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Agricultural Policies Formulation and Implementation in Nigeria – Issues and Challenges

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Abstract

Nigeria is richly blessed with abundant natural resources prominent among which is agriculture with vast hectares of land for crop production including tree crops, cash crops, horticulture, timber and wood, livestock production, forestry and wildlife, as well as rivers and ocean with wide variety of fishes. Yet, Nigeria is considered a developing Nation due among other things to poor policy implementation which over the years has resulted in underutilization and poor management of these naturally endowed resources. Like some other developing countries in the Continent, hunger, unemployment, poverty and other developmental challenges abound. This paper considers politics, corruption and inconsistencies in governance as the root cause of poor policy implementation resulting in negative socio-economic development. The negative impacts of this situation on the livelihood of Nigerians were highlighted. Apart from the existence of Federal and State Ministries of Agriculture and Natural Resources, the establishment of agricultural development related projects and programmes like Operation Feed the Nation, National Agricultural Land Development Agency, Nigerian Agricultural Cooperative and Rural Development bank, Nigeria Agricultural Insurance Corporation, Agricultural Credit Guarantee Scheme and Agricultural Universities/Institutes to mention a few, are yet to make meaningful impact especially to the livelihood and well-being of rural dwellers which constitutes over 70% of the population. The challenges are enormous but the resources are abundantly sufficient to provide sustainable solution to them. The author therefore suggested that those who are saddled with policy implementation and stakeholders at all levels should consider the plight of over 70% of 150 million Nigerians and be committed to carrying out effective and sustainable implementation of laudable agricultural and rural development oriented policies.

1. Introduction

Agriculture is undoubtedly the cornerstone of Nigeria's economy with over 75% of its population engaged in subsistence agriculture. Before the discovery of oil in commercial quantities, agriculture was the main stay of the economy and major foreign exchange earner. It contributes significantly to the country's gross domestic product (GDP) as well as raw material for local industries and for export. According to [1], Agriculture is Nigeria's most assured engine of development, a reliable key to its industrialization, in spite of the huge but ephemeral revenue derived from the oil. Regrettably, this once viable sector has been relegated resulting in diverse socio-economic challenges.

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crops, horticulture, timber and wood, livestock production, forestry and wildlife, as well as rivers and ocean with wide variety of fishes. Yet, Nigeria is considered a developing Nation due among other things to poor policy implementation which over the years has resulted in underutilization and poor management of these naturally endowed resources. Like some other developing countries in the Continent, hunger, unemployment, poverty and other developmental challenges abound.

Agriculture holds the key to rural development, poverty alleviation and overall economic development among others [2]. Nigeria is a Country with huge agricultural resources which is capable of meeting among others the first Millennium Development Goal (MDG) - to halve the proportion of people living on less than a dollar (US\$1) a day and suffering from hunger between 1990 and 2015 - only if

these resources are properly harnessed through accelerated rural and agricultural growth. Growth in the agricultural sector where most of the workforce is located is a must for poverty reduction and economic growth.

Nigeria has a population of over 150 million – the largest in Africa – and a fast-growing economy. The agriculture sector employs about two-thirds of the country's total labour force and provides a livelihood for about 90 per cent of the rural population. Nigeria is the world's largest producer of cassava, yam and cowpea – all staple foods in sub-Saharan Africa. It is also a major producer of fish. Yet it is a food-deficit nation and imports large amounts of grain, livestock products and fish. Nigeria's huge agricultural resource base offers great potential for growth. Despite Nigeria's plentiful agricultural resources, poverty is widespread in the country and has increased since the late 1990s.

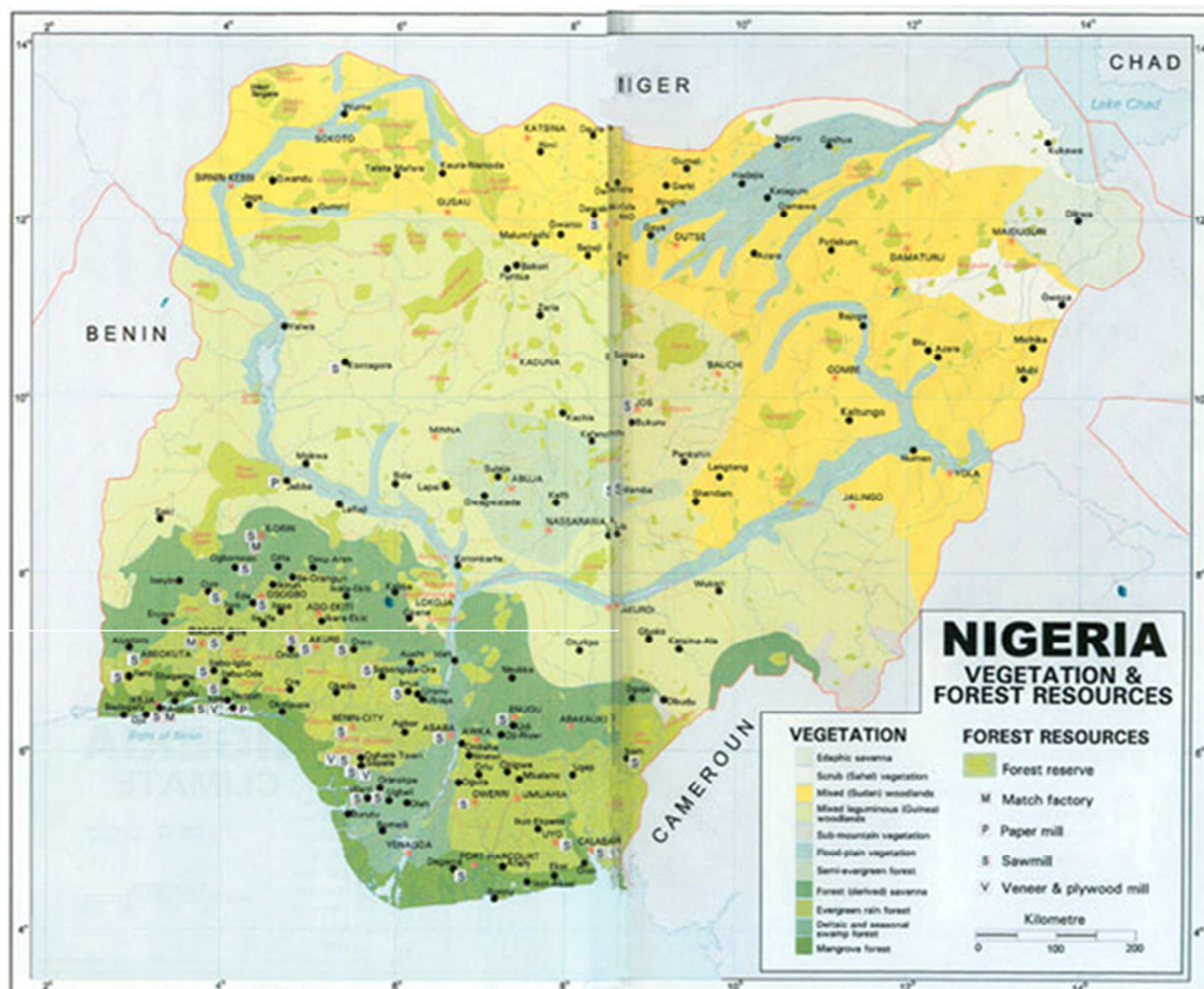




Figure 1. Vegetation & Forest Resources of Nigeria.

Poverty is especially severe in rural areas, where up to 80 per cent of the population lives below the poverty line and social services and infrastructure are limited. The country's poor rural women and men depend on agriculture for food and income. About 90 per cent of Nigeria's food is produced by small-scale farmers who cultivate small plots of land and depend on rainfall rather than irrigation systems. Most farmers across the country cultivate less than 1 hectare of land per household. Women play a major role in the production, processing and marketing of food crops. The poorest groups eke out a subsistence living but often go short of food, particularly during the pre-harvest period. Over recent decades the number of men migrating from rural areas in search of employment has increased.

Rural infrastructure in Nigeria has long been neglected. Investments in health, education and water supply have been focused largely on the cities. As a result, the rural population has extremely limited access to services such as schools and health centres, and about half of the population lacks access to safe drinking water. Neglect of rural infrastructure affects the profitability of agricultural production. The lack of rural

roads impedes the marketing of agricultural commodities, prevents farmers from selling their produce at reasonable prices, and leads to spoilage. Limited accessibility cuts small-scale farmers off from sources of inputs, equipment and new technology and this keeps yields low.

As the population swells and puts pressure on diminishing resources, escalating environmental problems further threaten food production. Land degradation as a result of extensive agriculture, deforestation and overgrazing is already severe in many parts of the country. Drought has become common in the north, and erosion provoked by heavy rains, floods and oil pollution is a major problem in the south and south-east.

2. Agricultural Policies in Nigeria – The Journey so Far

Policy formulation is a crucial aspect of governance in any Nation or Organization as it provides guidelines and frame work for the realization of their set goals. The Nigeria agricultural policy has as its major focus on the attainment of self-sustaining growth in all the sub-sectors of agriculture

and the structural transformation necessary for the overall socio-economic development of the country as well as the improvement in the quality the life of Nigerians.

Towards the achievement of the above goal, far reaching policies which resulted in the establishment of Agricultural development Institutions, programmes, projects, agencies and financial Institutions were formulated. These institutions include; Agricultural research and training institutes, Agricultural Universities, Green revolution (GR), Operation feed the Nation (OFN), River Basin development Authorities, Department of Food Roads and Rural Infrastructure (DFRRI), National Agricultural Land Development Agency (NALDA), Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB) and Nigeria Agricultural Insurance Corporation (NAIC) among others. Apart from the above mentioned establishment, there are quite a number of other related Institutions, agencies and corporation which were established by State Governments. These are offshoots of various policies with high expectations about their impact on the economic growth and well-being of Nigeria and Nigerians. However, with the current state of the livelihood of Nigerians and Nigeria's economy, it could be said that the various agricultural and rural development policies are beautiful and good paper work which is yet to translate to positive socio-economic development Nigerians.

Private expectations about implementation of public policy are often not fulfilled. In other words, government does not always keep its word. There are frequent shifts or discontinuities in government policies. In other words, government policies are unstable. Conflicts among public policies are frequent. In other words, there are inconsistencies or incompatibilities in government policies. Private Nigerian economic agents desire stable and consistent public policies and a government that keeps its word [3]. The general public seems to have lost interest in government policy pronouncement since most of such pronouncements are merely political statement with little or no effect on people's livelihood.

The negative impacts of poor agricultural policy implementation on the performance of agricultural institutions are quite enormous. In Nigeria, there are many colleges of agriculture, institutions of agricultural research as well as faculties and departments of agriculture in our tertiary institutions. Policy statements and relevant governmental support at the planning stage of these bodies are quite laudable but at the end of the day merely paper work and political statement.

3. Policy Formulation

During the mid-1970s Nigeria began adopting a more restrictive strategy of import prohibition, or bans, as an instrument of its overall trade policy [4]. In 1978 the government placed seventy-six broad groups on the prohibited import band list [5]. Although originally intended as a short-term measure aimed at protecting domestic industries and reducing the country's perceived dependence

on imports, the import ban policy has continued to the present where as of October 2012 there remains twenty-four items on the prohibition list [6]. Articles on the list include pork, beef, frozen poultry, refined vegetable oils, bagged cement, corrugated paper, textiles, used motor vehicles and furniture [6].

Nigeria's membership of the WTO provides it, in principle, with a strong external trade policy surveillance mechanism. But the role of the WTO as an 'agent of restraint' in favour of good trade policy is feasible only to the extent that two important conditions are met. First, the government whose behaviour is to be 'restrained' must be committed to good trade policy and thus be willing to tie its own hand and use an external treaty obligation to strengthen its hand against local vested interests. Second, the external agent must have adequate sanctions which it is able and willing to use to punish deviations from the pursuit of good trade policy. Neither of these conditions appears to have been effective in dissuading Nigeria from the continued use of its import prohibition policy.

The basic problems inherent in the framework and process of trade policy-making in Nigeria and its surveillance are complex [7]. According to the report, the president of the Lagos Chamber of Commerce and Industry stated that there are no queries with the principles of protection, but with the process; the recent import prohibition policy was not preceded by sufficient consultation. Import prohibition is a major trade policy decision which requires wide-ranging consultations, capacity surveys and the advice of trade and economic development experts before being pronounced as policy. Sufficient account was not taken of the local capacity vis-à-vis local demand and issues of policy transitions and implications for existing treaties to which Nigeria is signatory. Any sustained effort to eliminate import prohibitions in Nigeria is unlikely to be permanently successful if it does not first address these underlying problems.

4. Inconsistent Government Policies

Inconsistent government policies, devalued currencies and price instability hinder maximum returns to local cereal producers. These inconsistent policies have been counterproductive.

5. Backward Integration Policy

Following the Structural Adjustment Programme (SAP) of the 1980s, the Federal Government of Nigeria in an effort to conserve foreign exchange earnings, and enhance domestic and commercial production, started restricting importation of certain goods. Some categories of goods were completely prohibited from the country's import list. In a bid to boost local production and promote use of the grain, the importation of sorghum was banned in Nigeria, however, the ban was lifted 2008. The export of the grain was also prohibited until 2011, this was also to ensure that local

demands are fully satisfied. Currently, importation of sorghum attracts import tariff of 5 percent. Large demand by Nigerian breweries and other brewing companies creates market opportunities for local production of sorghum as well importation of the grain [8].

In addition, the government introduced the policy on Backward Integration, which requested manufacturers to substitute some imported raw and packaging materials with local alternatives. Malted barley importation was banned in 1988 and all breweries were forced to brew with only locally available grains. This policy was however, in 1999. Yet brewing companies have adapted their brewing facilities to successfully malt sorghum and some other local grains.

6. Agricultural Policy Implementation Challenges

Policy instruments are as important as the vision, mission and developmental goals of any organization or Nation. However, over 75% of the population in developing Countries whose major means of livelihood is agriculture remain poor and live on less than \$1 a day due to non or inappropriate implementation of policies. Hezell [9], identified innovations, infrastructure, inputs, institutions and incentives (five I's) as factors that promotes agricultural growth. This growth can only be achieved if policies are justifiably implemented. Some of the major challenges confronting the implementation of laudable policies are;

- a. Inconsistency in governance
- b. Inconsistent agricultural policy formulation and implementation
- c. Corruption
- d. Politics and political instability
- e. Nigeria's overreliance on oil at the expense of agriculture
- f. Poor rural development strategies
- g. The agricultural sector is still largely dominated by resource – poor farmers
- h. Diversion of agricultural and rural development funds
- i. Granting of agricultural loans to fake farmers who are mostly rich people that will not invest in agriculture
- j. Poor and inadequate incentives
- k. Inadequate and poorly equipped extension services
- l. Poor pricing and marketing structure
- m. Poor policy implementation, Inadequate funding and poor management of resources e.g. grazing reserve, agricultural research institutions, agricultural bank (e.g. Nigeria Agricultural Cooperative and Rural Development Bank), Nigeria Agricultural Insurance Corporation e.t.c

7. Conclusion and Recommendations

Nigerian agricultural development has witnessed major turnaround through the institutionalization of and the implementation of an Agricultural Transformation Agenda

(ATA) as one of the key drivers of the National Economic Transformation Agenda whose aim is to diversify the economy from reliance on oil, assure food security and create jobs, especially for the youth. In line with this, implementing institutions and structures were put in place that will promote agribusiness, attract private sector investment in agriculture, reduce post-harvest losses, add value to local agricultural produce, develop rural infrastructure and enhance access of farmers to financial services and markets [10]. Worthy of note is the ambitious target of creating over 3.5 million jobs along the value chains of the priority crops, livestock and fisheries for Nigeria's teeming youths and women set by ATA and since livestock is a source of nutrients from meat and dairy and contributes significantly to livelihoods, directly supporting smallholder farmers and creating employment. The effect of these interventions is demonstrated in the increase (19.65% of GDP) in non-oil sector contribution in the first quarter of 2014 by the agricultural sector of the economy [11].

Starting in 2010 – 2011, the Government of Nigeria, after years of benign neglect, began to reform the agriculture sector. To refocus the sector, the Government implemented a new strategy, the Agricultural Transformation Agenda (ATA). In 2011-2016, the focus was on rebuilding a sector whose relevance had shrunk dramatically. That was reflected in the lack of lending to farmers by the financial system and the dramatic levels of food imports from across the world. That intervention, the ATA, served its core purpose of helping refocus Nigeria's attention on agriculture. Today, as we evaluate the progress made under the ATA, it is apparent that additional work is still required in order to meet our objectives. Nigeria still imports a significant amount of food. Nigeria is also not earning significant foreign exchange from agriculture, meaning we are losing on both ends. Therefore, it became paramount to "refresh our strategy" to tackle these 2 issues head on. The Agricultural Promotion Policy (APP) is that refreshed strategy.

According to [3], the estimates of implementation deviation indicate consequential over- and undershooting of policy targets. Implementation deviation was persistent and volatile in addition to being consequential. Even without a comprehensive evaluation of the credibility of agricultural policies, it is hardly likely that a policy regime would be credible if implementation deviations are consequential, persistent and volatile, and policy variables exhibit long term volatility. Therefore, the partial assessment notwithstanding, the effects of political instability and structural adjustment on the credibility of agricultural policies are worthy of further investigations.

To place Nigeria among Committee of Nations with best and sustainable economy, the agricultural sector which is endowed with sustainable resources, the issue of policy summersault and other related challenges must be addressed. Placing high value on agriculture through management and diversification of agricultural production is a key component of the transformation [12]. Nigeria's agricultural sector has done it once and if given the rightful priority, the sector will

do even better.

Agroentrepreneurship development is a strategy which can be used to strengthen our economic and give meaningful livelihood to Nigerians. Such strategies that will enhance agricultural business development both locally and internationally will no doubt boost Nigeria's foreign exchange earnings. Poor knowledge about value addition is one vital aspect that is affecting agricultural product quality in international market. Through a properly articulated entrepreneurship education, such standard could be met and this will contribute positively to the nation's economy and citizen's livelihood.

Policies relating to agricultural training, provision of incentives and the establishment of support institutions like Nigeria Agricultural Cooperative and Rural Development Bank, Nigeria Agricultural Insurance Corporation and Small and Medium Enterprises Development among others requires holistic restructuring and sincere implementation. In most cases, it is not that is faulty but the implementation, therefore, if the transformation agenda of the current political dispensation is to achieve its aim, challenges associated with policy implementation should be addressed.

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