

AN EVALUATION OF POST-INDEPENDENCE AGRICULTURAL POLICIES IN RELATION TO ECONOMIC DEVELOPMENT IN NIGERIA(1960 - 1987)

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ABSTRACT

Agriculture in its common parlance includes production, research and training in the fields of crops, forestry, fishing and livestock. Nigerian agriculture was characterised

by low farm incomes; low capacity level to satisfy food and fibre needs of the country, and primitive techniques of production. Yet, there was little consensus with respect to the most appropriate strategy for securing increased farm output and productivity in an underdeveloped agriculture. This paper therefore argued that careful planning, scientific forecasting and improved implementation mechanism are factors which will yield the nation more dividend than mere statements, promises and strategies.

KEYWORDS: AGRICULTURE, ECONOMY, NIGERIA , GREEN REVOLUTION PROGRAMME, OPERATION FEED THE NATION , CREDIT, FINANCE , POLICIES , DEVELOPMENT, POST-INDEPENDENCE

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## 1.0 INTRODUCTION

The purpose of this research paper is to evaluate the role of post-independence agricultural policies with respect to Nigerian Economic Development . It is hoped that the paper will help to clarify some of the country's economic policies, while offering some elementary ideas which could be useful in the formulation of future policies. It is a common knowledge that agriculture has been the life blood of this country, and this cardinal position makes the sector a daily issue. To show how effective the post-independence agricultural policies have been in relation to our economic development , this paper discusses concisely in the introductory part , the state of the Nigerian Agriculture since independence and enumerates the various agricultural policies which have been adopted by the Nigerian government. In view of restrictions imposed by space, only the most striking policies have been evaluated. This paper has three main sections and the first looks at the Operation Feed the Nation scheme. The second section looks at the green revolution programme, and the third looks at agricultural credit and finance policies.

Agriculture in its common parlance includes production research and training in the fields of crops, forestry, fishing and livestock. In Nigeria, Agriculture is the most important sector of the economy. Up till the late fifties, it contributed over 60 percent of gross domestic product and since independence, the percentage contribution has fallen drastically. The decline is attributed to the boom in the petroleum industries and the

growth of the industrial sector. Although the sectors output and earning have declined, agriculture still provides employment to over 70 percent of Nigerian population. It provides employment and livelihood for farmers and creates jobs for the people who serve the farming industry like transporters and farm labourers. It also provides raw materials for the country's industries.

Nigerian agriculture is characterised by low farm incomes, low capacity level to satisfy food and fibre needs of the country, and primitive techniques of production. It is in fact a proto-type of peasant agriculture which has been described by various writers as being caught in a vicious circle of poverty. By this expression, I mean the existence of low income which leads to poor savings and little investment which re-inforces the original low income.

While it is widely recognised that the development of agriculture is one of the crucial requirements for overall economic growth, there is little consensus with respect to the most appropriate strategy for securing increased farm output and productivity in an underdeveloped agriculture. This controversy notwithstanding, resources allocated to agricultural development must take account of specific bottlenecks and possibilities as defined by the physical and human environment of a country. This being the case, both the state and the federal governments have taken a number of measures to ensure the steady flow of funds to the agricultural sector. Many state governments for instance operate agricultural loan scheme under various names. Some of the policies carried out by the federal government to improve agricultural production include: the 1973 National Accelerated Food Production Programme, abolition of import duties on fishing vessels, agricultural machinery and equipment; operation feed the nation scheme; the green revolution programme; the establishment of the agricultural and co-operative bank limited; the agricultural credit guarantee scheme; the raising of bank loans and advances to agricultural sector from sixty percent to eighty percent in 1980; and the recent back to land programme. Generally, these policies have the following objectives: to increase agricultural production rapidly and to create rural employment opportunities throughout the country. All other declared objectives can be fitted into one of the two basic goals.

The objective of this paper therefore is to investigate and evaluate the impact of some of these policies; and to suggest additional measures or policies for further development of the country's agriculture, especially as petroleum is ceasing to be the economic life wire.

## 2.0 THE ECONOMIC IMPLICATIONS OF OPERATION FEED THE NATION

The Operation Feed the Nation scheme was launched on May 20, 1976 by the then Head of State, Lt. General Olusegun Obasanjo. The main objectives of this scheme were to mobilise the nation towards self sufficiency and self reliance in food; to encourage the section of the population which relies on buying food to grow its own food; to encourage general pride in agriculture through the realisation that a nation which cannot feed itself cannot be proud; and to encourage balanced nutrition. When such increased production is finally achieved, it will be harnessed in such a way as to ensure that the farmer receives a fair and equitable reward for his effort; to ensure that this nation builds its food reserve not only for emergency but also for reasonably stable prices to the consumer; and to ensure that the surplus forms the basis for the development and expansion of agro-allied industrialisation in the country.

When the program took off, the government provided 50,000 tons of fertilisers for farmers, who paid a uniform price for each type of fertiliser bought irrespective of their locations. These prices were heavily subsidised by the government. Fishing nets and simple implements were made available while large quantities of pesticide were kept

in readiness to prevent pests from frustrating the farmers' effort. The government had to guarantee minimum prices for some of the food crops, to protect the farmer from seasonal fluctuations from the price of his produce and to ensure that he derives a reasonable share of the nations wealth.

Feeder roads were constructed to facilitate the transportation of both cash crops and food crops from the rural to urban areas and the bridging of the communication gap between the farmers and the government, to ensure that the prompt attention is given to the problems hanging on such important issues as agricultural methods of production , manpower and development of rural projects.

The federal government of Nigeria has during the period allocated 10 aircraft's for serial spraying against pests which attack crops and a sum of #200, 000 was spent on the importation day-old chicks which were latter distributed to the various OFN farms. To make sure that there was adequate manpower to service the scheme the government registered over 26,000 vacation students at state levels. Furthermore, the federal government also went further to send an eight man delegation to Peking, china, to see the Chinese agricultural revolutions.

The greatest obstacle in the spread of operation feed the nation was the slow provision of an appropriate institutional framework for extension services and credit. There is also the problem of weather. The first factor to be considered in this regard, is the water demand of plants. Among factors affecting yield, the following are considered critical: length of crops growing season versus length of rainy season, heat sun or degree days of growth, sunshine hours and precipitation reliability. Another important problem confronting agricultural production is wastage. This results from lack of proper handling, care and storage. It has been estimated that about 50%-75% of food is wasted due to spoilage and wastage in the country.

The fourth problem concerns administrative and financial limitations. There is no doubt that the Operation Feed the Nation program has not been smooth-sailing because of this problem. All over the country, there have been cases of delayed arrival of fertilisers, in some remote areas of the country due to transport difficulties and the port congestion problems. Although there is a shortage of food, a good amount of the problem stems not mainly from non-availability of some food items but from the fact that the market women and middlemen often conspired to raise the prices.

Many Nigerians would, without doubt , agree that the OFN scheme took off in the right direction . At least, it gradually reduced the influx of people from the rural to urban areas. More importantly, it made many Nigerians who hitherto had seen themselves too decent to till the soil to begin to appreciate the dignity and fruits of labour. In the process rural - urban migration, which has plagued the nation's economic development was considerably reduced.

Secondly, the involvement of students of post secondary level in the first year's program was advantageous. There were psychological benefits in getting undergraduates to work with their hands on farms. At least the exercise enabled them to appreciate complexities in food production. Again it made them realise the benefits of self employment and the independence that goes with it, especially in periods of high unemployment. The willingness on the part of adult Nigerians to use their hands can be expected to contribute to the solution of our socio-economic malady. Despite the above achievements, it has been reported in different issues of Nigerian daily newspapers that prices of the major staples were higher during the last six months of 1976 than they were during the corresponding period in 1975. There are reports that these prices have been rising even higher since 1977.

Again the military government's total attention to oil production sent agriculture packing and ushered in hunger. Similarly, the OFN which was more or less an 11th hour measure to save the day was half hearted. Instead , of embarking on real large-scale

and mechanised farming here and there which many thought was the aim behind the land use act, the OFN scheme glorified in publicity. In most cases, all that people saw of it were pictures of one military general or the other on the pages of newspaper showing where they are launching the programme. In other words, the scheme hardly went beyond the launching stage, thus resulting in a waste of scarce resources meant for economic development and the diversification of the economy. Consequently, it has been observed that the OFN has contributed in making the rich richer and the poor poorer and hence compounding the existing inequality in the distribution of income in the country. This inequality is considered as a major constraint to the economic development of the country.

For an effective OFN, the following factors should be considered: Agricultural research centres which will develop new agricultural technology, effective extension service to carry the fruits of science and technology to the local farmers; adequate production incentives to farmers to increase their produce; effective marketing system for agricultural produces; efficient transportation and communication system that reaches most farms; and making the farm equipment's and inputs materials available to the farmers at reasonable prices. Secondly, to make OFN scheme a real success, there are some other economic implications which should be considered well ahead of time such as the decision of what to produce, where to produce and how to produce. Such planning which will avoid misallocation of resources as well misery to millions of people.

Again to improve agriculture in Nigeria under Operation Feed the Nation Scheme, the country may employ the Keynesian prescription of rural works program by increasing rural works program with at least the same amount of money which is spent for students' involvement annually. The American post Depression of the 1930s and the recent Chinese, Indian and Bangladesh approach of employing surplus labour for capital works suggests that rural Nigerians, can benefit from rural works programme by turning wasted resources into productive assets (Mustafa, 1976:25). Indeed, the OFN program must be seen as an integral part of an agricultural development process which can be painfully slow but which can and must be accelerated through realistic planning and commitment to implement the plan.

### 3.0 THE GREEN REVOLUTION PROGRAM: APPRAISALS AND ALTERNATIVES

The green revolution program was formally launched on June 3, 1980 by Shehu Shagari, the then president of Federal Republic of Nigeria. One of the plans embarked upon to make GRP a success was the staging of the Natural Agricultural Show. The Green Revolution was given a special privilege before it was launched. That privilege was the land use decree, which had not been abrogated, vesting all land in the government and governmental institutions. The Green Revolution was designed to deal with the most basic of human needs and offers scope for better balance between the growing population and its food requirements. Again, the program was designed to revolutionise agriculture and consequently the living condition of the people in the rural areas. This programme include not only increase in food crops but also other aspects of agricultural co-operatives, and agro-allied industries operation.

The top most executive body for administering the green revolution program was the green revolution council. The president was the Chairman of the council. Some other ministers were also members. The decisions taken by the council are passed onto the appropriate ministries for implementation. There were also other sub-committees set up in relation to the implementation of green revolution programme by the federal government. All

technical decision pass through the sub-committee before they are presented to the council through the national committee. The sub-committee studied and reviewed reports and recommend the course of action to follow. Again, during this period, the federal government through the national seed services released 16 tons of maize and 32 tons of rice for distribution to the farmers in 1981. Again, some tractors were issued to some co-operative farmers in certain states like Oyo state.

Some of the problem of green revolution program were the inadequacy and untimely supply of inputs, lack of necessary infrastructures, insufficient land made available, inadequate transport facilities. Secondly, the factors which determine bad and bumper harvests are beyond human ingenuity-excessive or insufficient rain fall, the destruction of yields by pest. Again, there are some traditionally dressed gentlemen who troop to the state offices of Green Revolution programme to fill forms for loans, who are not farmers but wealthy traders. This appears to be a misplacement of the objectives of the programme. Again, the problem of shortage borders on the fact that the task of producing food in Nigeria was left to the few rural dwellers. And this has not only resulted in low yearly turnover of food but has placed the entire agricultural sector into low rating.

Before this programme took off, none of the farmers group could cultivate here than five hectares even with the assistance of the tractor-hiring -unit. But the green revolution improved the situation. A good harvest was envisaged from 1982 planting season with the federal government's assistance to the farmers. Again, under the poultry intensification programme, an average of 1,500 chicks were able to be supplied daily in some states. Despite the above achievement, green revolution as a scheme was introduced with the sole aim of producing food in large quantity to feed Nigerians and also to aid in improving Nigerian economy. But contrary to our expectations and hopes, it eventually turned out to be a worthless drain in our economy.

The gentleman behind the programme, rather than pursue the venture with the positiveness it naturally deserves only turned around and used it as avenue to squander public funds, all in the name of executive "green revolution". Today, it is indeed disheartening and disgusting to note that a country endowed with abundant natural resources is now imaged into a state of acute starvation . now the economic effect of this was that it resulted to poor health of the labour forces which imposes a constraint to the economic development of the country . Secondly with the prices of some food items constantly skyrocketing couple with the inavailability of some food items in the market places ,it is then argued that there is nothing green in the green revolution . Also it has been argued in many quaters that importation of rice and other food items from the advanced countries is nothing short of draining our constantly diminishing foreign exchange earning .As a result the country has been suffering from a deficit or unfavoured balance of payment situation since our imports exceed our exports. And this has for long , contributed to our dwindling economy as being experienced present y in the country today's

the government should go into partnership with foreign full-time devoted fares. Some of these farmers in Italy, United states, Western Germany, china etc., have succeed in mechanised agriculture, mixed farming and mass production of a variety of food and export crops. We need them as partners to our farmers to convince them that it pay to be a full time and teach practically the techniques and manipulation of modern farming implements. Such foreign farmers will bring their capital and equipment in partnership with the local farmers whose won capital and equipment will be provided by the current agricultural loan programme of the government. This partnership will continue until Nigerians have once again inhabited agriculture as a complete industry. When this has been accomplishes the foreign partners can then allowed to repatriate their capital and profit. Secondary a combination of the large scale projects and small family holdings will move the country to self sufficiency in food production. Another setting conducive to large scale agriculture is the existence of opportunity to link production directly with marketing which is called vertical integration. Hence I advocate for the establishment of large-scale farming sponsored by the federal government to supplement the production by the family farm to serve as farming. And this large scale farming could be possible where is unused scientific knowledge where size provides substantial economic efficiencies,

where special opportunities exist for the exploitation of market opportunities, and where it is in keeping with tradition.

#### 4.0: THE PROBLEMS AND PROSPECTS OF AGRICULTURAL CREDIT AND FINANCE POLICES:

Agricultural finance is basically related to agricultural development. It is based on the economic belief that agricultural development is a process that involves adoption by farmers of new production practices and the acquisition of new input materials. Unfortunately, the rural capital market cannot supply the needed funds to finance such innovations. As a result, agricultural development in Nigeria as in similar developing nations is stunted. The problem of agricultural finance then becomes that of finding adequate fund for agricultural development, identifying the right farmers who could benefit from such fund, extending such fund to the right farmers on terms acceptable to both the sponsor and the receiving farmers. The programmes discussed in this section are the Nigerian farm credit corporation and the New Programmes.

##### 4.1 Nigerian Farm Credit Corporation.

This was the first programme established to aid farmers with finance in terms of loans. These were in the form of various regional credit corporations and regional development boards. But unfortunately, they failed to meet the goals intended for them.

The failure of the farm credit corporation is traceable to administrative and organisational inefficiency. In the first place, they failed to reach a sizeable number of farmers. They also had very complex application procedure, and they failed to provide the loan when most required by the farmers.

The problem of this corporation was the preponderance of small farmers in the Nigerian rural economy. Again about 90 percent of these farmers require loans, generally of the size regarded uneconomical by loan agencies. Unfortunately, the people who need the aid most turn out to be the least qualified.

##### 4.2 The New Programmes:

The two latest programmes dealing with agricultural finance are those of the Nigerian Agricultural and Co-operative Bank (NACB) and the Agricultural Credit Guarantee scheme (ACGS).

The Nigerian Agricultural and Co-operative Bank; is organised as a development bank to provide credit and loans for agricultural development. It was established to finance all agricultural development projects subject only to the viability of such projects, and the provision of adequate securities... in character of substance. It was intended to charge adequate rates of interest to cover its costs, but exhorted to charge less than the commercial bank rates. Emphasis was to be on small farmers while both repayment capability and security were to be emphasised.

The Agricultural was established in 1977. The act provides for a fund of N100 million subscribed to by then federal military government (60%) and the central bank of Nigeria (40%) for the year ended 31st December 1980. The purpose of the fund is to provide guarantee in respect of loans granted by commercial and merchant banks for agricultural purposes with the aim of increasing the level of bank credit to agricultural sector. The creates compulsion for the banks to lend to agriculture is the central bank credit guideline that as a minimum proportion, 6 percent of all bank credit should be for agricultural projects." Ojo (1981:136)

There is the tendency for all investors to use the credit for purpose other than with it was granted. There is the temptation to utilise the credit outside any planned programme with the result that the farmer may push himself into over-expansion, over trading, extravagant living or even fraudulent or highly speculative ventures.

There is also the endemic problem with most of the peasant farmers concerning their lack of knowledge of even the sources of credit or terms of loans owing to the low level of literacy among the preponderance of the full time farmers, and also due to inadequate communication facilities in the country, most of the farmers are not in a position to indicate or understand the names, locations and types of existing credit resources, much less of the import of interest rates which apply to farm loans.

Again certain credit institutions notably banks could want to be satisfied with the quality of the management of any venture into which they are being called upon to invest. But unfortunately every few farmers in Nigeria possess the necessary managerial skill or the technical knowledge which could adequately meet the standard expected by these credit institutions.

Finally while small farmers have been exempted from fulfilling the obligation in as far as loans under the ACGSF is concerned, there is nothing to indicate that the banks do not demand such a report from the small farmers for loans outside the guarantee scheme.

Available statistics shows that these banks have not made any significant impact since inception. For instance the banks failed to meet the prescribed minimum, except in 1979 when they exceeded the minimum by 5 percent. Again it is not possible to classify commercial bank credit to agriculture, but one could indicate that greater part of the loans have gone to the bigger, as opposed to the smaller farmers, and may have been for marketing function farther than production functions. This indicates that the small farmers are still left out. The problem persists and hence constitute a trait to the economic development of the country in ensuring balance growth of the economy. With respect to the Nigerian Agricultural and co-operative bank, emphasis seem to have been placed on loans to co-operative organisations rather than small scale farmers. They always complain of loan shortage to meet their obligations. The point here is that the bank allocates greater share of its loan to co-operatives and the government and hence the greater part of the 90 percent of the Nigerian farmers still have no access to a dependable source of agricultural credit. The fact is that the nation will continue to wallow in the ocean of economic backwardness since the greater percentage of the population is still in the poverty stage.

The federal government should spend adequate sum of money at providing infrastructures, particularly on the various river basins and irrigation scheme through the country.

The government should also increase the guarantee of agricultural credit and guarantee scheme fund to 100 percent. The bank still have to bear some responsibility, effective supervision and assessment.

The government should introduce a scheme which could be called national agricultural promotion fund. This fund could be a form of taxation in respect of large companies or oil companies, whereby all companies should be taxed about 5 percent of their profit for this fund.

## 5.0 CONCLUSION

Without doubt, Nigeria has embarked on so many policies to improve her agricultural productivity. These policies are well thought out ideas and had every promise of making Nigeria self-reliant in food production. But in execution they were so muddled up that the original Spirit and purpose of these schemes and programmes were swept into the thin air. They rather provided opportunities for dubious Nigerians to enrich themselves. Ironically, enough time has past since so much (thousands and possibly billions) was spent on these agricultural programmes and schemes, yet Nigerian cannot feed her populace without resources for food importation and food aid which drains our scarce foreign exchange reserve, thus imposing a constraint on our economic development.

Given the shortcomings which stem from implementation it is believed that careful planning scientific forecasting and improved implementation mechanism are factors which

will yield this nation more dividend than mere statements and promises and strategies we do not need men with the knowledge of Socrates to assemble and tell us what agricultural policy to adopt. As an agricultural country with wide and historical connections with countries that have managed to produced enough to feed their population, all that we need is to learn from our own experience as well as the experiences of others bearing in mind the successes and failures of each method or policy.

Finally, I am convinced that three major factors must be taken together to guide us in our search for a stable agricultural policy. They are dynamism, flexibility and result-orientedness.

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