third, the raising of rural incomes to improve the quality of life and reduce the effects of rural-urban migration.

During the first decade of independence, the performance of the agricultural sector was impressive, contributing to about 80.3% of the total value of Nigeria's exports. However, in 1967, the average share of agriculture in total export earnings of Nigeria declined to about 58.8%.⁴⁵⁷ This was partly the effects of the Nigerian Civil War 1967-1970. The decline in the value of agriculture was manifested in the dwindling contribution of the sector to the national GDP. The contribution of agriculture to GDP which stood at 64.08% in 1960 declined to 30.35% in 1970, and further declined to 18% in 1980.⁴⁵⁸

Several factors influenced the nature of state control over agriculture in the post-independence era. Direct state participation became the dominant model of agricultural development and preferred means of achieving economic development. As a result of the crisis in the agricultural sector, African governments have intervened through the establishment of large-scale plantation and irrigation projects as well as other agricultural programs.

The first food crisis happened during the Nigerian Civil War years (1967-1970) due to the neglect of agriculture, and the compelling need to

⁴⁵⁷ A. Kolawole, Y. A. Ambi & J. F. Alamu, (1992). *Agricultural Transformation, Food Crisis and the Accelerated Wheat Production Programme in Nigeria: The Case of Kano and Kaduna States*, 1st Edition (Worldwide Member Library).

⁴⁵⁸ Central Bank of Nigeria, Annual Report, 1992

minimize import so as to conserve foreign exchange. Indeed, the dominance of agriculture of the economy began to decline about 1970. The contribution of the agricultural sector to GDP fell drastically and reached as low as 21.8% between 1976 and 1980. Growth rate also declined between 1971 and 1975. Agricultural export declined drastically from ₦279.9 million in 1966-1970 to ₦260.3 million in 1971-1975. Also export earnings from the sector dropped in relative terms to about 1.6 per cent in 1981.⁴⁵⁹ This made agriculture unattractive and encouraged rural-urban exodus. The situation was further compounded by the neglect of the agricultural sector because of the importance and dominance of crude oil in Nigeria's economy as well as the oil windfall especially in 1974.

In order to reverse the crisis in the agricultural sector, various governments intervened through the establishment of large-scale agricultural and irrigation projects as well as agricultural revival strategies focused at different activities in the sector. These ranged from finance, pricing, marketing and so on. The strategies were aimed at boosting food production and food self-sufficiency by encouraging increased food production by farmers, thus improving life in the rural areas. Most of them were designed with the aims of employment generation, enhancing agricultural output and income, and reducing the tide of rural-urban migration in order to reduce poverty. The sector was expected to supply the food requirements of the growing population, raw materials for industries, improve the welfare of the rural populace, provide a market for

⁴⁵⁹ J. K. Olayemi, (1976). 'Food Prices and Current Nigerian Inflation, Standard Bank of Nigeria', *Quarterly Bulletin*, (Lagos), pp. 25-28.

the industrial sector, generate foreign exchange for Nigeria, and store up labor for the industrial sector.

From 1970 to 1986, various rural development strategies have been formulated to achieve poverty reduction, food security, and accelerated economic growth. Accelerated agricultural production was envisaged for the six major crops – rice, millet, maize, sorghum, wheat and cassava. Government intervention took the form of direct and indirect/macroeconomic strategies. These include: World Bank Assisted Agricultural Development Projects (ADPs), River Basin Development Authorities (RBDAs), and Operation Feed the Nation (OFN), Green Revolution (GR), National Accelerated Food Production Program (NAFPP), Marketing/Commodity Boards, and Agricultural Credit Guarantee Scheme.

The ADPs were meant to raise productivity and farmers' incomes in the rural areas by providing them with improved seeds, fertilizers, pesticides, credit facilities, infrastructure like roads, water supply and health care as well as extension services and institutional support. They were partly financed by the Federal and State governments and the World Bank. The number of the ADPs increased from two in 1974, to three in 1975, five in 1980, nine in 1982, ten in 1983-1985, nineteen in 1986-1987, twenty-one in 1988-1989, and twenty-two in 1990. The River Basin Development Authorities began to be established from 1977, with the aims of developing Nigeria's under-ground water resources, controlling floods and erosion, providing large-scale mechanized clearing and farming of land for farmers, ensuring large-scale multiplication of improved seeds, constructing and

maintaining dams, dykes, wells, bore-holes, irrigation systems and so on for the demands of the agricultural sector.⁴⁶⁰

From 1970 to 1986, Nigeria interfered more directly in the organization and marketing of agricultural products. The pricing and marketing policies were tied with the objectives of the Marketing Boards which were established to assist in stabilizing prices and ensuring stable returns to farmers, and shielding them from fluctuations in the prices of exported cash crops. Equally, they were charged with the monopoly of selling cash crops and their derivatives overseas. The Boards' marketing organization started in the colonial period. By 1977, there were seven national (instead of regional) Marketing Boards for cocoa, rubber, cotton, groundnut, grains, root crops and palm produce. As a result of the contradictions inherent in the activities of the Boards, they were abolished in June, 1986, with the introduction of the Structural Adjustment Programme – SAP. In May, 1976, the Obasanjo led Federal Military Government launched the Operation Feed the Nation (OFN) as its main vehicle of stimulating agricultural production. The OFN was a response to chronic inability of the agricultural sector to satisfy the food needs of the country. There was thus hope in the revival of agriculture. With the inauguration of the programme, the government urged workers to engage in backyard farming to enable them to cushion the effects of the high cost of food and other essentials. The hope was that workers would, therefore, not ask for wage increase so that capital would be able to augment profit.⁴⁶¹

⁴⁶⁰ P. K. Garba, (2000). "An Analysis of the Implementation and Stability of Nigerian Agricultural Policies". Nairobi, *African Economic Research Consortium*

⁴⁶¹ T. Forrest, (1985). "Agricultural Policies in Nigeria: 1900-1978" in *Rural Development in Africa: 1900-1980*", Department of Political Science Seminar, 2, Ahmadu Bello University Zaria, pp. 24-25.

The Green Revolution (GR) was launched in May, 1980 with the main objective of making Nigeria self-sufficient in food production, revolutionizing agricultural production so that the country would feed itself, producing surplus for exports, and providing a solid raw material base for the industry. The provision of farm implements, improved seedlings, active use of extension workers, and the distribution of agricultural inputs to farmers at subsidized prices were important aspects of the GR programme considered essential to the rapid transformation of the agricultural sector. In order to achieve the goal of the GR, certain institutions were set up – The Nigerian Agricultural and Co-operative Bank; Agricultural Credit Guarantee Scheme; National Accelerated Fish Production Programme; Commercial Agriculture Development Programme; Youth and Women Empowerment Programme.⁴⁶²

The Commercial Agriculture Development Project was a World Bank assisted project designed to strengthen agricultural production systems and facilitate access to market for targeted value chains among small and medium scale commercial farmers in the five participating States (Cross River, Enugu, Kano, Kaduna and Lagos) using value chain approach. The value chains were: Oil Palm, Cocoa, Fruit Trees, Poultry, Aquaculture, Dairy, Maize and Rice. The selected value chains for Kano were Maize, Rice and Dairy. The Project was later restructured to focus clearly on Women and Youth Empowerment Programmes, support for the formation of at least two Commodity Marketing Boards of ATA; priority value chains to improve performance; up scaling of matching grant scheme to refocus

⁴⁶² A. S. Shagari, (2001). *Beckoned to Serve: An Autobiography*, London: Heinemann Educational Books.

on the most profitable value chains; linkage and support of successful agricultural entrepreneurs to additional grant and second level financing; supporting the establishment of farm gate handling and storage facilities and aggregation infrastructure to reduce post-harvest losses. Overall, the project appeared to have impacted positively on farm income, poverty reduction and food security in the participating states and the country at large. Some interventions in increasing agricultural productivity by government include:

- National Accelerated Food Production Programme (NAFPP)
- River-Basin Development Authorities (RBDAs)
- Agricultural Development Programme (ADP)
- Operation Feed the Nation (OFN)
- The Green Revolution (GR)
- Agriculture Credit Guarantee Scheme (ACGS)
- National Agricultural Insurance Corporation (NAIC)
- National Agricultural Land Development Authority (NALDA)
- National Rural Roads Development Fund (NRRDF)
- Rural Banking Scheme (RBS)
- Directorate for Food, Road and Rural Infrastructure (DFFRI)
- Better Life for Rural Dwellers (BETTER LIFE)
- Rural Infrastructure Development Scheme (RIDS)
- Family Support Programme (FSP)
- Universal Basic Education (UBE)
- National Poverty Eradication Programme (NAPEP)

- National Directorate of Employment (NDE)⁴⁶³

The establishment of NAFPP in 1973 was based in the Green Revolution concepts, programs and experiences of Mexico, India, Philippines and Pakistan. The program was meant to accelerate the production of rice, millet, sorghum, maize, wheat and cassava. Ten River Basin Authorities were established in 1976 as an instrument of surface and underground water supply for multiple purpose use. The ten River Basins created are as follows:

1. Anambra- Imo River Basin Development Authority covering Imo and Anambra states.
2. Benin- Owena River Basin Development Authority taking charge of projects in Bendel and Ondo states.
3. Chad River Basin Development Authority covering Borno and Gongola states.
4. Cross- River Basin Development Authority covering Cross-River state.
5. The Hadejia-Jama'are River Basin Development Authority covering Kano and Bauchi states.
6. The Lower-Benue River Basin Development Authority covering Benue and Plateau states.
7. Niger-Delta River Basin Development Authority covering of River state.

⁴⁶³ A. S. Shagari, (2001). *Beckoned to Serve: An Autobiography*, London: Heinemann Educational Books; and M. S. Abdulkadir, (2013). Restructuring the Role of Agriculture in Poverty Alleviation in Nigeria" in *Sokoto Journal of History*, Vol. 1, Maiden Edition, p. 6.

8. Niger River Basin Development Authority covering Kwara, Kaduna and Niger states.
9. The Ogun-Osun River Basin Development Authority.
10. The Upper-Benue River Basin Development Authority operating in Gongola and Bauchi States.⁴⁶⁴

The Basins developed farmers-based projects to carry out their agricultural production mandates. The authorities were also mandated to construct dams, boreholes and supply irrigation water and also to control floods and manage water sheds including afforestation. In 1979, the Authorities' roles were expanded to undertake production programmes in fisheries, mechanized farming clearing, land cultivation, and large scale seed multiplication.

But at the end of 1986, River Basins Development Authorities were diverted of their roles for agricultural development programmes of the various Ministries of Agriculture to the agricultural development projects where these operated. The essence is that the River Basins might serve as the vehicle for realizing the government's objective in reshaping the glory of agriculture towards self-sufficiency in food production.

In addition to the creation of ten River Basins Development Authorities and the nine Agricultural Development projects was an attempt to increase the production of rice, sugarcane, millet, sorghum, maize, wheat, cassava and yams. During the 1984 planting season, twelve of the RBDAs assisted farmers to crop 188,194 hectares of various crops from which 24,859

⁴⁶⁴ M. S. Abdulkadir, (2013). "Restructuring the Role of Agriculture in Poverty Alleviation in Nigeria" in *Sokoto Journal of History*, Vol. 1, P. 3.

metric tons of maize, wheat, cowpeas, rice millet, sorghum, groundnuts and vegetables was produced.

The launching of Operation Feed the Nation in 1976 was meant to increase food production and to attain self-sufficiency in food supply. In order to assist farmers in terms of pricing, the government announced guaranteed minimum prices per metric ton for the 1976 agricultural season. Unfortunately, the fixed prices were found to be less than those obtained in the markets. In 1977, the existing regional marketing boards were reorganized into seven community boards for the purpose of promoting and marketing of cocoa, rubber, cotton, groundnuts, grains, palm produce and root crops. However, the boards recorded little success because the minimum prices fixed were lower than those obtained in rural markets. The boards wound up their operations in 1986. Between 1960 and 1984, the Green Revolution (i.e., the use of petrochemical derived pesticides, fertilizers and increased mechanization for agricultural development and transformation) transformed agriculture around the globe, while world grain production increased by 250%. The Green Revolution of 1980 in Nigeria was meant to guarantee self-reliance in food production and the diversification of Nigeria's sources of foreign exchange earnings. With the assistance of the World Bank from 1974, Agricultural Development Projects were primarily meant to increase agricultural (food) production, farm incomes for the majority of the rural households thereby improving the living standards and welfare of the farming population. The NALDA established in 1991 aimed at executing a National Agricultural Land Development Programme to minimize the problems of low utilization of

unused farmland. By the end of 1995, NALDA had developed a total of 16,000 hectares of land of which 81% was cultivated with various crops.⁴⁶⁵

Despite government intervention in agriculture from 1960 to 1990, the results, however, have not been positive. For example, by 1980, Nigeria's export of palm oil and kernels had disappeared from the world market. The agricultural share of the total GDP drastically declined from 64.08% in 1960 to 39.05% in 1990, 38.60% in 1991 and 37.7% in 1993. Agricultural GDP growth rate equally fell from 8.29 in 1965 to 4.34 in 1990, 3.41 in 1991 and 1.34 in 1993. Also, Nigeria's Balance of Payment Surplus which stood at N1.8 million and N2.4 billion in 1976 and 1980 respectively, indicated to a balance of deficits of N2.9 billion in 1981, N244.8 billion in 1983 and N13, 615.9 million in 1993.⁴⁶⁶

However, the revival and survival efforts and strategies of the government in agriculture have shown that funds were invested in the sector (though inadequate), several institutions were created, and the work force developed. But these were constrained by various factors including socio-economic, institutional and structural issues. Agricultural production remained low and lagged behind other sectors. Food supply still remained below the demand, food import bill continued to escalate, and poverty level increasing daily. There are still potentials and prospects for increased production and productivity in the sector, considering the fact that a substantial percentage of the population depends on it. What remains are

⁴⁶⁵ M. S. Abdulkadir, (2013). "Restructuring the Role of Agriculture in Poverty Alleviation in Nigeria" in *Sokoto Journal of History*, Vol. 1, Maiden Edition, Pp. 1-13.

⁴⁶⁶ M. S. Abdulkadir, (2013). "Restructuring the Role of Agriculture in Poverty Alleviation in Nigeria", in *Sokoto Journal of History*, Vol. 1, Maiden Edition; and M. S. Abdulkadir (2010). "Structuring Poverty and Unemployment in Nigeria: 1986-2008" in *The Nigerian Journal of Economic History*, Vols. 9&10, p. 174.

measures and structural strategies needed in policy making and implementation for increased productivity and poverty reduction.

The various programmes initiated and chiefly targeted at the rural sector by the governments were aimed at addressing the issues of agriculture, food security and poverty. Unfortunately, very often, governments took decisions relating to rural development with emphasis on “poor” rural dwellers without involving them in the process. In fact, as a result of lack of structural planning and meaningful adjustment strategies the aforementioned programmes recorded little achievements of their desired goals.

The reasons for the constraints are not far-fetched. Collectively, they include: the emergence of petroleum as an important foreign commodity, droughts of the 1970s (particularly in Northern Nigeria in 1973), incompetent management, corruption, nepotism, lack of proper feasibility studies which in turn hampered the chances of success, inadequate and poor infrastructural facilities, inadequate finance and shortage of funds, misappropriation of the available funds, untimely release of funds, increased food importation, inadequate data or information, inadequate farm machinery and equipment, unreliable rainfall, political instability, widespread declining per capita incomes, increased poverty and economic inequality, increased unfavorable international markets participation and shortage of qualified and experienced technical, professional and managerial manpower.⁴⁶⁷

⁴⁶⁷ M.S. Abdulkadir (2010). “Structuring Poverty and Unemployment in Nigeria: 1986-2008”, in *Nigerian Journal of Economic History*, Vols. 8&9, Pp. 185-190.

Conclusion

State intervention in the transformation and development of agriculture in Nigeria rarely worked the way they were supposed to, and therefore achieved very little. Between 1960 and 1990, successive Nigerian governments have initiated several programs designed to accelerate agricultural transformation, growth and development and/or raising living standards. Indeed, with few exceptions, the achievements of agricultural development policies and projects have fallen short of expectations. In addition, the various agricultural policies put in place since 1960 only enhanced the positions of the ruling class in Nigeria to accumulate wealth through importation of foreign food products, equipments, chemicals and fertilizers while the domestic or national deficits in food provision was never met. This had contributed in suppressing the national production to the advantage of the ruling class in Nigeria. Also, it was noted that all the agricultural policies were geared to serve the interest of the departing colonial capitalists or bourgeoisies but have not altered in the neo colonial state controlled by the indigenious capitalists either been civilian or military governments.